



Oregon Department of
Transportation

PROGRAM BUDGET

2001-2003 Biennium

Legislatively Adopted
Budget

October 2001

ODOT Program Budget 2001-2003

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— ODOT Overview —

Overview

The mission of the Oregon Department of Transportation (ODOT) is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians.

ODOT is actively involved in developing programs related to Oregon's system of highways, roads and bridges; railways; public transportation services; bicycle and pedestrian paths; transportation safety programs; driver and vehicle licensing and motor carrier regulation. ODOT was established in 1969 and reorganized in 1973 and 1993 by the Oregon Legislature.

Oregon Transportation Commission

The Oregon Transportation Commission (OTC) is a five-member, volunteer citizen board. The governor appoints the commissioners who are confirmed by the Oregon Senate. When making appointments, the governor considers the geographic regions of the state and must appoint at least one member who lives east of the Cascade Range. In addition, not more than three members may belong to the same political party. Members serve a four-year term and may be re-appointed. The Commission:

- develops and maintains a state transportation policy and a comprehensive, long-range plan for a multi-modal transportation system.
- coordinates and administers programs relating to rail, highways, motor vehicles, public transit, transportation safety and other transportation-related programs.
- gives priority direction for programs and the Statewide Transportation Improvement Program (STIP) which in turn shapes the budget.
- exercises other powers according to state law (ORS 184.615 - 184.620, and 366.205).

OTC Members

- Steven H. Corey, Chair
Pendleton, Oregon
Current Term: July 1, 1999 – June 30, 2003
 - Gail L. Achterman
Portland, Oregon
Current Term: November 17, 2000 – June 30, 2004
 - Stuart E. Foster
Medford, Oregon
Current Term: July 1, 2001 – June 30, 2005
 - Randall C. Papé
Eugene, Oregon
Current Term: July 1, 2001 – June 30, 2005
 - John W. Russell
Portland, Oregon
Current Term: July 1, 2000 – June 30, 2004
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Area Commissions on Transportation

Area Commissions on Transportation (ACTs) are advisory bodies chartered under authority of the Oregon Transportation Commission (OTC). They serve the OTC in an advisory capacity, much as city and county planning commissions serve their jurisdictions. They play a key advisory role in the development of the Statewide Transportation Improvement Program and will play a vital role in project review and will forward project recommendations for the Oregon Transportation Investment Act.

The nine ACTs throughout Oregon (followed by the ODOT contacts) are:

- **Mid-Willamette Valley Area Commission on Transportation**
(Representing Marion, Polk and Yamhill Counties)
ODOT Contact: **Dave Bishop**, Mid-Willamette Valley Area Manager @ (503) 986-2884
- **Rogue Valley Area Commission on Transportation**
(Representing Jackson and Josephine Counties)
ODOT Contact: **Monte Grove**, Rogue Valley Area Manager @ (541) 774-6353
- **Cascades West Area Commission on Transportation**
(Representing Benton, Lincoln and Linn Counties)
ODOT Contact: **Dick Upton**, Cascades West Area Manager @ (541) 757-4211
- **Central Oregon Area Commission on Transportation**
(Representing Jefferson, Crook and Deschutes Counties)
ODOT Contact: **Gary Farnsworth**, Central Oregon Area Manager @ (541) 388-6071
- **South Central Oregon Area Commission on Transportation**
(Representing Klamath and Lake Counties)
ODOT Contact: **Mike Stinson**, South Central Oregon Area Manager @ (541) 883-5662
- **Lower John Day Area Commission on Transportation**
(Representing Gilliam, Sherman, Wasco and Wheeler Counties)
ODOT Contact: **Gary Farnsworth**, Central Oregon Area Manager @ (541) 388-6071
- **Northwest Oregon Area Commission on Transportation**
(Representing Clatsop, Columbia, Tillamook Counties and western rural portion of Washington County)
ODOT Contact: **Kathy McMullen**, Northwest Oregon Area Manager @ (503) 325-4732
- **Southwest Oregon Area Commission on Transportation**
(Representing Coos, Curry and Douglas Counties)
ODOT Contact: **Mark Usselman**, Southwest Oregon Area Manager @ (541) 396-3707
- **Southeast Area Commission on Transportation**
(Representing Grant, Harney and Malheur Counties)
ODOT Contact: **Rena Cusma**, Southeast Area Manager @ (541) 889-8558

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Strategic Direction

As ODOT copes with prioritizing program and revenue constraints, it is important to clarify its strategic direction - where the agency is going in the future. The theme of the strategic direction is "Reliable innovative solutions to Oregon's transportation needs." The agency sees this as a work in progress, knowing the direction it is headed can help make choices now and help us set priorities for the future. Listed below are the agency's goals and outcomes and key strategies:

Goals and Outcomes

These are the goals set forth by the agency's mission statement and include the desired outcomes.

Improve safety

- Reduce transportation-related accidents and fatalities.
- Increase public satisfaction with safety.
- Rapidly remove dangerous drivers and vehicles from the roads.
- Reduce injuries to employees and transportation workers.

Move people and goods efficiently

- Improve system operation from the customer's perspective.
- Reduce hours of delay experienced by travelers and movers of goods and services.
- Ensure equality of opportunity to access transportation systems and services.
- Improve choices of travel and shipping alternatives.
- Increase access to the transportation system and services.
- Increase reliability of intermodal transfers through a seamless system.
- Maintain and preserve facilities and equipment.

Improve Oregon's livability and economic prosperity

- Increase business opportunities in economically-distressed communities as a result of transportation improvements.
- Increase the number of cities and communities having a variety of coordinated transportation options available to residents.
- Reduce travel times and delays between communities in key freight corridors.
- Enhance scenic qualities of byway and tourist routes.
- Reduce adverse impacts of transportation on air and water quality.

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— ODOT Overview —

Key Strategies

Each biennium, ODOT will assess its progress in reaching the goals and will reevaluate the strategies as needed.

- Provide outstanding customer service.
- Use innovative program design and technologies to solve transportation problems.
- Improve the return on investment of transportation funds.
- Attract, retain and develop an outstanding ODOT workforce.
- Engage the public, other state agencies, local governments, business and community leaders in solving transportation problems and planning for the future.
- Increase intermodal linkages to improve access for people and goods.
- Communicate, educate and inform the public about transportation issues.

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— ODOT Overview —

Accomplishments

ODOT has taken significant action in many areas during the past two years. Listed below are highlights of the department's major accomplishments.

- **Preservation of State Highways** – During the 2000 construction season, ODOT contractors paved 1,374 lane miles (or 650 centerline miles). Highlights include a six-mile stretch of I-5 between Salem and Albany, and a 32-mile stretch on the Frenchglen Highway (Oregon route 205) south of Burns.
- **Bridge Preservation and Construction** – ODOT crews and contractors strengthened and improved 143 bridges during 1999-2001. Highlights include rehabilitation of the 75-year-old Ross Island Bridge in Portland (\$12.5 million), \$750,000 in emergency repairs to the Fords Bridge south of Roseburg, restoration of two Astoria bridges for \$5 million, the replacement of the Haynes Inlet Slough Bridge on U.S. 101 in Coos Bay, and the Coles Bridge near John Day on U.S. 26.
- **Major Construction Highlights** – During the last fiscal year, work began on the second phase of the Camelot-Sylvan Interchange on the Sunset Highway (\$32.2 million). Work was started on the Interstate Bridge on I-5 (\$23.3 million). Work was completed on the Ferry Street Bridge in Eugene (\$20.3 million), as well as the Eddyville-Cline Hill project on the Corvallis-Newport Highway (\$18 million) and on the I-5/217 interchange.
- **Contractor Report Cards** – Beginning with the 2000 construction season, ODOT project managers complete report cards to rate contractors' performance on every Oregon Transportation Commission approved project funded through the department. The system helps ensure quality construction projects. An 11-member committee, represented by major construction companies, Associated General Contractors and ODOT construction contracting and project manager offices, developed a 100-point system to rate performance in project supervision, meeting deadlines, quality of materials and workmanship, and payment to contractors and subcontractors. The consequences of a poor score ranges from corrective action to suspension from the bidding process.
- **Oregon Transportation Network Grants** – The Public Transit Division awarded \$20.3 million in grants throughout Oregon for local transit and transportation services benefiting the elderly and people with disabilities. Funding was made available through the Oregon Transportation Network (OTN) component of the Governor's Livability Initiative. Grant recipients include a couple of hundred local governments, human service agencies and private, not-for-profit corporations. Grant funds purchased vehicles, equipment and paid operating costs to provide more rides to more people. For those who can't drive, public transportation provides access to the services and social supports needed to live an independent, quality life.

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- **Expanded Train and Connecting Motorcoach Service** – As another piece of the Oregon Transportation Network (OTN), the Rail Division, in partnership with Amtrak and the Union Pacific Railroad, added a second *Cascades* train, between Eugene and Portland, greatly enhancing Oregon’s passenger rail program. By contracting with private carriers, the Rail Division also added new motorcoach services connecting many parts of the state to rail service. The new services include: a new North Coast Thruway route with daily service between Astoria, Warrenton, Seaside and Cannon Beach to Portland’s Union Station; a Southern Oregon route linking Ashland, Medford, Grants Pass, Canyonville and Roseburg to Eugene; a route linking Boise, Burns and Bend with Portland; a route linking Redmond and Bend with Amtrak’s *Coast Starlight* at Chemult. To fill out the daily train schedule, Amtrak Thruway Motorcoaches offer three daily round-trips between Portland, Salem, Albany and Eugene.

- **Eight-year Driver Licenses** – Oregon’s eight-year driver license went into effect on October 1, 2000, simplifying the renewal process for customers and reducing the frequency and number of visits to DMV offices.

- **Weigh Station Preclearance** – The Green Light weigh station preclearance program passed a major milestone in 2001 when it precleared its one-millionth truck. It is estimated that bypassing a weigh station at highway speed saves a truck five minutes. One million green lights represent a savings of 83,300 hours of travel time and more than \$6 million to the trucking industry. A total of 21 Oregon weigh stations are equipped with Green Light weigh-in-motion scales and transponder readers. In September 2001, the system was serving 1,669 carriers with 18,265 trucks enrolled.

- **Continued Decrease in the Number of Traffic Deaths** – Oregon is on track for another year with a low number of traffic fatalities. Preliminary reports show 204 traffic deaths through June 2001, compared with 200 for the first six months of 2000. If the traffic death rate holds for the remainder of this year, it caps the first three-year period with such a low number of fatalities since the mid- 1950s. The three greatest factors contributing to serious crashes are speed, failure to use safety belts and driver impairment from drugs and alcohol. The number of people injured in traffic crashes is also dropping, less than 28,000 people were injured in 2000, the lowest since 1963.

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— ODOT Overview —

2001 Oregon Legislative Session - Transportation Highlights

- **Oregon Transportation Investment Act (OTIA / House Bill 2142)** – OTIA authorizes up to \$400 million in Highway User Tax Bonds. The bill designates revenues from vehicle title fees, other DMV fees (HB 2139) and utility permit fees (HB 3068) to repay the bonds. HB 2142 increases vehicle title fees from \$10 to \$30 for passenger vehicles and from \$10 to \$90 for heavy trucks and trailers.

Highway projects to be financed under the OTIA are in the following categories:

- Highways that need increased lane capacity
- Highways and bridges that have weight limitations
- State and local bridges
- Interchanges on multilane highways
- District level highways that require preservation

The legislation directs the Oregon Transportation Commission to consult with local governments, metropolitan planning organizations and regional transportation advisory groups when establishing criteria and choosing projects. The Commission embarked on an aggressive public outreach schedule beginning with its July meeting. At its August meeting, the Commission allocated the \$400 million OTIA bond proceeds as follows:

- up to 50 percent (\$200 million) to modernization projects.
- at least 50 percent (\$200 million) to bridge and preservation projects, as follows:
 - 50 percent for bridge projects (\$100 million)
 - 25 percent for either bridge or preservation projects (\$50 million)
 - 25 percent for preservation projects (\$50 million)

ODOT and local governments are preparing proposals for projects to be funded under OTIA. Action to select projects for funding by the Oregon Transportation Commission will take place on an accelerated time schedule. The Area Commissions on Transportation, the Joint Policy Advisory Committee on Transportation (JPACT) and others will identify, screen and prioritize projects.

ODOT and local governments will begin design engineering for OTIA projects after the Commission has approved the list of projects in January 2002. ODOT anticipates using innovative contracting techniques, including design-build contracting, to get projects to contract more quickly. Local governments will be responsible for implementing projects on the roads and streets under their jurisdictions.

ODOT will group projects or elements of projects, such as preliminary engineering or right-of-way acquisition, into bond issuance's, as appropriate. ODOT will work with the State Treasury Department to issue the bonds. It is anticipated that the first bond package would be sold in Spring 2002. How many bond issues and the amount of each will be decided based on the list of projects approved by the Oregon Transportation Commission.

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— ODOT Overview —

- **DMV Four-Year Registration** – Allows Oregon Department of Transportation to issue four-year registrations to certain vehicles. This extends the initial registration period from two years to four years. The changes will improve customer services at DMV and reduce the amount of time about 360,000 customers must spend renewing their vehicle registrations during the biennium.
- **DMV Fee Increases** – The 1999 Oregon Legislature discussed its concern with ODOT about registration fee revenue subsidizing some DMV services. The legislature directed DMV to report on the transactions where the fee DMV collects for a service does not cover the costs of providing the service. DMV's report to the Legislative Emergency Board concluded that the fees for some transactions should be raised to recover costs.

As a result of the review, ODOT requested House Bill 2139 to maximize the amount of dollars going into the State Highway Fund. The bill raises fees for certain DMV transactions and accomplishes three objectives:

- Stops using revenue from vehicle registration fees to fund DMV transactions.
- Ensures that programs ineligible for highway funds are supported by fees that are adequate to cover program costs.
- Restores reductions in DMV service delivery and provides funding for infrastructure investments.

Additional fees on title transfers were also increased in this bill. The funds will be used to fund part of the debt service for the \$400 million in Highway User Tax Bonds also approved by the 2001 Oregon Legislature.

- **Attorney General Review** – The Oregon Attorney General's Office conducted a thorough review of ODOT programs to ensure that State Highway funds were being used in accordance with the state constitution. The review found that the vast majority of ODOT's expenditures are within constitutional use of the Highway Funds. The review did result in some needed legislative changes to bring all programs into compliance. The 2001 Oregon Legislature passed all the needed legislation.
- **Utility Permits within the Right of Way** – This change gave ODOT the authority to charge utility companies for the cost of issuing and administering permits when the utilities do installations on state-owned right of way. This addresses an issue raised in the Attorney General's review of the constitutional uses of state highway dollars. These costs were determined to be inappropriate for highway fund expenditures, so an alternate funding source was needed. Attaching a cost to each permit was determined to be the most equitable way to collect the needed funding. This law does not change the fact that utilities are allowed to be located on highway right of way free of charge. Using the administrative rule process,

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ODOT is working extensively with representatives from the utility industry to develop a fee structure.

- **Weight-mile Tax Simplification** – This change simplifies Oregon’s weight-mile tax system, making it easier for the trucking industry to comply with weight-mile tax requirements, while reducing ODOT’s administrative costs. Major elements of the bill eliminate the requirement to issue an Oregon license plate for each truck operated in Oregon by an out-of state carrier and give carriers the choice to pay weight-miles taxes on a quarterly, rather than monthly, basis.
- **State Modernization Program** – This bill allows ODOT to count federal, in addition to state, dollars toward meeting the statutory requirement for highway modernization expenditures. This added flexibility allows the most effective use of federal and state resources in funding modernization projects, ensures that state dollars are available to match federal dollars, and allows reinstatement of the local fund exchange program that enables local governments to build projects with flexible state funds.
- **Safe Routes to Schools** – Requires city and county governing bodies to work with school districts to identify barriers and hazards to children walking or bicycling to school, and it specifies that a funding plan may be developed to reduce barriers and hazards.
- **South Metro Commuter Rail Project** – Supports the development of the South Metro Commuter Rail Project to provide rail service from Wilsonville to Beaverton with stops at Tualatin and Tigard. The project is funded with lottery-backed bonds.
- **Department of Transportation Operating Fund** – In response to the Attorney General’s Office review of uses of State Highway Funds, the Transportation Operating Fund was created. Certain revenues collected by ODOT represent taxes paid on the fuel used in the operation of small machines, such as power lawn mowers, leaf blowers, chain saws and similar implements. These implements do not propel vehicles operating on Oregon’s roads. Therefore, fuel taxes collected from sales attributed to these non-road uses are not subject to the constitutional restrictions that apply to the Highway Fund. The bill requires that an estimate be made of the revenue from these non-road uses. These moneys will fund critical activities, such as the cost associated with designation of organ donors on driver licenses and the issuance of miscellaneous permits, such as parade permits.
- **Road User Task Force** – This legislation formed a 12-member task force to look at a possible transition away from the fuel tax system currently used to finance highway improvements. The task force will explore alternative methods of taxation and review both technical feasibility and political acceptability. In addition, the bill authorizes ODOT to design and undertake pilot projects to test whatever technologies are found by the task force to be the most promising alternatives.

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— ODOT Overview —

- **Short Line Credit Premium Account** – This legislation provides \$2 million in financial assistance to short-line railroads. Priority will be given to rail rehabilitation projects funded, in part, with federal credit assistance. The program is funded with lottery-backed bonds.
- **Junkyard and Scenic Area Signing** – This change conforms the statutes to guidance received from the Attorney General’s Office that program costs of Oregon’s outdoor advertising control program must be paid from funds other than state Highway Fund dollars. The bill allows cost recovery from permit fees and related license fees assessed on owners of billboards. ODOT is working with the sign industry to develop the fee schedules through administrative rules.
- **Intergovernmental Agreements to Finance Transportation Projects** – This change authorizes counties to form an entity to finance transportation improvements with general obligation bonds. It was modeled after legislation that allowed counties to band together to finance regional corrections facilities. This bill provides an additional tool with which to fund needed transportation improvements on state and local highways.
- **Permit Application Requirements** – This bill requires ODOT and other state agencies to provide applicants with a document that lists the criteria and procedures to be used in evaluating permit applications. For ODOT this applies to highway access permits. If ODOT denies an access application, we must document in writing the reasons for the denial, including the criteria used.
- **Public-Private Partnerships** – This bill directs an examination of innovative techniques to finance and build transportation projects. It is an avenue to explore new ways to raise the funding needed for improvements to the state’s transportation system. The bill requires the Oregon Transportation Commission to appoint an advisory committee to undertake a study of public-private transportation projects. The committee will look at appropriate criteria for partnership financing and other relevant issues. It may recommend statutory changes to remove barriers and to facilitate public-private partnerships.

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— ODOT Overview —

Major Issues and Program Needs

Some of the department's major issues, program needs and key trends for 2001-2003 are:

- **Highway Pavement Condition** – Today, a little more than three-fourths of the state's highway pavement is in "fair or better" condition. These highways are safe, with good ride qualities, but clearly show wear and tear. About 1,000 lane miles of state highways each year need to be re-paved to keep pace with normal wear and tear, at a cost of about \$145 million (not including preliminary engineering or right-of-way purchases). If this target is not reached, the overall condition of the state highway system will continue to deteriorate.

KEY TRENDS

- An aging transportation system with few opportunities for major expansions.
- A growing population that desires to live in communities with high mobility, low congestion and a variety of housing types, while preserving scenic open spaces and productive farm and forest lands.
- A fragile and complex environment that is more closely monitored than ever before.
- New technologies that have the potential to dramatically improve the operation of existing transportation systems and empower the traveling public with travel options.

- **Bridges** – Oregon has 6,494 bridges statewide, 2,633 of which are on state highways and are owned and maintained by ODOT. During the next 20 years, 850 ODOT bridges will reach the end of their design life, requiring extensive maintenance and eventual replacement. If the bridges are not replaced systematically over time, a huge investment will be needed all at once. We are experiencing an increased number of load-limited bridges and emergency repairs due to advancing cracks. We have more than 500 bridges of this particular type, and we are monitoring cracks in 200 of them.
 - **Population growth** brings challenges for the transportation system. It adds to road wear and increases congestion, safety problems and the need for maintaining a clean environment.
 - **Increased Driving** – Oregon vehicle miles traveled have grown 30 percent in the past 10 years, while inflation reduces the buying power of the gas tax by a penny a year. Oregon's growing transportation needs are outpacing ODOT's ability to provide the transportation system Oregonians demand and the economy needs.
 - **Aging of System** – Much of the State Highway System was constructed prior to 1960. Like an aging house, the aging transportation system requires more maintenance and care.
 - **Access to Highways** – In populated areas where state highways serve as both a through route and a local "Main Street," the number of driveways and traffic controls (such as stoplights) slows traffic. The public's interest in keeping traffic flowing often conflicts with property and business owners who want maximum highway access. Uncontrolled access slows traffic and increases crash rates, fuel consumption, emissions and travel times.
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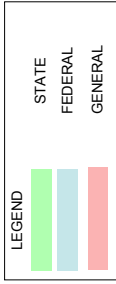
— ODOT Overview —

- **Earthquake Protection** – A major earthquake can happen at any time. Earthquakes can damage transportation infrastructure in many different ways, ranging from minor damage, such as cracks in concrete, to catastrophic collapse. Bridges and interchanges built before 1975 are particularly vulnerable because designs that resist earthquake damage were not available at that time. Three fourths of Oregon’s 2,633 bridges were built before 1975. A major sustained investment (\$26 million per year for 20 years) is needed to strengthen Oregon’s existing bridges.
- **Federal Funds** – Attracting additional federal funds may become more difficult if state investments in transportation lag behind other states. The budget may limit the amount of federal funds ODOT will receive because federal grants must be “matched” with state dollars. Also, a growing number of federal grant programs reward states that invest more state funding in transportation.
- **Economic Growth** – A good economy stresses the freight transportation network, including highways and railroads, and increases the demand for more efficient intermodal connectors. Rural freight links, both rail and highway, need improvements to sustain current business and support local economic development.
- **Promoting a Balanced Transportation System** – While ODOT has a dedicated fund for highways, other parts of the transportation system for moving both passengers and goods need consistent state and federal funding support.
- **Oregon Transportation Network** – Improved transportation links have dramatically improved for Oregonians who can't or choose not to drive. Added intercity passenger rail service, new intercity bus routes and additional transportation services for the elderly and disabled have improved the quality of life for many. The Rail and Transit Divisions are working together to create a seamless transportation network that ultimately will make all of Oregon accessible to all Oregonians.

