OREGON TRANSPORTATION COMMISSION

Minutes of the Regular Business Meeting
January 21, 2021
Salem, Oregon

The regular meeting began at 9:00 a.m. at the Oregon Department of Transportation Headquarters in Salem, Oregon.

Video recording of the meeting is available online through the commission website: https://www.youtube.com/user/OregonDOT/live.

Background materials for all agenda items are stored in **Director/Commission/History Center File, Salem, Oregon.**

Notice of these meetings was made by press release to local and statewide media circulation throughout the state. Those attending part or all of the meetings included:

Chair Robert Van Brocklin
Vice Chair Alando Simpson
Commissioner Julie Brown
Commissioner Maurice Henderson II (absent)
Commissioner Sharon Smith
Director Kristopher Strickler
Asst. Director for Finance and Compliance Travis Brouwer
Asst. Director for Operations, Cooper Brown
Asst Director for Social Equity Nikotris Perkins
Asst. Director for Government and External Relations Lindsay Baker
Climate Office Director Amanda Pietz
Urban Mobility Office Director Brendan Finn
Urban Mobility Office Deputy Director Della Mosier
Delivery and Operations Div. Administrator Karen Rowe
Statewide Investments Management Section Manager Jeff Flowers
Policy, Data and Analysis Division Administrator Jerri Bohard
Public Transportation Division Administrator Karyn Criswell
Toll Program Director Lucinda Broussard
Rose Quarter Project Director Megan Channell
I-205 Project Director Mandy Putney
Interstate Bridge Replacement Program Administrator Greg Johnson
Budget Manager Stefan Hamlin
Commission Assistant Michelle Bowlin

Chair Van Brocklin called the meeting to order at 9:00 a.m.

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Chair's Report
Agenda Item A

Oregon Transportation Commission (OTC) Chair Robert Van Brocklin welcomed those tuning in and participating in the meeting and thanked the public for their submitted comments. He noted there would be live closed-captioning available to assist in transcribing the meeting. He reserved time for him and the commission to recognize Oregon Transportation Commission Executive Assistant Michelle Bowlin for her service and congratulated her on her next professional endeavor.

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Director's Report
Agenda Item B

ODOT Director Strickler provided a report to inform the commission of five items of interest:

- Senate Bill 1601, passed in the July 2020 First Special Session of the Oregon State Legislature, directed consolidation of the Special Transportation Fund and the Statewide Transportation Improvement Fund programs, effective July 1, 2023. ODOT's Public Transportation Division is launching a Rules Advisory Committee to develop rules that maintain the areas of emphasis established in both STF and STIF statute. The first of six Rules Advisory Committee meetings will be held in spring 2021.
- House Bill 2015, also known as the "Driver Licenses for All" bill, was passed by the Oregon Legislature in 2019. This bill allows individuals unable to prove legal presence to obtain a standard driver license or ID card beginning this year. This new law went into effect earlier this month and, despite the many challenges our DMV team has faced this past year, DMV began successfully issuing licenses to this newly-eligible population on January 4. This successful launch was made possible by the dedicated work of our DMV team and intentional partnership and collaboration with community-based organizations and other external partners across the state. We have already heard multiple stories of community members who have received their license after many years of being unable to lawfully drive, and how this law has fundamentally changed their lives by allowing them to drive, lawfully, with insurance, and without fear, to the grocery store, work, worship, school, and to access other essential services.
- The Commerce and Compliance Division and the Information Systems Branch have kicked off work efforts on the Automated Routing Permit System. Oregon is one of ten states lacking any automation for the over dimension permitting process. Seven states, plus Oregon, are in the process of considering or actively pursuing this capability. At full implementation, the Automated Routing Permit System would be a Commercial-Off-The-Shelf based software system that would:
    - Generate single trip permits 24 hours per day, 365 days per year
    - Improve service levels and save carriers time
    - Increase compliance
    - Lower program management costs
    - Push notifications of planned and unplanned road closures and/or restrictions
    - Improve safety and minimize risk to the infrastructure due to fewer opportunities for human error
    - Provide more efficient use of state resources
    - Be consistent with Federal Highway Administration's best practices for oversize/overweight permitting
- Rose Quarter Project Director Megan Channell is known for her ongoing efforts to advance women in the transportation sector and for her leadership at ODOT and within the broader

community in this area. In addition to serving as the Rose Quarter Project Director, hiring and mentoring her team and other staff at ODOT, Megan is an active ambassador for continuing to diversify the transportation sector throughout the region. Megan's professionalism, leadership, mentoring and management skills were publically recognized in 2019 when she was named a DJC Woman of Vision. She is an excellent communicator, skilled at creating collaborative visioning and implementation processes. These traits have served her well in her current and past roles at ODOT, and have made her an asset to the Women's Transportation Seminar Portland Board where she has served as Vice President for the past two years. The Women's Transportation Seminar is an international organization that attracts, sustains, connects and advances women's careers to strengthen the transportation industry with a focus on equity and access for women. The goals of Women's Transportation Seminar are in strong alignment with our Strategic Action Plan and ODOT is a proud sponsor of the Portland Chapter. Megan Channell has been named President of the Portland Board. She began a two-year term this month.

- ODOT's Public Transportation Division, the California Association for Coordinated Transportation (Caltrans), and Washington Department of Transportation partnered together to receive $5.3 million from the Federal Highway Administration's ITS4US competitive grant award, with Caltrans as the lead agency. "The Complete Trip – ITS4US Deployment Program" is a $40 million multimodal effort, led by the Intelligent Transportation System Joint Program Office and supported by the Office of the Secretary of Transportation, Federal Highway Administration, and Federal Transit Administration to provide more efficient, affordable, and accessible transportation options for underserved communities. The funded project will improve processes to plan, book, and pay for demand response transit trips, with a focus on travelers with special needs.

