

State Transportation System Needs

Funding Safety, Maintenance, and Operations

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Road User Fee Task Force

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State Highway Fund Structural Funding Challenges



Future Fuels Tax Revenue Decline

- The average driver consumes almost **25% less fuel per year** than 10 years ago. At today's rate, that's over **\$40 less per year** in gas tax paid per vehicle.



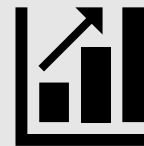
Reliance on Few Sources of Revenue

- Oregon **does not utilize inflation-resistant** funding mechanisms to support transportation system needs.



Statutory Direction

- About **75% of DMV fees** go to local governments, state highway construction projects, and other programs and can't be spent on delivering DMV services.
- **Less than 3%** of additional taxes and fees raised by HB 2017 went to state highway maintenance and operations.



Record Inflation

- Since 2017, the National Highway Construction Cost Index has **increased by over 80%**.
- Equipment costs have **increased about 25%** in the past four years.
- Paint costs **have increased over 30%** in the last four years.

Future Needs

- Increasingly **insufficient and unreliable revenue** will force future service cuts.
- With sufficient and reliable funding, ODOT would first prioritize:
 - Restoring essential **maintenance services**.
 - Improving **customer service** gaps.
 - Addressing **safety** issues.
 - Fulfilling **HB 2017 commitments**.
- To maintain our existing transportation system, **structural revenue reform is needed**.



ODOT's Core Investments

ODOT's core investments are focused on the primary services and functions that **keep the agency running, maintain our transportation system, and keep people safe.**

- **Service Functions**
 - Customer Service & Regulation (DMV & CCD)
 - Agency Operations
 - Maintenance & Operations
- **Safety System Investments**
 - Preservation
 - ADA upgrades
 - Programmatic & Systemic Investments
 - Safe Routes to School Infrastructure
 - Completing the On-Road Bicycle and Pedestrian Network
 - Great Streets Program
 - On-Road Freight Infrastructure
- **Fulfilling HB 2017 Commitments**
 - I-5 Rose Quarter Improvement Project
 - I-205 Improvements Project



Maintenance & Operations

Maintenance and operations includes the **day-to-day costs for staff to maintain, monitor, and repair** Oregon's multimodal transportation system.

- Responsible for about **8,000 miles of road** and **2,770 bridges** across the state.
- Approximately **1,000 staff** locally based in **88 communities** statewide.
- Includes system-wide **incident and emergency response**.

Adequate funding will allow ODOT to prioritize essential needs and service gaps.

- Investment **aligned with inflation** to meet service level needs.
- Ensure resources can **retain our capabilities** into the future.

Estimated annual need: \$450 million
Annual funding gap: \$205 million



Driver and Motor Vehicle Services

The **Driver & Motor Vehicle Services (DMV)** division provides essential customer service for millions of people each year.

- DMV's Customer Contact & Call Center takes **1.7 million customer contacts** a year.
- **2 million+ field office customers** each year.
- DMV has about the same number of employees as it did 20 years ago—while Oregon's population has **grown by 20%** over the same period.

With an increase in funding, ODOT would prioritize addressing essential needs and filling service gaps.

- Increase field office and call center staff to decrease wait times and keep offices open.
- Set up mobile DMV services and mobile offices.

Estimated annual need: \$170 million
Annual funding gap: \$50 million



Commerce and Compliance Division

The **Commerce and Compliance Division (CCD)** regulates commercial vehicles, collects tax revenue, and provides direct customer service to commercial drivers and carriers.

With an increase in funding, ODOT would prioritize addressing essential needs and filling service gaps.

- Increase customer service capacity and enhance self-service availability.
- Maintain roadside size and weight enforcement infrastructure.
- Update and enhance the weigh-in-motion and vehicle screening systems utilizing modern trucking technology.

Estimated annual need: \$60 million
Annual funding gap: \$25 million



Agency Operations

Agency Operations includes the **people and support functions essential to daily operation** and administration of the agency, including costs not directly attributed to specific projects.

- ODOT supports **\$1 to \$1.5 billion annual contract value**, supports over **350 information systems**, and owns and maintains **1,179 buildings**.
- Staff across ODOT perform planning and design, community engagement, research and data collection, ombuds/constituent services, and other efforts that are indirectly funded within Agency Operations.

With an increase in funding, ODOT would prioritize addressing essential needs and filling service gaps.

- IT security updates and replace obsolete IT systems.
- Reverse staffing reductions; clear backlog of services.
- Restore reduced support levels in fundamental back-office services.

Estimated annual need: \$450 million
Annual funding gap: \$170 million



Preservation

The Preservation Program includes project investments to repair and replace **bridge, pavement, culvert, and signal infrastructure** to ensure long term performance.

- **Pavement cycle:** Current cycle is every **50 years**; the recommended cycle is every **20 to 25 years**.
- **Bridge repair/replacement cycle:** Current cycle is every **900 years**; the recommended cycle is every **50 to 100 years**.

Adequate funding will allow ODOT to prioritize **essential system needs, asset management, and service gaps**.