SOURCES AND USES OF FUNDS

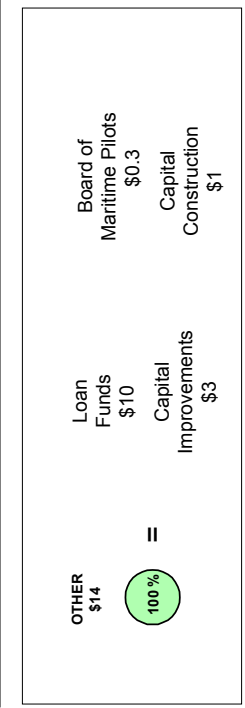
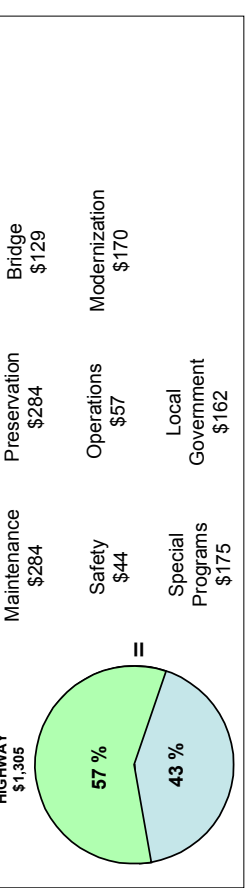
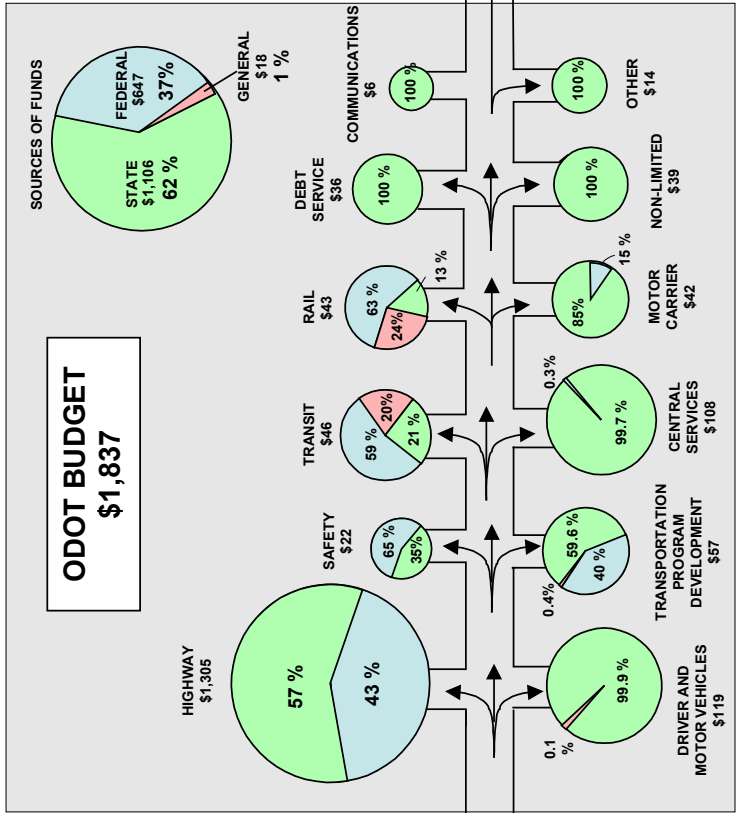
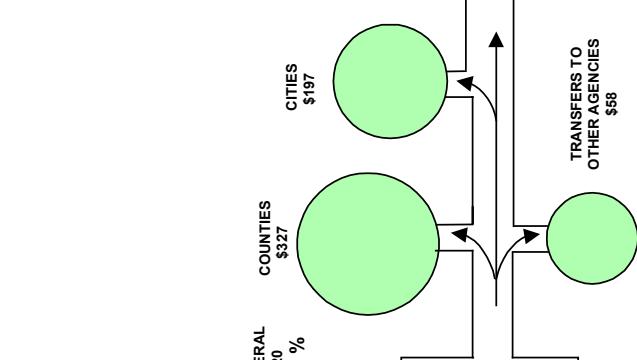
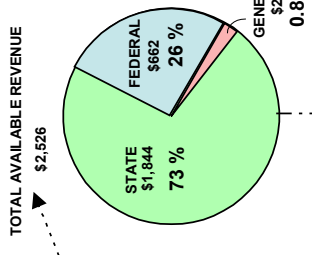
DEPARTMENT OF TRANSPORTATION

LEGISLATIVELY ADOPTED BUDGET
2001-2003 BIENNIUM - (Millions)



SOURCES OF FUNDS

REVENUES	\$	%
Beginning Balance	59	
Motor Fuels Tax	825	
Federal Funds	662	
Weight Mile Tax	409	
Driver and Vehicle Licenses	277	
Transportation Lic. & Fees	44	
Internal Charges for Services	43	
Other Transfers to ODOT	72	
General Fund	20	
Lottery Proceeds	20	
Bond/COP Sales	29	
Sales & Charges for Service	24	
All Other Revenue	42	
TOTAL REVENUE	\$ 2,526	



USES OF FUNDS

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Sources of Funds

Projected revenues and transfers-in for the biennial period 2001-2003.

- **Beginning Balance** - \$59 million. Estimated reserve of revenue.
- **Motor Fuels Tax** - \$825 million. Includes motor fuel and aviation fuel taxes.
- **Federal Funds** - \$662 million. Primarily for Highway Division, with lesser amounts for Transportation Safety, Transportation Planning, Public Transit and other programs.
- **Weight Mile Tax** - \$409 million. Graduated tax based on vehicle's weight and miles traveled on public roads.
- **Driver and Vehicle Licenses and Fees** - \$277 million. Includes driver license fees, vehicle registrations, titling fees for passenger vehicles, buses, trailers, motorcycles, etc. This category contains a large number of fees for various areas ranging from snowmobile titling to specialty license plates.
- **Transportation Licenses and Fees** - \$44 million. Includes truck registrations, vehicle and Sno-Park permits.
- **Internal Charges for Services** - \$43 million. Includes internal charges for ODOT support areas such as fleet, supplies, photo and reprographic services.
- **Other Transfers to ODOT** - \$72 million. These funds come from dedicated revenues from the cigarette tax, local government match and participation, and Transportation Growth Management match from Land Conservation and Development Department.
- **General Fund** - \$20 million. Includes the General Fund allocation for Public Transit, Rail, Safety, DMV, Transportation Program Development and Motor Carrier Transportation.
- **Lottery Funds** - \$20 million. Legislatively directed pass-through bond payments for Westside Light Rail.
- **Bond and COP Sales** - \$29 million. Includes the proceeds remaining from prior bond and certificate of participation sales.
- **Sales and Charges for Service** - \$24 million. Includes sale of DMV records, Highway Division miscellaneous services, and sale of property, timber and equipment.
- **Other Revenue** - \$42 million. Items in this category include railroad gross revenue receipts (\$2 million), interest income (\$12 million), Infrastructure Bank - loan repayment (\$10 million), rent and fines (\$7 million) and other miscellaneous revenue (\$6 million).

Uses of Funds

Budgeted transfers-out and expenditures for the biennial period 2001-2003.

Mandated Distributions and Transfers-out

- **Counties** - \$327 million. From Fuels Tax, Weight Mile, Cigarette tax and Licensing.
- **Cities** - \$197 million. From Fuels Tax, Weight Mile and Licensing.
- **Other State Agencies** - \$58 million. Parks, Marine Board, Aviation and other agencies.

ODOT Expenditure

Highway Division includes:

- **Highway Maintenance and Emergency Relief Program** - \$284 million. Maintenance and repair of existing highways to keep them safe and usable for the traveling public.
 - **Preservation Program** - \$284 million. Paving and reconstruction to add useful life and safety improvements to existing highways.
-

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- **Bridge Program** - \$129 million. Works to preserve and ensure safety on more than 2,600 bridges, tunnels and culverts on the state highway system.
- **Modernization Program** - \$170 million. Building capacity improvements to highways, such as new or widened lanes, and improve highway safety.
- **Highway Safety Program** - \$44 million. Provide engineering solutions to crash problems on state and local highways (safety is also a major piece of other program projects).
- **Operations Program** - \$57 million. Slide and rockfall repairs, traffic signaling systems, ramp metering, access management, information for drivers and other improvements to facilitate traffic operation on the system.
- **Local Government Program** - \$162 million. Non-mandated partnerships with cities, counties and regional governments on transportation projects.
- **Special Programs** - \$175 million. Includes Salmon and Watersheds, Scenic Byways, Pedestrian and Bicycle, Winter Recreation Parking, Snowmobile Facilities, etc.
- **Driver and Motor Vehicle Services Division** - \$119 million. Licenses and regulates users of the transportation system to promote transportation safety, protects consumer interest and facilitates other government programs.
- **Motor Carrier Transportation Division** - \$42 million. Registers and inspects trucks and enforces weight, dimension and federal safety regulations.
- **Public Transit Division** - \$46 million. Provides grant assistance and technical help to communities and local transportation providers for elderly and disabled and public transportation services. Other programs include transportation services for the general public in rural and small cities, Intercity Passenger Transportation, Transportation Demand Management, and Transit Planning.
- **Transportation Program Development** - \$57 million. Provides funding for local governments to integrate transportation planning; conducts short/long term transportation planning, research and data collection in support of the transportation management systems.
- **Rail Division** - \$43 million. Regulates rail and crossing safety for freight and passenger rail. Manages and markets intercity rail and associated bus operations.
- **Transportation Safety Division** - \$22 million. Coordinates statewide safety programs such as intoxicated driving, youthful drivers, safety belts and restraints.
- **Central Services Division** - \$108 million. Central support: finance, weight-mile and gas tax collection, information systems, human resources, support services and internal audit.
- **Communications Division** – \$6 million. Educates and provides information about ODOT programs.
- **Non-Limited** - \$39 million. Includes internal charges within ODOT.
- **Debt Service** - \$36 million. Includes lottery (\$20 million) and other (\$15 million) fund debt service.
- **Other** - \$14 million. Includes Infrastructure Fund loan funds (\$10 million), Capital Improvements (\$2.5 million), Capital Construction (\$1 million), and Board of Maritime Pilots (\$.3 million).
- **Ending Balance** - \$107 million. Estimated reserve of revenue.

Details:	Minimum Highway Programs	Public Transit Division (\$4 million)
	Fund Balance (\$62 million)	Westside Light Rail (\$8 million)
	DMV Earmark (\$5 million)	Transportation Safety Division (\$5 million)
	Infrastructure Bank (\$16 million)	Rail Division (\$4 million)
	Environmental Quality Information	Board of Maritime Pilots (\$0.1 million)
	Fund (\$3 million)	

ODOT Program Budget 2001-2003

— ODOT Overview —

Revenue

	1997-99 Actual Revenue	1999-2001 Estimate As of April 2000	2001-03 Legislatively Adopted
Revenue Sources:			
Beginning Balance	\$ 114,220,657	\$ 55,341,518	\$ 59,136,729
Motor Fuel Taxes	800,773,482	819,332,615	825,106,414
Federal as Other	580,089,894	570,812,000	591,455,313
Federal Funds	22,127,885	31,879,323	69,852,632
Weight-Mile Taxes	477,843,042	427,565,440	408,368,474
Railroad Gross Revenue Fee	1,493,234	2,062,517	1,998,006
Driver and Vehicle Licenses	218,089,486	235,695,028	277,002,020
Transportation Licenses/Fees	10,586,118	40,801,817	43,617,454
Internal Charges for Services	49,118,942	40,643,479	43,291,669
Bond and COP Proceeds	16,352,135	0	28,757,223
Transfers-in	12,901,907	64,421,188	72,260,467
General Fund	728,865	5,113,851	20,111,026
Lottery Proceeds	20,158,953	19,993,390	20,200,045
Sales and Charges for Services	62,956,421	34,225,955	24,125,020
All Other Revenue	35,792,150	34,471,243	40,271,348
Total Gross Revenue	\$ 2,423,233,171	\$ 2,382,359,364	\$ 2,525,553,840
Transfers-Out			
Cities	\$ 195,404,553	\$ 195,324,501	\$ 196,681,531
Counties	337,046,606	327,042,935	327,127,747
State Agencies	58,577,359	65,705,797	53,927,371
Indirect	115,316	299,600	299,600
Other	132,333	1,671,120	3,507,436
Total Transfers-Out	\$ 591,276,167	\$ 590,043,953	\$ 581,543,685
Net Revenue Available	\$ 1,831,957,004	\$ 1,792,315,411	\$ 1,944,010,155
Total ODOT Expenditures	\$ 1,776,615,486	\$ 1,733,178,682	\$ 1,836,871,921
Estimated Ending Balance	\$ 55,341,518	\$ 59,136,729	\$ 107,138,234

ODOT Program Budget 2001-2003

— ODOT Overview —

Revenue

Transportation revenues are expected to be more than \$2.5 billion for 2001-2003. Revenues come from a variety of state and federal sources and are shared with local governments and other Oregon agencies. State revenue sources are forecasted to increase only slightly due to slower growth in Oregon's economy.

- **Beginning and Ending Balance** – Estimated reserve for contingencies.
 - **Motor Fuels Taxes** - Includes motor fuels and aviation fuel taxes. Forecasted revenues for 2001-2003 reflect a 0.7 percent increase over 1999-2001 estimates.
 - **Federal as Other (Reimbursements)** - Funds that are federal in origin, but categorized as "Other Funds" for highway projects. These federal reimbursements are from the Transportation Equity Act for the 21st Century (TEA-21). Additional funds are expected to be available in the 2001-03 biennium.
 - **Federal Funds** - Federal funds dedicated to specific uses. The increase is from Motor Carrier Safety Assistance Program (MCSAP) funding for Motor Carrier Division's Commercial Vehicle Safety Plan, for both Rail and Transit Division for the payout on projects carrying over from the 1999-2001 biennium, and a \$10 million fund shift from federal-as-other to federal for Transit Division.
 - **Weight Mile Taxes** - Paid by operators of heavy trucks (over 26,000 pounds). Expected revenues for 2001-2003 decrease 4.5 percent from 1999-2001. This decrease is due to a reduction in the weight mile tax rate by about 12 percent approved by the 1999 Oregon Legislature.
 - **Railroad Gross Revenue Fee** – paid by Oregon railroads; based on previous year's gross revenue.
 - **Driver and Vehicle Licenses and Fees** – Includes fees for licensing drivers and registration and titling of vehicles. Funds remaining after subtracting transfers required by statute and DMV operating expenses become part of the Highway Fund and are shared with cities and counties. The increase is the result of the change in the license renewal cycle from four to eight years and the DMV fee increases approved by the 2001 Legislature.
 - **Transportation Licenses and Fees** – Includes revenues from truck registrations through MCTD and Sno-Park permits through DMV.
 - **Internal Charges for Services** – Includes costs of ODOT support areas providing both internal support for other ODOT programs and support for some external agencies.
 - **Bonds and Certificates of Participation** – Proceeds from the sale of bonds and Certificates of Participation (COP). No projects required bond or COP funds in the 1999-2001 biennium.
 - **Transfers-In** - Dedicated revenue from the cigarette tax, local government match participation and Transportation Growth Management match from Land Conservation and Development Department. The 2001-2003 Legislatively Adopted Budget includes a higher estimated transfer-in from local government for match.
 - **General Fund** - Supports the Motor Voter Program at DMV, Transportation Growth Management program in the Transportation Program Development Division, Motor Carrier Transportation Division truck driver positive drug testing program, Public Transit's Special Transportation Fund, Willamette Valley Passenger Rail Program in the Rail Division and
-

ODOT Program Budget 2001-2003

— ODOT Overview —

Transportation Safety's Safety Education Fund. The increase is due to a fund shift for both Transit and Rail Divisions.

- **Lottery Proceeds** – Provides for legislatively directed Westside Light Rail debt service, Short-line Rail Infrastructure Assistance and South Metro Commuter Rail Project.
- **Sales and Charges for Service** – Includes sale of DMV records, Highway Division miscellaneous services, and sale of property, timber and equipment. The decrease is due to a reduced estimate of Highway miscellaneous services.
- **Other Revenue** – Items in this category include interest, loan repayment, fines, rent and royalty and miscellaneous fees and licenses.
- **Transfers-Out to Cities, Counties, Other Agencies** – Required distribution from the motor fuels tax, weight-mile taxes, and license fees. The transfer to Human Services Division for the Motor Vehicle Accident Fund has been eliminated (\$7 million) and 1999-01 included a Residual Equity Transfer for the beginning balance for the ATV Program.
- **Indirect** – Public Transit receives funds to cover indirect costs as a portion of the federal funds expended.

ODOT Program Budget 2001-2003

— ODOT Overview —

Expenditures

ODOT Divisions	1997-99 Actual Expenditures	1999-01 Estimate As of April 2000	2001-03 Legislatively Adopted
Highway Division			
Highway Maintenance:			
Maintenance and Emergency Relief Program	\$ 309,920,314	\$ 300,660,638	\$ 284,186,764
Highway Planning Program (*)	\$ 22,955,631	\$ 23,505,034	\$ 0
Highway Construction			
STIP Construction Program			
Preservation Program	\$ 187,949,905	\$ 260,046,804	\$ 284,237,175
Bridge Program	86,035,835	127,230,756	128,997,381
Modernization Program	303,836,921	268,500,480	169,483,421
Highway Safety Program	32,345,304	35,024,951	44,199,583
Highway Operations Program	32,025,690	33,978,499	56,685,879
Local Government Program	178,943,018	91,043,507	161,861,218
Special Programs	136,666,370	129,891,008	174,990,051
Construction subtotal	\$ 957,803,043	\$ 945,716,005	\$ 1,020,454,708
Subtotal Highway Division	\$ 1,290,678,988	\$ 1,269,881,677	\$ 1,304,641,472
Driver and Motor Vehicle Services Division	147,965,041	116,106,622	118,714,398
Motor Carrier Transportation Division	39,394,850	38,272,590	41,824,971
Transportation Safety Division	9,659,537	16,545,092	22,491,345
Public Transit Division	7,225,785	28,271,766	45,892,892
Rail Division	8,737,148	25,780,142	42,893,823
Transportation Program Development (*)	29,292,862	36,383,308	57,283,894
Aeronautics Division	3,481,439	3,134,016	0
Communications Division	5,619,179	6,101,292	6,129,614
Central Services Division	93,410,924	111,810,713	108,182,745
Board of Maritime Pilots	236,194	227,013	261,980
Debt Service:			
Lottery Debt Service	59,921,536	19,993,390	20,200,045
Revenue Bonds/COPs (Non-Limited)	13,895,835	6,728,094	15,327,531
Other:			
Capital Improvement	53,844	2,674,993	2,529,970
Capital Construction	26,057,335	1,000,007	1,000,001
Non-Limited Programs	40,984,989	40,104,335	39,333,608
Non-Limited Loan Funds	0	10,163,632	10,163,632
Total ODOT Program Expenditures	\$ 1,776,615,486	\$ 1,733,178,682	\$ 1,836,871,921
Funding			
General Fund	\$ 801,204	\$ 5,113,851	\$ 20,111,026
Lottery Funds		18,698,892	20,200,045
Other Funds (**)	1,753,801,713	1,677,786,216	1,727,007,818
Federal Funds	22,012,569	31,579,723	69,553,032
Total ODOT Program Funding	\$ 1,776,615,486	\$ 1,733,178,682	\$ 1,836,871,921
Position	4,904	5,031	4,923
Full time Equivalents (FTE)	4,702.45	4,764.59	4,724.89

* This reflects a combining of Transportation Development Division work efforts with Highway Planning including region planning, bridge inspection, pavement rating, salmon recovery efforts and initial scoping for projects.

**Most expenditures from Federal Highway Administration (FHWA) are classified as Other Funds for state budgeting purposes.

ODOT Program Budget 2001-2003

— ODOT Overview —

Expenditures

State revenue sources are forecasted to increase only slightly. As a result, ODOT submitted a budget in which all programs funded by the Highway Trust Fund were reduced to stay within their 1999-2001 levels.

Highway Division

- Construction costs will increase due to inflation. Revenue sources (fuels tax, driver and vehicle fees), however, remain constant. This reduces purchasing power and decreases the amount of road-work that can be done.
- The Oregon Transportation Commission (OTC) reallocated funding from other divisions and modernization projects into highway preservation and bridge programs.
- Highway Planning Program moved and combined with Transportation Development Division.

Driver and Motor Vehicle Services Division (DMV)

- The Legislature approved fee increases and increased expenditure authority of \$2.7 million.

Motor Carrier Transportation Division

- Additional Federal MCSAP revenue has allowed an increase in the Motor Carrier Division's Commercial Vehicle Safety Plan.

Transportation Safety Division

- Additional Federal Funds are available from TEA-21 for transportation safety related work.
- The Driver Education program is now budgeted for two years as part of the transfer from the Department of Education in 2000.

Public Transit Division

- Includes continued funding for transportation services to the elderly and disabled approved as the Oregon Transportation Network (part of the Governor's Livability Initiative).
- \$8 million of cigarette tax previously budgeted as a revenue transfer to cities and counties has been changed to a special payment (expenditures) to governing bodies (counties, mass transit districts and transit districts) for transportation services benefiting the elderly and disabled.

Rail Division

- Includes continued funding for Willamette Valley Passenger Rail Service.
- Additional staffing was approved to respond to workload increases resulting from growing passenger rail program, including rail transit safety oversight responsibilities and added responsibilities related to crossing safety improvement projects.

Transportation Program Development

- The budget includes a \$2.3 million reduction as a result of the OTC reallocation to Bridge and Preservation projects.
- The Highway Planning Program moved from the Highway Division to combine with Transportation Development Division (TDD) and resulted in the creation of Transportation Program Development (TPD).

Communications Division

- The budget includes \$0.2 million reduction as a result of the OTC reallocation to Bridge and Preservation projects.

Central Services Division

- The budget includes \$1 million reduction as a result of the OTC reallocation to Bridge and Preservation projects.

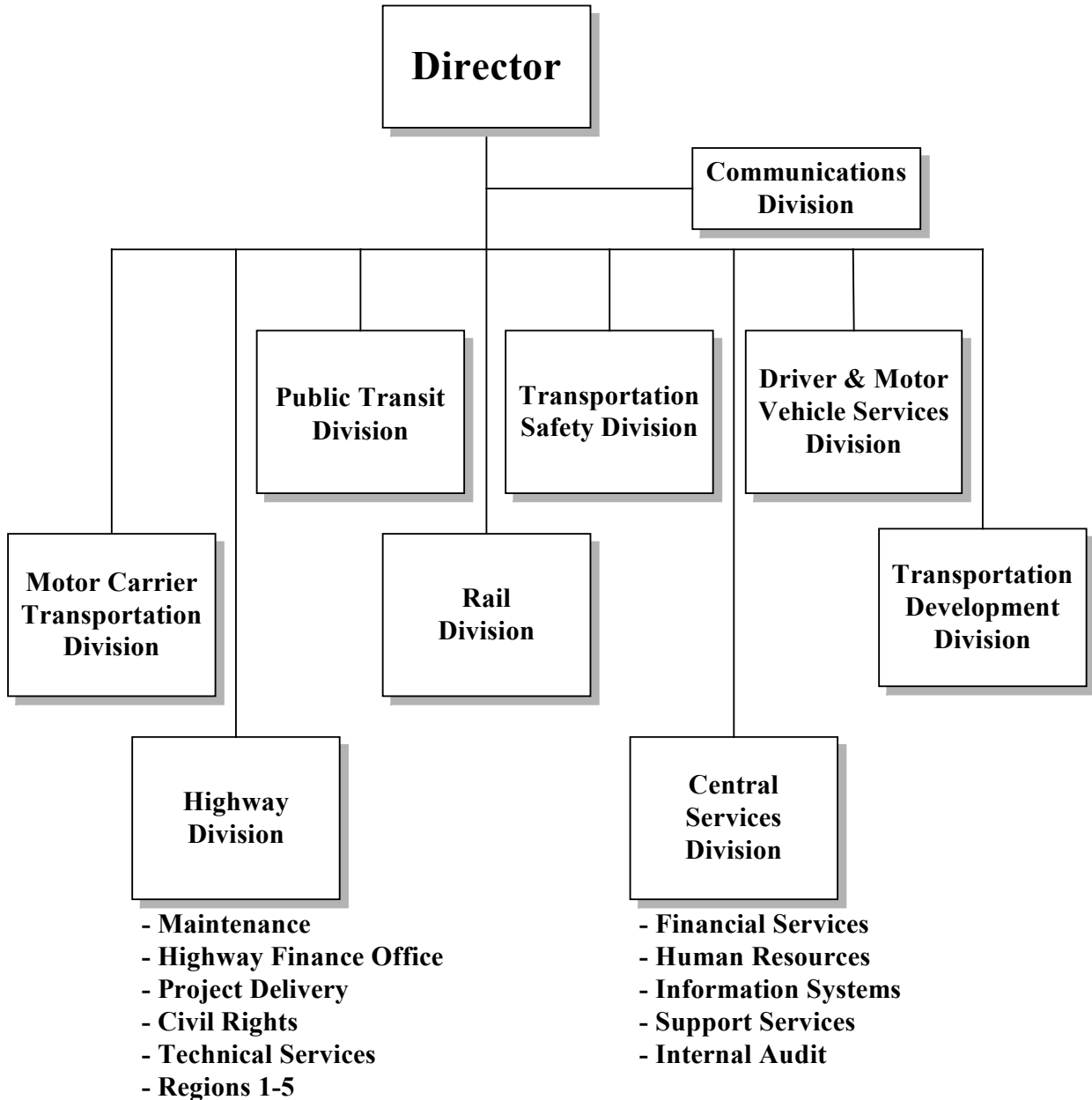
Non-Limited

- Consists largely of the charges ODOT makes to itself for its equipment fleet and support services. Debt service, other than for the Lottery Projects, is included in this category.

