

Oregon Department of
Transportation

2011-2013

**LEGISLATIVELY ADOPTED
PROGRAM BUDGET**

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
Table of Contents

Oregon Department of Transportation Overview

Mission Statement.....	2
Oregon Transportation Commission	2
Area Commissions on Transportation	3
Partnerships	4
Strategic Direction: Goals and Outcomes	6
2011 Oregon Legislative Session - Transportation Highlights.....	12
Sources and Uses of Funds: Flow Chart.....	17
Sources and Uses of Funds: Biennial Comparison Table	18
Sources of Funds (Revenue) Description.....	19
Uses of Funds (Expenditures) Description	22
Organization Chart	24

Highway Division

Highway Division Description	26
Highway Maintenance Programs	29
Highway Construction Programs.....	33
Statewide Transportation Improvement Program	
Preservation Program	33
Bridge Program	34
Modernization Program.....	36
Highway Safety Program	37
Highway Operations Program	40
Local Government Programs	42
Special Programs.....	44
State Radio System	48
Performance Measures	50

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
Table of Contents

<u>Driver and Motor Vehicle Services Division</u>	63
<u>Motor Carrier Transportation Division</u>	77
<u>Transportation Safety Division</u>	97
<u>Public Transit Division</u>	107
<u>Rail Division</u>	123
<u>Transportation Program Development</u>	133
<u>Central Services Limitation</u>	145
Other	
<u>Capital Improvement and Construction</u>	163
<u>Debt Service</u>	167
<u>Non-Limited</u>	168
Appendix	
<u>A. STIP Project Selection and Delivery</u>	173
<u>B. Estimated Administrative Costs</u>	179
<u>C. Legislatively Adopted Policy Package Summary</u>	181

Oregon
Department of Transportation
Overview

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

MISSION STATEMENT

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 administers programs related to Oregon’s system of highways, roads and bridge, railways, public transportation services, transportation safety, 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, voluntary citizen’s board. The governor, with the consent of the Oregon State Senate, appoints members. Numerous state and local committees, agencies and public groups provide comment, advice, and counsel directly to the OTC.

The OTC:

- Develops and maintains a state transportation policy and comprehensive, long-range plan for a multi-modal transportation system;
- Provides policy and oversight for programs relating to rail, highway, motor vehicles, public transit, transportation safety and other transportation-related activities.

OTC Members

Pat Egan – Chair

Lake Oswego, Oregon

Current Term: December 1, 2011–June 30, 2016

David H. Lohman

Medford, Oregon

Current Term: February 18, 2008–June 30, 2013

Mary F. Olson

Portland, Oregon

Current Term: March 1, 2010–June 30, 2012

Mark Frohnmayr

Eugene, Oregon

Current Term: June 20, 2011-June 30, 2013

Tammy Baney

Bend, Oregon

July 1, 2011-June 30, 2015

AREA COMMISSIONS ON TRANSPORTATION (ACT)

An Area Commission on Transportation is an advisory body chartered by the OTC. Membership consists primarily of community decision makers such as local elected officials, business, industry and public advocacy groups. ACTs address all aspects of transportation (surface, marine and air and transportation safety), but focus primarily on the state transportation system. ACTs also consider regional and local transportation issues if they affect the state system.

ACTs play a key advisory role in the development of the Statewide Transportation Improvement Program (STIP), the ODOT's schedule for funding transportation projects. ACTs establish a public process for area project selection priorities for the STIP. Through that process, they prioritize transportation problems and solutions and recommend local projects for inclusion in STIP.

There are eleven ACTs in Oregon:

Cascades West Area Commission on Transportation

Representing Benton, Lincoln and Linn counties.

ODOT contact: Vivian Payne, Cascade West Area Manager
(541) 757-4104 or email Vivian.B.Payne@odot.state.or.us

Central Oregon Area Commission on Transportation

Representing Crook, Deschutes and Jefferson counties

ODOT contact: Gary Farnsworth, Central Oregon Area Manager
(541) 388-6071 or email Gary.C.Farnsworth@odot.state.or.us

Lane County Area Commission on Transportation

Representing Lane County

ODOT contact: Sonny Chickering, Lane County area manager
(541) 744-8080 or email Sonny.P.Chickering@odot.state.or.us

ODOT contact: Savannah Crawford, Transportation Planner
(541) 747-1354 or email Savannah.Crawford@odot.state.or.us

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 or email Gary.C.Farnsworth@odot.state.or.us

Mid-Willamette Valley Area Commission on Transportation

Representing Marion, Polk and Yamhill counties

ODOT contact: Tim Potter, Mid-Willamette Valley Area Manager
(503) 986-2900 or email James.T.Potter@odot.state.or.us

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

North East Area Commission on Transportation

Representing Baker, Morrow, Umatilla, Union, and Wallowa counties and the Confederate Tribes of the Umatilla Indian Reservation
ODOT contact: Craig Sipp, North East Area Manager
(541) 963-1328 or email Craig.A.Sipp@odot.state.or.us

Northwest Oregon Area Commission on Transportation

Representing Clatsop, Columbia and Tillamook counties and western rural Washington County
ODOT Region 1 contact: David Kim, Area Manager Metro Central
(503) 731-4998 or email David.Kim@odot.state.or.us
ODOT Region 2 contact: Larry McKinley, Northwest Oregon Area Manager
(503) 325-7222 or email Larry.McKinley@odot.state.or.us

Rogue Valley Area Commission on Transportation

Representing Jackson and Josephine counties
ODOT contact: Art Anderson, Rogue Valley Area Manager
(541) 774-6353 or email Art.H.Anderson@odot.state.or.us

South Central Oregon Area Commission on Transportation

Representing Klamath and Lake Counties
ODOT contact: Norman C, "Butch" Hansen, South Central Oregon Area Manager
(541) 883-5662 or email Norman.C.Hansen@odot.state.or.us

South East Area Commission on Transportation

Representing Grant, Harney and Malheur counties and the Burns Paiute Tribe
ODOT contact: Tom Davis, Region 5
(541) 889-9115 or email Thomas.J.Davis@odot.state.or.us

South West Area Commission on Transportation

Representing Coos, Curry and Douglas counties
ODOT contact: Mark Usselman, South West Area Manager
(541) 396-3707 or email Mark.Usselman@odot.state.or.us

PARTNERSHIPS

Transportation Policy Group

The Transportation Policy Group was established by the Governor's Office, the Oregon Transportation Commission, ODOT, the League of Oregon Cities, the Association of Oregon Counties and the Oregon MPO Consortium to discuss issues and policies of mutual concern and to work jointly on policies, programs and activities that affect transportation in Oregon.

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

Governor's Advisory Committee on DUII

The duties of the Governor's Advisory Committee on DUII (Driving Under the Influence of Intoxicants) are to broadly represent public and private organizations involved in DUII countermeasures, victims of intoxicated drivers and the general public and to heighten public awareness of the seriousness of driving under the influence of intoxicants. The committee works to persuade communities to attack the problem in an organized and systematic manner. Included are plans to eliminate bottlenecks in the arrest, trial and sentencing process that impair the effectiveness of laws enacted to reduce driving under the influence. The committee generates public support for increased enforcement of these state and local laws. It also educates the public about the dangers of driving while under the influence and its effects on life and property. All members are Governor-appointed and serve four-year terms. The committee was created by Executive Order and is considered to be part of the Governor's Office, staffed by ODOT.

Oregon Transportation Safety Committee

The Oregon Transportation Safety Committee (OTSC) was formed in 1969 by the Legislature as the guiding board for highway safety programs, laws, research and outreach in Oregon. In 1991, the OTSC merged into ODOT and became an advisory committee to the OTC and the department on highway safety matters. Committee members are Governor-appointed to four-year terms. The committee's primary areas of interest include speed, impaired driving, safety belts, community programs and driver education. The OTSC is the lead committee for the annual Traffic Safety Performance Plan, the long-range Transportation Safety Action Plan and many statewide communication initiatives on safety.

Governor's Advisory Committee on Motorcycle Safety

The Governor's Advisory Committee on Motorcycle Safety focuses on rider education, riding under the influence of intoxicants, road hazards unique to motorcyclists, motorist awareness of motorcycles, sharing the road and other safety issues. The committee advises the Governor and the Governor's highway safety representative (Transportation Safety Division Administrator) on safety for motorcyclists in Oregon. The committee works closely with ODOT to find solutions to engineering-related safety issues that affect motorcyclists. All members are Governor-appointed and serve four-year terms. The committee was created by Executive Order and is considered to be part of the Governor's Office, staffed by ODOT.

Oregon Bicycle and Pedestrian Advisory Committee

The Oregon Bicycle and Pedestrian Advisory Committee (OBPAC), established by state statute in 1973, is a Governor-appointed committee that advises ODOT about bicycle and pedestrian traffic and the establishment of bikeways and walkways. The OBPAC reviews public and department policy, forwards proposals and makes recommendations to the department for further consideration. The committee meets quarterly throughout the state to listen to the views and concerns of interested citizens, local officials and ODOT staff.

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

Oregon Freight Advisory Committee

The mission of the Oregon Freight Advisory Committee is to advise the Oregon Department of Transportation, Oregon Transportation Commission and Oregon Legislature on priorities, issues, freight mobility projects and funding needs that impact freight mobility and to advocate the importance of a sound freight transportation system to the economic vitality of the State of Oregon.

STIP Stakeholder Committee

The purpose of the Stakeholder Committee for the Statewide Transportation Improvement Program Collaborative Process (Stakeholder Committee) is for appointed representatives to provide the Oregon Department of Transportation (ODOT) with advice, feedback, recommendations and, where requested, decisions regarding the issues, and actions that need to be taken throughout the process which results in the development of the STIP. The Stakeholder Committee will generate ideas on process and possible directions for consideration by the Department.

Department of Land Conservation and Development

- Transportation Growth Management
- Transportation Planning Rule

Economic and Community Development Department

- Oregon Tourism Commission
- Geographic Names Board
- Immediate Opportunity Fund

Oregon State Police

- Law Enforcement Data Systems
- Criminal Justice Information Systems Advisory Board
- Work Zone Safety
- Truck Safety Inspections

Department of Human Services

- Transportation Coordination Workgroup

Department of Administrative Services

- Highway Cost Allocation Study

STRATEGIC DIRECTION

ODOT believes in reliable, innovative solutions to Oregon's transportation needs. The agency sees this as a work in progress. The direction ODOT takes now affects current transportation choices and helps establish priorities for the future.

Oregon Department of Transportation
 2011–2013 Adopted Program Budget
 — ODOT Overview —

ODOT GOAL 1 Improve Safety by engineering, education, and enforcing a safe transportation system.	
HIGH LEVEL OUTCOMES	
<ul style="list-style-type: none"> • Reduce transportation related accidents and fatalities • Increase public satisfaction with safety 	<ul style="list-style-type: none"> • Rapidly remove dangerous drivers and vehicles from the roads • Reduce injuries to employees and transportation workers
STRATEGIES	
<ul style="list-style-type: none"> • Safe Infrastructure: Implement design practices that mitigate structural safety risks on Oregon's transportation system. <i>Key Performance Measures:</i> <ul style="list-style-type: none"> ○ Fatalities: Traffic fatalities per 100 million VMT. ○ Injuries: Traffic injuries per 100 million VMT. ○ Rail Crossing Incidents: Number of highway-related at-grade incidents. ○ Derailment Incidents: Number of train derailments caused by human error, track or equipment. • Employee Safety: Reduce risk of employee injuries by enforcing safety protocols in work zones and educating workers about how to minimize safety risk <i>Key Performance Measures</i> <ul style="list-style-type: none"> ○ ODOT is creating a new measure for this 	<ul style="list-style-type: none"> • Driver Behavior: Deploy safety information/education programs in order to reduce accidents caused by driver behavior. <i>Key Performance Measures:</i> <ul style="list-style-type: none"> ○ Fatalities: Traffic fatalities per 100 million VMT. ○ Injuries: Traffic injuries per 100 million VMT. ○ Large truck at-fault accidents ○ Impaired driving: Percent of fatal traffic accidents that involved alcohol. ○ Safety Belts: Percent of all vehicle occupants using safety belts. • Enforcement: Keep unsafe drivers and vehicles off the system to improve safety and feelings of safety among Oregon system users through enforcement efforts. <i>Key Performance Measures</i> <ul style="list-style-type: none"> ○ Travelers feel safe: Percent of public satisfied with transportation safety. ○ Large truck at-fault accidents ○ Safety Belts

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

ODOT GOAL 2

Preservation of transportation investments by protecting and maintaining the transportation infrastructure

HIGH LEVEL OUTCOMES

- | | |
|---|--|
| <ul style="list-style-type: none">• Maintain and preserve facilities and equipment• Improve system operation from the user perspective (highways, transit and other modes) | <ul style="list-style-type: none">• Reduce hours of delay experienced by travelers and goods movers. |
|---|--|

STRATEGIES

- | | |
|---|---|
| <ul style="list-style-type: none">• Preserve and Maintain Infrastructure: Utilize a comprehensive asset management system to make informed decisions about facilities and equipment maintenance and preservation to ensure long life of infrastructure and other assets at the least cost to the taxpayer.
<i>Key Performance Measures</i><ul style="list-style-type: none">○ Bridge Condition○ Pavement Condition○ Bike Lane and Sidewalk Condition | <ul style="list-style-type: none">• Build Quality Infrastructure: Use new technology and construction techniques and materials to improve the quality of infrastructure and reduce delays caused by construction and maintenance activities.
<i>Key Performance Measures</i><ul style="list-style-type: none">○ Travel Delay |
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Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

ODOT GOAL 3

Enhance **Mobility and Economic Vitality** by keeping people and the economy moving.