- Improving average paving cycle time to every **20 years** instead of every **50 years**.
- Improving average bridge life cycle to **100 years** instead of **900 years**.
- **Seismic upgrades** for I-5 and I-84 bridges.

Estimated annual need: \$1,250 million
Annual funding gap: \$980 million



Safety

Safety is foundational to ODOT's mission, but our current investment structure is insufficient to address the need.

The Oregon Transportation Plan calls for a **Safe System approach** to **eliminate fatalities and serious injuries**.

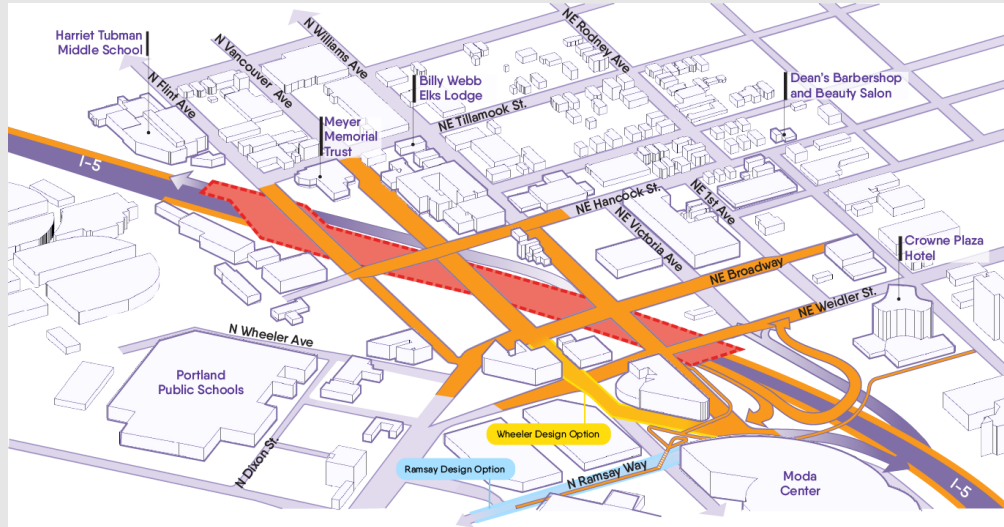
Increased funding would support focused investments across multiple program areas.

- All Roads Transportation Safety Program
- Road Safety Audits program
- Critical Pedestrian Crossings
- Bicycle/Pedestrian Network
- Wildlife Passage
- Speed Limit Setting
- Safe Routes to School
- Great Streets
- Freight

Estimated annual need: \$462 million
Annual funding gap: \$348 million



I-5 Rose Quarter Improvement Project/ I-205 Improvements Project



Rose Quarter

Estimated total project cost: \$1.7 - \$1.9 billion

Estimated funding gap: \$1.54 - \$1.74 billion

I-205 Improvements

Estimated total project cost: \$1.29 billion - \$1.36 billion

Estimated funding gap: \$545 - 615 million



Urban Mobility Strategy Project Costs & Funding

Project	Estimated Total Cost	Available Resources	Total Funding Gap
I-205 Improvement Project	\$1,290 - \$1,360 million	\$745 million	\$545 - \$615 million
➡ I-205 Abernethy Bridge	\$660 million	\$660 million (includes ~\$385M in anticipated tolling revenues)	\$0
➡ I-205 Phase 2	\$550 - \$600 million	\$0	\$550 - \$600 million
➡ I-205 Tolling Project	\$80 - \$100 million	\$85 million	\$0 - \$15 million
I-5 Rose Quarter Improvement Project	\$1,700 - \$1,900 million	\$160 million	\$1,540 - \$1,740 million
I-5 Boone Bridge	\$600 - \$725 million	\$5 million	\$595 - \$720 million
Regional Mobility Pricing Project	\$200 - \$250 million	\$65 million	\$135 - \$185 million
Toll System Implementation	\$115 million	\$115 million	\$0
TOTALS	\$3,905 - \$4,350 million	\$1,090 million	\$2,815 - \$3,260 million

Service	Estimated Annual Need	Annual Funding Gap
Service Functions		
Customer Service & Regulation (DMV)	\$170 million	\$50 million
Customer Service & Regulation (CCD)	\$60 million	\$25 million
Agency Operations	\$450 million	\$170 million
Maintenance and Operations	\$450 million	\$205 million
Safety System Investments		
Preservation	\$1,250 million	\$980 million
Programmatic and Systemic Safety Investments	\$200 million	\$145 million
Safe Routes to School Infrastructure	\$50 million	\$35 million
On-Road Bicycle and Pedestrian Network	\$135 million	\$115 million
Great Streets Program	\$65 million	\$45 million
On Road Freight Investments	\$12 million	\$8 million
TOTAL	\$2,842,000,000	\$1,778,000,000

Fulfilling HB 2017 Commitments	Estimated Total Cost	Available Resources	Total Funding Gap
I-5 Rose Quarter Improvement Project	\$1,700 - \$1,900 million	\$160 million	\$1,540 - \$1,740 million
I-205 Improvements Project	\$1,290 - \$1,360 million	\$745 million	\$545 - \$615 million
TOTAL	\$2,990 - \$3,260 million	\$905 million	\$2,085 - 2,355 million