Lottery Bond Repayment

- 2001-2003 amounts show expenditure requirements for debt service from lottery dollars and other funds.
-

Oregon Department of Transportation Organization Chart



The Board of Maritime Pilots is also included in the ODOT budget for administrative purposes.

ODOT Program Budget 2001-2003

— Highway Division —

Highway Division — Description

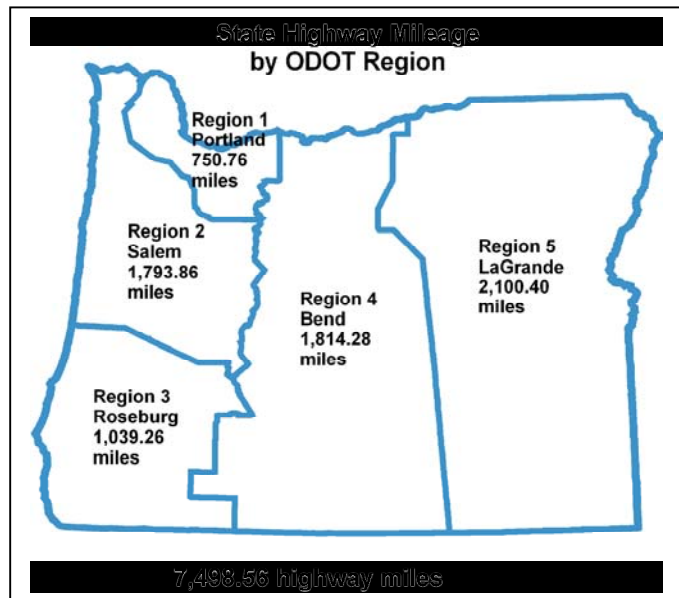
ODOT operates and maintains nearly 7,500 miles of highways in Oregon. The highway system is as diverse as the state itself. It ranges from six-lane, limited-access freeways with metered entrances in the Portland area, to a mostly gravel state highway from Prineville to Brothers. Oregon's economy and industries, including agriculture, timber, tourism, manufacturing, distribution and technology, all depend on a sound highway system.

Oregon has more than 83,000 miles of roads owned by federal, state, county and city governments. State highways make up less than 10 percent of total road miles, but carry 60 percent of the traffic, traveling about 56 million vehicle miles a day. More people are driving more cars more miles than ever before, on the same highways, streets and roads. Despite a 59 percent increase in driving during the past 13 years, Oregon's arterial and collector mileage grew only six percent. About 87 percent of commuters drive alone to and from work. Congestion is getting worse, especially on urban freeways.

A strong economy needs good highways. State highways link producers, shippers, markets and transportation facilities. A total of 3,753 miles of highway are designated as National Highway System routes, both rural and urban, as they play an essential role in the state's economy. They give access to airport freight services, ports and many other kinds of transportation facilities.

Commercial trucks rely on state highways for both short- and long-haul freight movements. On an average weekday, about 19,000 interstate trucks enter the state carrying 250,000 tons of goods. Of shipments originating in Oregon, about 42 percent of the value and 80 percent of the weight also terminate here.

ODOT Regional Offices		
Region 1	Portland	Portland Metro Columbia Gorge
Region 2	Salem	Willamette Valley North Oregon Coast
Region 3	Roseburg	Southwest - including South Oregon Coast
Region 4	Bend	Central Oregon
Region 5	La Grande	Eastern Oregon



ODOT Program Budget 2001-2003

— Highway Division —

Many state highways, especially heavily traveled routes and urban-area highways, are built to support alternative modes. Special features include bicycle and walking paths, transit stops, bus pullouts and shelters and park-and-ride lots. Intercity buses, transit buses and vans, car pools, motorcycles, bicycles and pedestrians also use highways. Electric, gas, telephone and other utilities use highway right of way.

The Highway Division consists of two major program areas: Maintenance and Construction. The statutory limitations are shown within these program areas.

Maintenance Programs include:

Highway Maintenance and Emergency Relief Programs

Construction Programs include:

Statewide Transportation Improvement Program (STIP)

- Preservation Program
- Bridge Program
- Modernization Program
- Highway Safety Program
- Highway Operations Program

Local Government Program

Special Programs

The individual detailed descriptions of each program follows.

Maintenance and Emergency Relief Programs

Maintenance Programs include highway maintenance and emergency relief programs.

Highway Maintenance Program

Highway maintenance includes the routine daily activities of keeping up, preserving, repairing or restoring existing highways to keep them safe and usable for travelers. Highway maintenance may include replacing what is necessary to keep highways safe (such as signs, pavement markings and traffic signal components), but does not generally include road reconstruction. There are two types of general highway maintenance functions:

Reactive

If it breaks, fix it. These mostly are activities to fix an existing problem or concern. This type of highway maintenance is incident-driven.

Proactive

Spend now to save later. These are inspection, upkeep, preservation or restoration activities to prevent problems or damage to highways or other highway-related infrastructure and to reduce life cycle costs. This type of highway maintenance considers the amount of the benefit versus the cost. Highway maintenance also includes maintaining the buildings and equipment used by ODOT employees. ODOT's maintenance offices are a visible presence in communities throughout Oregon. They serve as local points of contact for the public who may have questions about state highways, requests for special highway-use permits and general maintenance questions.



Highway Maintenance Activities

Surface Repair

Activities include sealing cracks to keep water out, filling potholes, digging out and replacing small sections of pavement, and overlaying larger portions of failed pavement.

Drainage

Drainage activities remove water, a significant danger, from roads. Water trapped under pavement can cause roads to fall apart quickly. Water trapped in hillsides can cause slides that block roads. Drainage includes cleaning and shaping ditches, cleaning and repairing culverts and restoring vegetation on slopes to limit erosion.

ODOT Program Budget 2001-2003

— Highway Division —

Roadside and Vegetation

Safety activities include rebuilding and smoothing shoulders to correct drop-offs from the pavement edge, sweeping debris, fixing access control fences, removing hazardous trees and clearing roadside weeds and other vegetation that could block visibility. It also includes maintaining access to sidewalks and bike paths, removing litter, repairing damage due to vandalism, maintaining landscaping and rest areas and installing sidewalk wheelchair ramps.

Snow and Ice

Keeping roads open in winter conditions involves plowing snow, sanding for increased traction and applying environmentally friendly anti-icing chemicals.

Bridge Maintenance

Maintenance activities include cleaning, spot painting, patching and removing debris from bridge piers. Also included is fixing deck substructures or superstructures. This program also includes drawbridge operations.

Traffic Services

Activities guide drivers to keep traffic moving or keep vehicles from straying into oncoming traffic or off the road. Traffic services involves marking traffic lanes, fixing and replacing signs, repairing traffic signals and ramp meters, replacing light bulbs, cleaning and replacing sight posts, and straightening or replacing guardrails and barriers.

Extraordinary Maintenance

Maintenance crews respond to unplanned incidents that close roads or restrict traffic. Other activities include opening roads blocked by storms or other natural events not large enough to be included in emergency maintenance.

Facilities

ODOT manages maintenance offices, shops, yards and storage sites statewide. Facilities services include new building construction management, statewide Americans with Disabilities Act (ADA) program management, lease negotiations and coordination, office space planning and allocation, and building maintenance, repair and improvements.

Fleet Purchase and Repair

ODOT owns and repairs the light and heavy equipment used for highway maintenance. Maintenance purchases the fleet equipment used in maintenance activities.

ODOT Program Budget 2001-2003

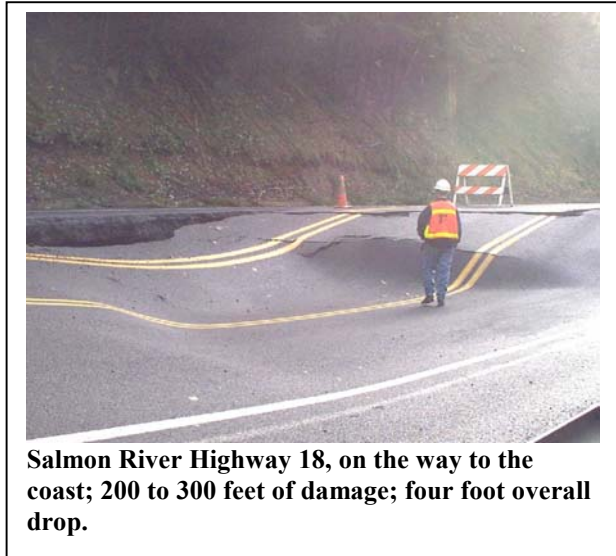
— Highway Division —

Radio Communications

The Communications Unit provides radio communications systems, products, maintenance and repair services for maintenance crews, construction project managers and the Motor Carrier Transportation Division. These radio systems support the daily operations of highway maintenance and construction office crews. These systems have experienced substantial growth because fewer staff are working at multiple job sites and increases in traffic and population have increased the need to respond to incidents.

Emergency Relief Program

Highways may suffer serious damage from natural disasters, such as floods and earthquakes, or from catastrophic failure, such as bridge collapse. The Emergency Relief program provides for repair and restoration of highway facilities to pre-disaster conditions. All repair work is classified as emergency and permanent. Emergency repairs are those activities during and immediately after a disaster to restore essential traffic, minimize damage or protect remaining facilities. Mostly state forces perform this work, with additional support from outside contractors. Permanent repairs restore the highway to its pre-existing condition and are mostly contracted out.



The U.S. Congress created an emergency fund to repair or rebuild highways, roads and trails that suffer serious damage from natural disasters, such as earthquakes and floods. The Federal Highway Administration Emergency Relief (FHWA-ER) program supplements state resources to help pay for unusually heavy expenses on federal aid highways and roads on federal lands resulting from extraordinary conditions. Most of Oregon's state highways are on the federal-aid system. Application for FHWA-ER funds requires a declaration of emergency by the governor. Damage must generally exceed \$700,000 for a single event.

Highway Planning Program

The Highway Planning Program is now included in Transportation Program Development (TPD) (see page 72). All of the functions that had been included as part of the highway planning program will continue as part of Transportation Program Development. This includes corridor planning, development review, bridge inspection, pavement management and other activities. This consolidation was done as part of the 2001-03 budget process to provide better coordination of planning and project development activities.

ODOT Program Budget 2001-2003

— Highway Division —

Construction Programs

Highway Construction consists of the activities that support the design and construction of projects and the operation of the highway system. These activities are included in the Statewide Transportation Improvement Program (STIP), which includes the Preservation, Bridge, Modernization, Highway Safety, and Highway Operations programs. Construction activities also include the Local Government Program and Special Programs.

Statewide Transportation Improvement Program (STIP)

The Statewide Transportation Improvement Program (STIP) is Oregon’s transportation capital improvement program that identifies the estimated cost and schedule of transportation projects and programs. The highway programs included in the STIP are Preservation, Bridge, Modernization, Highway Safety, Operations, Special Programs and Local Government.

The STIP covers a four-year period based on a federal fiscal year (October 1–September 30) and goes through an update process every two years. Typically, the first two years of the STIP contain the updated projects from the last two years of the previous STIP. The last two years of the STIP include the new projects that are scheduled to begin in those years.

Federal Fiscal Year Oct. 1 – Sept. 30	FFY 98	FFY 99	FFY 00	FFY 01	FFY 02	FFY 03
STIP	1998-2001 Statewide Transportation Program (STIP)			2000–2003 Statewide Transportation Program (STIP)		
			Update Period for Existing Projects	New Projects		

The currently approved program covers the federal fiscal year (FFY) period 2000-2003. It includes project commitments carried forward from the 1998-2001 STIP for the FFY 2000-2001. The 2002-2005 STIP update process is underway and is scheduled for adoption in January 2002. It will update projects from FFY 2002-2003 and add projects for FFY 2004-2005.

The majority of the project costs are payments to private contractors. The 2001-03 Legislatively Adopted Budget contains \$571 million in contractor payments. These payments are obligated as follows:

Budgeted Total Contractor Payment	Estimated Signed Contracts	Balance Committed 2000-2003 STIP
\$ 571 Million	\$ 348 Million	\$ 223 Million

See Appendix A, page 87 for a more detailed review of the STIP process.

ODOT Program Budget 2001-2003

— Highway Division —

Preservation Program

Preservation projects, such as asphalt overlays, add useful life to a road without increasing its capacity. Preservation rehabilitates existing facilities and extends its service life. The most cost-effective approach is to resurface highways while they are still in a condition that requires only relatively thin paving. These treatments normally are 2+ inches thick. Almost all the work is focused on improving the life of the pavement and very little on other items such as widening, adding sidewalks, guardrails, signs or traffic signals, unless needed to correct a high risk safety issue.



Pavement Condition: Good

Pavement Resurfacing

The program strives to do the resurfacing at the most cost-effective time in the life cycle of a highway. Resurfacing to ensure another 10 to 20 years of life is 75 to 80 percent less expensive if it is performed within eight to 12 years, as opposed to later when costs are higher.



Pavement Condition: Poor

The average construction cost of a non-interstate preservation project in the 2000-2003 STIP is \$120,000 per lane mile. The construction cost for one lane mile of a preservation project on an interstate pavement varies greatly, from around

\$200,000 in remote eastern Oregon, to around \$500,000 in metropolitan Portland. Total project costs vary greatly, depending on the type of treatment required, existing traffic flow and patterns, and other features (such as safety guardrails) that must be included. Recent projects include:

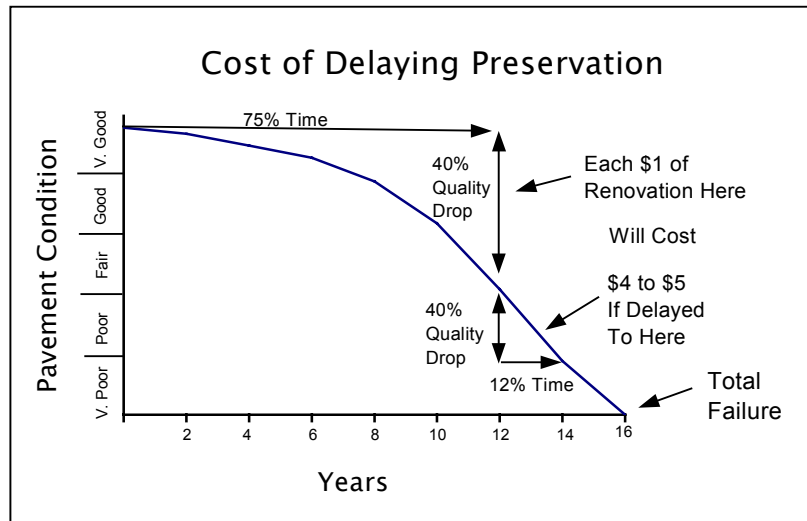
- Idanha East City Limits to Pamela Road, and North Santiam Highway at Blowout Road: \$406,500 per lane mile.
- Richey Road – Milepoint 8.9 (Clackamas County): \$224,000 per lane mile.
- Highway 97 from the California border north (11 miles): \$159,000 per mile.

ODOT Program Budget 2001-2003

— Highway Division —

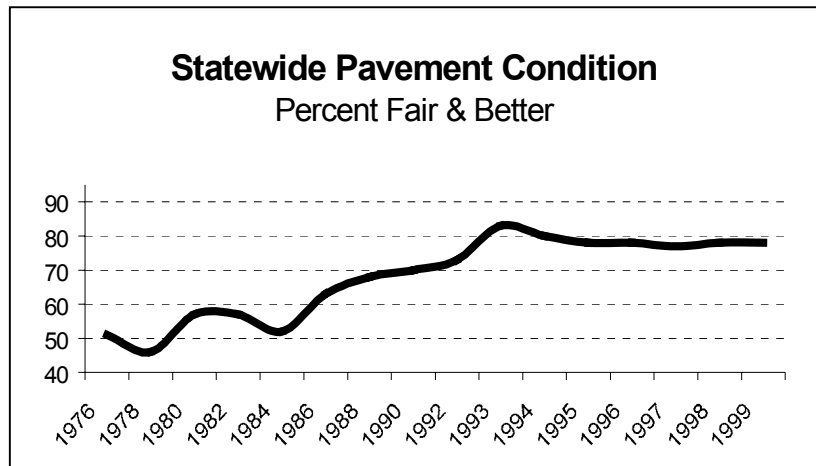
Pavement Condition

ODOT has been collecting pavement condition information since 1976. Engineers use five categories to rate pavement condition: very good, good, fair, poor and very poor. Pavements in poor or very poor condition are generally considered undesirable for most state highways. ODOT uses the term “fair or better” (fair, good and very good) to designate pavements in acceptable condition.



In 1976, Oregon’s highways were in less-than-desirable shape, with only 51 percent rated fair or better. During the next 16 years, conditions gradually improved to a high of 83 percent fair or better in 1993. During the past five years, however, conditions have dropped again to the current level of 78 percent fair or better and are predicted to decline by an additional 2 percent by the end of 2003.

Overall, pavement condition is directly tied to the amount of paving work done. ODOT’s Pavement Management group has tracked the condition of paving work done since 1993. To maintain state highways at their current level, ODOT must pave about 1,000 lane miles per year. However, in the past five years, the department’s funding allowed it to achieve only 85 percent of the required work. Unless ODOT increases preservation work by 15 percent, Oregon’s pavement condition will keep getting worse.



ODOT Program Budget 2001-2003

— Highway Division —

Bridge Program

This program preserves the more than 2,600 bridges and other highway related structures on the state highway system. A large number of bridges are nearing the end of their design life and need repair or replacement. ODOT uses its Bridge Management System to help with long-range planning and analysis for preserving the bridge system.

To predict bridge needs and to protect public safety, ODOT inspects all bridges at least every two years. Bridge staff uses the results of the inspections to develop programs for bridge maintenance, major rehabilitation and replacements. ODOT then identifies projects for inclusion in the STIP.

Bridge Priority Activities

- *Repairing structural deterioration:* restores the service level by upgrading the deficient features on the structure such as superstructure, substructure, footing and deck.
- *Major bridge painting projects:* preserves the structure investment by decreasing the risk of corrosion and loss of capacity.
- *Raising bridges to increase vertical clearance:* improves safety by raising bridges (especially those with collision damage) to current clearance standards.
- *Repairing and preventing streambed erosion near bridges:* improves safety to the traveling public by safeguarding structures against collapse from loss of foundation support due to streambed erosion.
- *Protecting bridges from earthquake damage (seismic retrofits):* preserves the structure investment by enhancing the structure's ability to resist seismic forces.
- *Repairing and protecting bridges against corrosion damage:* preserves the structure investment by using special methods to decrease the risk of corrosion damage and loss of capacity.
- *Upgrading electrical and mechanical systems in movable bridges:* preserves the structure investment by replacing outdated equipment used to operate the movable span portion.
- *Making safety improvements:* improves safety by upgrading features, such as installing new railings, making bridges wider and safer and installing protective fencing.



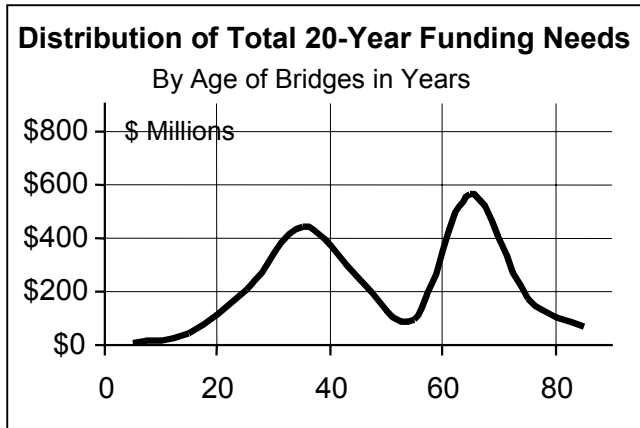
Structural deficiencies on the deck affect load capacity on the 76-year-old Old Winchester Bridge. (North Umpqua River in Douglas County)

ODOT Program Budget 2001-2003

— Highway Division —

The program is funded at \$56 million per year for 2002 and 2003, increasing to \$75 million per year for 2004 and 2005. At \$75 million per year, the department will be able to address about 35 of the 75 bridges that need replaced or rehabilitated annually. The funding is only sufficient to begin the systematic replacement of more than 700 bridges nearing the end of their design life. The state can expect 32 to 36 bridges will require emergency repair annually by 2003. Bridges needing work are increasing at an

alarming rate. Heavy loads on old bridges are causing them to deteriorate. This is evidenced by the need to limit the weight of trucks using some state highway system bridges.



Modernization Program

Modernization projects build new facilities or add capacity to existing facilities to allow for current traffic volumes and projected traffic growth. Beginning with the 1998-2001 STIP, the program has been reduced due to available funding and the need to focus on preservation and bridge needs. This program is currently at a level that achieves the state minimum required by ORS 366.507.

In addition, in the Transportation Equity Act for the 21st Century (TEA-21), the 1998 federal transportation bill, Congress earmarked funding for specific projects. Oregon received funding for 32 earmarked projects, most of which fall in the

modernization category. All earmarked projects must be matched with at least 20 percent in non-federal funds. This match is included in the project estimates for those earmarked projects.



Aerial view of the I-5 and Oregon 217 Interchange redesign. Work on the \$36 million project will be completed mid-2001.

ODOT Program Budget 2001-2003

— Highway Division —

Modernization Priority Activities

- *Adding traffic lanes, passing and climbing lanes*
- *Widening bridges to add capacity*
- *Rebuilding roads with major alignment improvements or major widening*
- *Building new road alignments or facilities, including bypasses*
- *Debt Service for the Local Street Network*

The Immediate Opportunity Fund program is administered in partnership with Oregon Economic and Community Development Department (OECD). Beginning in 2002, the program will be reduced to \$1 million per year for eligible transportation projects that must meet modernization criteria, as well as improve livability and/or economic opportunity for Oregonians.

Highway Safety Program

While safety is woven into every project in the highway program, there is also an additional specific, focused STIP Safety Investment Program. This program identifies all fatal and serious crash sites around the state and suggests the most cost-effective solution to address specific types of crashes. This focused investment process allows ODOT to gain a better return on its safety investment dollars, while providing a safer trip for the traveling public.

The Highway Safety programs address hazardous locations throughout the state. Most of the solutions are engineering-based and include installing signals at high accident sites, building left-turn lanes, closing accesses to highways, fixing guardrail and installing breakaway sign posts.

Within Highway Safety there is a program that specifically targets sites with accident histories. The Hazard Elimination Program (HEP) identifies, prioritizes and funds projects within its program guidelines. HEP can fund both state and local projects, but its focus historically has been on local projects.



ODOT Program Budget 2001-2003

— Highway Division —

Safety Priority Activities

Safety Investment Program (SIP)

The SIP was first implemented in the 2000-2003 STIP. The foremost concern of the program is to identify where the most people are being seriously injured or killed on the state system and apply the most cost-effective measures to reduce the number of crashes.

This is the second STIP cycle for the Safety Improvement Program (SIP). The results to date are promising. The 1997 death rate on Oregon highways was 1.68 deaths per 100 million vehicle miles traveled (VMT). The goal set in the *Oregon Transportation Plan* was to reduce that rate to 1.34 by the end of 2010. According to the most recent data available (2000), the rate is now 1.29 – significantly below the 1997 rate and below the goal rate. The safety program continues to be funded at \$20 million per year, and the department expects to continue to lower the death rate.

Hazard Elimination Program

The Hazard Elimination Program (HEP) is a federally-funded program that mandates each state conduct and systematically maintain an engineering survey of all public roads. This survey identifies, assigns priorities for the correction of, and establishes and implements an improvement project schedule for hazardous locations, sections and elements that may constitute a danger to motorists, bicyclists and pedestrians. This includes roadside obstacles and unmarked or poorly marked roads. The mission of HEP is “to carry out safety improvement projects to reduce the risk, number and/or severity of accidents at highway locations, sections and elements on any public road.”