HIGH LEVEL OUTCOMES

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| <ul style="list-style-type: none">• Ensure equality of opportunity to access transportation systems and services (seniors, disabled citizens, low-income people and others).• Improve choices of travel and shipping alternatives.• Increase access to the transportation system and services. | <ul style="list-style-type: none">• Increase reliability of intermodal transfers in a seamless system.• Improve system operation from the user perspective (highways, transit and other modes).• Reduce hours of delay experienced by travelers and goods movers. |
|--|---|

STRATEGIES

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| <ul style="list-style-type: none">• Transportation Options: Promote the use of transportation modes other than single occupant vehicles by improving existing facilities and creating new transportation options where possible in order to reduce travel delay and stress on the highway system and ensure multi-modal options for all Oregonians.
<i>Key Performance Measures</i><ul style="list-style-type: none">○ Passenger Rail Ridership○ Special Transit Rides○ Alternatives to One Person Commuting○ Traffic Volume○ Intercity Passenger Service○ Freight: ODOT is creating a new measure for this○ Travel Delay | <ul style="list-style-type: none">• Traffic Network Management: Employ new technology to better manage traffic networks by providing timely information to travelers and identifying and reducing delays from crashes and other causes.
<i>Key Performance Measures</i><ul style="list-style-type: none">○ Travel Delay |
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Oregon Department of Transportation
 2011–2013 Adopted Program Budget
 — ODOT Overview —

ODOT GOAL 4

Enhance **Sustainability** by sustaining the environment and communities

HIGH LEVEL OUTCOMES:

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| <ul style="list-style-type: none"> • Reduce adverse impacts of transportation on air and water quality. • Enhance scenic qualities of byways and tourist routes. | <ul style="list-style-type: none"> • Increase number of cities and communities with a variety of coordinated transportation options available to residents. |
|--|--|

STRATEGIES

- | | |
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| <ul style="list-style-type: none"> • Collaborative Transportation Solutions: Collaborate with local, citizen and business leaders to develop transportation solutions that fit state and local interests, minimize negative aspects of growth, and solve transportation problems to promote economic opportunity.
 <i>Key Performance Measures</i> <ul style="list-style-type: none"> ○ None • Sustainable Transportation: Promote the use of more energy efficient transportation alternatives to preserve air and water quality and move toward sustainable economic growth.
 <i>Key Performance Measures</i> <ul style="list-style-type: none"> ○ Alternatives to SOV ○ Traffic Volume: VMT per capita ○ Bike Lanes and Sidewalks ○ Travel Delay | <ul style="list-style-type: none"> • Enhance Quality of Byways and Tourist Routes: Direct ODOT resources and projects toward enhancing the quality of byways and tourist routes to promote tourism in the state while still preserving Oregon’s scenic beauty.
 <i>Key Performance Measures</i> <ul style="list-style-type: none"> ○ None • Reduce Environmental Impact: Take steps to reduce adverse impacts of transportation on the natural environment.
 <i>Key Performance Measures</i> <ul style="list-style-type: none"> ○ Fish Passage at State Culverts |
|--|--|

Oregon Department of Transportation
 2011–2013 Adopted Program Budget
 — ODOT Overview —

ODOT GOAL 5 Ensure Stewardship of resources by maximizing value from transportation investments	
HIGH LEVEL OUTCOMES:	
<ul style="list-style-type: none"> • Increase the economic efficiency of ODOT operations. • Reduce number of economically distressed communities. 	<ul style="list-style-type: none"> • Increase business opportunities in economically distressed communities as a result of transportation improvements.
STRATEGIES	
<ul style="list-style-type: none"> • Efficiency and Customer Focus: Maintain customer focus at DMV, Highway, Motor Carrier and other ODOT programs to maximize timeliness and economic efficiency. <i>Key Performance Measures</i> <ul style="list-style-type: none"> ○ DMV Customer Services ○ ODOT Customer Satisfaction ○ Construction Contract Timeliness ○ Construction Project Completion Timeliness ○ Construction Projects on or Under Budget 	<ul style="list-style-type: none"> • Economic Impact: Create business opportunities in economically distressed communities as a result of transportation improvements. <i>Key Performance Measures</i> <ul style="list-style-type: none"> ○ Construction Jobs Impact ○ Disadvantaged, Minority, Women, and Emerging Small Businesses

2011 OREGON LEGISLATIVE SESSION: TRANSPORTATION HIGHLIGHTS

The 76th Oregon Legislature, Oregon's first annual session, came to a close on June 30, 2011. At 153 days, it was the shortest regular session in fifteen years. There were 3021 bills, memorials and resolutions introduced during the 2011 session and, of those, the Legislature passed 807.

The 76th Legislature focused its efforts on balancing the budget in the face of a \$3.5 billion revenue shortfall, creating a budget reserve set aside of \$400 million, the passage of both the Legislative and Congressional redistricting plans, and several education and health related reforms.

While transportation issues were not the focus of the 2011 session, legislators advanced several important transportation related bills, memorials and resolutions. The material below highlights three bills. A complete summary of ODOT's 2011 legislative session is available online at:

<http://www.oregon.gov/ODOT/docs/2011LegislativeSummary.pdf>

House Bill 2138 - Commercial Driver Licenses / Road User Fee Task Force

Effective Date: January 1, 2012

House Bill 2138 first makes changes to requirements to issue or renew a Commercial Driver License (CDL). The bill requires an applicant for or holder of a CDL to submit proof of medical qualification to operate a commercial motor vehicle (CMV), at least every two years as dictated by rule. The Department may not issue or renew the license, or may cancel an existing CDL, if the CDL-holder fails to timely submit the proof of medical qualification.

The bill provides for a one-year suspension of driving privileges (or right to apply) if the person submits false medical information at a time other than issuance or renewal. The bill clarifies that a suspension for multiple convictions of specific traffic rules within a certain period is based on the dates of offense rather than dates of convictions. The bill changes the standard to allow operation of a vehicle with a Class C license and to operate a vehicle with a Class B commercial license (using a standard of "gross vehicle weight rating" rather than actual gross weight). The bill changes the definition of a commercial motor vehicle to more closely match the federal definition.

In addition, when the Road User Fee Task Force (RUFTF) is studying alternatives to the current system of taxing highway use through motor fuel taxes and developing recommendations concerning the design of pilot programs to test alternative approaches, HB 2138 directs the RUFTF to consider the following criteria:

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

- Availability, adaptability, reliability and security of mileage recording and reporting methods.
- Protection of personally identifiable information.
- Ease and cost of recording and reporting mileage.
- Ease and cost of administering tax collection.
- Effective means of maintaining compliance.

The bill requires the task force to consult with highway users and transportation stakeholders including representatives of vehicle users, vehicle manufacturers, and fuel distributors.

The task force must report on its work to the Legislative Assembly during every odd-numbered year regular session. The task force may submit recommended legislation for pre-session filing by December 15 of the year preceding any regular session. The bill defines “transportation project” or “project,” for the sake of the Innovative Partnerships Program, to include any undertaking that facilitates an alternative system to the fuel tax.

House Bill 5047 - ODOT Fees Adopted by Administrative Rule

Effective Date: July 1, 2011

House Bill 5047 approves the ODOT fees adopted by administrative rule and approved by the Department of Administrative Services since the 2009 regular session of the Legislature. The following fees were approved:

Fees for Vehicle Registration Plates:

Nonprofit group plate issuance and renewal fees	\$ 2.50
Registration plate fees for fallen public safety officers	\$ 8.00

Outdoor advertising sign permit fees:

Sign permit fee, small	\$ 200
Sign permit fee, medium	\$ 500
Sign permit fee, large	\$ 850
Sign permit fee, largest	\$ 1,000
Permit renewal, small/medium	\$ 120
Permit renewal, large	\$ 140
Permit renewal, largest	\$ 160
Conversion of standing sign permit to relocation credit	\$ 150
Relocation credit renewal	\$ 25

Annual outdoor advertising business license fees:

Erect or maintain sign only	\$ 850
Owning 1 to 49 signs	\$ 650
Owning 50 to 499 signs	\$ 1,700
Owning 500 or more signs	\$ 2,500

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

Miscellaneous fees:

Aggregation relocation credit	\$ 500
Transfer of ownership	\$ 150
Replacement permit plate	\$ 100

The fees related to the Outdoor Advertising Sign Program must be enabled by the Legislative Assembly or they will be rescinded on July 1, 2013.

The department had also adopted increased Sno-Park permit fees during the interim. These fees were not approved; the fees that had been in effect before the increase were restored on July 1, 2011. Restoring the Sno-Park permit fees will reduce the Sno-Park Program revenues by \$627,600. See the Budget Note related to the Sno-Park Program.

HB 3487 requires that fees adopted by administrative rule must be approved by the Legislative Assembly at its next regular annual session.

Senate Bill 264 - Management of Access to State Highways

Effective Date: June 14, 2011 (Operative date: January 1, 2012)

Senate Bill 264 reflects the work of a collaborative stakeholder committee in response to legislative direction to review the Oregon Department of Transportation's (ODOT) administrative rules for managing access to state highways. The goal of the committee was to develop objective standards and procedural changes to provide for a more appropriate balance between managing a safe and effective system of highways and promoting and facilitating urban growth and economic development opportunities in Oregon's communities.

SB 264 revises the access management process to:

- Approve an application based on an agreed upon set of objective standards.
- Reduce the number of applications requiring deviations from the standards for the approval.
- Reduce the mitigation requirements that are currently a responsibility of the developer.
- Clarify when a Traffic Impact Analysis is required.
- Provide for managing disputes and appeals.

The bill makes significant policy changes to:

- Balance economic development needs in the decision-making processes with highway safety and operational needs.
- Place standards for access management program in statute instead of administrative rule.

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

- Place spacing standards between approaches in statute instead of administrative rule, and the standards allow approaches to be placed closer together on lower-speed highways.
- Make ODOT responsible to demonstrate safety and operational concerns instead of the applicant.

Objective Standards

SB 264 places into statute a clear and objective set of standards that will provide greater certainty for applicants on when an application for a permit can be approved. The objective standards are based on the level of importance of a state highway from a statewide mobility standpoint, safe sight distance, driveway spacing, posted speed, traffic volume, and lane configuration requirements.

SB 264's standards for spacing, mobility, and mitigation requirements for highways having fewer than 5,000 vehicles per day are less stringent than those currently required. Higher standards are proposed for low-volume urban statewide classification routes where the posted speed is 50 mph or higher and for rural statewide classification routes except where they traverse through unincorporated communities where the posted speed is 45 mph or lower.

SB 264's objective standards will significantly reduce the need for the applicant for small and medium size developments to provide an engineering analysis as part of an application for an access permit from what is now required.

Reasonable Access

SB 264 eliminates the determination currently made by the department on whether a property abutting a state highway has existing access that is reasonable or that can be made reasonable to serve property. Where an applicant meets the standards in the urban areas, the applicant will be approved for one or more driveways to the state highway regardless of whether or not there is alternate access to the property on a city street or county road. In rural areas, an applicant's permit application for one driveway will be approved if it meets the standards; additional driveways may be approved although the applicant must show that additional access is required to provide reasonable access to the site as a function of the business or land use.

Mitigation Measures and Medians

SB 264 reduces requirements for developers and businesses to mitigate the traffic impacts of developments to the highway. With the exception of large development proposals, SB 264 eliminates the need for most applicants to meet mobility requirements for vehicles exiting a driveway from private property.

The bill limits when ODOT and local governments can use non-traversable medians on state highways to mitigate impacts associated with a private driveway application, and it requires ODOT to work collaboratively with highway users when non-traversable median barriers are proposed for use on two-lane state highways.

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

Dispute Resolutions and Appeals Processes

SB 264 changes the dispute resolution process that the department uses to resolve disputes that arise from decisions about accesses, allowing applicants two options, a collaborative process and Dispute Review Board, in addition to the contested case hearing available under the administrative procedures act. The collaborative discussion and Dispute Review Board will provide applicants an opportunity to address deficiencies in meeting the objective standards or specific traffic safety or operational issues identified by the department.

In addition, the bill requires the department to advise applicants of a pending decision prior to issuing the final decision. The bill also includes a process that allows for the applicant to request a deviation or exception to the objective standards.

Access Management Oversight Task Force

SB 264 forms a Legislative Access Management Oversight Task Force to provide a forum to address issues that arise as the bill is implemented and provide the oversight to the ongoing work of codifying, clarifying and bringing consistency to the department's access management decision-making process.

Other Provisions

SB 264 contains other provisions that affect the management of access to highways. These include:

- Creation of new statutes to govern county commissions' authority to manage access to county roads that are separate from those that govern the Department of Transportation's authority for state highways. Prior to SB 264, one statute governed both county commissions' authority and the department's authority. SB 264's provisions relating to management of access to county roads became effective upon the Governor's signature of the bill (June 14, 2011).
- A requirement that the Oregon Transportation Commission review the classifications of state highways and the designations of expressways in the Oregon Highway Plan. This will ensure that the classifications and designations are appropriate for the intended function of the highway.
- Provisions that will facilitate the transfer of jurisdiction of state highways and segments of state highways to a local government. Some portions of the state highway system serve as local streets today rather as state highways. SB 264 allows for an ongoing transfer of transportation funding from the department to address the fiscal burden of a local government agreeing to take jurisdiction of a state highway.
- Provisions that allow for the department to delegate its access management responsibilities to a local government by agreement.

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

SOURCES AND USES OF FUNDS

	2007-2009 Actuals	2009-2011 Actuals	2011-2013 Legislatively Adopted
SOURCES			
Beginning Balance	775,720,516	793,677,729	557,523,755
Beginning Balance adjustment	(15,827,270)	(164,247,984)	18,545,345
Motor Fuels Taxes	842,983,042	886,843,055	1,105,855,826
Federal Funds	910,160,484	1,371,782,033	998,964,146
Weight-Mile Taxes	449,214,083	454,146,776	610,756,359
Driver and Vehicle Licenses	453,600,325	581,586,709	676,584,477
Transportation License & Fees	46,388,291	79,609,243	96,613,799
Transfers To ODOT	88,597,773	121,165,904	121,119,155
General Fund	4,504,713	16,912,732	17,416,053
Lottery Funds	45,360,803	79,058,568	69,455,197
Bond and COP Proceeds	761,780,715	784,736,163	640,503,912
Sales and Charges for Services	42,992,244	33,678,657	24,131,873
All Other Revenue	125,011,592	75,858,459	48,560,963
Mandated Distributions and Transfers Out	(623,268,742)	(706,708,451)	(903,111,760)
AVAILABLE REVENUE	3,907,218,569	4,408,099,594	4,082,919,100
USES			
Highway Division	2,218,709,679	2,288,553,953	2,489,458,337
Driver and Motor Vehicle Services Division	145,681,232	149,354,485	160,346,993
Motor Carrier Transportation Division	57,067,502	58,366,675	63,897,728
Transportation Safety Division	25,986,865	29,011,142	31,540,481
Public Transit Division	57,987,191	105,534,512	82,912,463
Rail Division	27,488,676	288,411,475	66,951,203
Transportation Program Development	149,112,540	182,709,407	235,631,603
Central Services	155,268,866	174,285,484	185,917,628
Debt Service	242,231,922	352,629,345	457,981,640
Capital Improvement & Construction	22,597,367	195,223,780	3,259,789
OWIN	0	1,665,768	
Non-Limited Programs	11,409,001	25,401,967	18,158,214
TOTAL EXPENDITURES	3,113,540,841	3,851,147,992	3,796,056,079
ENDING BALANCE*	793,677,728	556,951,602	286,863,021

Positions	4627	4834	4613
Full-Time Equivalent (FTE)	4514.48	4678.72	4521.79

Note: The State Radio Project, formerly known as the Oregon Wireless Interoperability Network, was transferred to the ODOT during the 2009 Legislative session.