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Real-Time Virtual Oral Public Comment
Agenda Item C

City of Keizer Mayor and Mid-Willamette Valley Area Commission on Transportation (MWACT) Vice Chair Cathy Clark commented on agenda item J: Program-level funding allocations for the 2024-2027 Statewide Transportation Improvement Program (STIP). She expressed support of full funding for the rebuilding of the Aurora Donald interchange, and to deliver the project in one phase rather than split into two. MWACT submitted a letter to the Transportation Commission, signed by Chair Ken Woods, and supported by the Marion, Polk, and Yamhill County Commissioners, urging the full funding of the Aurora Donald interchange.

Marion County Commissioner Kevin Cameron commented on agenda item J: Program-level funding allocations for the 2024-2027 STIP. He submitted a letter to the Transportation Commission from the Marion County Board of Commissioners in support of rebuilding the Aurora Donald interchange in one phase. He said ODOT has $48,273,000 available for the project but the total project cost is $74,900,000, leaving a need for $26,627,000 in the 2021-2024 STIP in order to complete the interchange. Completing both phases at once would save $5,000,000 and cause much less disruption to travelers in the area.

Mid-Willamette Valley Council of Governments Transportation Director Mike Jaffe commented on agenda item J: Program-level funding allocations for the 2024-2027 STIP. He said the Aurora Donald interchange reconstruction is significantly deficient, both geometrically and operationally. He said completing the reconstruction of the interchange in one phase and not two is desirable for the following four reasons: It will eliminate the current safety problems; it will save at least $5 million; right-of-way and utility relocations will need to be done only once; and it will reduce the disruption to nearby businesses and interchange users.

Richard Sheperd commented on agenda item H: ODOT's proposal on how to allocate funding from the federal COVID-19 relief funding package. He said ODOT should pass through the federal relief funds to cities and counties, particularly BIPOC communities (black, indigenous and people of color) which have been disproportionately impacted by the pandemic. He said cities and counties could then use those funds to improve bicycle and pedestrian safety and reduce hospital visits. Hospitals are already under too much strain due to COVID-19.

Central Lane MPO Manager Paul Thompson commented on agenda item J: Program-level funding allocations for the 2024-2027 STIP. He commented that any consideration of the use of federal, state, or other funds should allow at least one month of public notice and input. He also asked that methods for distributing STIP funds should allow for consideration and input from regional stakeholders outside of ODOT. He expressed concern that the STIP puts too much emphasis on the state system and not enough on local systems.

Oregon Environmental Council Transportation Program Director Sara Wright commented on agenda items H: ODOT's proposal on how to allocate funding from the federal COVID-19 relief funding package and J: Program-level funding allocations for the 2024-2027 STIP. She encouraged the Transportation Commission to establish a screening and evaluation process to prioritize projects for investment in order to yield the biggest benefits in climate and equity. She said every decision concerning the STIP and the allocation of federal COVID-19 relief funding should work toward greenhouse gas mitigation, filling multimodal gaps, and ODOT's Strategic Action Plan.

Joseph Cortright commented on his meeting with ODOT staff subsequent to the Transportation Commission meeting on December 1. He said ODOT staff declined to answer questions in the meeting, instead responding with a 13-page letter. He said he would like to know exactly how wide the proposed Rose Quarter freeway will be and felt ODOT's response was inadequate.

No More Freeways representative Aaron Brown commented on ODOT accountability. He said he is disillusioned with the unwillingness of local governments to tell the truth and reiterated Mr. Cortright's request for the exact width of the proposed Rose Quarter freeway.

Association of Oregon Counties County Road Program Director Brian Worley commented on agenda item H: ODOT's proposal on how to allocate funding from the federal COVID-19 relief funding package. He encouraged the Transportation Commission to use the funding package to provide direct relief funding to local governments. This would support not only needed operations and maintenance but also efforts on preservation, traffic safety, ADA access upgrades, multimodal access, equity, and climate change.

League of Oregon Cities Legislative Director Jim McCauley commented on agenda item H: ODOT's proposal on how to allocate funding from the federal COVID-19 relief funding package. He said budgets across the public sector have been strained throughout the pandemic. The year 2020 saw the public health crisis combined with substantial economic losses, but the economic impact is expected to become more severe in 2021 as local government budgets are finalized this summer. He discussed the partnership between ODOT and local Oregon governments and emphasized the need for that partnership to be stronger now than ever.

Former Marion County Commissioner Sam Brentano commented on agenda item J: Program-level funding allocations for the 2024-2027 STIP and specifically the Aurora Donald interchange. He said the last time he provided comment on the project his remarks focused on the cost savings by doing the entire project at once. He said now he would like to focus on the time savings if the entire project is done at one time since it can be completed in two years. If only one phase is done now it will likely take multiple years before funding is secured for the second phase.

Friends of Yamhelas Westsider Trail board member Ken Wright commented on the coordination of a long range statewide transportation plan for the preservation of critical assets. He said the "Westsider" line is a 19th century rail arterial formerly owned by Union Pacific Railroad. There is a 17-mile section that runs from Gaston south to McMinnville and is now used as a recreational trail. Over time it has received $3 million in federal grants, administered by ODOT, for trail improvements. Mr. Wright said the Yamhill County Commission now wants to divest the county of that trail and he encouraged the Transportation Commission to consider acquiring it and preserving this right of way for future use.

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Urban Mobility Update
Agenda Item D

The commission received a status update from the Urban Mobility Office.

Background:
Per commission request, ODOT's Urban Mobility Office will present the commission with a status update for the Portland Metro Area Comprehensive Congestion Management and Mobility strategy that includes a holistic view of all modes, including the Toll Program, I-205: OR213 to Stafford Road (Abernethy Bridge) project, the I-5 Rose Quarter improvement project, and the Interstate Bridge Replacement program.

Presentation:
ODOT Urban Mobility Office Director Brendan Finn and Deputy Director Della Mosier presented a PowerPoint and gave an overview of efforts underway in the Urban Mobility Office. Toll Program Director Lucinda Broussard, I-205 Improvements Project Director Mandy Putney, Rose Quarter Project Director Megan Channell, and Interstate Bridge Replacement Program Administrator Greg Johnson each provided an update on their respective projects. I-5 Rose Quarter Project Executive Advisory Committee member, Dr. Steven Holt, provided an update on the restorative justice of the I-5 Rose Quarter project and the creation of the Historic Albina Advisory Board which is helping to inform the project's decision-making process.