Highway Operations Program

With increasing population and limited funding, ODOT will rely on emerging strategies and technology-based tools to increase system efficiency, increase safety and manage congestion. These strategies and tools are funded through the Highway Operations Program. Approaches include transportation demand management, and highway operations tools such as traffic control, traveler information systems and incident management.

Highway Operations grows more important in boosting the efficiency of existing highways as ODOT shifts toward preserving and maintaining highways.

ODOT Program Budget 2001-2003

— Highway Division —

Highway Operations programs include:

Traffic Control

The following traffic control strategies maintain and improve the safe and efficient movement of people and goods throughout the state.

- Install and upgrade traffic control devices such as traffic signals, variable message signs, ramp meters, illumination and signing.
- Design, revise and implement traffic signal timing, interconnection and system coordination.
- Develop statewide guidelines, policies and practices for the uniform application and operation of traffic control devices.



About 950 vehicles (2,450 people) daily use this high-occupancy vehicle (HOV) lane on northbound I-5 in Portland. During peak periods, car-poolers shave up to 20 minutes from their commute.

Intelligent Transportation Systems (ITS)

The following innovative applications of technology improve the safety and efficiency of the transportation system.

- Operations support systems, which include weather information systems to improve winter maintenance decisions and remotely-operated signs.
- Travel information systems, carried under the *Tripcheck* banner, enable better travel decisions about route and mode choices and during peak travel periods.
- Advanced Traffic Management Systems, which include ramp metering, closed circuit television surveillance, vehicle detection systems, bus priority systems and other systems, are designed to monitor, respond and adapt to current traffic conditions.
- Transportation Operations Centers monitor system conditions and provide communications and coordination among ODOT crews and between ODOT and other agencies. Operations centers also provide information to the public through travel information systems and variable message signs.
- Incident Management is rapid detection of and response to incidents. In conjunction with other technologies, Incident Response aids highway system efficiency and capacity by keeping traffic moving.



Transportation Demand Management

Transportation Demand Management (TDM) includes transportation actions that are designed to reduce single-occupant-vehicle travel, spread traffic volumes away from the peak commute periods and improve traffic flow. TDM eases demand on the transportation system by using relatively low-cost strategies that encourage a more efficient use of existing facilities.

ODOT Program Budget 2001-2003

— Highway Division —

Slides and Rockfalls

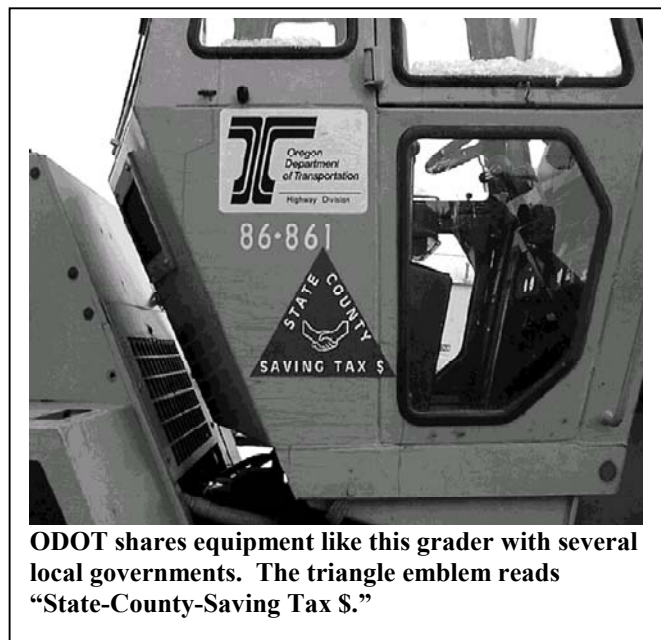
Highway Operations includes projects that correct and contain slides and rockfalls in known problem areas.

Response from the public shows strong support for continued and expanded use of Operations Program system efficiency tools. Although investment in these tools so far has been relatively modest compared to more traditional programs, the high ratio of user benefits-to-costs adds value in the form of increased system efficiency and safety for highway users.

Local Government Program

Transportation in Oregon is a cooperative effort involving all levels of government. Together with local partners, ODOT has made an extensive study of Oregon's roads, highways and bridges. Information gathered helps identify and establish priorities for road and bridge needs of each responsible agency. The agencies address these priority needs subject to the allowed uses of available funds. ODOT continues to share funding based on the priority needs.

Since ODOT is responsible for administering all federal funds supporting highway construction in Oregon, all local expenditures related to federal highway programs are included in ODOT's budget. About 25 percent of the federal funds that come to Oregon support local programs.



Local Programs Priority Activities

Special City Allotment (SCA)

The legislature mandated that \$1 million in state gas taxes be distributed annually among cities with less than 5,000 population. ODOT sets the distribution and dollar amount by agreement with the League of Oregon Cities. One-half of the funds come from the cities' share of gas tax revenues, and the other half comes from ODOT's share of the State Highway Fund. Local entities can receive \$25,000, one-half the maximum grant amount up front, with final payment due upon completion of the project. Payments are included in the expenditure budget for Local Government in the Highway Program. (Note: A similar program exists for small counties, however, funds are transferred directly and are not budget expenditures.)

ODOT Program Budget 2001-2003

— Highway Division —

Federal Aid Programs

Surface Transportation Program (STP)

A portion of federal STP funds is required by federal rule to go to urbanized areas over 200,000 population. It is based on population and amounts to approximately \$14 million annually.

ODOT by agreement shares part of its federal STP funds with counties and cities outside the Portland Metropolitan Area with populations more than 5,000. In total, ODOT allocates about \$16 million of its STP funds to local agencies beyond distributions required in statute or by federal rules.

Local Bridge

The distribution of federal bridge funds to states is based on the percent of deficient bridges nationwide. Under an agreement with the counties, ODOT allocates the federal bridge funds to locals based on their percentage of deficient bridges in Oregon. Bridge are inspected every two years to determine which are deficient.

Congestion Mitigation and Air Quality (CMAQ)

The CMAQ program directs funds toward transportation projects and programs in Clean Air Act non-attainment areas for ozone and carbon monoxide. These projects and programs must contribute to attaining a national ambient air quality standard. Federal funds are allocated only to areas not meeting DEQ air quality standards. These are primarily Metropolitan Planning Organization (MPO) areas in Oregon.

Transportation Enhancement

ODOT has shared a major portion of its federal Transportation Enhancement funds with local governments, according to terms negotiated with local government representatives. Local governments and other public agencies can apply for these funds on a competitive basis. See “Special Programs” for general information about the Transportation Enhancement program.

Discretionary

Local governments can apply for and receive federal discretionary funds such as Scenic Byways, Ferryboat, Emergency Relief, Covered Bridge and special congressional earmarks. These would process through ODOT, similar to other FHWA funds.

Metropolitan Planning

A portion of federal funds is set aside from certain fund categories that may be used for Metropolitan Planning activities. Federal planning funds are allocated based on urbanized population. Metropolitan Planning Organizations (MPOs) use the funds to develop long-range transportation plans and transportation improvement programs.

ODOT Program Budget 2001-2003

— Highway Division —

Other Local Government Programs

Occasionally, some local governments contract with ODOT to develop and construct their projects. These projects are funded entirely with local funds.

Special Programs

Salmon and Watersheds

The Oregon Plan for Salmon and Watersheds identifies how state and federal agencies will restore threatened or endangered salmon species and meet the requirements of the Clean Water Act. ODOT is a partner in the Oregon Plan. Since 1997, ODOT has fixed highway culverts, opened tide gates and made other improvements to help fish affected by Oregon highways. These actions have improved or opened approximately 200 miles of fish habitat.

Transportation Enhancement

Ten percent of the federal STP funds are set aside for Transportation Enhancement activities. These funds may only be used for 12 specific activities that enhance the cultural, aesthetic or environmental value of the transportation system. The majority of Oregon's Transportation Enhancement funds have been used for pedestrian and bicycle facilities. Other current or completed projects involve transportation-related historic preservation, acquisition of scenic easements, landscaping and scenic beautification and mitigation to reduce water pollution due to highway runoff. Projects are selected based on applications from local governments and other public agencies.

Scenic Byways

The purpose of the Scenic Byways Program is to identify and protect Oregon's most outstanding scenic roads. This is done in cooperation with the National Scenic Byway Program administered by the FHWA. This program is eligible for federal discretionary scenic byways funding through TEA-21 and is the only source of funding for this program.

Pedestrian and Bicycle

State law (ORS 366.514) requires ODOT, cities and counties to spend reasonable amounts of their share of the Highway Fund (but not less than 1 percent) on footpaths and bicycle trails. To fulfill this requirement, ODOT generally provides appropriate sidewalks and bikeways when modernizing a roadway. The most common way to accommodate bicyclists is on paved highway shoulders, which are sometimes marked as bike lanes in urban areas. ODOT also constructs stand-alone pedestrian and/or bicycle improvement projects, such as:

- filling in missing gaps of sidewalks.
 - islands and curb extensions to make pedestrian crossing easier and safer.
 - Americans with Disabilities Act (ADA) upgrades.
 - minor shoulder widening or re-striping for bicycle lanes.
-

ODOT Program Budget 2001-2003

— Highway Division —

ODOT also has a local assistance grant program for these types of improvements. In this program, local governments compete for funding for projects that are the highest priority in their community. ODOT and local governments share the costs of these projects.

Immediate Opportunity Fund (IOF)

The IOF supports primary economic development in Oregon. It does this by building and improving streets and roads in strategic locations. The IOF only funds projects that require a quick response and commitment of funds because other sources are unavailable or insufficient. It is not a substitute for other funding sources. The IOF is a discretionary program. The maximum amount available for a single project is \$500,000. Beginning in 2002, this program will be transferred to the Modernization Program.

Jurisdictional Exchange

ODOT has identified more than 1,000 miles of state highways that primarily serve local purposes. These include urban arterials serving primarily local travel, urban streets that are parallel to highway bypasses and roads that function like county roads. The Oregon Transportation Commission is interested in transferring these roads to local governments. When possible and through negotiated agreements, ODOT will transfer jurisdiction of these highways to local governments. The agreement may include the cost to maintain or improve the facility based on the condition of the highway at the time of transfer.

Winter Recreation Parking

The 1977 Oregon Legislature created the Sno-Park program to pay for snow removal from designated winter recreation area parking locations. Revenue for this program comes from selling Sno-Park permits and may be used for snow removal in designated parking areas and for enforcing the permit requirement. Any remaining funds may be used to develop and maintain winter parking areas or may be carried over to the next year.

Snowmobile Facilities

The Snowmobile Program develops and maintains snowmobile facilities. Revenues come from registration fees and fuel taxes attributed to snowmobile use. This program also receives at least 10 percent of the money attributed to Class I ATVs (motorized off-highway recreational vehicles). The All-Terrain Vehicle (ATV) program is a separate program administered by Oregon Parks and Recreation Department.

ODOT administers the Snowmobile Program through an agreement with the Oregon State Snowmobile Association. Program funds may be used only for development and maintenance of snowmobile facilities, including buying land, and to enforce registration, operation and equipment requirements.

ODOT Program Budget 2001-2003

— Highway Division —

Fund Exchange

An optional program for exchanging federal Surface Transportation Program (STP) funds for state funds has been available to local agencies. This program is being reinstated during the 2001–03 biennium.

Reimbursables

This category of expenditures is designed to cover ODOT work that will be paid for by other parties:

- Damage to structures: Recovers costs for repairs to highway facilities, such as signs, guardrails and crash-absorption devices damaged in crashes.
- Fuel sales: Allows ODOT to buy fuel and resell it to other state agencies to take advantage of favorable price agreements that the department negotiates.
- Outside billings: Allows ODOT to bill for services to public agencies, private citizens and businesses.
- Management home purchase: ODOT occasionally buys and sells real estate when it transfers management service employees far from their present homes.

Civil Rights

The Office of Civil Rights manages ODOT's federally mandated internal and external affirmative action programs.

- External affirmative action: Technical help for project management staff, contractors and other stakeholders.
- Disadvantaged Business Enterprise Program: Encourages participation in federally funded construction projects by businesses owned by women and minorities. ODOT sets participation goals for each project up to 15 percent, depending on the project size, location and subcontracting opportunities.
- Internal affirmative action: Internal and external customers may file a complaint with the Office of Civil Rights if they feel they have received unfair treatment.
- Emerging Small Business: Helps emerging small businesses to participate on state-funded construction projects without regard to race or gender.

Surplus Property

ODOT purchases land for highway right of ways. Some of this land lies outside the final right of way set by project designs, thus becoming non-operating right of way. Also, federal law requires ODOT to offer to buy excess property if it is no longer of value to the owner, which also becomes non-operating right of way. ODOT classifies non-operating right of way as "surplus" when it has no present or future use to the department. The program includes leasing and selling surplus property. All revenue from sales, leases and land use permits returns to the State Highway Fund.

Right of Way for Other Agencies

Some local and state agencies do not have staff resources to buy the required right of way for their projects. ODOT may enter into an agreement with them to perform the work for them, for which ODOT would be reimbursed for its costs.

ODOT Program Budget 2001-2003

— Highway Division —

Administration and Indirect Costs

Administrative Costs

These are costs necessary for the management, supervision and administrative control of the agency. ODOT administrative costs include all costs associated with the following organizational units:

- Executive Deputy Director for Highway, and related support staff.
- Division and Region Managers and one level below (e.g., District Managers, Area Managers, Section Managers, etc.) and related support staff.

In addition, certain non-job related time is charged to the branch administrative expenditure accounts (EAs) including:

- Association of Engineering Employees of Oregon (AEE)/Oregon Public Employees Union (OPEU) contract negotiations.
- Clerical support for administrative activities.

Indirect Costs

All non-direct costs that are not administrative are indirect. Examples of indirect costs include:

- office expenses.
- facilities costs (building rent, repairs, etc.).
- training and education.
- work planning and other supervisory activities.
- clerical support.
- service contracts.
- computer entry of payroll, utility and vendor payments.
- crew meetings.
- safety meetings.
- small increments of time spent working on individual projects or services.
- project Indirect (description follows)

Project Indirect

Certain crews throughout the department perform “direct” work (work on specific highway projects), but it is not cost effective to charge these costs to direct expenditure accounts for various reasons. Therefore, these costs are “*project indirect*” by definition. They are indirect costs but captured separately from normal support and administrative indirect costs for identification, analysis and future consideration of accounting classification. For example, if an employee works on four projects in a half-hour period, it may not be cost effective to break down the time to charge to the various projects. Examples include:

- quality assurance/quality control for construction projects.
- federal-aid specialist administration of the local federal aid program.
- securing federal authorization of project work.

ODOT Program Budget 2001-2003

— Highway Division —

Non-direct activities are also needed to support the development and delivery of the highway. Some examples include:

- standards and Specifications that includes labor and supplies for preparing general specifications and plans not related to a specific project.
- standard drawings, manuals, local agency support and contract plans development guides.
- reviewing traffic investigations, requests for additional or modified traffic control devices and development proposals.
- consultation with field personnel on engineering matters not specific to a particular project.

Other Special Programs

Other Special Programs contains miscellaneous expenses that do not fall neatly into other budget categories. Examples of expenses in this category are: work on bridges, facilities and roads of historical interest, safety rest areas, some district office facilities work, independent wetland mitigation and tourist signing.

Issues and Program Needs

- Growth puts more stress on already crowded highways and bridges.
 - Oregon is expected to grow by 1.2 million people by 2020.
 - Seventy-two percent of this growth will occur in the Willamette Valley (Portland to Albany).
 - Oregon's highways, bridges and traffic control systems are aging. Keeping up with maintenance and preservation demands is requiring a larger share of ODOT's revenue each year.
 - Oregon's population is aging. Ensuring mobility for older citizens requires creative solutions, such as innovative traffic control devices (e.g., more visible pavement markings, traffic signal displays, signing, etc.).
 - Strategies must be found to help Oregon meet long-term highway revenue needs.
 - Environmental standards continue to tighten for air and water quality, salmon habitat and other environmental sensitive areas.
 - Increased vehicle travel causes safety concerns, not only for drivers, but also for highway employees and contractors in work zones.
 - Growing demand for driveway access to state highways creates congestion, slows traffic and increases safety concerns for both vehicles and pedestrians.
-

ODOT Program Budget 2001-2003

— Highway Division —

Budget Highlights

- Construction costs will increase due to inflation. This reduces purchasing power and decreases the amount of roadwork that can be done.
- Oregon Transportation Commission (OTC) reallocated funding from other divisions and Modernization projects into Preservation and Bridge Programs.
- The Highway Operations Program grows more important in boosting the efficiency of existing highways, as ODOT shifts toward preserving and maintaining highways. The Operations Program addresses capacity issues through the use of ITS, signal improvements and issues that benefit capacity without building new lanes.
- The increase in the Highway Safety Program supports ODOT's mission to help protect the safety of the traveling public.
- The 2001 Oregon Legislature combined the Emergency Relief Program with the Maintenance Program. The Emergency Relief budget only contains the expected carry-over expenditures.
- Local Government Program fluctuation represents an expected increase in projects completed by local government.
- The 2001 Legislature moved the Highway Planning Program budget into Transportation Program Development (TPD), to better coordinate planning and project development activities.
- The Local Streets Network Program, approved by the 1999 Oregon Legislature, increased the 2001-03 Special Programs budget by \$43 million (\$30 million in state bond proceeds and the remainder in local funds).
- The Oregon Legislature passed the Oregon Transportation Investment Act, which will increase funds available for the highway programs. Action will be needed from the Legislative Emergency Board to authorize the expenditure of funds from the sale of bonds used to finance for highway projects.

ODOT Program Budget 2001-2003

— Highway Division —

Highway Division	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Maintenance and Emergency Relief Programs	\$ 309,920,314	\$ 300,660,638	\$ 284,186,764
Highway Planning Program	\$ 22,955,631	\$ 23,505,034	\$ 0
Construction Programs:			
Preservation Program	\$ 187,949,905	\$ 260,046,804	\$ 284,237,175
Bridge Program	86,035,835	127,230,756	128,997,381
Modernization Program	303,836,921	268,500,480	169,483,421
Highway Safety Program	32,345,304	35,024,951	44,199,583
Highway Operations Program	32,025,690	33,978,499	56,685,879
Local Government Program	178,943,018	91,043,507	161,861,218
Special Programs	136,666,370	129,891,008	174,990,051
Construction Subtotal	\$ 957,803,043	\$ 945,716,005	\$ 1,020,454,708
Highway Division Total	\$ 1,290,678,988	\$ 1,269,881,677	\$ 1,304,641,472
Funding			
General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,290,678,988	1,269,881,677	1,304,641,472
Federal Funds	0	0	0
Total Funding	\$ 1,290,678,988	\$ 1,269,881,677	\$ 1,304,641,472
Positions	2,711	2,892	2,752
Full-time Equivalent (FTE)	2,572.83	2,728.27	2,611.75
Estimated Administrative Percentage	0.96%	1.29%	1.11%

ODOT Program Budget 2001-2003

— Driver and Motor Vehicle Services Division —

Driver and Motor Vehicle Services Division — Description

DMV's mission is to promote driver safety, protect financial and ownership interests in vehicles and collect revenue for Oregon's roads.

Driver Programs

DMV licenses drivers, verifies the identification of people applying for a driver license or identification card, and tests the skills, knowledge and vision of drivers. There are about 2.5 million licensed Oregon drivers. DMV promotes driver safety by providing educational tools such as driver manuals, by ensuring driver tests meet or exceed national standards and by suspending or revoking the driving privileges of problem drivers. DMV maintains a driver record for everyone licensed in Oregon. Driver records may include information such as:

- Convictions reported by courts.
- Accident reports filed by drivers and police.
- Citizen reports of problem drivers. Physicians, family or friends often make such reports.

DMV can withdraw driving privileges and reinstate them after requirements are met, if warranted.

Vehicle Programs

DMV registers close to 4 million vehicles in Oregon. DMV registers vehicles to make sure they can be easily identified. Vehicle registration fees go to the Oregon Highway Fund. DMV also makes sure that vehicles registered in the Portland and Medford areas meet Department of Environmental Quality emission standards.

DMV also issues vehicle titles. Titles prove ownership and help protect the financial interest of vehicle owners and security interest holders. DMV inspects the vehicle identification number (VIN) of newly-registered vehicles, examines the title and other ownership documents, and checks



A new driver receives test results.



DMV licenses and regulates vehicle-related businesses

ODOT Program Budget 2001-2003

— Driver and Motor Vehicle Services Division —

for information on stolen vehicles through state and national law enforcement data systems before issuing titles. DMV assists law enforcement by providing information on title transfers of possible stolen vehicles.

DMV issues trip permits for vehicles that are unregistered and are moving through or out of Oregon. DMV also issues trip permits to move manufactured structures from one location to another. Prior to issuing the permit, DMV ensures property taxes have been paid.

Business Regulation Program

The Business Regulation program licenses 4,200 vehicle- and driver-related businesses in the state and investigates customer complaints against them. This includes vehicle dealers, wreckers, vehicle appraisers, transporters, driving instructors and driving schools. If a problem is found, DMV issues warnings, imposes civil penalties or sanctions the business. The Business Regulation program has a 13-member advisory board.

DMV Services

Program Services

This group develops, implements, communicates and manages policies, procedures and administrative rules for DMV's Driver, Vehicle and Business Regulation programs. The group evaluates the impacts and effectiveness of DMV's programs and works with external stakeholders to promote safety on Oregon's roadways. Employees analyze the policy implications and fiscal impacts of proposed legislation and other initiatives. They design and publish forms and manuals, ensure adequate supplies of license plates and stickers and help get these products to DMV customers. The group develops and monitors performance measurements to ensure DMV is doing a good job. Business Regulation licenses and regulates vehicle dealers, wreckers and towing companies to protect customers' financial interests in vehicles.

Information Technology Services (ITS)

This group ensures that DMV computer systems are maintained. ITS develops, implements and manages DMV's Information Resource Management (IRM) Plan. ITS maintains the computer systems, develops and manages computer system contracts, and coordinates and manages computer projects. Employees work closely with ODOT's Information Services (IS) and private contractors on computer system improvements. The group provides staff to the DMV User Council, comprised of DMV's top managers, which sets, approves and monitors all major



DMV staff train to keep abreast of new information technology.

ODOT Program Budget 2001-2003

— Driver and Motor Vehicle Services Division —

computer projects. This group also supports the Maintenance Evaluation Team (MET), which sets priorities and monitors maintenance requests for DMV's computer systems.

Field Services

DMV serves more than 13,000 customers a day at numerous offices statewide. There are four types of offices: Full Service, Limited Service, DMV Express and Dealer Centers. Full service offices give driver knowledge, skill and vision tests, issue photo driver licenses and identification cards and reinstate driving privileges. They also register vehicles, issue plates and stickers, process title applications and inspect vehicle identification numbers. Limited service offices provide all services except behind the wheel skills testing. DMV express offices provide all services except knowledge and skills testing, reinstatement services and titling and registration of out-of-state vehicles. Dealer centers are special processing centers that provide direct support to licensed vehicle dealers for their titling and registration needs. While are not open to the public, the centers help the general public by separating the large volume of work submitted by dealers from individual transactions.

Field offices also do work for other agencies. This includes:

- assisting motor carriers who need authorization to operate in Oregon.
 - issuing over-size/weight permits for trucks.
 - selling Sno-Park permits.
 - issuing ID cards for other agency personnel.
 - testing applicants for licensing boards such as barbers and hairdressers.
 - registering voters.
 - verifying vehicles have passed Department of Environmental Quality emission tests.
-

Processing Services

This group processes all mail-in business for driver licenses, titles and registrations in addition to processing all of the business accepted at local offices around the state. Employees account for and bank the money sent by customers, issue titles, plates and stickers, renew driver licenses, enter data into computer systems and prepare all of the paperwork for microfilming. DMV produces more than 1.3 million titles and issues nearly 2 million registrations every year. Employees also record traffic violations, convictions and other information on driving records; process accident reports, suspensions and license reinstatements; manage driver improvement activities and medical case reviews, and issue hardship permits to suspended drivers. Employees work by mail, telephone and in person to help customers who have lost or could lose their driving privileges. More than 1.8 million actions related to driver behaviors are recorded each year.