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

ENDING BALANCE DETAIL

	2007-2009 Actuals	2009-2011 Actuals	2011-2013 Legislatively Adopted
Highway Fund	18,359,515	(114,100,965)	562,909
OTIA Bond Proceeds	254,690,634	283,438,408	153,407,279
OWIN	0	53,200,701	0
Environmental Quality Fund	0	0	0
Emerging Small Business	4,312,742	3,589,209	5,000,000
Snowmobile/Winter Recreation Funds	6,542,525	6,550,573	5,778,011
Motor Vehicles	775,024	384,380	608,229
Motor Carrier	21,751	37,999	0
Public Transit Division	23,011,856	7,586,976	0
Rail Division	260,452,392	10,735,996	790,579
Transportation Program Development	111,200,076	110,397,272	53,760,828
Transportation Safety Division	12,720,956	10,767,817	8,386,971
Transportation Operating Fund	5,199,085	3,027,306	2,187,371
Central Services	365,938	161,971	0
Debt Service	67,802,439	154,618,904	48,444,594
Special City Allotment	1,089,508	877,685	983,406
OTIB	27,133,288	25,677,371	6,952,844
TOTAL	793,677,728	556,951,602	286,863,021

SOURCES OF FUNDS (REVENUE)

Beginning Balance—Estimated cash position at beginning of biennium. Cash is committed to highway projects, debt service payments, and minimum cash balance to ensure payment of extraordinary and ongoing costs.

	Dollars in Millions
Highway Fund Programs	\$ 359
Debt Service	35
Infrastructure Bank	17
Transportation Operating Fund	2
Transportation Safety Division	10
Rail Division	26
Public Transit Division	1
Transportation Program Development	126
Total	\$ 576

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

Motor Fuel Tax—\$1,106 million. (Includes motor fuel and aviation fuel taxes.)

Federal Funds—\$998 million. Primarily for Highway Division, with lesser amounts for Transportation Safety, Transportation Program Development, Public Transit, and other programs.

Weight Mile Taxes—\$611 million. Graduated tax based on vehicle's weight and miles traveled on public roads. Forecasted revenues for 2011-2013 reflect a 34.6 percent increase over 2009–2011 actual revenue collected.

Driver and Vehicle Licenses and Fees—\$676 million. (Includes driver license fees, vehicle registrations and titling fees for passenger vehicles, buses, trailers, motorcycles, etc.) This category contains a large number of fees for various areas, from snowmobile titling to specialty license plates. This revenue category increase was authorized by the 2001 Legislature: HB 2132 (four-year vehicle registration) and HB 2142 (OTIA).

Transportation Licenses and Fees—\$97 million. (Includes truck registrations, vehicle, and Sno-Park permits.)

Transfers to ODOT—\$121 million. These funds come from dedicated revenues from the cigarette tax, local government match on construction projects, and Transportation Growth Management match from Land Conservation and Development.

General Fund—\$17 million. General Fund allocation for Public Transit Division's Senior & Disabled Transportation Operating Grant program.

Lottery Proceeds—\$70 million. Legislatively directed pass-through bond payments for Westside Light Rail, Rail Short Line, Rail Industrial Spur Projects, South Metro Commuter Rail, *ConnectOregon*, Southeast Metro Milwaukie Extension, and Street Car Project Fund.

Bond/Certificates of Participation—\$640 million. Proceeds from JTA bond issuance (\$600 million) and *ConnectOregon* (\$41 million)

Sales and Charges for Service—\$25 million. Includes sale of DMV records, damage recovery, and sale of property, timber, and equipment.

All Other Revenue—\$49 million. Items in this category include railroad gross revenue receipts (\$4 million), interest income (\$19 million), Infrastructure Bank loan repayment (\$8 million), rent and fines (\$4 million), and miscellaneous other revenue (\$14 million).

Oregon Department of Transportation
 2011–2013 Adopted Program Budget
 — ODOT Overview —

Mandated Distributions and Transfers Out

Counties—\$495 million. From fuels tax, weight mile tax and licensing.

Cities—\$333 million. From fuels tax, weight mile tax, and licensing.

Other State Agencies—\$75 million. Parks, Marine Board, Aviation and other agencies.

Committed Reserves and Ending Balance—\$287 million. Estimated committed reserves and ending cash balance to carry forward into 2013–2015:

	Dollars in Millions
Highway Fund Programs:	
STIP	\$ 149
Emerging Small Business	5
Snowmobile Fund	5
Winter Recreation Fund	1
Special City Allotment	1
Highway Programs Subtotal	\$ 161
Connect Oregon Bond Proceeds	54
Infrastructure Bank	7
Transportation Operating Fund	2
Transportation Safety Division	8
Rail Division	0.8
Public Transit Division	0
Other Dedicated Programs	54.2
Total	\$ 287

USES OF FUNDS (EXPENDITURES)

Highway Division

- Highway Division program budget decreased by 4.1 percent from the 2009-2011 Budget. This is primarily related to a \$71 million phase out of the Bridge Program as well as across the board reduction packages for inflation, 5.5 percent for personal services and DAS assessment charges.
- The Maintenance program was approved for \$3.1 million for the operations and maintenance of the State Radio Project.

Driver and Motor Vehicle Services Division

- The Legislatively Adopted Budget for DMV includes \$.4 million in a Policy Option Package that continue implementation of SB 640 that requires DMV to collect Bio-metric data to help identify individuals, replacement of DMV's automated knowledge testing machines, and driver license security.

Motor Carrier Transportation Division

- The Motor Carrier Transportation Division budget increased 3.7 percent from the 2009-2011 Legislatively Adopted Budget primarily due to increases in the cost of personal services.

Transportation Safety Division

- The Legislatively Adopted Budget for Transportation Safety Division is relatively flat and only increased by 0.3 percent from the 2009-2011 Budget. This is due to reduction packages for inflation, 5.5 percent for personal services and DAS assessment charges.

Public Transit Division

- The Legislatively Adopted Budget for the Public Transit Division decreased by 24.4 percent due to the phase out of the \$20 million to implement the Oregon Streetcar Project Fund created by the 2007 Legislature..
- SB 5508 authorized \$2 million in general funds for the Public Transit Division's Senior & Disabled Transportation Operating Grants.

Rail Division

- The Rail division budget decreased by 77.4 percent due to phasing out \$252 million for the Trimet SE Metro Extension Project.

Oregon Department of Transportation
2011–2013 Adopted Program Budget
— ODOT Overview —

- The Legislatively Adopted Budget for Rail Division includes \$18.3 million of carry over funds to purchase a new train set.

Transportation Program Development

- SB 5508 authorized \$12.5 million for Connect *Oregon IV*.

Central Services Division

- The Legislatively Adopted Budget includes \$74,500,000 phase out for the OWIN project.

Debt Service

- HB 5046 combined all the prior biennia Lottery Debt Service appropriations into one for a total of 69,700,542.
- SB 5508 authorized across the board cuts to the debt service limitation causing a \$2.9 million shortfall in Lottery Fund Debt Service limitation for bonds already sold. The agency will attempt to increase Lottery Fund Debt Service limitation at the February 2012 Session.

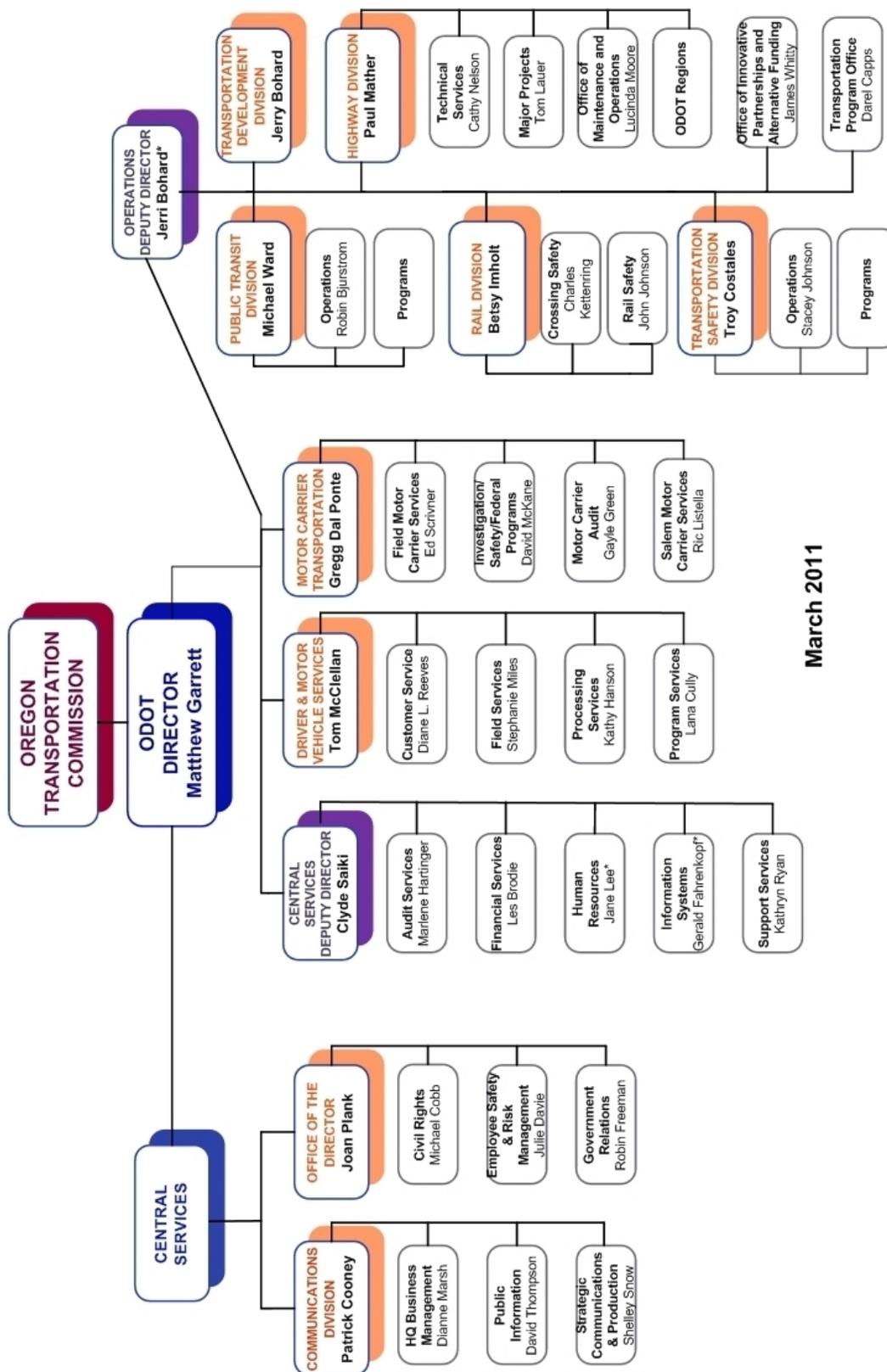
Non-Limited Programs (Infrastructure Bank)

- During the 2005–2007 legislative session many of the department’s Non-Limited programs were moved from Non-Limited to within the program that they support. The only remaining Non-Limited program is the Infrastructure bank. The bank was established by the 1997 Legislature as a revolving loan fund for transportation projects. The Oregon Transportation Infrastructure Bank makes loans to local governments, transit providers, ports, and other eligible borrowers.

Oregon Department of Transportation 2011–2013 Adopted Program Budget

— ODOT Overview —

Oregon Department of Transportation



March 2011

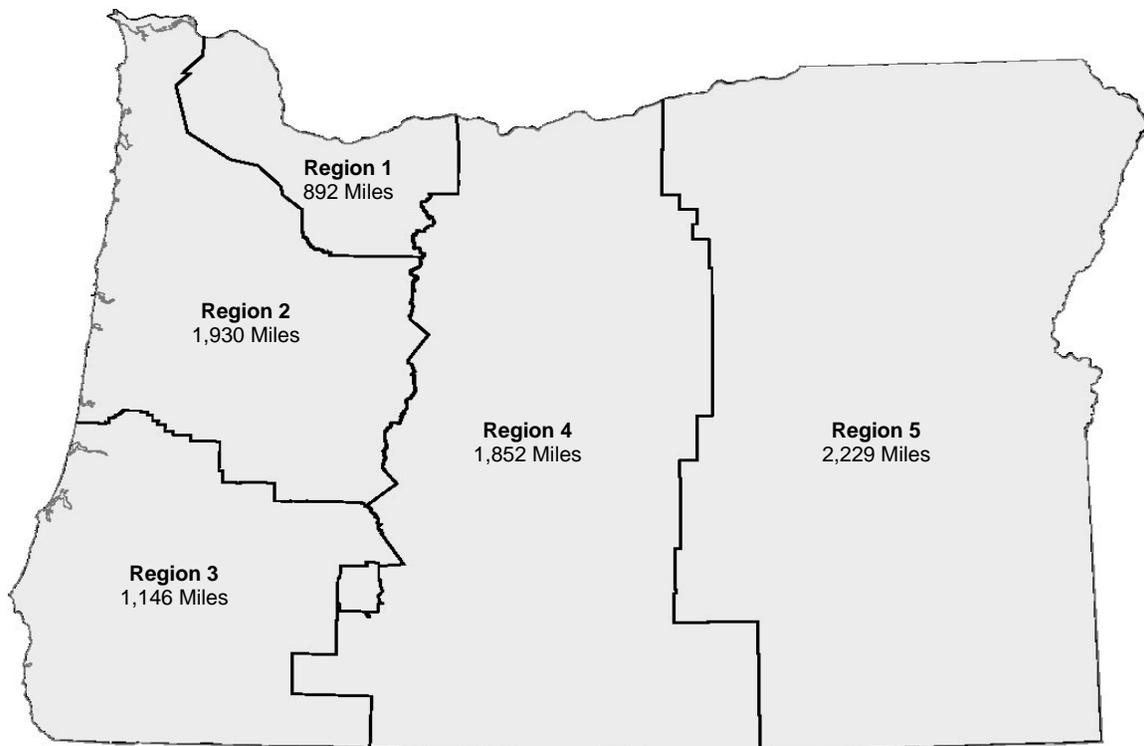
Highway Division

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

HIGHWAY DIVISION

ODOT operates and maintains approximately 8,000 miles of highways throughout 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 graveled state highway in central Oregon. Oregon's economy and industries—including agriculture, timber, tourism, and technology—all depend on a sound highway system.

Oregon has more than 87,000 miles of roads owned by federal, state, county and city governments. State highways comprise less than 10% percent of total road miles, but carry 58 percent of the traffic and more than 20.7 billion vehicle miles a year. More people are driving more cars more miles than ever before, but are doing so on the same highways, streets and roads. About 73 percent of commuters drive alone to and from work. Congestion is worsening, especially on urban freeways.



8,049 HIGHWAY MILES

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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 rural and urban National Highway System routes and play an essential role in the state 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. Annually, trucks travel more than two billion miles on Oregon Highways. According to a Federal Highway Administration (FHWA) report, trucks moved an estimated 255 million tons of goods to, from and within Oregon in 2007. This same report estimates that by 2040, trucks will move some 361 million tons of freight on Oregon roads.¹

Many state highways, especially heavily traveled routes and urban-area highways, are built to support alternative modes to travel. 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 utility lines use highway right-of-way.

Organizationally, the Highway Division is administered through the five regional offices and the headquarters office. In the past, the agency had completed most engineering and design work in-house while contracting with private companies for the actual construction of projects.

¹ Source: <http://faf.ornl.gov/fafweb/FUT.aspx>

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

HIGHWAY DIVISION PROGRAMS

The Highway Division consists of two major program areas: Maintenance and Construction. A detailed description of each program follows.