Discussion:
Chair Van Brocklin called the commission's attention to the timeline of the Comprehensive Congestion Management and Mobility Plan, which shows the progress of all the projects in the Office of Urban Mobility. He also noted that several of the projects are required by House Bill 2017 and were not initiated by the commission. ODOT is simply fulfilling its role in implementing them. The financial sources for some of the projects are still being identified.

Action: None taken.

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Office of Social Equity Update
Agenda Item E

The commission received an update on the work and staffing of the Office of Social Equity as we look into the calendar year and realizing milestones in the Strategic Action Plan.

Background:
ODOT Office of Social Equity will present the commission with a status update for the office as well as holistic view of how the office is aligning with ODOT's business lines and transportation network. Specifically, The Office of Social Equity will share updates around staffing and consulting throughout the agency being used to collect data, build relationships, and provide processes to understanding how social equity is being and will be prioritized.

Presentation:
ODOT Assistant Director for Office of Social Equity Nikotris Perkins provided an update on the Office of Social Equity, which she noted was created almost one year ago. She highlighted work being done to help ODOT staff understand what equity is and weekly workshops are being held to show them how it connects to their daily role at the agency. Perkins will soon be hiring a Social Equity Program manager, and the Urban Mobility Office recently hired an Economic Equity manager. Additionally, a consultant will be brought on to examine how to help build and support women-owned and BIPOC-owned businesses. ODOT is also developing a tool to engage equity in project selection for the 2024-2027 STIP.

Discussion:
Vice Chair Simpson asked why Perkins referred to women and BIPOC-owned businesses because he thought the term "BIPOC" is binary and not gender specific. Perkins said BIPOC does not refer to gender at all. ODOT's Strategic Action Plan goal describes BIPOC and women-owned businesses and they are two separate things. BIPOC describes businesses owned by Black, Indigenous People of Color, which also includes Asian and Pacific Islander, Latino, Latinx, and Hispanic nationalities. The term BIPOC is not the favorite of many because it doesn't necessarily explain everybody's identity, but ODOT is doing the best it can to lift people with historically excluded and marginalized identities based on race and nationality. She added that some other state agencies are adding more words to BIPOC to include more people Vice Chair Simpson said he would caution agencies from making those changes because the term "BIPOC" puts a more targeted emphasis on the groups represented within that acronym.

Action: None taken.

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External Relations
Agenda Item F

The commission received an overview of the agency's ongoing external relations efforts, including stakeholder and intergovernmental partnerships, communications, and legislative engagement.

Background:
ODOT maintains active external engagement, including legislative and communication efforts. With the 2021 legislative session beginning January 19, 2021, this will be an opportunity to learn about the agency's planned efforts in the upcoming session.

Presentation:
ODOT Assistant Director for Government and External Relations Lindsay Baker provided an update on the 2021 legislative session, which is taking place virtually this year. The process has been intentionally slowed down to provide the public time to review legislation and give input, which may create a bottleneck later in session. Some larger topics of conversation involving ODOT include allowing local governments to set speeds on local roads, electric vehicle rebates and infrastructure, and increasing the privilege tax in the Portland Metropolitan Area to generate revenue to support electric vehicle purchases. Baker said this session will be a good opportunity for ODOT and the commission to engage with the legislature and further Strategic Action Plan goals. Finally, she discussed two new legislative committees that have been established for wildfire response and recovery, and ODOT's expectation to be presenting to them on our work. Topics will likely include how ODOT is responding and able to support communities impacted by the Labor Day fires, and what policy steps we are considering to be prepared and resilient for similar events in the future.

Discussion:
Chair Van Brocklin requested regular legislative updates during the leadership briefings with the commissioners throughout the balance of the legislative session.

Action: None taken.

The commission took a break at 10:56 a.m. and returned at 11:05 a.m.

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ODOT's Long-Term Budget Challenges
Item G

The commission received an update and discussed ODOT's long-term budget challenges, including progress made to date and our road map forward to close the gap.

Background:
In July 2020, the OTC discussed ODOT's budget challenges resulting from revenues that are growing more slowly than costs, creating a significant long-term structural shortfall of State

Highway Fund dollars available to operate the agency. These operational funds are used primarily to cover the costs of:

- *Day-to-day road maintenance and operations by ODOT maintenance crews.*
- *Revenue collection and program operations at the DMV and Commerce and Compliance Division.*
- *Support services, including information technology, human resources, and other functions.*

In July 2020, ODOT's cumulative budget shortfall was projected to be $720 million by 2027. This shortfall does not directly impact the funding available for transportation programs and projects, including highway construction projects and multimodal grant programs, as these are funded through dedicated state and federal funds.

In December 2020, ODOT completed an update to the forecast of revenues and expenditures. While many adjustments influenced the revised forecast, the bottom-line cumulative gap remains roughly the same – just over $700 million by 2027. Seeing the gap stay steady is good news given reductions in revenues because of COVID-19 and unexpected wildfire expenditures.

Since July, the agency has executed several of the recommendations discussed with the OTC and developed a Budget Roadmap for how we might address the gap going forward that includes:

- ***Execution on Recommendations:** Shifting more indirect costs of projects to federal funds, limiting the amount of state funding exchanged with local governments, and shifting other eligible costs to other fund sources has resulted in significant reductions in the budget gap.*
- ***Cost Savings:** ODOT is engaging staff and agency leadership to identify options for savings and efficiencies. Each division is developing an operating plan that will reduce State Highway Fund outlays by approximately 6 percent below the Agency Request Budget approved by the commission in July 2020.*

As a result of these efforts, we have pushed the date at which the State Highway Fund runs out of cash from 2024 to 2026 and reduced the overall budget gap through 2027 to approximately $200 million. This represents significant progress, but we still have work to do—particularly because the annual deficit in the out years remains approximately $100 million and will continue to grow.

To set the agency on a path to long-term fiscal solvency, ODOT is continuing to explore additional opportunities to reduce the budget gap in future years. Examples include full cost recovery through DMV fees, office space consolidation, increased reductions in operating costs and development of new funding streams.