ODOT Program Budget 2001-2003

— Driver and Motor Vehicle Services Division —

Customer Services

DMV provides telephone assistance for more than 1.8 million calls a year through its two call centers. Employees answer questions, schedule drive tests in most areas and help callers do business with DMV. One call center is located within the Oregon Women's Correctional Center, employing 40 inmates. The second call center is staffed by DMV employees at the DMV headquarters building in Salem. Law enforcement agencies access more than 31,000 records each day on the DMV database, and businesses and individuals make more than 4 million DMV record requests each year. DMV contracts with the Oregon Employment Department for administrative hearings, which conducts official hearings for people who appeal DMV actions.

Deputy Director's Office

Provides the policy, oversight and administrative functions of the division.

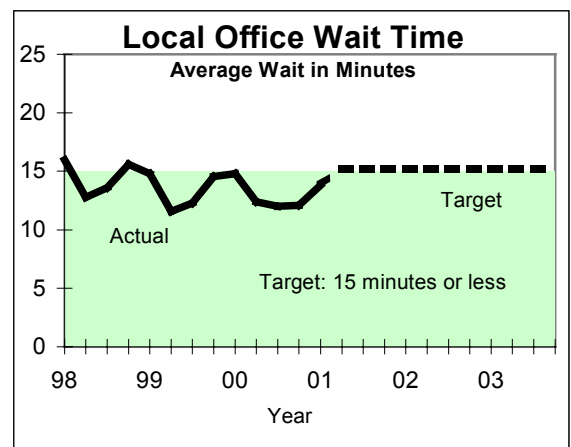
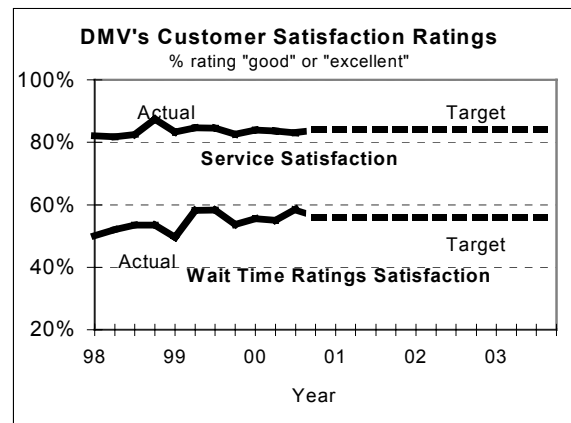
Issues and Program Needs

DMV must respond to a number of internal and external influences to provide services more efficiently, expand service delivery channels, add new capabilities and continue making gradual improvements to aging information systems.

The DMV customer population is growing, aging and increasing in the number of non-English speaking people. The DMV customer base spans the entire state with its varied geographic differences, economic diversity and population density.

During the 1999-01 biennium, DMV was challenged to meet customers' expectations during a shortfall in projected revenue. DMV also absorbed increases in workload due to economic growth and cost-of-living increases.

The 2001 Legislature approved an increase in certain DMV fees to cover the cost of transactions. This will allow DMV to maintain service levels at today's standards through 2003. With no further increase to its budget, DMV would have to absorb any increase in transaction costs.



ODOT Program Budget 2001-2003

— Driver and Motor Vehicle Services Division —

Recent legislative sessions included discussions about ways to privatize or outsource portions of DMV's work. DMV has responded by exploring alternative ways to deliver services. For example, private companies currently perform drive tests and administer knowledge exams.

DMV continues to struggle with its aging information systems. The major systems that store driver license information and process vehicle title and registration business are more than 35 years old. DMV completed the year 2000 work and changed its data storage environment by moving to relational databases, but the basic infrastructure remains essentially unchanged. The information technology resources available for 2001-2003 will support the existing infrastructure.

Budget Highlights

- The increase in the DMV budget between 1999-01 and 2001-03 was a result of a fee increase approved by the 2001 Oregon Legislature.
- DMV was asked by the 2001 Legislature to reevaluate its base Information Technology (IT) budget, and \$2.5 million was set aside from which DMV was to request funding for IT-related projects. Once this reevaluation is complete, DMV is to return to the Legislative Emergency Board. The request for IT-related projects may include funding to: provide the ability to accept credit or debit cards for DMV business, expand Internet commerce, develop an electronic lien and title system, replace the driver test scheduling system, redesign the driver systems infrastructure and replace the digital photo license system. DMV expects to take advantage of the State of Oregon's Web presence to provide such services as vehicle registration renewals via the Internet. The Legislative Emergency Board request may include resources to develop Internet products and services, which will give DMV customers additional options for transacting business with DMV.
- DMV was also asked to provide more information about the extent of the impaired driver problem in Oregon and to provide alternative proposals for funding the recommendations of the Older Driver Advisory Committee. At the September 2001 meeting of the Legislative Emergency Board, \$274,000 and three limited duration positions were approved to implement the first phase of a comprehensive plan to license drivers who are at risk due to the effects of aging and physical impairment on driving ability.
- The reduction in Information Technology Services between 1997-1999 and 1999-2001 was a result of consolidating computer costs in Information Systems (Central Services) during the current biennium.

ODOT Program Budget 2001-2003
— Driver and Motor Vehicle Services Division —

Driver and Motor Vehicle Services Division (DMV)	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Program			
Program Services	23,157,191	\$ 12,260,748	\$ 12,081,621
Information Technology Services	37,857,045	10,700,504	7,897,634
Field Services	45,501,123	48,546,068	51,179,569
Processing Services	19,187,853	20,365,054	22,163,261
Customer Services	21,319,701	23,356,293	24,523,526
Deputy Director's Office	\$ 942,128	877,955	868,787
Total Expenditures	\$ 147,965,041	\$ 116,106,622	\$ 118,714,398
Funding			
General Fund	\$ 180,801	\$ 145,948	\$ 152,882
Other Funds *	147,784,240	115,960,674	118,561,516
Federal Funds	0	0	0
Total Funding	\$ 147,965,041	\$ 116,106,622	\$ 118,714,398
Positions	972	907	901
Full-time Equivalent (FTE)	926.32	863.55	855.05
Estimated Administrative Percentage	2.79%	3.58%	3.55%

*Funding - Other Funds – funds from licenses and fees.

ODOT Program Budget 2001-2003

— Motor Carrier Transportation Division —

Motor Carrier Transportation Division — Description

The Motor Carrier Transportation Division helps truckers comply with Oregon laws and regulations. The laws include commercial vehicle size and weight, registration, safety and economic regulations and Oregon's weight-mile tax.

The division's mission is to promote a safe, efficient and responsible commercial transportation industry by; simplifying compliance, reducing unnecessary regulations, protecting highways and bridges from damage, enhancing private-public partnerships, fostering effective two-way communication, delivering superior customer service and recognizing the vital economic interests of the commercial transportation industry.

The division maintains an extensive Web site – www.odot.state.or.us/trucking – with news and information about trucking in Oregon.

Field Carrier Services – Size and Weight Enforcement

Motor Carrier Enforcement Officers (MCEOs) are based in 14 field offices statewide. They work at 52 weigh stations, six ports of entry and 29 mobile sites to make sure trucks follow size and weight rules. In this way, the officers help protect Oregon highways from damage by oversize or overweight trucks. They also safeguard highways by performing truck and driver safety inspections.

In 2000, MCEOs weighed more than 2.37 million trucks at weigh station static scales using slow- and high-speed weigh-in-motion systems. They screened and sorted at least 1.9 million more trucks. The officers have authority to write criminal and traffic citations. In 2000, they issued more than 18,000 citations for truck size and weight violations and more than 7,800 citations for safety- and other-related violations. They also issued 28,000 warnings with less-than-critical violations and 9,800 vehicles were required to legalize (correct a problem) before proceeding.



ODOT Program Budget 2001-2003

— Motor Carrier Transportation Division —

Motor Carrier Services

Over-dimension Permits

Staff issues single-trip and continuous operation (annual) permits for oversize, overweight or unusual truckloads. MCTD gives truckers routing plans and road restriction information to guide their trips. Permits are available at the Salem headquarters office, any port of entry, and at many DMV and Highway Division district offices throughout the state. They authorize travel on state and federal highways. They can also cover county roads, with the county's approval, but many Oregon counties issue their own permits. In 2000, MCTD processed 102,300 single-trip permits and 29,490 continuous operation permits.

MCTD manages the work of four third-party agents that processed about 54,000 continuous oversize or overweight truck permits in 2000. This includes 13,000 permits issued through a statewide one-stop shopping system. This system makes it possible for a trucker to go to one private-party vendor or one county and receive a permit good for travel in all jurisdictions involved in the trip. The permits are currently available from ODOT, two private businesses and two counties.

Oregon also belongs to the Western Regional Permit Agreement through which MCTD helps truckers get oversize or overweight permits good for travel in ten Western states.

Commercial Vehicle Registration

MCTD regulates a diverse motor carrier industry. That ranges from one-truck owner-operators based in Oregon, to carriers with large fleets that operate nationwide and in Canada. In June 2001, MCTD maintained accounts for 25,180 trucking companies with 317,999 trucks registered to operate in Oregon.

Oregon based carriers have a red ODOT truck license plate that identifies their weight-mile tax account number. Firms that operate in-state get a commercial plate, and firms that travel outside the state get an apportioned plate. As a result of legislation passed in the 2001 Legislative Session (HB 3411), Oregon will eliminate a plate it has been issuing to about 250,000 trucks operated by carriers based in other states and provinces. Instead of issuing a unique Oregon plate to these trucks, beginning in 2002 they will be identified by the license plates issued by each carrier's home state or province. The change affects about 15,000 out-of-state carriers who register to operate in Oregon through a program called the International Registration Plan.



A customer visits the Farewell Bend Port of Entry

ODOT Program Budget 2001-2003

— Motor Carrier Transportation Division —

Carriers traveling in Oregon for only a short time can get a temporary pass and pay their road-use taxes on a per-trip basis.

Many carriers have a MCTD permit to provide for-hire transportation service from point-to-point in Oregon. These carriers can haul almost any cargo except household goods.

Truckers can register at the MCTD headquarters in Salem, at a Portland field office at Jantzen Beach, and at six Oregon ports of entry in Ashland, Cascade Locks, Farewell Bend, Klamath Falls, Umatilla and Woodburn. The Motor Carrier Division:

- issues more than 70,000 ODOT truck license plates, 39,000 trip permits and 69,000 temporary passes each year.
- helps Oregon truckers meet requirements of the International Registration Plan (IRP). About \$46 million in registration fees owed to IRP member states are collected each year.
- collects about \$14 million in Oregon truck registration fees each year.
- licenses more than 4,000 Oregon-based interstate carriers to operate in other states and Canada under the International Fuel Tax Agreement.
- sees that truckers pay Oregon registration fees, file timely highway-use tax reports and pay their taxes on time.
- sees that truckers file proof of liability insurance and, when necessary, proof of cargo insurance.
- sees that truckers file a security bond to make sure they will pay highway-use taxes.

Highway-Use Tax Collection

Each year, MCTD processes mileage reports and collects highway-use taxes and fees from truckers. Trucks weighing more than 26,000 pounds pay a weight-mile tax in Oregon. This graduated tax depends on the truck's weight and the miles traveled on public roads.

As a result of legislation passed in the 2001 Session (HB3411), all carriers will soon have the option of requesting to report and pay weight-mile taxes on a quarterly basis. Carriers are currently required to file monthly reports, unless their annual tax liability is less than \$3,600. Beginning in July 2002, about 8,000 carriers who follow monthly reporting requirements will have the option of switching to quarterly reporting.

Oregon weight-mile tax rates are set by the Legislature based upon input from the Highway Cost Allocation Study, which is periodically updated by a consultant under contract to the Department of Administrative Services.

All taxes collected, minus administrative costs, go to the Highway Fund. Highway Funds are used only to build and maintain state and local roads and roadside rest areas. MCTD collected \$225 million in highway-use (weight-mile) taxes and related fees in fiscal year 2000, four percent more than in fiscal year 1999.

ODOT Program Budget 2001-2003

— Motor Carrier Transportation Division —

Economic Regulation (Rates and Entry)

About 80 moving companies and 30 bus companies have special authority to do business in Oregon. When moving household goods within the state or operating a regular bus service, they are regulated by the state and charge rates approved by the state. Changes to rates are requested by the certificated motor carriers (household goods carriers or regular route, full service passenger carriers). MCTD staff analyze the request and join the carriers at a public tariff docket hearing, which is presided over by an administrative law judge. MCTD recommends approval or denial, carriers present evidence supporting the request, members of the public may present their evidence or opinion, and then the law judge decides the matter. MCTD monitors this small part of the transportation industry to make sure that Oregon has good, stable service at fair prices.

Investigations, Safety, Federal Programs

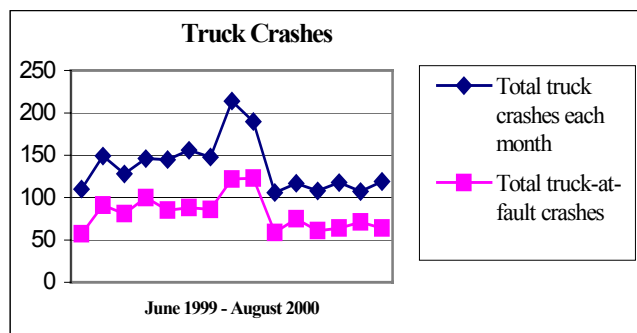
Commercial Vehicle Safety –

Highway safety is MCTD's top priority. The division administers and enforces state and federal trucking safety rules that cover the mechanical condition of commercial trucks, the qualifications of truck drivers and the proper shipping of hazardous cargo. MCTD inspects trucks at weigh stations and along roadsides. One key performance measure it tracks is the number of trucks and drivers pulled out of service for critical safety violations. MCTD also conducts comprehensive audits of trucking companies at their offices to check safety programs and make sure they follow rules.



A Motor Carrier safety specialist checks a truck for safety problems.

MCTD manages the federal Motor Carrier Safety Assistance Program (MCSAP) in Oregon and distributes more than \$2 million in federal funds each year for truck safety inspections and traffic enforcement done by the Oregon State Police, city police, and county sheriffs and weighmasters. MCTD specialists train and certify all enforcement officers who perform truck, driver and hazardous cargo safety inspections in Oregon. MCTD



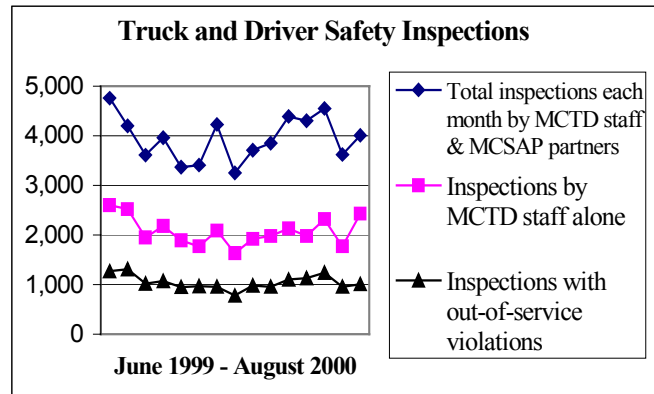
ODOT Program Budget 2001-2003

— Motor Carrier Transportation Division —

also helps law enforcement investigate truck accidents. All of these enforcement efforts are intended to reduce truck-at-fault accidents and hazardous material spills.

Truck safety highlights for 2000

- Oregon completed a record 49,787 safety inspections, a 7 percent increase over 1999 inspection totals.
- Oregon used computers to record more than half of all safety inspections done in 2000. This is important because it allows the information to be quickly sent to the national safety-net databank, where it becomes accessible to inspectors in all states.



Intelligent Transportation Systems (ITS)

MCTD uses intelligent transportation systems (ITS) to weigh trucks in-motion and automatically identify them as they approach Oregon’s busiest weigh stations. The “preclearance” system allows the weigh station to signal a truck to proceed without stopping if it successfully passes a computer check of size, weight, height, registration and account status and safety records.

Oregon’s system, called Green Light, is one of the best known ITS projects in the U.S. It is the winner of a “Best of ITS” for 1999 award presented by the Intelligent Transportation Society of America. Green Light systems are now operating at 21 weigh stations statewide, preclearing as many as one million trucks a year. Allowing safe and legal trucks to bypass ports of entry and weigh stations helps enforcement officers manage a growing stream of truck traffic.



An 18-wheeler is weighed in motion, identified by its transponder, and signaled to pass the Farewell Bend Port of Entry.

Motor Carrier Transportation Manager

The manager defines overall state policies, ensures that motor carrier interests are adequately addressed and coordinates the various functions of the division.

ODOT Program Budget 2001-2003

— Motor Carrier Transportation Division —

Issues and Program Needs

- At its current staffing level, the division will be challenged to continue to meet one of ODOT's key strategies – provide outstanding customer service.
 - The division is challenged to find more ways to privatize functions and partner with third parties to handle growing workloads.
 - The division is also challenged to meet another key department strategy – use innovative program design and technologies to solve transportation problems. It is already committed to using intelligent transportation systems to make its weigh stations more efficient. In the next biennium it will explore e-government-related initiatives that could bring efficiencies in the way it conducts business with the trucking industry. In the long run, this may help stem the need to add FTE to handle increasing business transactions.
-

Budget Highlights

- MCTD abolished 64 positions since 1996, a 19 percent workforce reduction. While these staff adjustments have taken place, the division has continued to operate all of its programs and absorb workload increases.
 - The MCTD budget was reduced by \$1.1 million in the 1999-2001 biennium, almost all of which came in adjustments to personal services because the division has little or no margin in its services and supplies budget. The adjustments were needed to reflect changes in revenue available to ODOT. This adjustment continued into the 2001-2003 budget, with the elimination of 24 positions.
 - The Legislatively Adopted Budget includes an increase in federal Motor Carrier Safety Assistance Program (MCSAP) funds. These funds help carry out the Commercial Vehicle Safety Plan (CVSP). MCTD is the lead agency responsible for implementing Oregon's plan, with the assistance of numerous state and local law enforcement agency partners.
-

ODOT Program Budget 2001-2003
— Motor Carrier Transportation Division —

Motor Carrier Transportation Division (MCTD)	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Program			
Field Carrier Services	\$ 18,228,162	\$ 17,914,799	\$ 17,724,459
Motor Carrier Services	9,618,430	10,088,604	10,405,680
Investigations, Safety, Fed Program	9,349,106	8,170,121	11,502,736
Motor Carrier Transportation Mgr.	2,199,152	2,099,066	2,192,096
Total Expenditures	\$ 39,394,850	\$ 38,272,590	\$ 41,824,971
Funding			
General Fund	\$ 0	\$ 0	\$ 0
Other Funds	36,979,503	35,824,861	35,668,414
Federal Funds	2,415,347	2,447,729	6,156,557
Total Funding	\$ 39,394,850	\$ 38,272,590	\$ 41,824,971
Positions	322	305	282
Full-time Equivalent (FTE)	322.00	279.29	281.79
Estimated Administrative Percentage	4.54%	5.82%	5.89%

ODOT Program Budget 2001-2003

— Transportation Safety Division —

Transportation Safety Division — Description

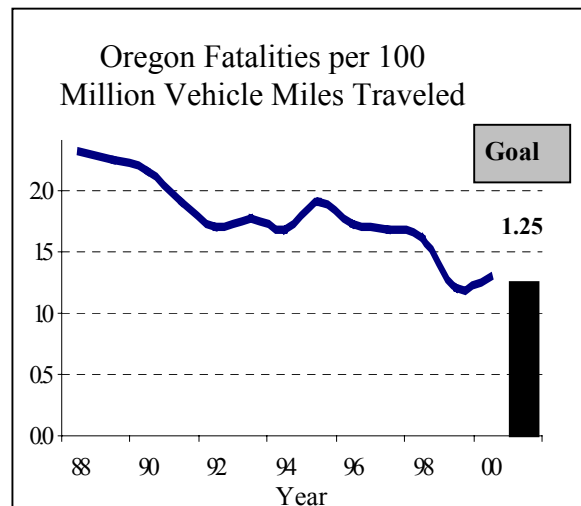
The Transportation Safety Division organizes, plans and conducts a statewide transportation safety program while working with many partners. The past three years have been unprecedented in the number of lives saved and injuries eliminated on Oregon's transportation system. The number of traffic fatalities has dropped to the lowest number since 1954-1955. However it is possible to reduce that number. The number of people injured in crashes has also dropped to record lows. If there were no improvements in vehicles, roadways and driver behaviors, Oregon would have suffered more than 2,000 fatalities and 150,000 injuries in the year 2000 alone. It is through strong partnerships and focused work that Oregon's safety profile now is one of the best in the nation. Continued strong support from the legislature, governor, state agencies, local agencies, non-profit organizations and citizens will allow for even more improvements and continued energy toward highway safety.



“No Dummies To Safety” Transportation Safety staff and partners participate in many events to promote transportation safety around the state.

Statewide Operations

Funds in this program provide planning, program evaluation, monitoring and development, training and administration of grants and contracts. Staff also provides public information and education, traffic safety library and audio-visual services, as well as interagency coordination, legislative research and support of local volunteer groups.



Field Programs

In this program, the staff provides services directly to the public and to government agencies. These include grants, contracts and direct services to local communities, state and local agencies and citizens. Some examples of these grants are: DUII Intensive Supervision Program, Jackson County Child Safety Seat Fitting Station, Salem Safe Community Project, and Baker County TransAdvocacy Program.

ODOT Program Budget 2001-2003

— Transportation Safety Division —

Issues and Program Needs

- *Impaired driving.* Almost 40 percent of traffic fatalities can be attributed to impaired drivers. Transportation Safety supports increased penalties for drivers caught under the influence and who transport minors in their vehicles.
 - Fatalities on Oregon's roadways reached the lowest level ever, based on the amount of vehicle miles driven. The 1.25 fatalities per 100 million miles driven in 2000 was a 26 percent drop from 1996.
 - Traffic-crash-related injuries reached the lowest level ever, based on the amount of vehicle miles driven. The 78.46 injuries per 100 million miles driven in 2000 was a 39 percent drop from 1996.
 - Additional performance goals for fiscal year 2002 include:
 - Reduce alcohol-related fatalities from 174, the 2000 level, to 139.
 - Decrease speed-related fatal crashes by almost 4 percent from 2000 levels.
 - Reduce motorcycle-related fatal crashes from 39, the 2000 level, to 20.
 - Reduce fatal crashes involving pedestrians from 47 in 2000 to 45 in 2002.
 - Increase the rate of general population using safety restraints from 89 percent in 2000 to 90 percent in 2002.
 - Increase bike helmet use by children to at least 56 percent (up from 51 percent in 2000).
 - Increase the number of community transportation safety programs by 5 percent.
 - Decrease by 20 percent the number of police agencies without adequate equipment (radar guns, radar reader boards/trailers) for traffic enforcement.
-

Budget Highlights

- Oregon is one of six states that qualify for all the transportation safety related incentive federal funds provided by the United States Department of Transportation. Oregon is expected to qualify for all funds available during the 2001-2003 biennium.
 - The Other Funds budget was also increased because DMV now collects Motorcycle Safety and Driver Education fees based on an eight-year driver license renewal cycle rather than a four-year cycle.
 - The large increase in Other Funds is due to the transfer of the Driver Education program from the Department of Education to the Transportation Safety Division by the 1999 Oregon Legislature.
 - The 2001 Oregon Legislature granted General Fund support for the Safety Education Fund. The program was previously funded with court fines.
 - The increase in positions between the 1999-01 and 2001-03 budget resulted from 1) The transfer of Driver Education, 2) three staff transferred from Highway Division, and 3) Emergency Board action to provide staff support for the increased federal revenue.
-

ODOT Program Budget 2001-2003

— Transportation Safety Division —

Transportation Safety Division	1997-1999 Actual Expenditure	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Program			
Statewide Trans. Safety Operations	\$ 1,677,362	\$ 2,591,097	\$ 3,599,177
Field Programs	7,982,175	13,953,995	18,892,168
Total Expenditures	\$ 9,659,537	\$ 16,545,092	\$ 22,491,345
Funding			
General Fund	\$ 0	\$ 0	\$ 190,183
Other Funds	2,541,448	3,955,943	9,047,888
Federal Funds	7,118,089	12,589,149	13,253,274
Total Funding	\$ \$9,659,537	\$ 16,545,092	\$ 22,491,345
Positions	19	19	24
Full-time Equivalent (FTE)	15.29	18.71	24.04
Estimated Administrative Percentage	1.77%	1.64%	1.76%

ODOT Program Budget 2001-2003

— Public Transit Division —

Public Transit Division — Description

Public Transit provides grant assistance, advocacy and technical help to communities and local transportation providers. This support develops a network of transportation alternatives to provide people with the mobility needed to live independently and participate in Oregon's economic prosperity. It also develops and encourages the use of transit, ridesharing, telecommuting, schedule shifting, walking, bicycling and other alternatives to driving alone during peak travel times to reduce congestion and improve the function of Oregon's highways.