Maintenance Programs

Highway Maintenance Program including the Emergency Relief Program

Construction Programs

- STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP):
 - Preservation Program
 - Bridge Program
 - Modernization Program
 - Highway Safety Program
 - Highway Operations Program

- LOCAL GOVERNMENT PROGRAM

- SPECIAL PROGRAMS

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

HIGHWAY MAINTENANCE

Highway maintenance includes the routine daily activities of maintaining, 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 generally does not include road reconstruction. There are two types of general highway maintenance functions: reactive and proactive.

REACTIVE: If it breaks, fix it. Reactive maintenance resolves an existing problem or concern and is incident-driven.

PROACTIVE: Spend now to save later. Proactive maintenance includes inspection, preservation and restoration activities that will prevent damage to the transportation infrastructure, extend the infrastructure's life cycle or reduce life cycle costs. Proactive maintenance is driven by resources and cost-benefit analyses.



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 public contact regarding questions about state highways, requests for special highway-use permits and general maintenance information.

HIGHWAY MAINTENANCE PROGRAMS

Surface and Shoulder Repair

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. Shoulder repair activities include rebuilding and smoothing shoulders to correct drop-offs from the pavement edge.

Drainage

Drainage activities remove water, a significant danger, from roads. Water that doesn't drain from the top of roads, decreases traction and can cause drivers to lose control of vehicles. Water trapped under pavement can cause roads to deteriorate. 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.

Roadside and Vegetation

Roadside and vegetation activities include sweeping debris, fixing access-control fences, removing hazardous trees and clearing roadside weeds and other vegetation that could block visibility. Additional activities include 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

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

Traffic Services

Traffic Services activities guide drivers to keep traffic moving or prevent vehicles from straying into oncoming traffic or off the road. It 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 guard rails and barriers.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Extraordinary Maintenance/Damage

Maintenance crews respond as quickly as possible to unplanned incidents that close roads or restrict traffic to reopen or protect roadways from extraordinary damage. Crews also open roads blocked by storms or other natural events not large enough to be included in emergency maintenance.

Emergency Relief

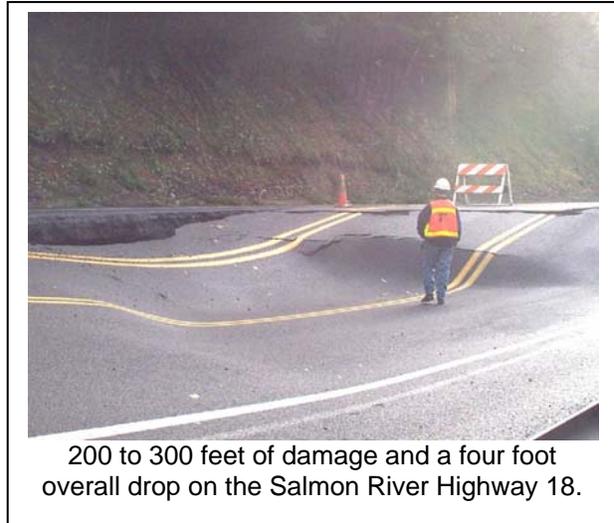
Highways may suffer serious damage from natural disasters such as floods and earthquakes or from catastrophic failure, such as bridge collapse. The Emergency

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. State forces, with additional support from outside contractors, perform this work. Permanent repairs restore the highway to its pre-existing condition and are primarily contracted.

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 program supplements state resources to help pay for significant, unusual expenses on federal aid highways and roads on federal lands resulting from natural disasters or catastrophic failures. Most of Oregon's state highways are on the federal-aid system. Application for these funds requires a declaration of emergency by the governor. Damage must generally exceed \$700,000 for a single event.

Facilities

ODOT manages statewide department maintenance offices, region and central office buildings, shops, yards and storage sites. Facilities services include statewide Americans with Disabilities Act program management, lease negotiations and coordination, office space planning and allocation, and building maintenance, repair and improvements.



200 to 300 feet of damage and a four foot overall drop on the Salmon River Highway 18.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Fleet Services and Supply Operations

Fleet Services purchases and repairs the fleet equipment used for all of ODOT. Fleet equipment is budgeted within the limitation where it is used. Most of ODOT's fleet resides within the Maintenance limitation and is used for the Maintenance activities described previously. Supply Operations includes manufacturing highway signs, warehousing forms and supplies and transporting new and used fleet equipment.

Radio Communications

The Communications Unit provides radio communications systems, products, maintenance and repair services for maintenance crews and construction project managers. These radio systems support the daily operations of highway maintenance and construction office crews. State Radio Project is discussed below.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

HIGHWAY CONSTRUCTION PROGRAMS

Highway Construction is made up of the many activities that support the design and construction of projects, as well as 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. Highway construction also includes the Local Government Program and Special Programs. A description of the STIP and how projects are selected for construction is included in Appendix A.

Preservation Program

Pavement preservation projects, such as asphalt overlays, add useful life to a road without increasing traffic capacity. Preservation projects rehabilitate existing surfaces and extend their service life. The program strives to conduct resurfacing treatments at the most cost-effective time in the life cycle of a pavement. This approach allows highways to be resurfaced while they are still in “fair or better” condition and require only relatively thin paving.



The primary reason for this focus is that the cost of treating a pavement in “poor” condition can be four to five times greater than the cost of treating a pavement before it reaches “poor” condition.

The Oregon Highway Plan sets priorities by highway classification. The current average statewide condition rating for all state highway miles is 86 percent fair or better. ODOT has used innovative and cost-effective strategies to maintain a high percentage of miles in fair or better condition despite an aging system. Inflation of material and construction costs and more stringent design standards for safety, mobility and accessibility are increasing project costs. With an anticipated federal



funding decline, the Preservation program funding levels were reduced 28% during 2010-2013 which will cause a reduction in condition ratings.

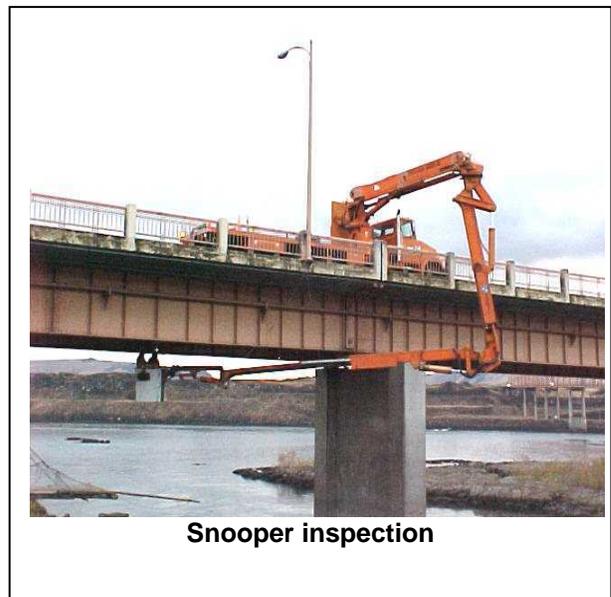
Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Bridge Program

The Bridge program preserves more than 2,700 bridges, tunnels and culverts on the state highway system. ODOT inspects most bridges every two years; those that are beginning to show signs of significant wear are inspected more frequently. Bridge maintenance and minor repairs fall to ODOT maintenance crews and are covered in the maintenance portion of the budget. Bridge structural repair, rehabilitation and replacement are part of the Statewide Transportation Improvement Program (STIP).

Most of Oregon's bridges are nearing the end of their "design life". Over time, in each successive construction era, bridge design life has increased. From a design life of 50 years in the past, today it is possible to design for 100 years or even 150 years with contemporary design and construction. The life of a bridge, though long, is not infinite. No series of continued repairs regardless of how well timed, can continue to extend the life of a bridge forever. Eventually, all bridges will need to be replaced.

In face of significant future funding challenges, the bridge inventory will deteriorate based on projected investment levels. In recognition of these facts, ODOT has adopted the following strategies to preserve the investment in bridges made over generations.



BRIDGE PRESERVATION STRATEGIES:

- **Protection of High Value Bridges**
Protect high value coastal, historic, major river crossings, and border structures by acting before cost becomes prohibitive.
- **Practical Design**
Use practical design and fund only basic rehabilitations and rare replacements with bridge program funds. Attempt to stretch available program dollars as far as possible.
- **Maintaining Freight Mobility**
Give priority to maintaining the highest priority freight corridors. Work closely with the freight industry as bridges on lower priority routes deteriorate and are subject to weight restriction.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

- **Preventive Maintenance**

Develop bridge preventive maintenance programs to extend the service life of decks and other bridge components.

- **Seismic Vulnerability**

Continue to raise awareness of the lack of seismic preparation following a large seismic event. Currently, there is no dedicated funding for the seismic retrofit of bridges. As funds become available, the strategic seismic retrofitting of bridges in high priority corridors can be completed.

- **Protect Public Safety**

Bring lower priority bridges in Poor condition to Fair condition focusing projects on specific deficiency that is a safety concern.

- **Bridge Health Monitoring**

Use bridge inspection, health monitoring and improved deterioration prediction methods to anticipate future bridge conditions.

BRIDGE ISSUES

The service life of a bridge is an estimate of the number of years a bridge may remain in service. The expected service life can vary depending on the quality of the construction materials and methods; the quality and timing of maintenance activities; environmental factors; and usage.

At ODOT, bridge service life is analyzed using three categories of bridges, based on the period of construction and importance to the highway network. The categories are: high value coastal, historic and major river crossings, and border structures; bridges built during the 1950's 1960s; and all others.

With increased maintenance, we expect that most of ODOT's bridges can have a longer service life, except for those constructed in the 1950s and 60s. These bridges were designed with very low safety factors and for loads much less than allowed by state law since the 1980s. It is not cost effective to preserve those bridges because of their weak elements. This is the largest group of bridges in the ODOT inventory. While it is not cost effective to preserve them, there is currently no funding to start systematically replacing them. This represents a huge unmet need in the Bridge Program that will cause widespread freight restrictions in 20-30 years if not addressed.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Modernization Program

The Modernization Program funds capital construction projects that add capacity to the system, either by adding lanes or building new facilities such as bypasses. ORS 366.507 requires ODOT to dedicate roughly \$100 million per biennium for highway modernization work but more than half of this funding has been legislatively committed to bonding and debt service.

In recognition of the need to focus funds on preserving the state's existing infrastructure, the Oregon Transportation Commission has reduced the Modernization Program to the minimum level allowed under the law. As a result, few new modernization projects have been considered over the last several years. The exception is the \$200 million Modernization Program funded through Oregon Transportation Investment Act (OTIA) in 2001 and 2002 as well as \$500 million identified in 2003. With the passage of the Jobs and Transportation Act (House Bill 2001), the 2009 Legislature increased funding to ODOT and directed a portion of this new funding to be spent on projects within Maintenance, Preservation, Safety and Modernization. In the same Act, the Legislature also authorized ODOT to bond for projects that mainly will be Modernization projects but will also fund projects in Preservation, Safety, Special Programs and Local Government.

Modernization projects are typically identified, selected and prioritized according to the project eligibility criteria and prioritization factors, which were developed by the Statewide Transportation Improvement Program (STIP) stakeholder committee and approved by the Oregon Transportation Commission.

Immediate Opportunity Fund (IOF)

The Immediate Opportunity Fund is a discretionary grant program that distributes funds for street and road improvements that will influence the location, relocation or retention of firms in Oregon. Grants may not exceed \$1 million and are distributed to private firms or their local government sponsors. The IOF also provides procedures and funds for the Oregon Transportation Commission to respond quickly to unique economic development opportunities. The IOF funds only those projects for which other moneys are unavailable or insufficient, that serves a strategic economic purpose and require immediate action. All IOF projects are included in ODOT's Modernization Program.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Highway Safety Program

The primary purpose of ODOT's Highway Safety Program is to identify where the most serious crashes occur on the state system and apply cost-effective measures to reduce the number of crashes. The Oregon Highway Plan states the objective in terms of a reduced traffic fatality rate. The goal is to reduce fatalities to 0.925 per 100 million vehicle miles traveled (VMT) by the year 2020. The 2009 rate was 1.11, down from 2006's rate of 1.29, which is well below 1998's rate of 1.70 — the year the program was implemented.

The program consists of several parts: the new federally-funded Highway Safety Program, the High Risk Rural Road Program (HR3P) and the Safe Routes to School Program (SRTS).



Highway Safety Program (HSP)

The mission of the Highway Safety Program (HSP) is to achieve a significant reduction in traffic fatalities and serious injuries. Funds are primarily intended for infrastructure safety improvements on the state highway system.

The Oregon Transportation Commission (OTC) has allocated approximately \$28 million per year to the ODOT Highway Safety Program for 2010 through 2013 for infrastructure improvements. Approximately \$15 million per year of the total is from the federal Highway Safety Improvement Program (HSIP). The remaining funds in the Highway Safety Program are made up of eligible federal or state funds.

A 2009 report to Federal Highway Administration indicates that on HSIP-funded projects, there was more than a 60 percent reduction in fatal crashes and a 5 percent decrease in injury crashes during the evaluation period. During that same period statewide, fatal crashes increased by 5.9 percent and injury crashes increased by 1.2 percent. Although the evaluation indicates a significant reduction in fatal crashes, this may not be significant given the low number of fatal crashes.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Project Safety Management System (PSMS)

ODOT's Project Safety Management System is a comprehensive data analysis and reporting system designed to improve decision-making for improved safety of Oregon's transportation system. The PSMS and associated tools give highway project leaders and designers pertinent PC-based and internet based crash, safety, roadway and traffic mitigation information to perform safety analyses and make safety investments where they will count the most using the data driven decision-making process.

The PSMS has many components/tools, in addition to the crash reporting tools provided by Transportation Data. A few are mentioned below:

- Safety Priority Index System (SPIS)
- Safety Investment Program (SIP)
- Crash reduction factors
- Benefit cost spreadsheet
- Crash summary database
- Crash graphing tool

SPIS and SIP are two primary tools used for the identification of possible safety problems. The SPIS is a method developed by ODOT for identifying potential safety problems on state highways. SPIS identifies crash history in 0.10 mile segments on state highways. SPIS scores are developed based on crash frequency (25 percent), severity (50 percent) and rate (25 percent). A prioritized list is created for each Region (the top 5 percent of statewide SPIS sites) and is provided to the Regions annually for analysis and possible corrective action.

The Safety Investment Program (SIP) is a process to selectively make safety investments during preservation projects on roadways with a history of fatal and serious injury crashes and perform minimal safety upgrades on roadway preservation projects with low fatality and severe injury crash history. Five-mile sections of the state highway system are categorized by the number of fatal and severe crashes during a three-year period.

High Risk Rural Road Program (HR3P)

The High Risk Rural Road Program (HR3P) is a sub-program of the Highway Safety Improvement Program (HSIP), a federally-funded program managed by the Oregon Department of Transportation (ODOT). Approximately \$1.2 million of federal funding is available each federal fiscal year in Oregon for High Risk Rural Roads. The mission of the HR3 is to carry out safety improvement projects on rural roads, with identified safety issues, to achieve a significant reduction in traffic fatalities and serious injuries.