Going forward we remain committed to:

- *Ongoing monitoring of revenue and expenditures, updating at least annually.*
- *Updating and executing on our Budget Roadmap.*
- *Identifying and developing new opportunities for sustained reductions in expenditures and increases to revenues.*

ODOT will provide an update on its proposed plan to begin closing this long-term structural deficit and seek input from the commission.

Presentation:
ODOT Assistant Director for Finance and Compliance Travis Brouwer and ODOT Budget Manager Stefan Hamlin presented a PowerPoint and gave an update on ODOT's current budget. While there is still a budget gap, the good news is that it has not increased despite a revenue loss due to COVID-19. ODOT is actively taking steps to reduce the budget gap from $700 million to about $200 million, which will provide ODOT with enough cash through the 2023-2025 biennial budget. There is still an annual deficit of approximately $100 million in 2025 and it will continue to grow in the following years. ODOT management is working hard to reduce the gap, including adjusting the STIP, asking ODOT staff for cost saving ideas, developing operating plans with cuts below what the 2021-2023 Governor's Recommended Budget required, and continuing to identify bigger ticket opportunities to become more efficient and save money. Additionally, new revenue sources are being explored, including tolling and road usage charging. ODOT will continue to monitor revenue and expenditure forecasts and update them at least annually, and will work to mitigate any impacts on service delivery due to operating budget reductions.

Discussion:
Commissioner Brown commented on the stress ODOT employees are likely experiencing as the agency faces this budget gap and explores ways to reduce costs, and said transparency throughout the process is critical so employees understand the plan as it develops. She was interested in the idea of ODOT consolidating the number and size of the buildings it occupies due to increased teleworking, thereby reducing its carbon footprint.

Commissioner Smith asked about the impact of COVID-19 on ODOT's budget and whether there is a way to calculate the additional costs due in addition to the revenue loss. Brouwer said there are some fairly high direct costs that were tracked throughout the early stages of the pandemic, however, the larger issue is the indirect costs and we have not determined a methodology to be able to estimate those. DMV has had to make a large number of shifts in how it does business, and our maintenance crews frequently have to travel in separate vehicles to a job site rather than carpooling in one truck.

Chair Van Brocklin agreed with Commissioner Brown's comments around sensitivity with staff and being very transparent throughout the process. He also talked about the long term budget challenges and the commission's fiduciary obligation to take action now in order to set the agency up for success. Brouwer said that everything we're doing today will help close that gap long term, but the efforts must be ongoing. The road usage charge may be part of the solution as the gas tax becomes further constrained and reduced by fuel efficiency. ODOT needs to be looking 20 to 50 years into the future to ensure there is sufficient and reliable funding for the agency and for the transportation system. Chair Van Brocklin expressed his concern over the gap in the operating budget widening over time despite an enormous demand for service, as evidenced by the 2024-2027 STIP discussion. Brouwer agreed that a budget shortfall of this nature will constrain the ability of the agency to do certain things, but work is being done to mitigate those constraints and focus investments in the areas outlined in the Strategic Action Plan.

Vice Chair Simpson asked about ODOT's plan for the vacant square footage in its office buildings. Brouwer said ODOT owns some buildings and leases others. Particularly in Salem, there may be the ability to consolidate into our owned buildings and let our leases expire going forward, depending on the most cost effective measure. In some cases it may be better to use a leased space differently. Vice Chair Simpson asked about ODOT vehicles. Brouwer said there is an opportunity to review the light fleet, however, the medium fleet is still heavily used by maintenance. Most divisions are currently pushing off fleet purchases as a way to cut costs.

Action: None.

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COVID-19 Relief Funding Package
Item H

The commission provided feedback on ODOT's proposal on how to allocate funding from federal COVID-19 relief funding package.

Background:

The COVID-19 relief funding package approved by Congress in December 2020 includes $10 billion in highway funding for relief to state DOTs and local governments who have lost revenue as a result of the pandemic and recession. Oregon is expected to receive about $125 million in funding.

The package also includes an additional $14 billion for transit, on top of the funding provided under the CARES Act earlier in 2020. ODOT will receive a small share for rural providers, with most funding going directly to the large urban providers. What's more, $1 billion is provided directly to Amtrak.

ODOT projects the State Highway Fund will lose $225 million through the end of state FY 2021 and $370 million through FY 2025 due to the pandemic and recession. This loss will largely hit the agency's operations and maintenance funding, as most project funding is provided through federal highway formula funds and bond proceeds that have not been impacted.

The federal COVID-19 relief funding for highways is available for traditional federal-aid eligible capital projects as well as maintenance, operations, and administrative expenses, including salaries of employees (including those employees who have been placed on administrative leave) or contractors, information technology needs, and availability payments. The funding does not require a non-federal match. Funding is sub allocated by formula, providing a total of about $17 million to the state's three large metropolitan planning organizations (Portland, Salem/Keizer, and Eugene/Springfield). Funding is available for obligation until September 30, 2024.

Goals and Principles

ODOT developed the following goals and principles that helped frame the agency's recommendation on how to spend the COVID-19 relief funding.

- *Ensure spending matches agency strategic priorities. Overall spending should help advance elements of the Strategic Action Plan.*

- *Reduce ODOT's operational budget gap. The pandemic and recession has hit ODOT's operational budget, so funding should help to closing this gap.*
- *Offset reductions to the Fix-It program by addressing unfunded needs in the 2021-2024 STIP. Funding unmet needs in the current STIP reduces the need to borrow against Fix-It funding in the 2024-2027 STIP and help slow deterioration of our roads and bridges.*
- *Share revenue with local governments. Local governments have lost State Highway Fund revenue due to the pandemic and recession, so they should share in the relief funding.*
- *Enhance multimodal access. ODOT should ensure that funding helps enhance multimodal access.*
- *Apply an equity lens. Low-income families and communities of color have been hit hardest by the pandemic and recession, so ODOT should seek ways to ensure they share in the benefits.*
- *Spend money quickly. Transportation spending can help put people back to work, so ODOT should ensure this money is put to use quickly.*

Proposed Allocation Framework
Based on these principles and goals, ODOT developed the following recommended funding allocation.