Small City and Rural Program

This program provides grant assistance to public and not-for-profit entities providing transportation services to the general public in communities of fewer than 50,000 people. The primary source of funding is the Federal Transit Administration (FTA), through the Small City and Rural Area Program and the Rural Transit Assistance Program. Funds may be used for planning, operations, capital purchases or technology improvements. Thirty-eight communities around the state receive annual formula grants through this program. Two additional communities are receiving grant assistance, but do not yet participate in the formula program. One of those is a federally recognized Indian Tribal Government.

Intercity Passenger Program

One of the components of the federal Small City and Rural Program is the Intercity Passenger Program. This program promotes and provides incentive funding to encourage intercity passenger services. Emphasis is placed on connecting communities with a population of 2,500 or more with the next larger market economy and connecting travel modes (bus, rail and air). Support and advocacy is also provided to improve travel information systems. Staff provide technical assistance, identify service gaps, work with committees to prioritize needs and manage grant contracts. Funds may also be used for technology improvements.

Special Needs Transportation Program

Funds are allocated through the Special Transportation Fund (STF) to governing bodies which contract with providers to deliver transportation services to the elderly and disabled. Funds include Other Fund (cigarette tax) and General Fund revenues, 75 percent of which are distributed as formula grants on the basis of population. The other 25 percent is distributed along with funds from the federal Elderly and Disabled Capital Program funds and Federal

ODOT Program Budget 2001-2003

— Public Transit Division —

Highway Administration (FHWA) Surface Transportation Program (STP) as discretionary grants based on need and merit. Most discretionary grants are used to purchase vehicles and other capital assets.

More than half of the resources available to meet the transportation needs of Oregon's elderly and disabled come from the Oregon Transportation Network (OTN) component of the Governor's Livability Initiative. In addition to addressing the mobility needs of Oregon's elderly and disabled, the OTN increases intercity bus and rail passenger transportation and improves coordination of transportation resources among state agencies. ODOT is working with the Department of Human Services in seven communities to make transportation service for the elderly and disabled more efficient through improvements like joint dispatching, transportation brokerages, vehicle sharing joint maintenance and other coordination improvements.

OTN resources are also being invested in improving the quantity and quality of transportation information available to the public statewide. The long-term goal is to give travelers a one-stop telephone, kiosk or computer connection to identify and choose among transportation options within and between communities. This information would then be used to plan, book and pay for a trip to move the customer seamlessly among transportation modes from point of origin to destination.

Transportation Demand Management (TDM)

This program encourages the development of services and facilities to help manage transportation system capacity. Examples include rideshare programs, park and ride lots, telecommuting and incentive programs to encourage the use of alternatives to driving alone. Staff work with TDM/rideshare programs in Salem, Medford, Albany-Corvallis, Eugene, Portland and Bend, and provide technical assistance to regional staff and communities in problem identification and preliminary design.

Transit Planning Program

This program conducts statewide transit planning and transit policy development. The program also provides technical expertise in plan review for local, regional and statewide plans to ensure the appropriate consideration of public transit needs. It also administers federal pass-through funds to the metropolitan planning organizations (MPOs) to use in intermodal transportation planning.





Operations Division Management

Provides the policy, oversight and administrative functions for the division.

ODOT Program Budget 2001-2003

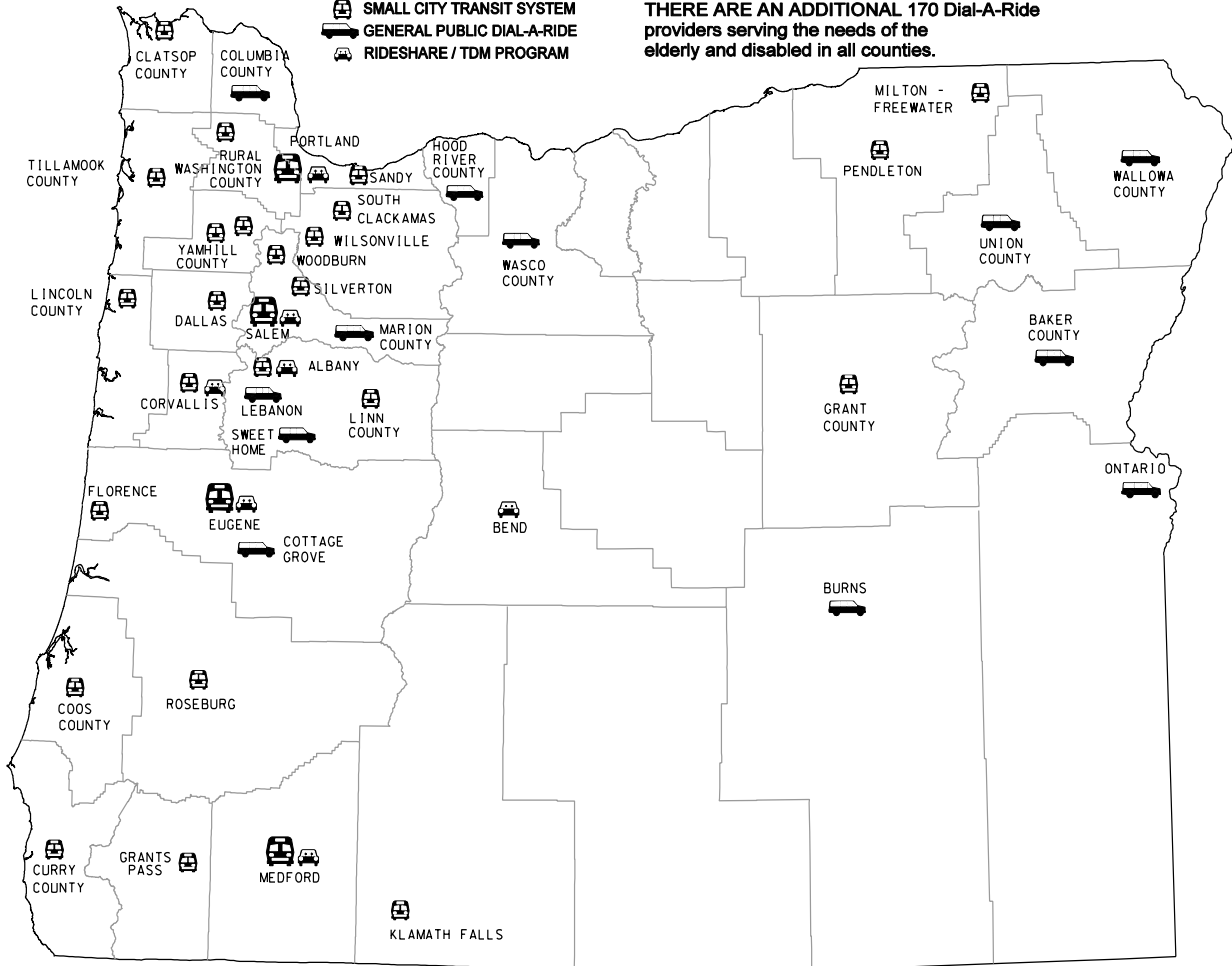
— Public Transit Division —

GENERAL PUBLIC TRANSIT SYSTEMS:

-  URBAN TRANSIT SYSTEM
-  SMALL CITY TRANSIT SYSTEM
-  GENERAL PUBLIC DIAL-A-RIDE
-  RIDESHARE / TDM PROGRAM

STATEWIDE:

THERE ARE AN ADDITIONAL 170 Dial-A-Ride providers serving the needs of the elderly and disabled in all counties.



Rev. December 2000

ODOT Program Budget 2001-2003

— Public Transit Division —

Issues and Program Needs

- Aging Public - Not only is Oregon's population growing, but one of the fastest growing segments is older residents. Many express the desire to age in place at home. They need transportation and other services to make that feasible, and the cost to provide those services is much less than the cost of premature institutionalization.
 - Mobility Needs of the Elderly and Disabled - While significant improvements are being made with the OTN resources, about half the reported need is still unmet. The state has invested significant resources in providing older and disabled residents with the mobility they need to live independent and productive lives. This investment needs to be sustained in the 2001-2003 biennium, and increased in future biennia to provide mobility alternatives for older drivers who choose not to drive or lose their driving privileges.
 - Data collection and Performance Measures - Additional work needs to be done with social service and other agencies to better refine Oregon's vision of the quantity and quality of mobility services needed by Oregon's elderly and disabled.
 - General Public Bus Fleet - About 800 buses serve the general public in small and large communities. This fleet is aging and local resources are inadequate to maintain the safe, efficient and growing fleet needed to reduce congestion, improve air quality and help the state highway system function as it was designed to do. This will remain an unmet need during the 2001-2003 biennium.
-

Budget Highlights

- The 1999-01 increase in the Special Needs Transportation Program represents \$9 million General Fund allocation for the elderly and disabled. \$5 million of the funds were originally budgeted as Other Funds. After the defeat of Ballot Measure 82, the Legislative Emergency Board approved \$5 million in General Fund to replace the unrealized revenue.
 - In 1999-01 Public Transit received \$10 million in federal Surface Transportation Program (STP) funds. Originally, these funds were budgeted as Other Funds. Since the funds flow directly from the Federal Transit Administration, and because the Public Transit Division does not have the authority to expend Federal Funds as Other Funds, a technical adjustment was made to correct federal funding.
 - The Special Needs Transportation Program's Other Funds increase from 1999-01 reflects a change in the treatment of cigarette tax revenues disbursed to counties and districts through the Special Transportation Fund (STF) Program. Previously, these payments were reflected as a revenue transfer. Treating them as expenditures increases visibility and better promotes accountability (\$8.5 million expenditure increase from 1999-01 to 2001-03).
 - \$8.5 million of the Surface Transportation Program (STP) was committed in grant agreements, but was not expected to be expended by the end of 1999-01. These commitments were carried forward into the 2001-03 budget.
 - The Transportation Demand Management position was vacant for a large portion of 1997-99.
 - Division management added a communications position between 1997-99 and increased limitation to cover assessment charges previously shown as a revenue transfer.
-

ODOT Program Budget 2001-2003

— Public Transit Division —

Public Transit Division	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Program			
Small City and Rural Program	\$ 3,354,811	\$ 4,850,202	\$ 4,939,284
Intercity Passenger Program	462,918	710,048	740,005
Special Needs Transportation Prog.	2,244,320	21,196,733	38,491,974
Transportation Demand Mgmt.	73,778	163,649	148,653
Transit Planning Program	787,810	880,326	919,404
Division Management (Operations)	302,148	470,808	653,572
Total Expenditures	\$ 7,225,785	\$ 28,271,766	\$ 45,892,892
Funding			
General Fund	\$ 28,877	\$ 4,032,119	\$ 9,253,009
Other Funds	750,985	16,025,247	9,644,413
Federal Funds	6,445,923	8,214,400	26,995,470
Total Funding	\$ 7,225,785	\$ 28,271,766	\$ 45,892,892
Positions	11	13	13
Full-time Equivalent (FTE)	11.04	12.96	13.04
Estimated Administrative Percentage	2.89%	0.90%	0.47%

ODOT Program Budget 2001-2003

— Rail Division —

Rail Division — Description

The Rail program represents and advocates for customers of railroads, both passenger and freight, to ensure a safe, efficient and reliable rail transportation system.

Rail and Crossing Safety

Rail Safety

Inspects track, locomotives and rail cars, and ensures compliance with regulations related to hazardous materials and railroad operating practices. Inspects railroad sidings and yards to ensure the safety of railroad workers.

These programs are funded by assessments on railroads (Rail Fees).



The Central Oregon & Pacific Railroad, one of Oregon's 20 short-line railroads, hauling freight south over its Siskiyou Line.

Crossing Safety

Authorizes all changes at public highway-railroad crossings. Inspects all public crossings on a regular basis. Enforces laws related to crossing blockages. Manages federally and state funded crossing safety improvement projects. This program is funded 50 percent with Rail Fees and 50 percent from the Grade Crossing Protection Account.

Rail Transit Safety Oversight

The 2001 Oregon Legislature expanded ODOT's responsibilities for the safety oversight of rail fixed guideway systems i.e., light rail, street cars, and trolleys to include all such operations, and it provided two additional positions to ensure a high level of public safety. This program is funded from fees assessed on the rail fixed guideway operations.

Rail Planning, Projects and Operations

Manages and markets intercity passenger rail operations and related thruway motor coach service. Coordinates Oregon's partnership in the Pacific Northwest High Speed Rail Corridor. Manages railroad improvement projects associated with both passenger and freight rail operations. Develops and implements freight and passenger rail plans. Represents Oregon on railroad merger, abandonment and rail service issues. This program is funded with general fund, federal funds and other funds.

A legislative appropriation of \$10.2 million of General Fund for the passenger rail program will sustain the two *Cascades* trains and the connecting bus service. Two million dollars in funds backed by lottery bonds will allow ODOT to match federal funds available to short-line railroads for infrastructure improvements. An additional \$2

ODOT Program Budget 2001-2003

— Rail Division —

million will allow ODOT to assist Wallowa and Union Counties in buying an abandoned rail line and restoring rail service. The legislature also committed a total of \$25 million over the next two biennia toward the 15-mile South Metro Commuter Rail project. The project will serve Beaverton, Tigard, Tualatin and Wilsonville.

Railroad Property Management

Manages 170 miles of railroad right of way and one newly restored train station in Salem.

Project Funds

This program is funded with Federal Highway Railroad Hazard Elimination funds and the Grade Crossing Protection Account. It provides a separate budget structure for crossing safety improvement projects.

Operations/Administration

Division Administration defines overall state rail policies, ensures that rail interests are adequately addressed in and outside of ODOT and coordinates the various functions of the division.

Issues and Program Needs

- Success in the passenger rail program and a healthy, growing railroad industry has increased the need for staff resources. The legislature responded to this need by authorizing three new positions to support the program.
 - The number of public crossings has increased, while the Crossing Section has fewer employees now than 15 years ago. The legislature authorized two new positions in the Crossing Section, with one to concentrate on rail fixed guideway system crossings, and the other to help expedite crossing improvement projects.
 - Train traffic continues to grow, requiring an increase in regulatory vigilance.
 - Complaints related to trains and "community livability" are more common and require substantial staff time.
 - The legislature responded to the interest in commuter rail by appropriating funds for the South Metro Commuter Rail project and providing an ODOT position to ensure a successful start up of the new service.
-

ODOT Program Budget 2001-2003

— Rail Division —

Budget Highlights

- In 2001-2003, full funding to support Willamette Valley Passenger Rail Service and connecting buses were approved within the budget.
- A total of \$4 million in lottery bonds was granted to support rehabilitation or acquisition of freight rail lines.
- \$15 million was approved by the 2001 Oregon Legislature for the South Metro Commuter Rail project.
- 8.5 new positions were approved by the 2001 Oregon Legislature for a variety of rail programs.

Rail Division	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Program			
Rail & Crossing Safety	\$ 0	\$ 3,245,398	\$ 3,407,305
Rail Planning, Projects & Ops	2,446,401	18,162,837	35,564,556
Projects Funds	6,290,747	4,000,000	3,201,966
Operations/Administration	0	371,907	719,996
Total Expenditures	\$ 8,737,148	\$ 25,780,142	\$ 42,893,823
Funding			
General Fund	\$ 385,488	\$ 690,000	\$ 10,294,606
Other Funds	2,650,608	17,117,305	9,736,978
Federal Funds	5,701,052	7,972,837	22,862,239
Total Funding	\$ 8,737,148	\$ 25,780,142	\$ 42,893,823
Positions	18	21	29
Full-time Equivalent (FTE)	18.13	20.05	27.63
Estimated Administrative Percentage	1.79%	0.67%	0.47%

ODOT Program Budget 2001-2003

— Transportation Program Development —

Transportation Program Development — Description

ODOT is required by state and federal laws and rules to conduct planning activities. Planners coordinate the future use of transportation resources among federal, state, regional and local agencies to design and operate an efficient transportation system. During the 2001-03 budget process, ODOT created Transportation Program Development (TPD). It combines the activities of Transportation Development Division (TDD) and the Highway Planning Program.

The Highway Planning Program includes transportation planning in ODOT's five regions, as well as bridge inspection, pavement rating, salmon recovery efforts and initial scoping for projects.

The Transportation Development Division includes activities that plan for the future, both long term and short term. TDD also supports transportation safety and alternative transportation modes. TDD's efforts provide a balanced interconnected transportation system that uses all types of transportation and collects the data to support the decision makers.

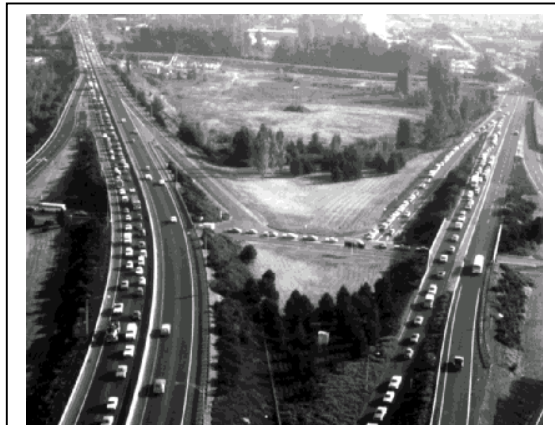
Transportation Development Division

There are three major components to this program: policy, planning and data collection.

Policy Section

Policy provides a variety of services to internal and external customers. Much of the work helps decision makers, and many projects improve department performance.

- Provides policy, economic and financial analysis and forecasting.
- Analyzes internal and external initiatives and issues. Topics include policy initiatives, taxes and financial matters.
- Conducts strategic planning, special studies and safety and socioeconomic research. Researches new technologies.
- Coordinates customer satisfaction surveys and ODOT's public involvement outreach programs.
- Coordinates performance measurements of ODOT programs and transportation services.



Complex transportation systems require long-range planning.

ODOT Program Budget 2001-2003

— Transportation Program Development —

Transportation Data Section

Transportation data manages, analyzes and provides transportation data to statewide decision makers to help make more informed decisions and to meet federal reporting requirements. Information is also used to assess current conditions and to track statistics for transportation facilities, programs and systems. Data analysis helps program managers make the best use of resources.

Oregon Transportation Management System

- Coordinates ODOT's pavement, bridge, highway safety, intermodal, and congestion, Traffic Monitoring and public transportation management systems.
- Activities support bridge inspection, pavement rating and salmon recovery efforts. These management systems were designed to provide information to help state and local decision makers select cost-effective policies, programs and projects to protect and improve the transportation infrastructure.



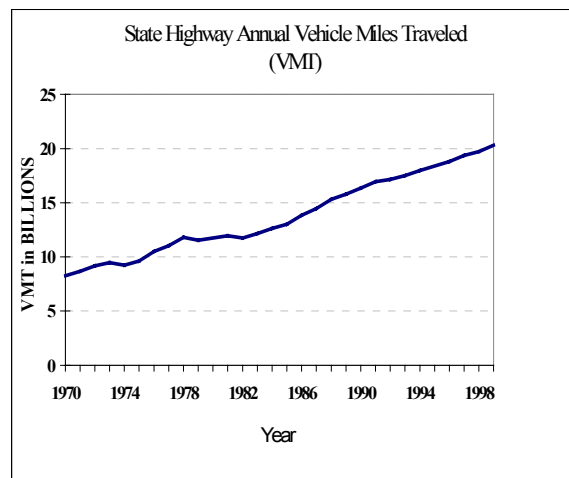
Crash statistics helped pinpoint where to install a median cable barrier along I-5 north of Salem.

Crash Analysis and Reporting

- Identifies high-crash locations to help set safety project priorities.
- Provides motor vehicle crash data, and prepares annual Traffic Crash Summary and Crash Rate Table for use by public law enforcement, transportation and planning agencies, consulting engineers and safety advocates.

Transportation Systems Monitoring

- Measures and monitors highway traffic volumes and vehicle classifications that count vehicles by vehicle type. The federal government requires ODOT to report 13 different vehicle types, including cars, pickups, motorcycles and various configurations of trucks.
- Maintains an inventory of Oregon's public roads and produces a Certified Mileage Report.
- Prepares the Annual Highway Performance Monitoring report provided



ODOT Program Budget 2001-2003

— Transportation Program Development —

to the Federal Highway Administration. This report is used by federal, state, local and private decision makers.

Geographic Information Services

- Prepares Oregon transportation map bases and enlargement area maps; official state highway maps; Geographic Information System (GIS) products; and custom mapping and data products.

Road Inventory and Classification Services

- Collects and maintains road information about the state's highway system and provides a variety of standard and custom reports that describe Oregon's transportation system.
- Administers a federal program to classify roads within Oregon according to the function the roads serve.
- Maintains a video log of state highway system that is used for reference, historic and legal purposes.

Manager's Office

Provides the policy, oversight and administrative functions of the division.

Planning Section

Planning guides and supports short- and long-range planning for Oregon's transportation system and administers the Statewide Planning and Research Program that directs activities funded by the Federal Highway Administration and the state. Transportation planning efforts include transportation planning analysis, access management, research and general planning. Transportation Development Division work efforts provide the statewide perspective and address consistency concerns.



Fiber-reinforced composites installed on Horsetail Falls Bridge, built in 1914, (Multnomah County).

Transportation Planning Analysis

- Develops and uses computer models that predict transportation needs and measure the impacts of transportation, economic and land use decisions; supply and guide the use of these models for region staff, metropolitan planning organizations and local agencies.
- Develops inventories of estimated and projected congestion levels on state highways to support planning and programming decisions as part of the Congestion Management System.

ODOT Program Budget 2001-2003

— Transportation Program Development —

- Analyzes transportation systems to help determine which projects should be in the Statewide Transportation Improvement Program.
- Provides traffic data used in environmental studies and project development and design.
- Prepares travel-related surveys and studies.
- Supports and evaluates corridor and urban transportation system plans.

Access Management

Access management is a broad set of techniques that balances access to land and development, while ensuring movement of traffic in a safe and efficient manner.

- The goal is to balance highway access from developed land, while making sure traffic moves safely and efficiently.
- Resident expert staff is assigned to region and field locations to provide decisions on major access issues. Provides support on highway construction projects.
- Develops rules, policies and standards as needed or required.
- Develops systems to improve customer services. For example, an application/permitting database to expedite requests for access to highways.

Research

This unit oversees the department's state- and federally-funded research development and Technology Transfer Program.

- It emphasizes new technology that will help ODOT and the transportation system work better.
- Current research includes bridge preservation, pavement, environmental research and the relationship between transportation and land use. The unit also analyzes public transportation needs and issues of rural areas. It coordinates ODOT's participation and involvement in national and regional transportation research initiatives.
- The unit collects and shares information with federal, state and local agencies through the Technology Transfer Center. The center is funded by 50 percent federal funds, matched by local agencies.