High Risk Rural Roads are identified as roadways functionally classified as a rural major or minor collector or as a rural local road and one of the following is true:

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

- a. Roadway has a crash rate for fatalities and incapacitating injuries exceeding the statewide average for those functional classes of roadways; OR
- b. The roadway is one where future traffic volumes are projected to increase causing a projected increase in the crash rate for fatalities and incapacitating injuries exceeding the statewide average.

It is the intent of the program to primarily focus on county roads, but the funds may also be used on eligible state highways. An HR3 Steering Committee comprised of FHWA, ODOT, Association of Oregon Counties (AOC) and county road officials coordinates the program and project selection criteria.

Safe Routes to School Program (SRTS)

The Oregon Safe Routes to School Program's goal is to assist communities in identifying and reducing barriers and hazards to children, kindergarten through 12th grade, walking or bicycling within two miles of the school. The SRTS Program receives federal funds determined by a formula based on student enrollment in primary and middle schools. Oregon is a minimum-apportionment state, receiving about one million per year (\$6 million total for 2008-2011).

The program was created by two pieces of legislation passed in 2005. The federal transportation bill, "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users" (SAFETEA-LU), apportioned funds in Section 1404 for states to administer Safe Routes to School programs for kindergarten through eighth grade, from 2005-2009. The state legislation, HB 2742, was designed specifically to create a statewide program for designated SRTS funds, with SAFETEA-LU being one source, and for the implementation of a Safe Routes to School program. HB 2742 requires ODOT to work in consultation with the Oregon Transportation Safety Committee (OTSC) in developing the Safe Routes to School Program along the guidelines set forth by SAFETEA-LU.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Highway Operations Program

Highway Operations includes planning, development and implementation of improvements to relieve or prevent traffic congestion and to improve safety. Operations activities are prioritized through the use of several tools, including the Rockfall Hazard Rating System, the Statewide Intelligent Transportation System (ITS) Architecture and Operational Plan, Regional ITS Deployment Plans and the Information Technology Tactical Plan. Enhanced prioritization tools are currently under development. A growing population and limited funding have increased ODOT's reliance on system efficiency tools to manage congestion and improve safety. This program consists of four categories: Slides and Rockfalls; Intelligent Transportation Systems; Signs, Signals and Illumination; and Transportation Demand Management.

Slides and Rockfalls

Many factors are used to prioritize preventive landslide and rockfall projects, including the hazard to the traveling public, annual maintenance costs, the number of trips on the highway, input from ODOT district personnel and the ODOT Rockfall Hazard Rating System.

Intelligent Transportation Systems (ITS)

Investment in ITS tools represents strategic deployment of technology to solve transportation problems in the most cost-effective manner. ITS initiatives include:

- Urban Traffic Management projects are targeted primarily at relieving traffic congestion. For example, Portland's Advanced Traffic Management System provides an effective means to monitor the highway system, quickly detect problems and manage existing highway capacity more effectively. Systems like this decrease travel times for commuters and improve safety. For instance, introduction of ramp metering in Portland increased peak-period travel speeds and reduced accidents by 43 percent on Interstate 5. Effective traffic management also helps to reduce auto emissions and fuel consumption.
- Rural ITS projects use advanced technology to benefit motorists outside of Oregon's urban areas. The main focus of Rural ITS projects are to increase the safety of travelers. Highway cameras, variable message signs, warning systems (for phenomena like high wind or high water) and road weather information systems provide motorists with the information needed to make better travel decisions, particularly in the winter. These projects also support greater operational and maintenance efficiency on rural highways.
- Travel Information Services uses a number of state-of-the-art tools to deliver critical information to motorists. Urban motorists can make better commuting choices based on information from ODOT's web site, TripCheck.com. Rural travelers can use the site to select safer routes and to avoid adverse weather

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

and road conditions. In an average month, TripCheck.com receives more than 1,500,000 visits. TripCheck.com's record for monthly visits occurred in December 2008 at 5,800,000 visits.

- The 511 system—the national three-digit traveler information phone number—was implemented in Oregon in December 2003. This system provides a single, simple and consistent phone number for members of the public to use when seeking travel information. Oregon's system record for monthly call volume was 655,581 in December of 2008. ODOT also saw a daily record set for calls to the 511 phone system of 57,779 calls on December 23 of that year.
- ITS for Public Transportation, also found at TripCheck.com, aims to provide comprehensive, high quality information to public transportation users. Lack of real-time information has been identified as a major obstacle to greater use of public transportation services. The program's goal is to improve the mobility of Oregonians by increasing the accessibility of public transportation options.

ITS investments can be best targeted when considered from a system-wide perspective, rather than the perspective of many individual roadside devices. For example, a single ramp meter typically offers little appreciable benefit to the entire freeway system. However, a series of ramp meters that adapt to current traffic conditions can provide a high benefit to the system as a whole at relatively low costs.

Signs, Signals and Illumination

The Operations Program pays for replacement of traffic signals, signal interconnect projects, vehicle detection loop replacements, beacons and signal timing adjustments, signs, and the replacement of illumination systems. It also funds a limited number of new signals and signal upgrades at problem intersections.

Transportation Demand Management

Transportation Demand Management (TDM) programs develop strategies to encourage the use of alternative forms of transportation. The goals of TDM are to reduce vehicle miles traveled, reduce traffic congestion, improve air quality, enhance mobility and improve transportation system efficiency. ODOT funds TDM programs in Albany, Bend, Corvallis, Eugene, Medford and Salem. In addition, Portland has a large TDM program. The programs have proven effective in reducing the number of vehicles on Oregon's roads.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Transportation Operations Centers and Incident Management

The following Operations programs improve the safety and efficiency of the transportation system:

- Transportation operations centers, which monitor system conditions and provide communications and coordination within 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, rapid detection of and response to incidents. In conjunction with other technologies, Incident Response aids highway system efficiency and capacity by keeping traffic moving.

Traffic Systems Services Unit (TSSU)

Provides expertise in traffic signal testing, turn-on, inspection and maintenance. Also supports the ODOT Intelligent Transportation Systems program with expert technical support for Road Weather Information Systems, Closed-Circuit Television surveillance systems, Fixed and Portable Variable Message Signs and Fiber-optics data communication networks. Additional responsibilities include:

- Set minimum standards for traffic signal equipment on State Highway System
- Perform environmental testing of all traffic signal equipment used within State of Oregon
- Repair and test all state maintained control equipment modules

TSSU provides these services in support of both project delivery and maintenance to ODOT and Local Agencies.

Local Government Program

Transportation management in Oregon is a cooperative effort involving all levels of government. ODOT and local government partners prioritize the road and bridge needs of each responsible agency. The agencies work collaboratively to address the highest priority needs, subject to the allowed uses of available funds. ODOT continues to share state and federal funds with local governments where permissible. Approximately 25 percent of federal highway funds allocated to Oregon are used to support local programs. Because ODOT is responsible for administering Oregon's entire federal highway funds, local expenditures related to federal highway programs are included in ODOT's budget. Local Government Programs include Fund Exchange, Special City Allotment and Federal Aid Programs.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

OTIA I, II and III

Project and program support is provided, as needed, for the local portion of Oregon Transportation Investment Act (OTIA) funding. Support includes funding strategies, identification of projects and resolution of general transportation issues.

Fund Exchange

The state will make annual funds available to individual cities and counties for the exchange of flexible federal funds. Exchanging federal funds for state funds helps local agencies avoid complicated federal contracting regulations. Exchanged funds may be used for all phases of a specified capital improvement within the roadway right-of-way, but are not intended for maintenance.

Special City Allotment

The Legislature mandated annual distribution of \$1 million in state gas taxes to cities with populations of less than 5,000. ODOT sets the distribution and dollar amount by agreement with the League of Oregon Cities. Half of the funds come from the cities' share of gas tax revenues and half comes from ODOT's share of the State Highway Fund. Locals can receive \$25,000 — one-half the maximum grant amount — in advance. Final payment is 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 a budget expenditure.)

Federal Aid Programs

Surface Transportation Program: The Surface Transportation Program (STP) provides federal funding to states and local governments for highways, bridges or transit projects. Urbanized areas with a population of at least 200,000 people receive an annual allocation based on their populations. Through an agreement developed in cooperation with Oregon cities and counties, ODOT shares a portion of its yearly STP funding with areas that have populations of more than 5,000 and less than 200,000.

Local Bridge: Federal bridge fund distribution to states is based on the percent of deficient bridges nationwide. Through an agreement with Oregon counties, ODOT allocates federal bridge funds to local governments based on their percentage of deficient bridges in Oregon. Bridges are inspected every two years to determine which bridges are deficient.

Congestion Mitigation and Air Quality: The Congestion Mitigation and Air Quality program directs funds for transportation projects and programs in Clean Air Act non-attainment or maintenance 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 Department of Environmental Quality air-quality standards.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

High Risk Rural Roads: This federal program is designed to address safety issues on rural collectors and local roads where there has been a pattern of fatalities or serious injuries. A majority of these roads in the state are under the jurisdiction of the counties and the anticipation is that a large proportion of these funds will be distributed to the county road system.

Transportation Enhancement: Local governments and other public agencies can apply for enhancement funds on a competitive basis. Federal Transportation Enhancement funds may be used only for 12 specific activities that enhance the cultural, aesthetic or environmental value of the transportation system.

Discretionary: Through ODOT, local governments can apply for and receive federal discretionary funds such as Scenic Byways, Emergency Relief, Covered Bridge and special congressional earmarks.

Safe Routes to Schools: This federal program addresses safety issues for school children getting to and from school. There are two components to the program: construction projects to fix safety hazards and educational projects. The project applications and the educational programs are being administered through the ODOT's Transportation Safety Division.

Metropolitan Planning: A portion of federal funds is set aside 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.

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

Forest Highway Program

The Forest Highways Program provides federal funding for transportation projects on roads that are located within or provide access to national forests. The Federal Highway Administration administers the program and generally is responsible for the development and construction of projects. Projects to be funded in Oregon are selected by a committee comprised of representatives from the Federal Highway Administration, U.S. Forest Service, ODOT and Oregon counties.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Salmon and Watersheds

ODOT sets aside approximately \$4 million per year to fund the Fish Passage (Salmon) Program, which repairs or replaces priority culverts that do not currently provide fish passage. This program supports the department's commitment to The Oregon Plan for Salmon and Watersheds.

ODOT continues to pioneer efforts to incorporate fish passage into highway construction and maintenance activities, including improvements to habitat around in-water structures and more fish-friendly stream bank repairs. Through this program, the department is learning how to better apply the technology available for fish passage and habitat. The design of hydraulic drainage facilities (cross ditches, culverts and bridges) must balance hydraulic needs and the needs of fish, while serving the needs and safety of the motoring public.

Pedestrian and Bicycle

State law (ORS 366.514) requires ODOT, cities and counties to spend reasonable amounts of their share of the State 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 in the sidewalk network
- Creating islands and curb extensions to make pedestrian crossing easier and safer
- Performing Americans with Disabilities Act upgrades
- Providing minor shoulder widening or re-striping bicycle lanes

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

Jurisdictional Exchange

ODOT has identified over 1,000 miles of state highways that primarily serve local purposes. These include urban arterials serving mostly local travel, urban streets that are parallel to highway bypasses and roads that function similar to county roads. Through negotiated agreements, ODOT will seek to transfer jurisdiction of these highways to local governments. The agreements may include the cost to maintain or improve the highway based on road condition at the time of transfer.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Reimbursables

This section contains ODOT services that are paid by other parties. These costs include:

- Damage to structures: Recovers costs for repairs to highway facilities, such as signs, guardrails and crash-absorption devices damaged in crashes
- Outside billings: Allows ODOT to bill for services provided 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

Indirect Costs

All non-direct costs that are not administrative are indirect. Examples 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, vendor payments
- Crew team meetings
- Safety meetings
- Small increments of time spent working on individual projects or services
- Project Indirect

Highway crews perform “direct” work on specific projects, but it is not always cost effective to charge these costs to direct expenditure accounts. 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 charge time to the various projects. Examples include:

- Quality assurance/quality control for construction projects
- Federal-aid specialist administration of the local federal aid program (budgeted within the Local Government limitation)
- Acquiring Federal authorization for project work

Administrative Costs

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

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

- Executive Deputy Director for Highway and related support staff
- Division and Region Managers and one level below (District Managers, Area Managers, Section Managers, etc.), and related support staff
- Certain non-job related time is charged to the branch administrative expenditure accounts including union contract negotiations and clerical support for administrative activities

Surplus Property

ODOT purchases land for highway rights-of-way. Some of this land lies outside the final right-of-way set by project designs, thus becoming non-operating right-of-way. In addition, 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.

Outdoor Advertising

This program administers and enforces state and federal regulations related to outdoor advertising control along state highways in Oregon. The program also collects permit and license fees that cover the cost of the program.

Winter Recreation Parking

The 1977 Legislature created the Sno-Park program to pay for snow removal from designated winter recreation parking locations. Revenue for this program comes from selling Sno-Park parking permits, and may be used for snow removal in designated parking areas and enforcing the parking permit requirement. Remaining funds may also 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).

Rights-of-Way for Other Agencies

ODOT recovers costs associated with providing department staff trained in right-of-way acquisition to local agencies who lack the necessary staff. Department staff helps local agencies obtain the necessary right-of-way for construction projects and reimbursement costs are recovered from project funds.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Traffic Management

Traffic management activities include operation of speed zones, non-project traffic analysis and traffic safety work.

State Radio Project – Formerly OWIN

In December 2004, the Federal Communications Commission (FCC) issued a mandate for all Land Mobile Radio systems to transition from broadband to narrowband by Jan. 1, 2013. In June 2005 the Oregon Legislature passed House Bill 2101 calling for the creation of a statewide interoperable wireless communication system. The Oregon Wireless Interoperability Network (OWIN) was established in Senate Bill 136 (2005). On April 1, 2010, the Legislature transferred administration of OWIN to the Oregon Department of Transportation (ODOT). Significantly scaled back in scope and cost and renamed the State Radio Project, the revised project was authorized by the Legislature in June 2011, during the 2011-2013 legislative session.

ODOT's State Radio Project is replacing aging public safety communications systems statewide. Focused on repairs and modernization, the project is upgrading the existing radio systems for ODOT and the Oregon State Police to create an integrated statewide network, and to allow for shared efficiencies with the Oregon Departments of Corrections. The project is on track to meet the federal narrowbanding deadline of Jan. 1, 2013. The project will also build a trunked, two-way radio system in a "horseshoe" area that includes the Willamette Valley, north to the Columbia River Gorge, east to The Dalles and south to Bend. The aging analog microwave system will be replaced and upgraded to digital.

ODOT will fulfill partnership obligations and commitments of the OWIN program and is working to meet deadlines for federal Public Safety Interoperability Communications grants. The project has limited budget for interoperability equipment and is working through the State Interoperability Executive Council and the State Radio User Group to foster interoperability between state and local systems.