Category	***Funding Range***	***What it Would be Used For***
Local Formula Funds	*$25-30 million*	*Funds sub allocated by statute for large metropolitan planning organizations and shared with cities and counties outside MPOs. ODOT proposes using the existing federal fund sharing agreement with cities and counties and directing their funding to maintenance and operations to the maximum extent possible. ODOT has begun discussions with the Association of Oregon Counties and League of Oregon Cities.*
Operations and Maintenance (O&M)	*$35-45 million*	*Apply funding to operations and maintenance to reduce ODOT's $200 million operational budget shortfall through 2027 and reduce the impact of reductions to operations and maintenance programs. Funding allocations will depend on FHWA guidance on how funds can be spent and what conditions are attached to spending on O&M.*
ADA Curb Ramps	*$25-35 million*	*Cover part of $237 million shortfall in 2021-2024 STIP in order to address equity and access for disabled Oregonians. This reduces the need to borrow against Fix-It funds in 2024-2027 STIP.*
Targeted Investments	*$10-20 million*	*Projects that advance Strategic Action Plan and meet other key needs, including non-highway investments that address multimodal accessibility and equity.*

ODOT seeks commission input on this proposal. Based on OTC feedback, discussions with local governments, and guidance from FHWA will determine how funding can be spent on O&M costs, ODOT will bring back a final proposal for the commission's approval in March.

Presentation:
ODOT Assistant Director for Finance and Compliance Travis Brouwer, ODOT Assistant Director for Operations Cooper Brown, and ODOT Federal Affairs Advisor Trevor Sleeman presented a PowerPoint and outlined a recommendation on where to direct recent COVID-19 federal relief funding, passed by Congress in late December. Sleeman explained the text of the legislation directs agencies to use the funds to "prevent, prepare for and respond to Coronavirus," demonstrating Congress' clear intent for this to be relief funding rather than stimulus funding. Of the $10 billion allocated nationwide for highways, Oregon is slated to receive $124 million. Congress sub-allocated a portion of that funding directly to the large Metropolitan Planning Organizations (MPOs): $12 million to the Portland MPO and $2 million each to the Eugene and Salem MPOs. This leaves ODOT with approximately $106 million. The text of the legislation allows this funding much more flexibility than typical federal formula dollars, allowing ODOT to use it for maintenance, operations, staff salaries, and other administrative costs not typically permitted for federal dollars. An additional benefit is that this funding is 100% federal share, meaning ODOT does not have to provide any state matching dollars, also typical of other federal funding.

Additionally, ODOT received $14 billion for transit. ODOT's preliminary proposal is to allocate $25-$30 million to local formula funds, $35-$45 million to operations and maintenance costs, $25-$35 million to ADA ramps, and $10-$20 million to targeted investments. ODOT will seek guidance from the Federal Highway Administration on the operations and maintenance spending to understand any restrictions on the funding and then intends to return to the OTC at its March meeting to make final recommendations. These recommendations would be coordinated with the 2021-2024 STIP funding.

Discussion:
Commissioner Smith said it was important to find the right balance in sub-allocating funds to local cities and counties, particularly those that do not receive the MPO funding. She said there is great community need and ODOT should ensure the sub-allocations are fair. Additionally, she said the funds should be used as Congress intended, which is to offset not just ODOT's loss in revenue but also the expenses that are difficult to quantify. She asked about the allocation for ADA ramps. Brouwer explained that the disabled community was disproportionally impacted by COVID-19 and the legislation ensured that construction is an eligible activity. Chair Van Brocklin asked if there are compliance considerations for the ADA ramps. Brouwer said ODOT must have some funding dedicated to them in order to meet the settlement agreement, which calls for $147 million for 2021-2022, and $90 million for 2023-2024. This would keep ODOT on the path to get those projects under construction and fulfill the settlement agreements.

Chair Van Brocklin suggested having a one-hour commission meeting in the near future to further discuss how the funds should be used. He also asked for an analysis of how these funds relate to other funding ODOT anticipates receiving to provide context and allow the commission to make holistic decisions.

Action: None taken.

The commission recessed for lunch at 12:15 p.m. and returned at 12:45 p.m.

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2021-2024 Statewide Transportation Improvement Program Funding for ADA Curb Ramps
Item I

The commission was requested to approve additional funding for ADA curb ramps in the 2021-2024 Statewide Transportation Improvement Program (STIP).

Background:

In December ODOT presented the commission with a proposal to amend the 2021-2024 STIP to fund the following critical projects and programs that are mandated based on direction from the Legislature, Governor, or a legal requirement.

Project/Program	***Description***	***Amount***
Tolling Development and Implementation	*Fund NEPA and system development through 2022*	*$60 million*
Interstate Bridge Replacement Program	*Fund program development through 2024*	*$30 million*
ADA 2020-2022 Projects	*Complete ADA projects through first milestone*	*$147 million*
ADA 2022-2024 Projects	*Complete ADA projects through remainder of 2021-2024 STIP*	*$90 million*
	Total	***$327 million***

Resources to meet these needs would come from federal funding that has come in over and above the amount assumed in the STIP, additional State Highway Fund dollars available due to lower than expected debt service costs for HB 2017 projects, and borrowing against the Fix-It program in the 2024-2027 STIP.

With the approval of COVID-19 federal relief funding by Congress in December, Oregon will receive approximately $125 million in funding to allocate among key priorities. ODOT recommends holding off on the full update of the 2021-2024 STIP until the commission's March meeting so that the agency can receive input from the commission on how to spend the COVID-19 relief funding and then adjust the STIP update as necessary. In March the agency will bring forward proposals for the 2021-2024 STIP update and COVID-19 relief funding that integrate the two funding opportunities and takes into account how ODOT can best spend these state and federal funds across the full range of urgent and important needs.