Planning

The major planning efforts carried out by this unit includes:

- developing long-range plans covering 20 + years.
 - developing plans to support policies identified in the Oregon Transportation Plan. The OTP is the 20-year plan for all statewide transportation systems. Staff monitors plan implementation and prepares an annual progress report.
 - conducting freight and intermodal planning.
 - providing technical help to ODOT regions in the development of corridor plans for statewide facilities and local transportation system plans. It also does plan review coordination, methodology development and data analysis.
 - monitoring the implementation strategy for the Governor's Quality Development Objectives. This and other efforts provide better and more efficient services to local governments.
-

ODOT Program Budget 2001-2003

— Transportation Program Development —

- developing and coordinating a transportation and land use strategy, focusing on using highways more efficiently by better coordinating transportation and land use decisions.
 - works with the Department of Land Conservation and Development to jointly manage Oregon's Transportation and Growth Management Program (TGM). The program provides funding to cities, counties and special districts to do integrated transportation planning. This assistance will help them develop and upgrade local transportation plans to comply with Oregon's Transportation Planning Rule. Additionally, funds are available to local governments for related program funding, such as community development assistance, community outreach and code assistance.
-

Highway Planning Program

Planning minimizes conflicts among parties regarding funding priorities, project alternatives and development. Planning products range from long-range plans, setting general direction and goals for shorter-term plans that identify specific projects or services. ODOT also participates in local land-use planning processes that include periodic review of a local government's comprehensive land use plan, and development review on case-specific land use development actions. Planning also coordinates federal funding for transportation planning programs for the state's metropolitan planning organizations (MPOs).

This program includes major planning done by ODOT's five regions and includes the following components:

Transportation System Plans

The Land Conservation and Development Commission (LCDC) adopted the Transportation Planning Rule (TPR) in 1991 and made substantial amendments in 1998. It requires ODOT to prepare a Transportation System Plan (TSP) to identify transportation facilities and services that can help meet identified state needs. The state's TSP includes the Oregon Transportation Plan and adopted modal and corridor plans. The rule also requires MPOs to prepare regional TSPs. Cities and counties must prepare local TSPs consistent with each other and the state and regional TSPs. More than 200 local TSPs are being developed. Local governments take the lead role, but ODOT provides funds, staff and data to help, since these plans significantly affect state facilities. ODOT coordinates TSP work with corridor plans that may be under development for the same areas.

Corridor Plans

Corridor planning identifies transportation problems, analyzes alternative solutions and determines the most effective actions to manage and improve state facilities and services for long-term operations. Although a state highway defines each corridor, plans cover all

ODOT Program Budget 2001-2003

— Transportation Program Development —

modes of moving people and goods, including airports, railroads, public transportation and others.

Periodic Review

Approximately 30 local governments conduct a periodic review of their comprehensive land use plans each year. They consider how their plans implement and balance the statewide planning goals, including transportation Goal 12 of the Oregon Statewide Planning Program. Goal 12 aims to provide “a safe, convenient and economic transportation system.” Many local land-use decisions affect ODOT facilities, and periodic reviews allow ODOT to participate in those decisions.

Development Review

ODOT staff, in the five regions and Salem, respond to private developer requests as to how they affect traffic on ODOT facilities. Staff review about 1,500 cases each year, ranging from business additions or location changes to construction of major regional shopping centers.

Local Government Planning Assistance

ODOT administers funds for the state’s MPOs. ODOT region planners are ODOT’s coordinators for the MPOs. In this role, they administer release of federal funds to the MPOs for their transportation planning programs.

Management Systems

The Oregon Transportation Management Systems were initiated in response to the federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). This act required each state to develop systems for managing highway pavement, bridges, highway safety, traffic congestion, public transportation facilities and equipment, and intermodal transportation facilities and systems. Also, they were required to develop and implement a traffic monitoring system for highways. These management systems were designed as tools to provide information to assist state and local decision makers to select cost-effective policies, programs and projects to protect and improve the transportation infrastructure.

STIP Scoping

STIP scoping includes coordination of and activities that result in the Statewide Transportation Improvement Program (STIP). Federal regulations require ODOT to develop a transportation improvement program and update it every two years. See page 87 for more information about the STIP.

ODOT Program Budget 2001-2003
— Transportation Program Development —

Budget Highlights

- The 2001-03 Planning budget was reduced by \$3.3 million to maximize funds for highway preservation and bridge projects.
- The addition of the Highway Planning Program increased the total budget by \$24 million and 58 positions.

Transportation Program Development (TPD)	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Transportation Development Division (TDD)			
Policy Section	\$ 1,825,859	\$ 1,970,250	\$ 2,042,261
Transportation Data Section	5,981,067	6,896,788	7,624,605
Manager's Office	1,475,412	845,700	887,853
Planning Section	20,010,524	26,670,570	22,784,403
Subtotal TDD	\$ 29,292,862	\$ 36,383,308	\$ 33,339,122
Highway Planning Program	\$ 0	\$ 0	\$ 23,944,772
Total TPD Expenditures	\$ 29,292,862	\$ 36,383,308	\$ 57,283,894
Funding			
General Fund	\$ 206,038	\$ 206,263	\$ 220,346
Other Funds	29,086,824	36,010,000	56,894,072
Federal Funds	0	167,045	169,476
Total Funding	\$ 29,292,862	\$ 36,383,308	\$ 57,283,894
Positions	123	129	185
Full-time Equivalent (FTE)	119.88	125.65	182.17
Estimated Administrative Percentage	3.89%	4.10%	1.93%

ODOT Program Budget 2001-2003

— Communication Division —

Communications Division - Educates and provides information about ODOT programs and about transportation issues, actions and policies that affect them. The sections that make up Communications are:

- **Government Relations:** This section works with the Oregon Legislature, its staff, committees and interim committees, analyzes federal and state laws and rules that affect transportation, represents the department with members of the Oregon Congressional delegation and Congressional committee staff, works with local government officials and with representatives of numerous stakeholder groups.
 - **Public Affairs:** Provides information through a variety of means to dozens of audiences inside and outside Oregon. Provides content and interprets technical information and explains programs to the public, media and stakeholder groups; provides information about seasonal or other changes in all programs; plans and conducts emergency communications; keeps the workforce informed about developments affecting their jobs, and provides administrative support to the Oregon Transportation Commission, the director and other agency staff.
-

Issues and Program Needs

- Increasing needs and expectations of the public, the news media, internal customers, external stakeholders and elected officials to quickly provide large quantities of information, drives the demand for continuous updating of equipment.
 - Increasing need for materials, particularly in safety and driver education, in languages other than English.
 - Ensuring Oregon receives the proper allocations under reauthorization of the six-year federal transportation act will be critical.
 - Additional effort will be needed to help Oregonians see the benefits from the Oregon Transportation Investment Act.
-

Budget Highlights

- Communications Division reduced its 2001-03 budget by approximately \$200,000 to maximize the amount of funds available for road preservation and bridge projects. A federal grant to fund alternative dispute resolution projects brought the budget back to approximately the same level as the previous biennium.
 - The 1997-99 Communications Division actual expenditures were less than anticipated due to the absence of extraordinary weather-related events and other emergency situations that are typically experienced over the course of a biennium.
-

ODOT Program Budget 2001-2003

— Communication Division —

Communications Division	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Communications Division	\$ 5,619,179	\$ 6,101,292	\$ 6,129,614
Funding			
General Fund	\$ 0	\$ 0	\$ 0
Other Funds	5,619,179	6,101,292	6,129,614
Federal Funds	0	0	0
Total Funding	\$ 5,619,179	\$ 6,101,292	\$ 6,129,614
Positions	39	35	33
Full-time Equivalent (FTE)	37.05	34.13	32.75
Estimated Administrative Percentage	100.00%	100.00%	100.00%

ODOT Program Budget 2001-2003

— Central Services Division —

Central Services Division provides the following department-wide services:

- **Financial Services (FS):** provides quality and reliable information to internal and external customers. This includes a wide range of financial functions from payroll to an accounting of costs, stewardship of public funds, budget development and assuring that resources are effectively and efficiently directed to the priority needs of the department. Financial Services also administers and collects Oregon's motor vehicle fuel taxes (in excess of \$400 million annually), and audits both motor vehicle fuel licensees and motor carriers subject to Oregon's weight-mile tax.
 - **Human Resources (HR):** provides the staffing and development support needed for an effective work force and an adaptive organization. Human Resources also provides technical services and advice in personnel administration, safety and employee development.
 - **Information Systems (IS):** provides the business and computer technology tools that help staff deliver ODOT products and services.
 - **Business Services:** provides cost-effective records management and forms development services; ensures statutory compliance, and legal and financial risk avoidance for department-wide purchasing and contracting activities.
 - **Internal Audit Services:** provides professional auditing and review services to management for the benefit of ODOT and its stakeholders.
-

Issues and Program Needs

- Improving the accounting and financial management systems without affecting the timeliness and accuracy of ongoing activities.
 - Ensuring consistent business practices statewide.
 - Meeting expectations of citizens and other state agencies for new service delivery channels, e.g., electronic commerce.
 - Continuing to respond quickly and accurately to extensive data requests from other branches of government.
-

Budget Highlights

- The Central Services Division budget includes \$9.8 million of the department's allocated costs to support the State Treasury, Department of Administrative Services (DAS) and the Secretary of State, Division of Audits (all referred to as, State Government Service Charges).
 - Internal Audit Services was transferred from Financial Services to the Executive Deputy Director in 2001-2003 to ensure independence in the audit function.
 - The Legislatively Adopted budget is six percent below the current services level that inflation and cost of living adjustment would have provided. This results in a decrease in positions and maximizes funds for road and bridge preservation.
 - Expenditures from 1997-1999 to 1999-2001 in Information Systems, resulted from internal shifts of related functions from other units into Information Systems.
-

ODOT Program Budget 2001-2003

— Central Services Division —

- The reduction in the Information Systems budget for 2001-03 represents the phase-out of \$4.5 million dollars related to Y2K.
- The funding increase from 1997-99 to 1999-01 in Business Services is the result of shifting the Contracting Unit from the Highway Division to Central Services.

Central Services Division	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Central Services Division			
Financial Services	26,681,128	28,429,913	27,649,344
Human Resources	9,919,477	10,394,521	10,280,987
Information Systems	50,630,039	66,132,082	62,402,281
Business Services	5,846,219	6,489,626	6,504,048
Deputy Director & Internal Audit	334,061	364,571	1,346,085
Subtotal CS Division Expend.	\$ 93,410,924	\$ 111,810,713	\$ 108,182,745
Funding			
General Fund	\$ 0	\$ 0	\$ 0
Other Funds	93,078,766	111,622,150	108,066,729
Federal Funds	332,158	188,563	116,016
Total Funding	\$ 93,410,924	\$ 111,810,713	\$ 108,182,745
Positions	453	513	525
Full-time Equivalent (FTE)	448.91	492.98	517.67
Estimated Administrative Percentage	62.72%	62.53%	63.81%

ODOT Program Budget 2001-2003

— Non-Limited —

Non-Limited — Description

Non-Limited programs record revenue and expenses for transactions that are generally internal to the agency and serve operating programs that are subject to expenditure limitation. Non-Limited sections of the budget are debt service, support services and operations. Services within the budget include testing and inspecting roadway materials; fleet services and repairing equipment in the field and in shops located in Salem, Bend and LaGrande; selling and distributing fuel; operating storerooms; and design and manufacturing signs and traffic signals.

Debt Service and Loan Program

Debt Service

This program includes principal and interest payments on outstanding debt issued by the department. ODOT has Non-Limited Debt Service budgeted in four areas as follows:

Construction Program Bonds:

Refunding General Obligation Bonds, Series 1992	\$ 2,257,550
Highway User Tax Revenue Bonds, Series 2000	8,880,981

Certificates of Participation (COPs):

DMV Building Refunding COPs, 1997 Series B	1,641,125
Highway Road Graders, 1997 Series B	<u>2,547,875</u>

Total Debt Service	<u>\$ 15,327,531</u>
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Loan Funds

The Oregon Transportation Infrastructure Fund (OTIF) was established by the 1997 Oregon Legislature as a revolving loan fund for transportation projects. The OTIF makes loans to local governments, transit providers, ports and other eligible borrowers. The OTIF was capitalized with a combination of federal and state funds and interest earnings. The OTIF may also issue revenue bonds to provide additional capitalization. As loans are repaid, principal and interest returned to the OTIF are available for new loans. Staffing for the OTIF is included in the Central Services Division, Financial Services program.

2001-03 Oregon Transportation Infrastructure Fund: \$ 10,163,632

Non-Limited Operations

Traffic Signal Unit

The Traffic Signal Unit oversees traffic control equipment (signals) on the state facilities and for cities and counties. All traffic control equipment is subjected to testing under three major headings: environmental endurance testing (-30F to 165F), physical inspection of assemblies for adherence to specification and workmanship quality, and operational testing to assure that the fully-assembled equipment operates safely, reliably and correctly.

ODOT Program Budget 2001-2003

— Non-Limited —

The unit provides every traffic signal and Intelligent Transportation Systems installation with at least one preventive maintenance inspection per year, during which repairs are made to assure continued safe and reliable operation. This program also assists city and county crews in maintaining installed systems and provides training to the local staff.

Additionally, the unit also provides a facility where electronic modules removed from service are repaired or calibrated in preparation for return to service. This program also provides other sections of the department with expertise in review of specifications and testing of new traffic signal equipment designs.

Support Services

Fleet Services

Fleet services includes: fleet management, risk management, fuel acquisition, storage and dispensing, vehicle maintenance and repair, fabrication of equipment, statewide field mechanic support and disposal of surplus property (excluding real property).

Supply Operations

Receives, stores, issues, delivers and tracks inventory of supplies used by the department. Manufactures, stocks, sells and delivers informational and highway signs. Warehouses and distributes forms and supplies, manufactures stock, custom and extruded panel signs, transports new and used fleet equipment and supplies statewide. The unit also supplies auger truck and bridge inspection crane services, and partners with other government entities for transport, storeroom and bridge inspection equipment services.

Reprographics

Provides a full range of reprographic services. These services include: graphic design, digital image and photo manipulation, large document duplication, enlargement and reduction, full color scanning, Optical Character Reader (OCR) scanning, electronic image setting, foam core board mounting, laminating, and drilling, aerial photography, professional and portrait photography and video production and editing.

Issues and Program Needs

- Within available revenue, the division seeks to maintain the fleet assets, as well as the highway and bridge assets. More than 25 percent of highway fleet vehicles are rated in “poor” condition. This means operating costs will increase and reliability of vehicle performance will decrease.
 - Fleet fuel budget was reduced in 1999-2001 and 2001-2003 biennia. This should not affect fleet usage or operations unless the state experiences extended severe winter weather.
 - Traffic Signal Services Unit has seen a reduction in workload in the last fiscal year and is exploring the use of seasonal employees to fill summer peaks and shift indirect type work to the off season.
-

ODOT Program Budget 2001-2003

— Non-Limited —

Budget Highlights

- Materials Laboratory moved out of Non-Limited into Highway in 1999-2001.
- Reprographics moved into Non-Limited from Central Services in 1999-2001. The program includes 11 positions and expends \$1.5 million.
- The increase in Debt Service from the 1999-01 biennium is a result of the Highway User Tax Revenue Bonds.

Non-Limited	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted Budget
Program			
Debt Service	\$ 13,895,835	\$ 6,728,094	\$ 15,327,531
Loan Funds	0	10,163,632	10,163,632
Operations	5,293,052	2,753,500	2,250,631
Support Services	35,691,937	37,350,835	37,082,977
Total Expenditures	\$ 54,880,824	\$ 56,996,061	\$ 64,824,771
Funding			
General Fund	\$ 0	\$ 0	\$ 0
Other Funds	54,880,824	56,996,061	64,824,771
Federal Funds	0	0	0
Total Funding	\$ 54,880,824	\$ 56,996,061	\$ 64,824,771
Positions	219	180	178
Full-time Equivalent (FTE)	213.92	180.00	178.00

ODOT Program Budget 2001-2003

— Capital Improvement —

Capital Improvement —Description

Capital Improvement projects are defined as projects with costs less than \$500,000. The department owns hundreds of facilities throughout the state. Over time, it is necessary to upgrade or replace facilities as they deteriorate and technology changes how business operates. The department regularly repairs or upgrades its facilities to avoid developing a serious backlog of needs that would adversely affect its ability to deliver services.

Staff from the Facilities Section of the Central Services Division manages the construction projects. ODOT hires private contractors to complete the construction projects.

Issues and Program Needs

- Increasing costs associated with land acquisition, construction, leasing and increased regulations significantly reduce the buying power of capital funding. There is now a substantial backlog of Capital Improvement projects.
- Deferred maintenance competes with Capital Improvements for funding priority. ODOT has placed a higher priority on correcting deferred maintenance on existing buildings.
- Aeronautics Division became a separate state agency as of July 1, 2000. All airport projects have been transferred to the new agency. General and Lottery Funds resources were for Aeronautics projects.

Capital Improvement	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted Budget
Program			
Airports	\$ 53,844	\$ 145,023	\$ 0
Facilities	0	2,529,970	2,529,970
Total Expenditures	\$ 53,844	\$ 2,674,993	\$ 2,529,970
Funding			
General Fund	\$ 0	\$ 39,521	\$ 0
Lottery Funds		105,502	0
Other Funds	53,844	2,529,970	2,529,970
Federal Funds	0	0	0
Total Funding	\$ 53,844	\$ 2,674,993	\$ 2,529,970

ODOT Program Budget 2001-2003

— Capital Construction —

Capital Construction — Description

Capital Construction projects are defined as those that cost more than \$500,000. A quality infrastructure is a core business requirement of the Oregon Department of Transportation. Functional facilities are a critical element in a successful operation. The department owns hundreds of facilities located throughout the state from which it carries out its activities. Over time it is necessary to upgrade or replace facilities as they deteriorate and as technology changes the way we do business. The department regularly invests a portion of its resources in facility upgrades or replacement to avoid developing a serious backlog of needs that would adversely affect its ability to deliver services.

If ODOT is able to allocate the funds, the following projects are approved.

New Construction:

- Lake of the Woods Maintenance Station \$250,000 (this project will be constructed in phases; total cost is expected to be \$3.1 million)
- Lease facilities acquisition/headquarters building improvements. \$ 1 (placeholder limitation)

Completion of Current Projects:

- Ontario District 14 Office Building \$200,000
- Ona Beach Maintenance Station \$250,000
- Eugene/Springfield Maintenance Station \$300,000

Issues and Program Needs

- Deferred maintenance competes with Capital Construction for funding priority. ODOT has recently placed a higher priority on correcting deferred maintenance of existing buildings.
- Increasing costs associated with land acquisition, construction, leasing and increased regulations significantly reduce the buying power of capital funding. There is now a substantial backlog of Capital Construction projects
- Aeronautics Division, effective July 2000, became the Department of Aviation.

Capital Construction		1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted Budget
Program:				
Airports		\$ 3,200,000	\$ 0	\$ 0
Facilities		22,857,335	1,000,007	1,000,001
	Total Expenditures	\$ 26,057,335	\$ 1,000,007	\$ 1,000,001
Funding				
General Fund		\$ 0	\$ 0	\$ 0
Other Funds		26,057,335	1,000,007	1,000,001
Federal Funds		0	0	0
	Total Funding	\$ 26,057,335	\$ 1,000,007	\$ 1,000,001

ODOT Program Budget 2001-2003

— Lottery Debt Service —

Lottery Debt Service — Description

This program provides debt service payment from Lottery Funds for revenue bond sales.

Westside Light Rail Project

The project extends 18 miles from downtown Portland to Hillsboro. It connects with the existing line that stretches 15 miles from downtown Portland to Gresham. Construction began in the summer of 1993, and the grand opening was September 1998. This project has a positive effect on economic development because it reduces traffic jams, fuel use and air pollution. For these reasons, it was a top priority of the Oregon Transportation Commission and the Oregon Legislature.

The project was a joint venture of Multnomah, Washington and Clackamas counties, with federal and state support. The Federal Transit Administration provided 75 percent of the funding. The 1991 Legislature authorized ODOT to issue up to \$115 million of revenue bonds to fund the state's share of the project.



Citizens inspect a new Westside Light Rail station in Portland during test runs.

ORS 391.130 allocates \$10 million a year for bond payments using lottery dollars from the Administrative Services Economic Development Fund. The state's share of the total project cost was \$113.6 million. In 1994, ODOT issued \$96.7 million of revenue bonds to finance a portion of this share. The \$16.9 million balance came from other appropriations and interest earnings. As of July 1, 2001, the amount of bonds outstanding is \$63,480,000.

Short Line Loans and Assistance

The 2001 Oregon Legislature authorized the sale of approximately \$2 million in Lottery-backed bonds. The funds received from the sale will be used to capitalize the Short Line Credit Premium Account. ODOT will use this account to provide loans and other forms of assistance to short-line railroads. The biennial debt service on this bond sale is estimated to be \$186,541.

South Metro Commuter Rail Project

The 2001 Oregon Legislature also authorized the sale of approximately \$20 million in Lottery-backed bonds to finance the final design, construction or acquisition of components of the 15-mile South Metro Commuter Rail project between Wilsonville, Tualatin, Tigard and Beaverton.

ODOT Program Budget 2001-2003

— Lottery Debt Service —

Issues and Program Needs

- Lottery Funds are allocated for payment of debt service through June 30, 2010.
- During the 1997-99 biennium, the final construction payment was made for the Westside Light Rail Project.

Lottery Debt Service	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted Budget
Westside Light Rail:			
Distributions to Other Gov. Units	\$ 39,926,708	\$ 0	\$ 0
Debt Service	19,994,828	19,993,390	19,994,850
Subtotal Westside Light Rail	\$ 59,921,536	\$ 19,993,390	\$ 19,994,850
South Metro Commuter Rail	\$ 0	\$ 0	\$ 18,654
Shortline Credit Premium Account	\$ 0	\$ 0	\$ 186,541
Total Debt Service Expenditures	\$ 59,921,536	\$ 19,993,390	\$ 20,200,045
Funding			
Lottery Funds	\$ 19,994,828	\$ 18,593,390	\$ 20,200,045
Other Funds	39,926,708	1,400,000	0
Total Funding	\$ 59,921,536	\$ 19,993,390	\$ 20,200,045

ODOT Program Budget 2001-2003

— Board of Maritime Pilots —

Board of Maritime Pilots — Description

The Board of Maritime Pilots (BOMP) helps protect the public health, safety and welfare by ensuring that only competent and qualified individuals are allowed to pilot vessels. BOMP is an independent occupational licensing and regulatory agency for state maritime pilots and is only within ODOT for budget preparation purposes. A maritime (or marine) pilot is a local navigational and ship-handling expert, who directs the course and speed of vessels based on knowledge of wind, weather, tides, currents and local geography. Piloting is an occupation that requires education, experience and licensure, and it commands salaries commensurate with other professional occupations, such as physicians and attorneys. A pilot is a quasi-public servant. The cost of replacing a vessel lost through negligent navigation can often be prohibitive, quite apart from the consideration of any injuries or deaths among the vessel's crew, loss of cargo, or environmental damage and costs of cleaning up spills of hazardous materials. The board has the authority to regulate the rates pilots can charge for their services. The board also investigates incidents that may occur while a vessel is under the guidance of a state-licensed pilot.



In 1999, about 51 million tons of cargo were shipped through deep water ports between Portland and the mouth of the Columbia River.

Issues and Program Needs

Rate hearing expenses are highly unpredictable. To eliminate the necessity of Emergency Board requests after every rate hearing, a non-limited expenditure account was established in 1981. This gives the board the necessary authority to pay expenses.

Budget Highlights

There were no Program Option Packages or significant changes in the budget.