ISSUES AND TRENDS

- The highway infrastructure, including pavements, bridges, and traffic control systems, continues to age, and as it does, it requires more maintenance and a larger share of ODOT's revenue each year. An aging infrastructure becomes more difficult to keep pace with growing costs through efficiency gains.
- Oregon is expected to grow by 4.3 million people by 2020. Sixty-nine percent of this growth will occur in the Willamette Valley (Portland to Eugene). Growth places additional stress on highways and bridges.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

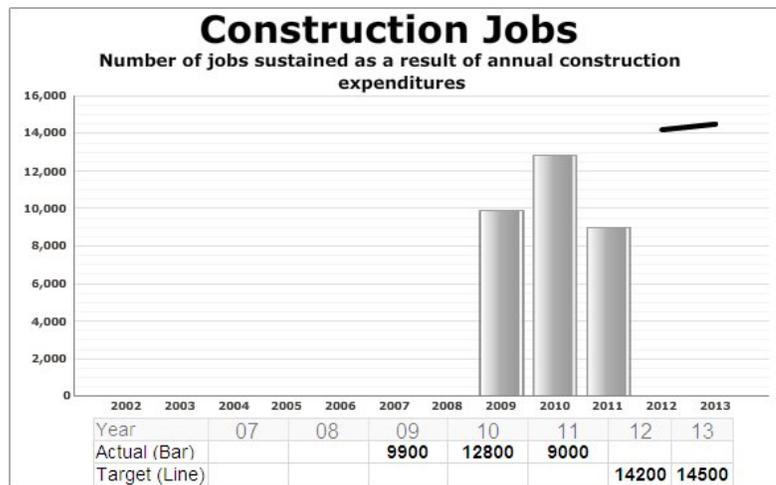
- Increased vehicle travel causes safety concerns for drivers, highway employees, and contractors in work zones.
- Growing demand for driveway access to state highways creates congestion, slows traffic, and increases safety concerns for both vehicles and pedestrians.
- Oregon’s population is aging. Ensuring 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 concerns require changes to practices, additional work and increase in costs to accomplish traditional activities. Without additional resources, less can be accomplished while addressing environmental concerns.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

PERFORMANCE MEASURES

KPM #14	JOBS FROM CONSTRUCTION SPENDING Number of jobs sustained as a result of annual construction expenditures	Measure Since 2003
Goal	ODOT Goal #3: Provide a transportation system that fosters mobility and economic prosperity in Oregon.	
Oregon Context	OREGON BENCHMARK #1 EMPLOYMENT IN RURAL OREGON, AND OREGON BENCHMARK #4 NET JOB GROWTH	

Major increases in funding for transportation projects approved in the Oregon Transportation Investment Acts (OTIA I, II, and III) and the recent Jobs and Transportation Act has lead to among other things, stimulating the economy in the near-term by increasing the number of jobs sustained. In addition, there is connection from the vital investment in long-lived highway and bridge infrastructure that is a key component of long-run economic growth.



This measure provides information on the impact of ODOT’s construction program by estimating the number of jobs sustained in the short-term by annual construction project expenditures.

Targets are short-term job estimates based on forecast outlays for projects currently programmed in the State Transportation Improvement Program (STIP). “Actual” figures are also short-term job estimates and are the result of the programmatic spending that actually occurred during the state fiscal year, coupled with the application of the multipliers from the regional economic impact model. Labor multipliers in the 2011 model update changed to reflect the economics of reduced construction costs resulting in an overall increased jobs impact factor forecast compared to prior 2010 targets. The actual results for FY11 reveal that the total number of jobs supported by Agency project spending was approximately 9,000.

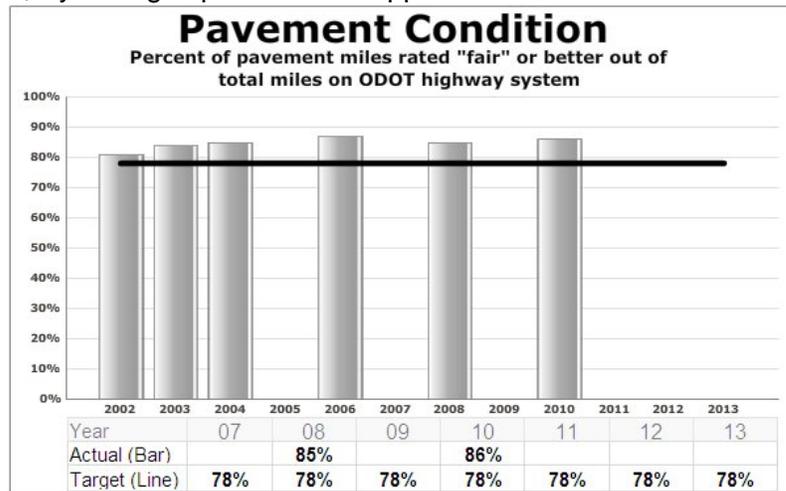
ODOT construction programs succeeded in supporting about 9,900 jobs in 2009. This was above the targeted jobs estimate made at that time because projected construction-related spending for transportation projects in 2008 occurred at a rate somewhat above that which was anticipated when the target was established. In the 2010 report, actual FY2010 jobs of 11,300 closely matched the number forecasted (11,350) in the previous 2009 report. As a result of the updated model factors and slight spending adjustments, current FY2010 jobs of 12,800 are above the previous target of 11,300. Adverse weather conditions, which restricted work and spending on projects, led to 9,000 actual FY2011 jobs, missing the targeted number of 9,700 that was based on average weather conditions.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

KPM #15	PAVEMENT CONDITION : Percent of pavement centerline rated “fair” or better out of total centerline miles on the state highway system	Measure since 2001
Goal	Move people and goods efficiently	
Oregon Context	OREGON BENCHMARK #72A: PERCENT OF STATE ROAD MILES IN “FAIR” OR BETTER CONDITION	

The strategy of the ODOT pavement preservation program is to keep highways in the best condition possible, at the lowest cost, by taking a preventative approach to maintenance. The most cost-effective approach is to resurface highways while they are still in “fair” or “good” condition, which extends pavement life at a reduced resurfacing cost.

Pavement conditions on the state highway system are starting to decline. The statewide overall “fair-or-better” mileage peaked in 2006 and has dropped 1% between 2006 and 2010 despite roughly \$100 million of new investment in pavement preservation projects on state highways as part of the 2009 American Recovery and Reinvestment Act (ARRA) economic stimulus legislation.



The cost fluctuation for pavement materials in the last two years has had a major impact on the number of highway resurfacing projects. Lower than anticipated federal revenues, changing standards, mobility and access management requirements have impacted the program. Often, paving work is conducted in conjunction with other enhancements which can impact project costs and timelines.

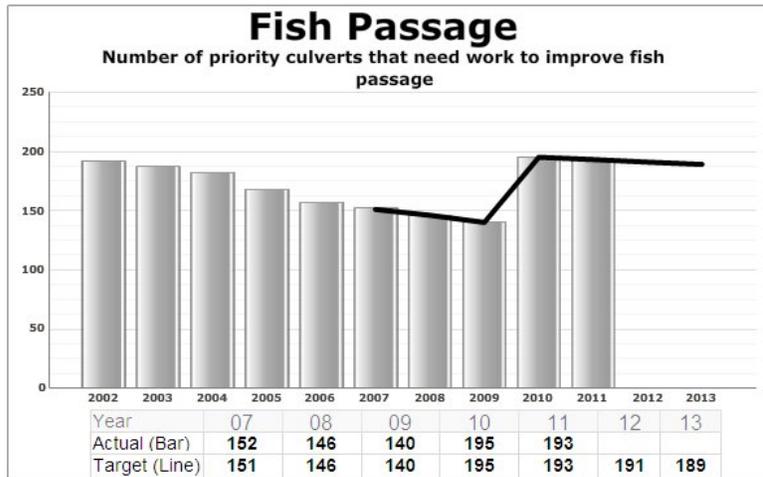
Although no uniform system exists for classifying pavement condition of all highways nationwide, a smoothness comparison between Oregon and California, Idaho, Washington and Nevada based on 2008 reported data shows that Oregon’s Interstate pavements are in better condition than the surrounding states, while Oregon’s remaining highways are mid-pack compared with the neighboring states but better than the nationwide average.

Funding allocations to the pavement program are set to maintain pavement conditions at a target of 78 percent “fair-or-better” over the long term. Currently, pavement conditions are above target but forecast to drop back toward the 78 percent target by the end of the decade. It is expected that about one-half of the “fair” pavements will fall to “poor” condition over the next few years as there are not enough paving projects programmed to arrest the decline.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

KPM #17	FISH PASSAGE AT STATE CULVERTS Number of high priority ODOT culverts remaining to be retrofitted or replaced to improve fish passage	Measure Since 2005
Goal	Provide a transportation system that supports livability and economic prosperity in Oregon.	
Oregon Context	OREGON BENCHMARK #85: PROMOTE NATIVE FISH RECOVERY.	

The primary goal of this program is to support the *Oregon Plan for Salmon and Watersheds* by replacing or retrofitting culverts for fish passage in the most aggressive, cost effective, and efficient means as practicable with limited program funds. A secondary goal of the program is to partner with other state and federal agencies, local governments, as well as public and private stakeholders to develop an informed work force on the needs of native fisheries.



During FY 2010-2011 ODOT completed 2 fish passage projects, opening or improving access to 4.8 miles of stream for native migratory fish. From 1997 through 2010 the ODOT Fish Passage program has repaired or replaced a total of 136 fish passage impaired culverts. Out of those 136 projects, 52 have replaced culverts or replaced culverts with a bridge, and 84 projects have retrofitted culverts with weirs or baffles and repaired stream channels below culverts. The ODOT Fish Passage program has opened or improved access to 438.2 miles of stream since 1997. This represents a significant amount of habitat, demonstrating that ODOT projects are a major contributor in restoring salmon to their historic habitat.

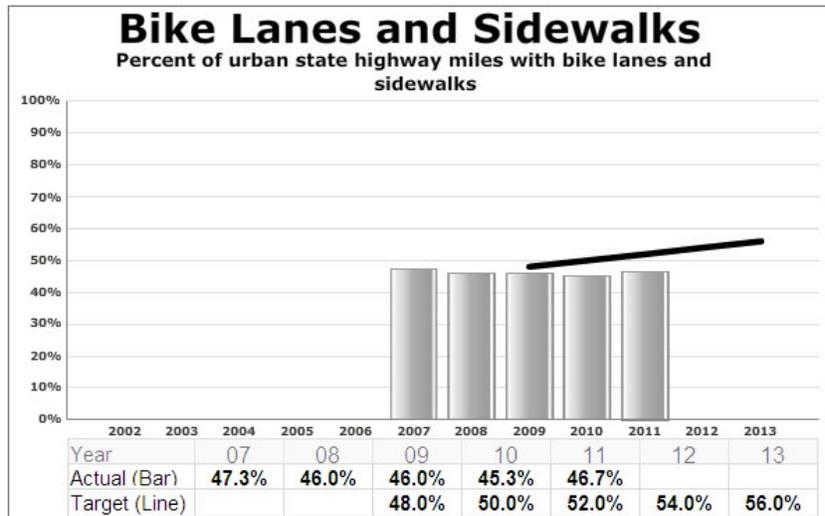
ODOT is working to repair as many high priority fish passage culverts as the program funds will allow. However, in coming years (FY 2011-2015) the Salmon Program funds will be divided between fish passage and storm water retrofit projects. With reduced funding for fish passage, the rate of retrofitting or replacing culverts will slow. Rather than completing 5-6 projects per year as we have in the past, the target has been reduced to 2-3 as reflected in the table above.

To improve program efficiencies we are: exploring processes with regulatory agencies to streamline project permits and plan review timelines; evaluating the cost/benefit of fish passage 'banking' that would provide mitigation options and target projects on high value streams; working to establish more flexibility with the interpretation of the Oregon Administrative Rules to allow a broader range of maintenance activities and still target high value streams. These initiatives will result in more efficient program administration. Monitoring and reporting are critical to tracking the success of individual projects and should be improved. Keeping current with industry standards, evolving fish passage design, and program management technique, and intra- and inter- agency outreach and coordination should also continue.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

KPM #18	BIKE LANES AND SIDEWALKS Percent of urban state highway miles with bike lanes and sidewalks in “fair” or better condition	Measure since 2005
Goal	Provide a transportation system that support livability and economic prosperity in Oregon	
Oregon Context	Oregon Benchmark #72: Road Condition, ODOT Goal 3: Move people (and goods) efficiently	

This measure reports the performance of ODOT in meeting community needs for bike lanes and sidewalks. Oregon Revised Statutes have established a Governor appointed Oregon Bicycle and Pedestrian Advisory Committee, that requires bike lanes and sidewalks be provided as a part of road construction projects, and have mandated that a minimum one percent of the state highway fund be used for bike and pedestrian facilities.



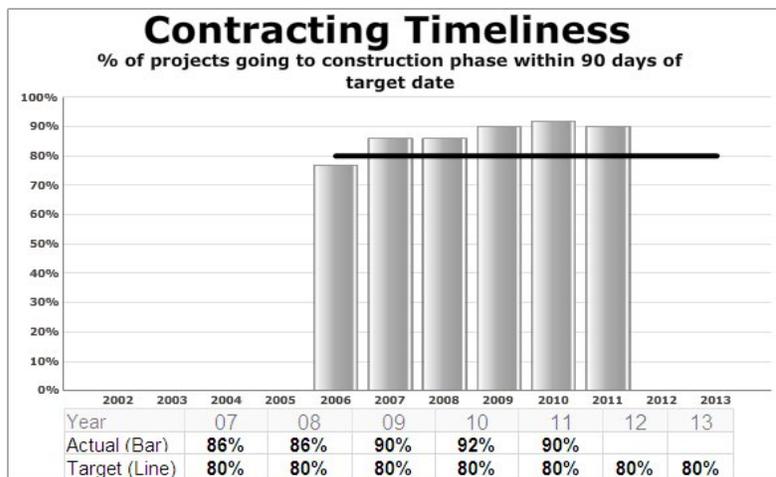
The program is considered a success based on positive feedback from communities that have received technical assistance and other efforts to monitor program outcomes. Sidewalks and bicycle facilities on urban state highways were 46.7 percent complete in 2011. This is a 1.4 percent increase from the 2010 KPM of 45.3 percent and is just under the annual target of 2 percent a year. Current efforts will continue in the provision of technical assistance and the dispersal of grant monies to increase appropriate availability of bicycle and pedestrian facilities.

The sidewalk and bicycle systems on state highways in urban areas need to be completed. Current funding levels are inadequate to complete the system by the 2030 Oregon Transportation Plan target date. Inventory data will be used to prioritize sidewalk and bicycle facility infill.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

KPM #19	TIMELINESS OF PROJECTS GOING TO CONSTRUCTION PHASE Percent of projects going to construction phase within 90 days of target date.	Measure Since 2006
Goal	(ODOT G4) Customer Service – Provide excellent customer service; (ODOT G2) Moves People and Goods Efficiently. Provide a transportation system that moves people and goods efficiently	
Oregon Context	(G2 O2) Travel and Shipping Delays – Reduce hours of travel and shipping delays due to congestion, construction, incidents and weather. (ODOT G4 O2) Efficiency – Improve efficiency to better serve customers of Driver and Motor Vehicle Services, Motor Carrier Transportation and other ODOT services.	