While additional funding for most of the priorities shown in the table above can wait until March, ODOT needs to have additional funding for ADA curb ramp projects in 2021 through 2022 in place in January to deliver projects to meet the requirements of the agency's 2017 settlement agreement with the Association of Centers for Independent Living. ODOT recommends the commission approve $147 million for these projects in January, with the remainder of resources to meet needs for the rest of the STIP to follow in March.

Presentation:

ODOT Assistant Director for Finance and Compliance Travis Brouwer and ODOT Delivery and Operations Division Administrator Karen Rowe presented a PowerPoint on the 2021-2024 STIP investments. Brouwer gave an overview of the current proposed investments, which include $60 million for tolling development and implementation, $30 million for the Interstate Bridge Replacement Program, and $237 million for ADA curb ramps, for a total of $327 million. However, only $207 million in funding is anticipated from the federal government and the State Highway Fund. The $120 million deficit would be borrowed from the Fix-It program in the 2024-2027 STIP, which was incorporated into the funding scenario approved by the commission last month.

ODOT is requesting the commission move forward on funding $147 million for ADA curb ramps at today's meeting to stay on track to meet the settlement agreement, then defer the remainder of the STIP amendment until the March meeting of the OTC. ODOT will bring back proposals that coordinate the use of additional state and federal STIP funding with COVID-19 relief funding. Rowe provided the background on the ADA settlement agreement, which requires ODOT to complete 7,770 ADA ramps by 2022. Since 2018, ODOT has completed 2,337 ramps, has 1,693 currently in construction, 5,370 in design, and is actively working to determine how to be more efficient and effective in order to reduce the overall cost. ODOT's goal is to improve project efficiency by 30% to 40% by 2023. Coordination is being done with cities and counties to combine projects, so all surface treatment projects receive ADA curb ramp upgrades at the same time. Brouwer requested the commission approve $147 million in additional federal funding for the construction of ADA curb ramps in 2021 and 2022.

Discussion:
Chair Van Brocklin asked how many ADA ramps need to be delivered per calendar year. Rowe said the total planned for completion by the end of 2022 is 9,800 ramps, which exceeds the requirement of 7,770. This is being done in case any problems arise with some of the projects that prevent their completion by the deadline. Commissioner Brown asked when the design portion will be completed. Rowe said they are targeted for completion in 2022. Commissioner Brown then asked if there are any design-builds. Rowe said currently they are design-bid-builds, but alternative delivery for projects is being considered for the future. Commissioner Brown emphasized the need to be as efficient as possible in order to bring down the cost of ADA ramps. Brouwer said more information will be provided to the commission on the ADA ramp construction process before final STIP approval at the March meeting.

Action:
Vice Chair Simpson moved and Commissioner Smith seconded to approve $147 million in additional federal funding for the construction of ADA curb ramps in 2021 and 2022. Commission members Brown, Smith, Simpson, and Chair Van Brocklin unanimously approved the motion.

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2024-2027 Statewide Transportation Improvement Program Program-Level Funding Allocations Agenda Item J

The commission was requested to approve program-level funding allocations for the 2024-2027 Statewide Transportation Improvement Program (STIP).

Background:
Over the last several months, ODOT has worked with the commission on the allocation of funding for the 2024-2027 STIP. In December, the OTC allocated funding among broad categories as shown below.

Category	***Amount***
*Fix-it**	*800,000,000*
*Enhance Highway***	*175,000,000*
Safety	*147,000,000*
Non-Highway	*255,000,000*
Local Program	*404,500,000*
ADA Curb Ramps	*170,000,000*
Other Functions	*161,410,568*
Total	*2,112,910,568*

**After factoring in borrowing $120 million to cover ADA projects in 2021-2024 STIP.*
***All scenarios include $110 million for projects named by the Legislature in HB 2017 with the remainder available for an Enhance Highway discretionary program.*

In January, ODOT will seek commission direction on two major areas.
Planning for Additional Federal Funds
The commission's funding allocation assumes a slight reduction in federal funding below current levels to mitigate the risk of federal funding falling in the absence of a long-term federal surface transportation authorization act.
In the final STIP scenario approved by the commission, Other Functions funding was reduced by $28 million. This would reduce federal funding used to cover ODOT's indirect costs to help close the agency's operational budget gap. As noted in early December, to avoid having to make additional cuts to maintenance and operations ODOT would first backfill this reduction from any federal funding received above the current amount assumed in the proposed STIP.
Beyond this, ODOT will ask the commission to provide initial direction on how to spend any additional federal funding so the agency can begin planning for additional projects. This can help balance out any critical shortfalls the commission notes in the funding allocation approved in December. The commission will have the opportunity to adjust this later and approve the use of additional federal funding if and when it is provided by Congress.
Program-Level Funding
ODOT will discuss program-level funding options related to three key areas.

- ***Enhance Highway:*** *The commission provided $65 million for an Enhance Highway program. ODOT will seek direction on how to prioritize this limited funding. The key question will be whether to distribute this to each region through the standard distribution formula or select the best projects at a statewide level. In addition, ODOT will seek direction on what types of projects to focus funding on regardless of how funding is allocated.*
- ***Non-Highway:*** *Based on direction in the Strategic Action Plan and modal and topical plans, ODOT has worked with stakeholders from advisory committees to develop a recommendation on how to allocate the historic level of non-highway funding. This recommendation will lay out a proposal to allocate funding between public transportation, bicycle, and pedestrian programs and also propose priorities within each mode.*

- ***Fix-It**: Based on data about needs across different asset types, ODOT's engineers will make a recommendation on how much to invest in bridges, pavement, culverts and operations programs.*

Attachments:
- *Attachment 1— 2024-2027 STIP Funding Sub-Allocations*
- *Attachment 2 – 2024-2027 STIP Non-Highway Program Sub-Allocations*

Presentation:
ODOT Assistant Director for Revenue, Finance and Compliance Travis Brouwer presented a PowerPoint on the 2024-2027 STIP. He said ODOT has to plan projects seven years in advance and make assumptions about future actions Congress will take with regard to federal funding. ODOT is seeking the commission's guidance on where to direct federal funding if it comes in over and above what is programmed in the STIP. The direction previously discussed with the commission was to use the first $28 million of unallocated federal funding to restore cuts made to the "other funds" category during the STIP allocation process to alleviate the operational deficit. The commission had also expressed concerns for the level of funding for Fix-It in this STIP. The 2021-2024 STIP amendment initially allowed ODOT to borrow up to $120 million from the Fix-It program in the 2024-2027 STIP. That funding was reduced in the scenario approved by the commission, so ODOT will strive to buy down that borrowing as it works through the 2021-2024 STIP so any funds not needed from the 2024-2027 STIP will automatically mean more money for the Fix-It program. ODOT would work with the commission to determine where the approved STIP funding allocation provides inadequate resources and therefore should receive any federal funding beyond the amount assumed in the STIP.