Board of Maritime Pilots	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted Budget
Program			
Licensing, Training & Education	\$ 215,298	\$ 222,089	\$ 249,757
Rate Hearings (Non-Limited)	20,896	4,924	12,223
Total Expenditures	\$ 236,194	\$ 227,013	\$ 261,980
Funding – Other Funds	\$ 236,194	\$ 227,013	\$ 261,980
Positions	1	1	1
Full-time Equivalent (FTE)	1.00	1.00	1.00

ODOT Program Budget 2001-2003

— Statewide Transportation Improvement Program (STIP) —

The Statewide Transportation Improvement Program, known as the STIP, is the document that identifies the estimated costs for scheduling of transportation projects and programs. It includes projects on the federal, state, city and county transportation systems, multimodal projects (highway, passenger rail, public transit, bicycle and pedestrian) and projects in the National Parks, National Forests and Indian tribal lands.

Federal regulation requires each state to produce a STIP at least once every two years. This requirement exists for two reasons:

- 1) Fiscal Constraint – to show that the state is not scheduling more projects for construction than it has funding; and
- 2) To certify that the state's transportation program conforms with federal air quality regulations.

The STIP covers a four-year construction period based on a federal fiscal year (October – September) with updates every two years. Typically, new projects are identified for the latter two years with only minor modification on the previously identified projects in the first two years. The currently approved program covers the period 2000-2003. It includes project commitments carried forward from the 1998-2001 STIP for the years 2000-2001. The 2002-2005 STIP update process is underway and is scheduled for federal approval in January 2002. It will add projects for years 2004 and 2005.

Programs and projects funded through the STIP must comply with state and local land use laws.

Projects are developed in accordance with the goals, policies and guidance set forth in the Oregon Transportation Plan (OTP), ODOT's overall policy document directing transportation investments for the state.

Project Delivery

Highway construction involves detailed planning and engineering, often spanning several years, before projects begin construction. The end result is the Statewide Transportation Improvement Program (STIP). Each project in the STIP goes through several phases, defined below. These phases are shown as elements under the five highway construction programs: Preservation, Bridge, Safety, Operations and Modernization.

Preliminary Engineering (PE)

Includes all work necessary to prepare a project for contract bidding. Initial work may include environmental research and analysis, surveying of physical features, geo-technical exploration, pavement analysis and traffic analysis.

ODOT Program Budget 2001-2003

— Statewide Transportation Improvement Program (STIP) —

Project leaders in charge of PE are generally located in region field offices. Both regional and Salem-based Technical Services staff are involved with the aspects of preliminary engineering. Private-sector engineering and environmental consultants also participate. This work is generally done along with obtaining necessary permits, followed by preparation of contract specifications.

Community outreach is an important part of Preliminary Engineering. ODOT asks for input from citizens who are directly affected by projects.

Construction Engineering (CE)

Includes all work necessary to construct or build the project to design specifications, using appropriate construction methods and practices, while providing a safe environment for both the traveling public and workers throughout the project. During construction, it is the responsibility of the project leader and other staff to ensure that the work that occurred in the development phase materializes and meets the expectations of the stakeholders.

The CE phase includes costs ODOT pays directly during project construction. This includes project management, inspection, materials testing, surveying, construction design calculations, technical support and office support. Project managers and regional and Salem-based Technical Services staff are also involved with aspects of the project during the construction phase. Project managers, inspectors and other support staff continue the outreach efforts during this phase of the project with the community, homeowners, businesses and the traveling public.

Right of Way

Includes all work necessary to secure property for road construction. Steps in the right-of-way process include:

- written creation of maps and legal descriptions.
- determining the value of all the identified rights of way.
- formal offers to purchase property from the landowners.
- good faith negotiations to arrive at any needed settlements.
- payments to property owners or deposits into court; all closing and escrow work.
- relocating displaced people and personal property.
- condemnation proceedings (when negotiated settlements prove unworkable).
- title clearance certification that the state has lawfully purchased the property rights.
- taking possession of the property.
- removing necessary buildings and mitigating hazardous materials contamination.

Contract Payments

Contract Payments are payments to contractors for work performed on ODOT construction projects. Generally, all state highway projects are built by private contractors and are awarded by ODOT through competitive bidding.

ODOT Program Budget 2001-2003

— Statewide Transportation Improvement Program (STIP) —

Comparative Time Table Federal Fiscal Year to State Biennium

Calendar Year	1997	1998	1999	2000	2001	2002	2003
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State Biennium July 1 - June 30	July 1997-June 1999	July 1999-June 2001	July 2001-June 2003
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Federal Fiscal Yr. FFY Oct. 1 – Sept. 30	FFY 98	FFY 99	FFY 00	FFY 01	FFY 02	FFY 03
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STIP	1998-2001 Statewide Transportation Program (STIP)
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2000 – 2003 Statewide Transportation Program (STIP)	
Update Period Existing Projects	New Projects

2000 – 2003 STIP Planning and Engineering Phases:

Federal Fiscal Year 2000 STIP Project-						
Preliminary Engineering	33%	33%	33%			
Construction Engineering				15%	63%	22%
Contract Payments				15%	63%	22%

Federal Fiscal Year 2001 STIP Project -						
Preliminary Engineering	33%	33%	33%			
Construction Engineering				15%	63%	
Contract Payments				15%	63%	

Types of Projects in the STIP

Federal regulation requires that all federally funded transportation projects and all “regionally significant” transportation projects are identified in the STIP. Regionally significant refers to projects with air quality impacts, such as adding more lanes, building a bypass or installing a new signal. Regionally significant also refers to projects that are of significant interest to the local community.

STIP Funding

By federal law, the first three years of the STIP must be fiscally constrained. This means the STIP can only include projects for which the state can reasonably expect funding. Fiscal constraint is based on the volume of contracts that can be let within a given year.

ODOT Program Budget 2001-2003

— Statewide Transportation Improvement Program (STIP) —

The 2002-2005 STIP is being developed on a projected contract volume of approximately \$1.1 billion (this is a four-year total). About 80 percent of these contracts will use federal funds.

Contract volumes are based on projections of state funds and federal allocations. Program levels are determined according to system conditions and needs. This results in an initial contract volume for the various programs (bridge, pavement, safety, operations, modernization, etc.) shown in the draft STIP. Transportation stakeholders, the Oregon Transportation Commission (OTC), ODOT management and staff, local governments, metropolitan planning organizations (MPOs) and Area Commissions on Transportation (ACTs) are involved in this process.

For the major programs in the 2002-2005 STIP, the OTC approved annual program targets of approximately \$40.3 million in modernization projects, \$65.7 million in bridge-related work, \$115.7 million in pavement preservation work, \$20.9 million in the Safety Investment Program and \$18.6 million in the Operations/Intelligent Transportation Systems Program.

The Federal Transit Administration (FTA) provides the majority of transit funding to the state's transit providers. For the 2002-2005 period, this amount is currently estimated at \$40 million per year. However, new census information will be used to calculate the actual funds allocated to Oregon. Given that Oregon's growth outpaced the nation's during the 1990s, the state should see some general increases in transit apportionments.

In addition to FTA funds, the 1999 Oregon Legislature directed ODOT to assist with funding the Oregon Transportation Network (OTN). ODOT's share is \$5 million per year, which goes to augment services for the elderly and disabled. Further funds are made available on an elective basis from the ODOT regions, through their Operations Program allocation. For this STIP period, these funds average \$871,000 annually.

ODOT's Project Selection Process

State projects in the STIP are identified and prioritized using the planning processes described by the U.S. Department of Transportation (USDOT) in the 1991 federal transportation funding act, ISTEA (Intermodal Surface Transportation Efficiency Act) and continued in the 1998 funding act, TEA-21 (Transportation Equity Act for the 21st Century).

Project identification and prioritization are based primarily on system conditions, or "needs." Conditions are monitored using "management systems." ODOT's management systems objectively and technically identify and rank conditions and needs across the state. ODOT uses management systems for the pavement, bridge and safety programs.

ODOT Program Budget 2001-2003

— Statewide Transportation Improvement Program (STIP) —

Also included in the ODOT analysis are the Congestion and Intermodal Management Systems for the Modernization Program.

ODOT regions use the project lists developed through these systems and apply localized “in-the-field” knowledge supplemented with input from Area Commissions on Transportation (ACTs), local government partners, regional partnerships, councils of government (COGs), tribal governments, metropolitan planning organizations (MPOs), advisory commissions, transportation stakeholders and the public. This process results in the projects and the list of relative prioritization of projects in the STIP.

All projects are scheduled for construction or implementation according to their priority and funding availability. Recognizing that a project may be unavoidably delayed, or actual funds from state and federal sources may be less than originally forecast, projects in a STIP can be moved from one year to another within the first three years of the program without a formal amendment.

Local government projects in the STIP are identified and prioritized using management system data and public involvement at the local government level. ODOT is included in this process as directed by federal law. The federal planning requirements (23 CFR 1410.216(b)) state that:

- MPOs shall be involved on a cooperation basis for portions of the STIP affecting metropolitan planning areas.
- Indian tribal governments and the Secretary of the Interior shall be involved on a consultation basis for portions of the STIP affecting areas of the state under the jurisdiction of an Indian tribal government.
- federal lands managing agencies shall be involved on a consultation basis for the portions of the program affecting areas of the state under their jurisdiction.
- affected local officials with responsibility for transportation shall be involved on a consultation basis for the portion of the STIP in non-metropolitan areas of the state.

Summary

The STIP is a four-year transportation project scheduling and funding program, updated every two years. The 2002-2005 STIP is built on revenue estimated at \$1.1 billion. It includes all federally-funded projects, all regionally significant state- and locally-funded projects, projects on Indian reservation lands and alternate mode (bicycle, public transit) projects. It is developed with ongoing public, local government and transportation stakeholder involvement. Every two years before final approval, it goes through a public review process where comments are received and relayed to the Oregon Transportation Commission (OTC) and ODOT management. Programs and projects funded in the STIP reflect all these public involvement efforts.

ODOT Program Budget 2001-2003

— Estimated ODOT Administration —

Administrative Costs

Administrative costs include the general administration, supervision and other necessary expenses for the management, supervision and administrative control of the agency.

Administrative costs include all costs associated with the following organizational units:

- ODOT director, deputy directors and related support staff
- First and second levels of division and region management and all related support staff
- Financial Services (except Fuels Tax Audit/Collection and Weight Mile Tax Audit and Collections Units)
- Information Services (except Application Development and Y2K project costs)
- Human Resources
- Communications Division

Other costs defined here as Administration:

- Salem headquarters building costs and maintenance
- Legal activities related to defense and prosecution of criminal and civil proceedings and claims
- Out-of-state travel or travel related to the above offices
- Labor Union contract negotiations
- Vacation and sick leave
- Safety or award dinners
- Clerical or office support for all administrative activities
- Fines and penalties

Estimated ODOT Administration 1997-1999 to 2001-2003

Programs	1997-1999 Actual		1999-2001 Estimated		2001-2003 Budgeted	
	\$ Administration	% Total Expend.	\$ Administration	% Total Expend.	\$ Administration	% Total Expend.
Highway Division	\$ 12,376,015	0.96%	\$ 15,556,259	1.29%	\$ 14,494,951	1.11%
Driver and Motor Vehicle Services Division	4,127,398	2.79%	4,117,077	3.58%	4,218,360	3.55%
Motor Carrier Transportation Division	1,787,607	4.54%	2,241,590	5.82%	2,464,271	5.89%
Transportation Safety Division	171,221	1.77%	302,284	1.64%	394,943	1.76%
Public Transit Division	208,855	2.89%	211,917	0.90%	216,152	0.47%
Rail Division	156,031	1.79%	186,440	0.67%	202,659	0.47%
Transportation Program Development	1,139,821	3.89%	1,278,920	4.10%	1,104,737	1.93%
Communications Division	5,619,174	100.00%	6,101,292	100.00%	6,129,614	100.00%
Central Services Division	58,584,521	62.72%	66,113,483	62.53%	69,278,684	63.81%
Total ODOT	\$ 84,170,643	5.16%	\$ 96,109,262	6.07%	\$ 98,504,371	5.62%

ODOT Program Budget 2001-2003

— Estimated ODOT Administration —

Indirect Costs

Those costs incurred for a common or joint purpose that benefit more than one organizational objective or unit. This includes costs that are not easily adaptable to charging directly to individual projects or services. Examples of indirect costs include:

Office expenses	Service contracts
Building and maintenance	Project/Prospectus Identification process
Accounting and auditing	STIP development
General training and education	Project Scope and Reconnaissance
General analysis	Bridge Inspections
Clerical support	Standards for highway construction

Some indirect costs are incurred by various ODOT branches involved in financial services, human resources, etc.

Certain costs can, at times, be classified as direct or indirect depending on how they are applied. For example, engineering services specifically attributable to a project are considered direct, whereas expenditures for future establishment or maintenance are classified as indirect.

Direct Costs

Those costs that can be traced to or identified as part of the cost of a specific product or service, or of a department or operating unit, as distinguished from overhead and other indirect costs, that must be prorated among several products or services, departments or operating units.

ODOT Program Budget 2001-2003

— ODOT Program Budgets —

	1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
Highway Division			
Maintenance Programs:			
Highway Maintenance and Emergency Relief Programs	\$ 309,920,314	\$ 300,660,638	\$ 284,186,764
Highway Planning Program	\$ 22,955,631	\$ 23,505,034	\$ *
Construction Programs:			
Preservation Program	\$ 187,949,905	\$ 260,046,804	\$ 284,237,175
Bridge Program	86,035,835	127,230,756	128,997,381
Modernization Program	303,836,921	268,500,480	169,483,421
Highway Safety Program	32,345,304	35,024,951	44,199,583
Highway Operations Program	32,025,690	33,978,499	56,685,879
Local Government Program	178,943,018	91,043,507	161,861,218
Special Programs	136,666,370	129,891,008	174,990,051
Construction Subtotal	\$ 957,803,043	\$ 945,716,005	\$ 1,020,454,708
Highway Division	\$ 1,290,678,988	\$ 1,269,881,677	\$ 1,304,641,472

*The Highway Planning Program was moved to Transportation Program Development during the 2001-2003 budget process

Driver and Motor Vehicle Services Division (DMV)

Program Services	\$ 23,157,191	\$ 12,260,748	\$ 12,081,621
Information Technology Services	37,857,045	10,700,504	7,897,634
Field Services	45,501,123	48,546,068	51,179,569
Processing Services	19,187,853	20,365,054	22,163,261
Customer Services	21,319,701	23,356,293	24,523,526
Deputy Director's Office	\$ 942,128	877,955	868,787
Driver and Motor Vehicle Services Division	\$ 147,965,041	\$ 116,106,622	\$ 118,714,398

ODOT Program Budget 2001-2003

— ODOT Program Budgets —

1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
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Motor Carrier Transportation Division (MCTD)

Field Carrier Services	\$ 18,228,162	\$ 17,914,799	\$ 17,724,459
Motor Carrier Services	9,618,430	10,088,604	10,405,680
Investigations, Safety, Fed Program	9,349,106	8,170,121	11,502,736
Motor Carrier Transportation Mngr	2,199,152	2,099,066	2,192,096
Motor Carrier Transportation Division	\$ 39,394,850	\$ 38,272,590	\$ 41,824,971

Transportation Safety Division

Statewide Trans. Safety Operations	\$ 1,677,362	\$ 2,591,097	\$ 3,599,177
Field Programs	7,982,175	13,953,995	18,892,168
Transportation Safety Division	\$ 9,659,537	\$ 16,545,092	\$ 22,491,345

Public Transit Division

Small City and Rural Program	\$ 3,354,811	\$ 4,850,202	\$ 4,939,284
Intercity Passenger Program	462,918	710,048	740,005
Special Needs Transportation Prog.	2,244,320	21,196,733	38,491,974
Transportation Demand Mgmt	73,778	163,649	148,653
Transit Planning Program	787,810	880,326	919,404
Division Management (Operations)	302,148	470,808	653,572
Public Transit Division	\$ 7,225,785	\$ 28,271,766	\$ 45,892,892

Rail Division

Rail & Crossing Safety	\$ 0	\$ 3,245,398	\$ 3,407,305
Rail Planning, Projects & Ops	2,446,401	18,162,837	35,564,556
Projects Funds	6,290,747	4,000,000	3,201,966
Operations/Administration	0	371,907	719,996
Rail Division	\$ 8,737,148	\$ 25,780,142	\$ 42,893,823

ODOT Program Budget 2001-2003

— ODOT Program Budgets —

1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
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Transportation Program Development

Transportation Development Division			
Policy Section	\$ 1,825,859	\$ 1,970,250	\$ 2,042,261
Transportation Data Section	5,981,067	6,896,788	7,624,605
Manager's Office	1,475,412	845,700	887,853
Planning Section	20,010,524	26,670,570	22,784,403
Subtotal TDD	\$ 29,292,862	\$ 36,383,308	\$ 33,339,122
Highway Planning Program	\$ 0	\$ 0	\$ 23,944,772
Transportation Program Development	\$ 29,292,862	\$ 36,383,308	\$ 57,283,894

Communications Division

Communications Division	\$ 5,619,179	\$ 6,101,292	\$ 6,129,614
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Central Services Division

Financial Services	\$ 26,681,128	\$ 28,429,913	\$ 27,649,344
Human Resources	9,919,477	10,394,521	10,280,987
Information Systems	50,630,039	66,132,082	62,404,281
Business Services	5,846,219	6,489,626	6,504,048
Deputy Director & Internal Audit	334,061	364,571	1,346,085
Central Services Division	\$ 93,410,924	\$ 111,810,713	\$ 108,184,745

Non-Limited

Debt Service	\$ 13,895,835	\$ 6,728,094	\$ 15,327,531
Loan Funds	0	10,163,632	10,163,632
Operations	5,293,052	2,753,500	2,250,631
Support Services	35,691,937	37,350,835	37,082,977
Non-Limited	\$ 54,880,824	\$ 56,996,061	\$ 64,824,771

ODOT Program Budget 2001-2003

— ODOT Program Budgets —

1997-1999 Actual Expenditures	1999-2001 Estimate As of April 2000	2001-2003 Legislatively Adopted
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Capital Improvement

Airports	\$ 53,844	\$ 145,023	\$ 0
Facilities	0	2,529,970	2,529,970
Capital Improvement	\$ 53,844	\$ 2,674,993	\$ 2,529,970

Capital Construction

Airports	\$ 3,200,000	\$ 0	\$ 0
Facilities	22,857,335	1,000,007	1,000,001
Capital Construction	\$ 26,057,335	\$ 1,000,007	\$ 1,000,001

Lottery Debt Service

Distributions to Other Gov. Units	\$ 39,926,708	\$ 0	\$ 0
Debt Service	19,994,828	19,993,390	20,200,045
Light Rail Debt Service	\$ 59,921,536	\$ 19,993,390	\$ 20,200,045

Board of Maritime Pilots

Licensing, Training & Education	\$ 215,298	\$ 222,089	\$ 249,757
Rate Hearings (Non-Limited)	20,896	4,924	12,223
Board of Maritime Pilots	\$ 236,194	\$ 227,013	\$ 261,980

Oregon Department of Transportation

Agency Total	\$ 1,776,615,486	\$ 1,733,178,682	\$ 1,836,871,921
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ODOT Program Budget 2001-2003

— Legislatively Adopted Program Option Package Summary —

2001-2003 ODOT Program Option Packages Summary	Package #	Pos. Count	FTE	Total Funds	General Fund	Other Funds	Federal Funds
Highway Division							
Utility – Right of Way	103-105	-	-	\$ -	\$ -	\$ -	\$ -
Environmental Resources	120-126	-	-1.28	180,501	-	180,501	-
Reduce Demand for Consultants	130-135	-3	-3.19	(2,206,597)	-	(2,206,597)	-
OTC Reallocation – Preservation	140	-	-	1,426,587	-	1,426,587	-
OTC Reallocation – Bridge	141	-	-	2,853,174	-	2,853,174	-
OTC Reallocation – Spec Prog.	143	-	-	-	-	-	-
IS Efficiencies – Spec Programs.	472	-	-	-	-	-	-
Program Reduction	090	-	-	(627,674)	-	(627,674)	-
Driver and Motor Vehicle Services Division							
OTC Reallocation	144	-	-	\$ -	\$ -	\$ -	\$ -
Restore Service Level/Enhance	203	23	17.20	2,089,865	-	2,089,865	-
DMV Field Offices	204	8	4.80	618,378	-	618,378	-
Crater Lake Plates	205	-	-	150,000	-	150,000	-
Cultural Development Plates	206	-	-	100,000	-	100,000	-
IS Efficiencies	473	-	-	-	-	-	-
Program Reduction	090	-	-	(537)	(537)	-	-
Motor Carrier Transportation Division							
OTC Reallocation	145	-	-	\$ -	\$ -	\$ -	\$ -
HB 3292 Implementation	301	1	1.00	587,113	-	116,568	470,545
MC Fed MCSAP Funds	302	-	-	3,246,267	-	-	3,246,267
IS Efficiencies	474	-	-	-	-	-	-
Program Reduction	090	-	-	(83,927)	-	(76,667)	(7,260)
Transportation Program Development							
Highway Aggregate Planner	101	1	1.00	\$ 158,406	\$ -	\$ 158,406	\$ -
OTC Reallocation	146/2	(1)	(1.00)	(3,299,791)	22	(3,299,813)	-
TGM Program Reallocation	411	1	1.00	8,570	-	8,570	-
IS Efficiencies	479	-	-	-	-	-	-
Program Reduction	090	-	-	(306,770)	(1,076)	(305,694)	-
Public Transit Division							
OTC Reallocation	147	-	-	\$ (2,499)	\$ -	\$ (2,499)	\$ -
IS Efficiencies	475	-	-	(108)	-	(108)	-
Program Reduction	090	-	-	(4,986)	-	(4,986)	-

ODOT Program Budget 2001-2003

— Legislatively Adopted Program Option Package Summary —

2001-2003 ODOT Program Option Packages Summary	Package #	Pos. Count	FTE	Total Funds	General Fund	Other Funds	Federal Funds
Rail Division							
OTC Reallocation	148	-	-	\$ (5,108)	\$ -	\$ (5,108)	\$ -
Oregon Passenger	431	3	2.25	(318)	(318)	-	-
Rail Transit Safety Oversight	433	2	2.00	297,637	-	297,637	-
Grade Crossing Safety	434	1	1.00	138,769	-	138,769	-
Rail Division Admin	435	1	0.75	65,869	-	65,869	-
South Metro Commuter Rail	436	1	1.00	205,231	-	205,231	-
Short-line Rail	437	1	0.50	2,051,992	-	2,051,992	-
IS Efficiencies	476	-	-	(220)	-	(220)	-
Program Reduction	090	-	-	(9,528)	-	(9,528)	-
Transportation Safety Division							
OTC Reallocation	149	-	-	\$ -	\$ -	\$ -	\$ -
IS Efficiencies	477	-	-	-	-	-	-
Program Reduction	090	-	-	(194,178)	190,183	(384,361)	-
Communications Division							
OTC Reallocation	150	-	-	\$ (200,000)	\$ -	\$ (200,000)	\$ -
Dispute Resolution Grant	481	-	-	259,000	-	259,000	-
Program Reduction	090	-	-	(16,841)	-	(16,841)	-
Central Services Division							
OTC Reallocation	151-154	(3)	(3.33)	\$ (999,099)	\$ -	\$ (999,099)	\$ -
IS Efficiencies	471/480	41	35.58	(163,477)	-	(163,477)	-
Lawn Mower Fund Study	482	-	-	15,000	-	15,000	-
Program Reduction	090	-	-	(382,783)	-	(382,783)	-
Non-Limited Programs							
OTC Reallocation	155	-	-	-	-	-	-
IS Efficiencies	478	-	-	-	-	-	-
Program Reduction	090	-	-	(203,053)	-	(203,053)	-
ODOT Policy Package Total		77	59.28	\$5,744,865	\$188,274	\$1,847,039	\$3,709,552

Note: #472 through 480 represent a reduced Central Services Assessment – Information System Efficiencies.
 #143 through 149 represent a reduced Central Services Assessment – OTC Reallocation.