The goal is to develop efficient, complete and attainable project development schedules, and to then aggressively manage all milestones, ensuring all milestone deliverables are complete and on time. The agency is currently standardizing the process of project development. The agency already has in place a 12 month lock-in schedule for projects to get to the bid/let date. Projects which bid/let within 90 days of this targeted date or earlier are considered on time.



ODOT has shown a trend of improving, with 2011's coming in at 90%, which is slightly less than 2010 but still well over the 80% goal.

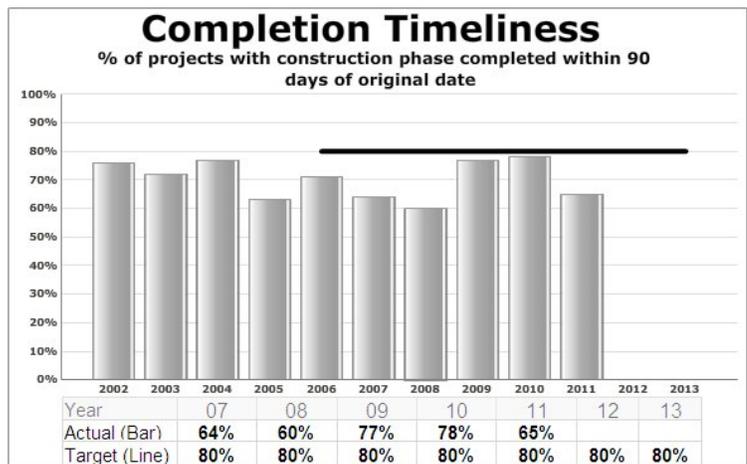
Items which can cause late projects include:

- **During the Project Development Process:**
 - Additions made to the scope of work to be performed
 - Unanticipated archeological or environmental impacts
 - Permit issues
- **During the Procurement Process:**
 - Balancing bid/let dates to improve bid pricing
 - Contractor timeliness in returning documents
 - Re-bid of rejected proposals

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

KPM #20	CONSTRUCTION PROJECT COMPLETION TIMELINESS Percent of projects with the construction phase completed within 90 days of original contract completion date	Measure Since 2006
Goal	(ODOT G2) Moves People and Goods Efficiently – Provide a transportation system that moves people and goods efficiently (ODOT G4) Customer Service – Provide excellent customer service	
Oregon Context	(G2 O2) Travel and Shipping Delays – Reduce hours of travel and shipping delays due to congestion, construction, incidents and weather; (ODOT G4 O1) Transportation Services – Improve how ODOT delivers transportation services; (ODOT G4 O2) Efficiency – Improve efficiency to better serve customers of Driver and Motor Vehicle Services, Motor Carrier Transportation and other ODOT services; (OBM 68) Traffic Congestion – Hours of travel delay per capita per year in urbanized areas; (OBM 72) Road Condition – Percent of roads and bridges in fair or better condition	

The goal is to ensure development of viable and efficient construction schedules which minimize freight and traveler impact and then aggressively manage adherence to the final construction schedule. All contracts also require the contractor to develop project construction schedules. Contracts have financial consequences for failure to be completed on time, via liquidated damages. Some contracts have financial incentives for the contractor to finish early. These are contracts with a significant quantifiable cost benefit to the traveling public to minimize road closure time.



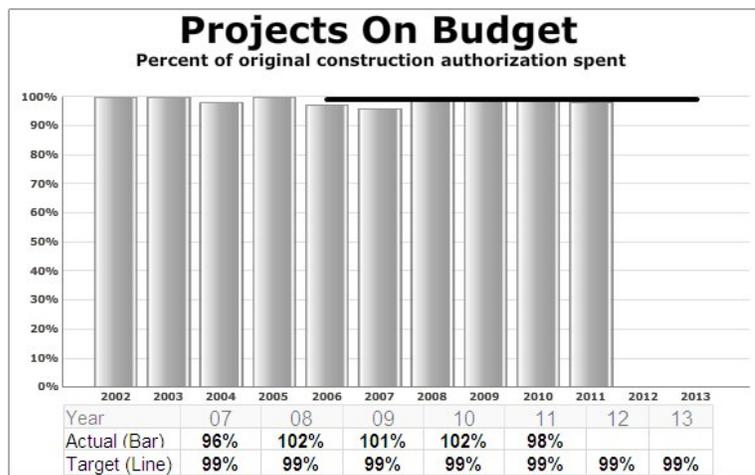
The current on time delivery of 65% for State Fiscal Year 2011 has dropped further from the 80% goal, and is under evaluation. What has been found is a variety of justified reasons in which we moved the contract completion date. If we drove this measure to 100% by keeping the original construction completion date, we would not be making changes to the project in the best interest of the investment and/or the public. While this percentage needs to remain relatively high (70–80% range), having it approach 100% would likely cause other issues to arise.

Accurate comparisons between Oregon's on time delivery to other state's on time delivery may not be possible due to differences in contracting methods, the types of projects compared, and differences in measurement methodologies and definitions. Metrics from some states with similar, though not identical, metrics include: Washington State shows 91 percent on time average for the 2003 – June 30, 2006 time period; Virginia shows 27 percent on time for 2003, 35 percent for 2004, and 75 percent for 2005.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

KPM #21	CONSTRUCTION PROJECTS ON BUDGET Percent of Original Construction Authorization Spent.	Measure Since 2009
Goal	Provide a transportation system that supports livability and economic prosperity in Oregon	
Oregon Context	Oregon Benchmark #1 Employment in Rural Oregon Oregon Benchmark #4 Net Job Growth	

ODOT's Goal is to more accurately estimate costs early in project development and then manage costs (paying special attention to the tendency of complex projects to increase in scope) throughout the life of the project. In support of this goal, changes to the programmed construction cost require Program Manager approval (e.g. Bridge or Area Manager). ODOT also makes use of continuous improvement in estimating skills – both scoping estimating (parametric estimating for



different project types and elements, accounting for inflation and commodity issues) and final engineering estimating. ODOT also utilizes a robust construction Quality Control/Quality Assurance program coupled with a very structured statewide contract administration program to ensure effective Project Management throughout the construction phase of the project. This project budget metric supports these goals and strategies by allowing ODOT to evaluate their overall effectiveness.

ODOT's goal is to spend under 99 percent of the amount authorized and on average, project construction expenses have come in within 99.9% of their original authorization over the last 11 years. The years 2008, 2009, and 2010 saw a slight increase where projects on average came in slightly over authorization, but for 2011 projects are back to coming in slightly under authorization.

All factors are examined when project budgets are established, but world trends such as higher than expected inflation, steel, oil, and asphalt prices contribute to cost increases. Unanticipated geological features, archeological finds, or environmental impacts may also contribute to cost increases.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

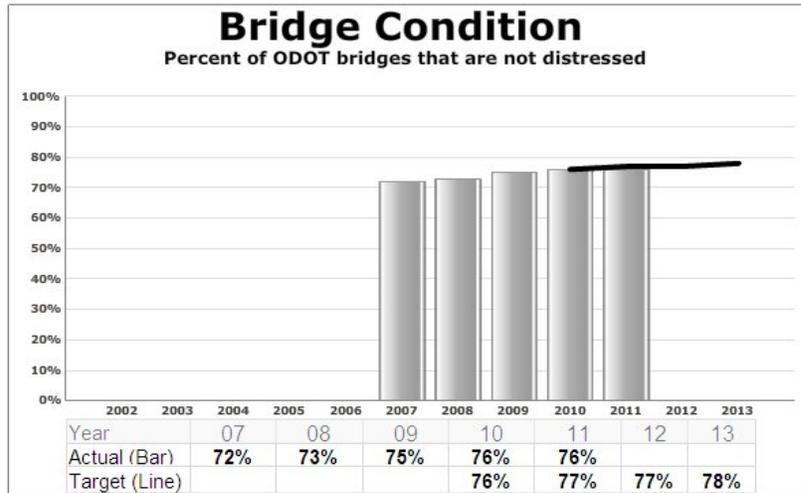
Highway Division Measures

Bridge Condition: Percent of state highway bridges that are not distressed

The 2009-2011 Legislature changed “Bridge Condition” from a Key Performance Measure to a Highway Division internal measure.

ODOT has revised its bridge preservation strategy in response to reduced funding and the significant number of bridges reaching the end of their service life over the next several decades.

Bridges “not distressed” means that the bridges have not been identified by the Oregon Bridge Management System as having freight



mobility, deterioration, safety or serviceability needs and have not been rated as structurally deficient based on the Federal Highway Administration (FHWA) criteria.

ODOT has adopted seven strategies which include: protecting high-value coastal, historic, major river crossings and border structures; using Practical Design and funding only basic bridge rehabilitation projects and rare replacements; giving priority to maintaining the highest priority freight corridors; developing a bridge preventive maintenance program; continuing to raise awareness to the lack of seismic preparation; addressing significant structural problems on all bridges to protect public safety; and, the health monitoring of bridges.

ODOT has moved extremely quickly in getting bridge repair and replacement projects under way on high priority freight corridors. As a result of planned bridge construction through 2013, including OTIA III and special federal funding, it is expected that there will be fewer distressed bridges through 2014. After a relatively flat period, bridge conditions are expected to begin to decline gradually and then at an increasing rate at current and projected levels of funding. This is due in part to the large number of ODOT bridges on the cusp of becoming structurally deficient as they reach the end of their service life.

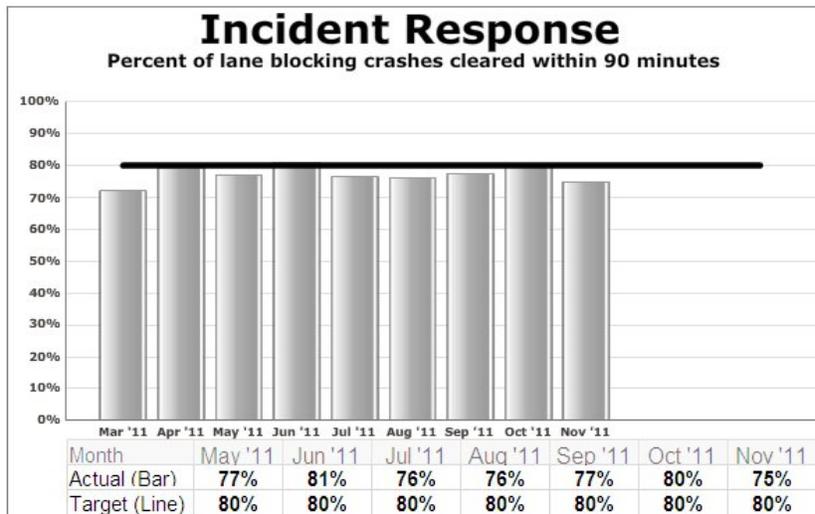
In order to “stretch” bridge construction dollars, more bridges are being repaired and fewer bridges are being replaced. This has the effect of postponing, but not eliminating the costs associated with an older population of bridges.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

Incident Response: Percent of lane blocking crashes cleared within 90 minutes

Goal 2 of the Oregon Transportation Plan is to improve the efficiency of the transportation system by optimizing the existing transportation infrastructure capacity with improved operations and management. The Federal Highway Administration’s (FHWA) research has shown that traffic incidents account for approximately 25 percent of the congestion on the highway system. A focused strategy to quickly clear traffic incidents is an important component of improved operations and management of the system that relates directly to reduced travel delay. FHWA is encouraging states to track incident clearance measures to ensure ongoing improvements in traffic incident management operations. The focus of this measure is on reporting the percentage of incidents meeting the 90 minute clearance time as established in the ODOT/OSP Mutual Assistance Agreement.

- This measure applies to crashes which block one or more travel lanes.
- Roadway clearance is defined as the first recorded awareness of the incident by ODOT and the first confirmation that all travel lanes are available for traffic.
- ODOT’s target for this measure is that 80% of lane-blocking incidents are cleared in 90 minutes or less.
- Data for this measure is obtained from the dispatch system utilized by ODOT’s four Transportation Operations Centers.



Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

Highway Division Mission

The Highway Division supports the ODOT mission by planning, developing, implementing, maintaining and operating a safe and efficient highway system in context with the built and natural environment that provides economic opportunities for Oregonians.

Highway Division Goals and Outcomes

Goal	Desired Outcomes
<p>I. Safety. Enhance the Safety of the Highway System</p>	<ol style="list-style-type: none"> 1. Reduced incidence of crashes, fatalities and injuries related to roadway design, condition or operations. 2. Reduced work-zone related injuries to motorists and highway workers
<p>II. Preservation. Preserve and Maintain the Highway System</p>	<ol style="list-style-type: none"> 1. Highway system condition that allows for safe and efficient movement of people and goods 2. Asset condition maintained at sustainable levels 3. Maintenance and operations activities on-budget and at targeted levels of service 4. Reduction of delay related to construction, incidents, events and weather to the maximum extent possible 5. Protection of the functional integrity of the highway system while providing for access consistent with established system designations
<p>III. Livability. Enhance Oregon’s Livability Through Highway System Improvements</p>	<ol style="list-style-type: none"> 1. Maintained or reduced travel times and delays between communities in key freight corridors 2. Efficient highway system operation from the user perspective, considering linkages with other transportation system components and services 3. Enhanced scenic qualities of byways and tourist routes 4. Environmental requirements and commitments met 5. Near-term construction-related benefits to the Oregon economy 6. Long-term benefits to the Oregon economy from highway system investments

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

IV. Customer Satisfaction. Meet or Exceed Customer Expectations	1. Positive customer and stakeholder perceptions of Highway Division planning, delivery, maintenance and operations
V. Efficiency. Employ Innovative, Efficient and Cost-Effective Practices	1. Projects on-time, on-budget, on-scope 2. High quality work delivered efficiently 3. Diverse, talented, well trained, guided and motivated workforce 4. Timely and accurate information provided to support management decisions

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

BUDGET HIGHLIGHTS

Highway Division Expenditures

	2007–2009 Actuals	2009–2011 Actuals	2011–2013 Legislatively Adopted
Programs			
Maintenance	390,569,709	399,417,912	422,130,090
Construction:			
STIP:			
Preservation	189,212,069	302,320,752	337,944,015
Bridge	686,229,445	591,926,832	615,079,243
Modernization	355,930,598	338,776,291	389,937,446
Highway Safety	58,222,147	46,568,562	0
Highway Operations	57,500,991	61,875,391	134,556,338
STIP subtotal	1,347,095,250	1,341,467,828	1,477,517,042
Local Government Program	247,663,306	355,635,403	379,928,863
Special Programs	233,381,414	192,032,761	209,882,342
Total	2,218,709,679	2,288,553,904	2,489,458,337

	2007–2009 Actuals	2009–2011 Actuals	2011–2013 Legislatively Adopted
Expenditures by Major Revenue Source:			
Federal	0		0
State	2,218,709,679	2,288,553,904	2,489,458,337
Revenue Bonds	0		0
Local Match	0		0
Total	2,218,709,679	2,288,553,904	2,489,458,337

Positions	2638	2647	2656
Full-Time Equivalent (FTE)	2580.41	2591.99	2,600.90

Driver and Motor Vehicle Services Division

DRIVER AND MOTOR VEHICLE SERVICES DIVISION

The Driver and Motor Vehicle Services Division's mission is to promote driver safety, protect financial and ownership interests in vehicles and collect revenue for Oregon's roads.