ODOT Delivery and Operations Division Administrator Karen Rowe discussed an enhanced highway program structure. This type of structure allows flexibility in spending, providing the option of investing on a regional basis, which would distribute $64 million by the regional modernization formula, or on a statewide basis, which would distribute the funding to the best projects statewide. If the regional basis were selected, the funds would be distributed to regions according to the set formula and then further be distributed to each Area Commission on Transportation (ACT), who would then determine which projects receive funds. The $64 million is over a three year period, spread over five regions, and then further spread to different ACTs, so the resulting amounts for each area end up being very small. With a statewide program approach, in which a large amount of funding is distributed to the best projects statewide, this could target projects consistent with the Strategic Action Plan or other projects of statewide significance. ODOT's recommendation to the commission is to use the statewide program for operational enhancements. Rowe said ODOT would provide some direction on what those projects could include, such as key congestion relief projects to address bottlenecks, Intelligent Transportation Systems to improve freight mobility, or a climbing lane project to reduce congestion in mountainous rural areas. Additionally, the goals of the Strategic Action Plan would be applied with a lens toward equity and climate. ODOT seeks the commission's agreement with taking a statewide approach or its direction to take another approach as the commission sees fit. Rowe provided a reminder on the overall process for the 2024-2027 STIP projects. She said the division will be considering many projects, identifying them in 2022 and returning to the commission in 2023 to present them.

Public Transportation Division Administrator Karyn Criswell said ODOT convened a cross-section of stakeholders from our advisory committees for the first time in this phase of the STIP development. The goal was to build a shared understanding of which projects and programs are eligible for STIP funding and the needs in each area, and encouraging them to think about the needs of the broader multimodal network. For example, public transit receives its funding from the Statewide Transportation Improvement Fund, which is a stable funding source that could be increased by the legislature at its discretion. Conversely, the bicycle pedestrian program does not currently have those opportunities. Criswell was pleased to report that the stakeholder group was able to reach a consensus on recommendations for STIP investments.

Brown said the STIP process is moving into the project selection phase for the next 18 months, which will include public engagement and will apply lenses for climate and the Strategic Action Plan. ODOT will be working closely with local jurisdictions and advisory groups to develop this list. ODOT's management team will return to the commission in mid-2022 to discuss the list, report back again in early 2023 to release the draft list for public comment, and then receive final approval from the commission in the summer of 2023.

Discussion:
Chair Van Brocklin asked for a sense of how much potential funding there would be. Brouwer said if Congress holds federal funding flat at the current authorized level, it would be approximately $30 million per year or $100 million over the course of the three-year STIP. However, if there were a reauthorization bill or an infrastructure package, it is very possible Congress would provide direction on how those funds should be spent. There could be an infrastructure package that provides significant new infusions for electric vehicles or climate- or equity-related work, so ODOT will have to balance direction from the commission with the direction from Congress on the intended use of the funds. Vice Chair Simpson suggested focusing on a more multimodal approach rather than strictly on the highway system. Additionally, he asked how the programs will be monitored to ensure accountability that the allocation models tie back to ODOT's Strategic Action Plan. Brouwer said ODOT will be developing a regular report for the commission on the progress of implementing the Strategic Action Plan with metrics on that work, both with how the money is spent and whether the goals set out in the Strategic Action Plan are being achieved. Commissioner Brown suggested that a reauthorization bill would likely include many of the non-highway items. Commissioner Smith said it is difficult to determine now where the funds should go because the both the amount and Congressional direction are unknown. She suggested the funds should go into the areas of non-highway and Fix-It because there usually isn't extra money for those endeavors. Chair Van Brocklin agreed that the longer a decision can be delayed the more informed it will be. Regarding ADA ramps, he said if there will be a 30%-40% cost savings then that would free up a substantial amount of money. The new Strategic Action Plan covers a lot of territory and should be informing how the funds are spent.

Chair Van Brocklin asked if the commission should consider the funding distribution by ACT or by region. Rowe said the modernization formula goes to each region, then gets distributed to each ACT, and each ACT is able to provide input on how those funds are used on various projects. Brouwer said in past years when there was a more robust distribution for the modernization program it was distributed by formula to each region and then each region further broke it down by each ACT and gave them a distribution. It could also be done at the regional level by asking all ACTs in a region to collaborate on a project. Because it's such a small amount this year, the further it is broken down on a regional basis the less money will be available to each entity and the less likely it is that anything significant will be achieved. Chair Van Brocklin asked whether tolling and RUC should receive more consideration in an effort to accelerate additional sources of revenue. Brouwer said the investment in the 2021-2024 STIP of $60 million for tolling is designed to accelerate that program in order to enable ODOT to use tolling to cover the cost of major modernization projects in urbanized areas. ODOT has received federal grants to help develop the Road Usage Charge program, but further progress will depend on the legislature deciding to continue moving toward that model.

Commissioner Smith asked how the analysis is done to determine the best projects under a statewide distribution. She said she did not feel she had enough information to make a decision on which path to endorse, nor has there been enough public input. Brouwer said the goal for today's meeting is to be given a general direction by the commission of whether they prefer a regional or statewide approach. The formula for a regional distribution is based on direction in statute that considers the needs across the state, including population and other factors. Slightly more than one-third is allocated to Region 1, one-third to Region 2, and the remaining one-third is spread across Regions 3 through 5, with Region 3 receiving 14%, Region 4 receiving 10%, and Region 5 receiving 6%. With percentages this small and a total of only $65 million to begin with, the final funding can be fairly insignificant. Commissioner Smith said using a statewide lens will have a negative impact on rural communities because by default that process will consider larger projects that are typically in an urban setting. She asked if a statewide approach could include a factor that ensures not only urban areas are considered, in addition to considering the Strategic Action Plan, equity, and climate. Rowe said that feedback was very helpful and added that the Intelligent Transportation System improvements on I-84 last year is an example of where this type of funding could be used. Commissioner Smith said she is very interested in targeting these funds to new technologies like ITS and electrification so ODOT is positioning itself for the future. Commissioner Brown agreed and also expressed concern with placing too much funding in urban areas. She said while the final allocations may be small, the ACTs can use that money to leverage other funds. She also emphasized the need for a transparent process and the need to hear from citizens across the state regarding project selection if the statewide method is chosen. Chair Van Brocklin noted that in 2016, former Commission Chair Baney participated in a statewide tour to discuss transportation needs, and feedback from every region of the state was that the biggest transportation issue in Oregon is Portland congestion. He suggested that if tolling could begin then ODOT could start to raise revenues that are substantially paid by Portland area residents. This would improve Portland congestion which is a statewide problem. Director Strickler said this discussion is helpful and a statewide investment approach might provide the best return on investment. This includes rural investments as well; ITS at Cabbage Hill on I-84 is a great example of that. Director Strickler said this conversation may be difficult because it is so abstract. ODOT is starting the conversation now so staff doesn't assume the formulaic approach will be used again if there is a way for ODOT to have more buying power. A statewide approach may afford ODOT the ability to act sooner on some projects that have a certain level of cash flow and urgency. Chair Van Brocklin said it would be helpful to see a list of the top 10 or 20 projects that are not located in the tri-county area. Commissioner Smith asked which projects ODOT would choose if the commission decided on a statewide approach using the Strategic Action Plan as a lens for choosing projects. Director Strickler said ODOT would take the time to look at the priority projects that have been on the list for a long time, as well as other types of projects that would meet the Strategic Action Plan. Brouwer added that ODOT will work with the commission to develop a series of criteria based on the Strategic Action Plan and other needs which would be used to determine the best projects statewide, and also do a "call for projects" across the state to ensure ODOT would not just be considering projects already known to the agency. The proposed projects would be measured against those criteria to come up with a final list. It will be a lengthy, thoughtful, and deliberate process. Mr. Brown said the agency received clear direction from the Strategic Action Plan to apply a climate and equity lens, but the development of those lenses is still in progress. Chair Van Brocklin said change is occurring at the federal level and infrastructure could be gaining some momentum. He said that could be an opportunity for ODOT if projects are shovel-ready. He also suggested having a selection of projects related to greenhouse gas reduction, electrification, or other Strategic Action Plan items.

Regarding the multimodal presentation, Commissioner Brown said she is impressed with the recommendations put forward by the multimodal stakeholder group. The process was transparent and inclusive, and the detail provided in the presentation is helpful to the commission to see where the funds are going. She asked Criswell to pass along her compliments to the group for doing an excellent job, and Chair Van Brocklin concurred.

Action: None taken.

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Consent Calendar

1. *Approve the minutes of the December 1, 2020 and December 15, 2020 commission meetings.*
2. *Confirm the next two commission meetings:*
   - *Thursday, March 11 virtual commission meeting.*
   - *Thursday, May 13 virtual commission meeting.*
3. *Approve the following Oregon Administrative Rules:*
   a. *Amendment of 735-010-0008, 735-018-0010, 735-018-0020, 735-060-0120, 735-061-0410, 735-061-0420, 735-061-0430, 735-061-0440, 735-061-0450, 735-062-0070, 735-062-0078, 735-062-0080, 735-062-0140, 735-070-0110 and the adoption of 735-018-0160 relating to online services for the issuance of driver licenses, driver permits and ID cards.*
   b. *Amendment of 740-200-0010 relating to the annual adoption of International Registration Plan, International Fuel Tax Agreement and Heavy Vehicle Use Tax regulations for motor carriers.*
4. *Adopt ODOT's Internal Audit Plan Update for 2021.*
5. *Accept ODOT's Internal Audit Quarterly Program Report for October 1, 2020 –December 31, 2020.*
6. *Accept the ODOT's Quarterly Performance Report for October 1, 2020 – December 31, 2020.*

7. *Approve Resolution to transfer jurisdiction of approximately 2,373sqft of Historic Columbia River Highway, US 30 adjacent to the west end of the Sandy River Bridge (Unit A) from Multnomah County to ODOT per Jurisdictional Transfer Agreement No. 843.*
8. *Approve Resolution to transfer jurisdiction of Cornelius Pass Highway, from Sunset Highway junction north to the Washington County boundary at about mile post 5 (Unit A) from Multnomah/Washington County to ODOT per Jurisdictional Transfer Agreement No. 844.*
9. *Approve Resolution to transfer jurisdiction of Cornelius Pass Highway from the intersection of US 30 south to the Multnomah/Washington County boundary at about mile post 5 (Unit A) from Multnomah County to ODOT per Jurisdictional Transfer Agreement No. 845.*
10. *Approve authorization of construction funds for the Treasure Valley Reload Center and Mid-Willamette Valley Intermodal Center dedicated projects.*

Discussion:
Chair Van Brocklin noted an error in the materials that had been posted publicly and provided to the commission. Consent Item 9 had an error in the date of jurisdictional transfer. It has been corrected to March 1, 2021. The commission also submitted a statement on the record regarding the Connect Oregon intermodal facilities in Consent Item 10.

Action:
Commissioner Brown moved and Commissioner Smith seconded to submit a statement on the Connect Oregon intermodal facilities by unanimous consent. Commission members Smith, Brown, and Chair Van Brocklin unanimously approved the motion.

Action:
Commissioner Smith moved and Commissioner Brown seconded to approve, en bloc, consent items 1-10 as amended. Commission members Smith, Brown, and Chair Van Brocklin unanimously approved the motion.

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Chair Van Brocklin adjourned the meeting at 2:30 p.m.