Driver Safety

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. 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.



A new driver receives test results.

Protecting Ownership

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 of newly registered vehicles, examines the title and other ownership documents and checks for information on stolen vehicles through state and national law enforcement data systems before issuing titles.



DMV licenses and regulates vehicle-related businesses.

DMV business regulation services licenses vehicle- and driver-related businesses in the state to ensure titles are correctly transferred and security interest holders are promptly paid or recorded. DMV licenses vehicle dealers, wreckers, vehicle appraisers, transporters, driving instructors and driving schools. Business regulation staff conducts routine inspections and respond to customer complaints. If a problem is found, DMV issues warnings, imposes civil penalties or sanctions the business.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

Revenue Collection

DMV registers close to four million vehicles in Oregon. The division registers and titles vehicles and issues trip permits to raise revenue for highway construction and maintenance.

DRIVER AND MOTOR VEHICLE SERVICES DIVISION PROGRAMS

DMV is organized to deliver driver and vehicle services through four Service Groups:

- **PROGRAM SERVICES**
- **FIELD SERVICES**
- **PROCESSING SERVICES**
- **CUSTOMER SERVICES**

PROGRAM SERVICES

This group coordinates major changes to DMV programs and operations resulting from federal/state laws, policy direction, business process improvements, and computer system initiatives. Program Services also develops and implements policies, procedures, and administrative rules for DMV's driver, vehicle, and business licensing services. Employees analyze the policy and fiscal impacts of proposed legislation and other changes, and evaluate the effectiveness of DMV programs. They design and publish forms and manuals, ensure adequate supplies of license plates and stickers, and manage service contracts. Employees interpret business needs and priorities; lead strategic and tactical IT planning; coordinate DMV involvement in IT projects and other major system changes; and ensure computer systems meet business needs through testing and monitoring. Staff license and inspect vehicle dealers and related businesses, investigate unlicensed vehicle dealer activity, and support the Oregon Dealer Advisory Committee. Program Services also provides support for DMV efforts to prevent, detect, and investigate fraudulent activity.

FIELD SERVICES

This group operates DMV's 63 field offices statewide in which approximately 12,000 customers are served each day. There are two types of offices: Full Service and Limited Service. Full Service offices administer driver knowledge, skill and vision tests; issue photo driver licenses and identification cards; reinstate driving privileges; register vehicles; issue plates and stickers; handle title applications; and inspect vehicle identification numbers. There are two types of Limited Service offices: 1) provides all services except behind-the-wheel skills testing and 2) provides all services except knowledge and skills testing, reinstatement services, inspection of vehicle identification numbers, and titling and registration of out-of-state vehicles.

Field offices also do work for other ODOT divisions and other agencies:

- Issue motor carrier credentials
- Issue truck oversize/weight permits
- Sell Sno-Park permits
- Register voters
- Verify that vehicles have passed emissions tests, as required

PROCESSING SERVICES

This group processes all mail-in business for driver licenses, titles, and registrations, and completes all of the business accepted at local offices around the state. Employees process financial transactions for customers; issue titles, plates, and stickers; renew driver licenses; enter data into DMV's computer systems, and prepare paperwork for microfilming. DMV produces 850,000 titles and issues almost 1.8 million registrations every year. Employees record traffic violations, convictions, and other driving record information; process accident reports, suspensions, and license reinstatements; manage driver improvement activities and medically at risk driver case reviews; use facial recognition software to review and clear drivers prior to issuance of all drivers' licenses and ID cards; issue driver licenses with previous photos to eligible military personnel and others who are temporarily out of the state; and issue hardship permits to eligible suspended drivers. Employees work by mail, telephone, and in-person to help customers who have lost or could lose their driving privileges.

CUSTOMER SERVICES

This group provides call center services and record services for DMV customers. Three call centers provide telephone assistance for about 1.7 million customers per year. The call centers answer all calls directed to DMV field offices as well as general information calls directed to DMV headquarters. Employees answer questions, schedule drive tests statewide, and help callers conduct business with DMV. Two call centers employ 40-50

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

inmates at the Oregon Coffee Creek Correctional Facility and the Oregon State Correctional Institution. The third call center is staffed by DMV employees at the Salem headquarters building. Customer Services also provides DMV driver and vehicle records requested by public and private entities and administers programs designed to ensure the security of personal information held by DMV. Law enforcement agencies access about 148,000 records each day on the DMV database, and businesses and individuals make over 3.2 million DMV record requests each year. This group manages the DMV contract with Oregon State Police for access to DMV records through LEDS and the contract with the Employment Department for administrative hearings for people who appeal DMV actions. The majority of the hearings involve driver license suspensions under Oregon's implied consent laws for driving while intoxicated. This group also manages the DMV headquarters facility, and provides incoming and outgoing mail services for the entire facility.

DIVISION ADMINISTRATOR'S OFFICE

This office provides the policy, oversight, and administrative functions of the division.

ISSUES AND TRENDS

Demographic Changes – Oregon is becoming more ethnically diverse and older. Both factors are important to DMV from a customer service and workforce perspective. Language and cultural differences must be bridged to enable people to complete their driver and vehicle transactions, and increasingly we are seeing older drivers referred to the Medically At-Risk Driver Program. From the workforce view, DMV must hire employees that reflect the communities that we serve and begin replacing employees who are retiring with significant experience and knowledge about our programs.

Eligibility for Driver Licenses and ID Cards – Eligibility for an Oregon driver license or identification card is becoming more rigorous as standards for proving identity and legal status are tightened. Fewer documents are accepted from applicants, and more electronic systems for verifying the data contained on some documents are now being used. The Oregon Legislature adopted a legal presence standard in February 2008 (SB 1080) with provisions phased in by January 2010. Federal Real ID regulations call for full compliance with new driver license issuance standards by January 2013 or the state-issued credentials will not be accepted for federal identification purposes.

Identity Theft / Fraud – State-issued driver licenses and ID cards are used widely as identity documents to conduct business with public agencies and private companies. Increasing concern about identity theft has created the need for a robust fraud prevention program at DMV. DMV continues to strengthen its policies and procedures to prevent, detect, and investigate instances of internal and external fraud. Criminal investigations are turned over to law enforcement agencies.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

Service Delivery -- DMV field offices will evolve as we change the way services are delivered and what services are available. Driver licenses and ID cards are no longer issued over-the-counter at field offices, and facial recognition software is used to avoid issuing multiple cards under different names to the same person and to check previous photos on file. Fraudulent documents are reported to local law enforcement and more people are turned away because of insufficient documents to prove their eligibility. DMV offices will continue to provide professional, timely, and courteous service but ongoing changes to issuance requirements could impact the service levels Oregonians have come to expect. DMV anticipates adding credit/debit cards as a payment option in field offices, even though merchant and other processing fees will increase revenue collection costs.

Aging Infrastructure – The computer systems and facilities that DMV relies upon are aging and expensive to maintain and operate. The large mainframe systems were first developed in the mid-‘60’s with many features added throughout the years which means the major applications are old and difficult to support. The supply of COBOL programmers is declining, so finding qualified employees and contractors to support computer system projects is very difficult. The ability to respond to statutory changes and to link its databases with other government agencies is severely constrained by these factors. In addition, field offices are mostly leased from private companies, so facility improvements must be planned and funded many years in advance. The buildings are not energy efficient and parking lots are frequently inadequate for the number of people served and the space needed for commercial driver license and motorcycle testing.

Economy – A depressed economy leads to fewer new and used vehicle sales, and deferred purchases for items such as driver licenses and reinstatement of driving privileges. Vehicle title transactions have decreased and fewer accident reports are filed as people reduce their vehicle miles traveled due to higher fuel costs. These changes yield savings in Personal Services with fewer temporary workers hired, less overtime, and positions held vacant for longer periods. Some employees are re-deployed to areas of increased workload, such as photo analysis using facial recognition technology and telephone services for customers with unique needs. Employees are also assigned to different offices according to workload and staffing needs.

Congestion – Congestion on Oregon’s roads is forecasted to increase by 42 percent by 2025, creating gridlock for commuters and further challenging Oregon’s ability to compete in the traded sector economy. Since about 25 percent of highway congestion is attributed to traffic incidents, it is imperative that Oregon drivers operate their vehicles safely. DMV tests people prior to issuing driver licenses to determine their ability to operate a vehicle, and also administers suspensions, temporary restrictions, and withdrawals of driving privileges. DMV also requires people to complete additional tests when impairments and safety concerns are reported by physicians, law enforcement, and others.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

Driving Without Privileges – The number of people driving vehicles in Oregon without valid driving privileges is increasing. This group includes people with expired, suspended, or withdrawn driving privileges. It also includes people who live and operate a vehicle in Oregon, but have never received a driver license in Oregon. The incidence of tragic pedestrian fatalities and hit-and-run crashes is cause for exploring ways to remove these individuals from our roads. The challenge is to target those individuals who pose the greatest risk to traffic safety with cost-effective sanctions that the criminal justice system can support. Driver and crash data is available for analysis of potential solutions.

Efficiency and Productivity – DMV will continue to streamline processes and increase productivity. This is especially important as a counter-balance to new state and federal program requirements that are intended to improve the effectiveness of programs, but will increase the time it takes to serve the public and to process transactions.

Unconventional Vehicles – Oregon and national transportation initiatives encourage the use of alternative technologies like plug-in hybrid and all-electric vehicles. Vehicle manufacturers in Oregon and elsewhere will continue introducing creative solutions for these new emerging vehicle types. Issues and concerns include:

- Should these vehicles be required to meet federal safety standards to operate on Oregon's roads?
- Are manufacturers conducting sufficient safety tests?
- How should these vehicles be titled and registered?
- How will we test and license persons who operate these vehicles?
- How will the owners of these vehicles pay their fair share of costs to operate and maintain Oregon's roads?

LEGISLATIVE SESSION

HB 2137 – Suspension Fix

Makes technical changes to laws governing suspension and revocation of driving privileges. Requires person to comply with future responsibility filings before department may restore person's permanently revoked driving privileges. Permits Department of Transportation to cancel person's driving privileges if person fails to reestablish driving eligibility under certain procedures and if department determines that person is no longer able to safely operate motor vehicle and may endanger people or property. Provides for post-imposition hearing. Clarifies when person may apply for restoration of revoked driving privileges. Specifies when person must comply with future responsibility filings after suspension of driving privileges. Eliminates department's ability to continue, modify or extend person's suspended or revoked driving privileges. Revises law exempting certain employees from use of ignition interlock device.

HB 2138 – CDL Federal Compliance

Modifies definition of “commercial motor vehicle.” Requires person holding commercial driver license to maintain proof of medical qualification on file with Department of Transportation. Authorizes department to cancel commercial driver license upon expiration of proof of medical qualification. Modifies laws related to suspension of commercial driver licenses. Modifies duties of Road User Fee Task Force. Modifies definition of “transportation project” within Oregon Innovative Partnerships Program.

HB 2139 – Applicant Temporary Permit Extension and Proof of SSN

Modifies requirement to provide proof of Social Security number for driver license, driver permit or identification card. Allows Department of Transportation to extend term of applicant temporary driver permits and applicant temporary identification cards for persons who require additional time to produce required documentation.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — DRIVER and MOTOR VEHICLE SERVICES DIVISION —

PERFORMANCE MEASURES

KPM #24	DMV CUSTOMER SERVICES: a) Field Office Wait Time (in minutes)	Measure Since 1998
Goal	Customer Service – Provide excellent customer service	
Oregon Context	Government performance and accountability	

Efficiency and flexibility are the strategies used to promote excellent customer service. Maintaining customer focus provides the means to maximize timeliness, customer satisfaction and economic efficiency. Activities associated with this general strategy include making decisions about shifting resources from lower priority tasks to those tasks directly affecting customer wait times. Employees are cross-trained to respond more quickly as workload varies.



DMV strives to reduce customer wait times for various types of transactions. Feedback from customers and businesses indicates that DMV is expected to provide a consistent level of service. Beginning July 2011, DMV reduced the field office wait time target by 20 percent. The previous target was set at 15 minutes and in 2011 the target became 12 minutes. The target represents service levels that DMV can consistently meet given the division’s current staffing levels.

DMV continues to successfully attain wait time targets by taking steps to ensure that resources are in the right place at the right time. Headquarters staff has assisted field staffing during busy months in order to help offset peak field office wait times.

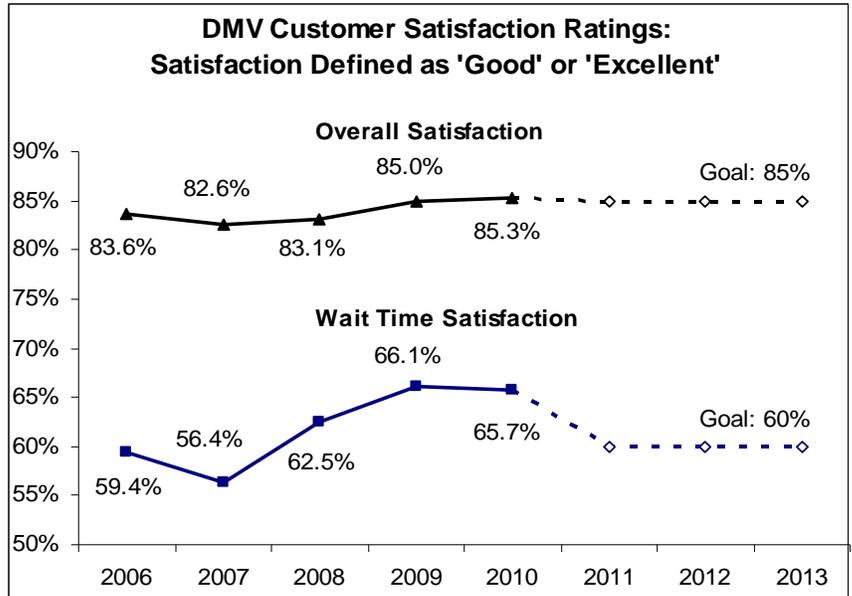
Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

Division Performance Measures

CUSTOMER SATISFACTION

This measure rates employee helpfulness, courtesy, knowledge, efficiency, and wait times.

- The DMV conducts customer satisfaction surveys and sets targets for the percent of customers rating DMV service delivery as excellent or good.
- These surveys are conducted monthly by randomly sampling 400 customers who conducted business with DMV that month.
- DMV has set a goal of 85 percent of customers rating DMV service as good or excellent in relation to helpfulness, courtesy, knowledge and efficiency.
- DMV also surveys how satisfied customers are with the amount of time spent waiting for DMV services.
- DMV's goal is 60 percent for customers rating DMV wait time as good or excellent. This goal reflects the reality that the 15 minute average wait time service delivery goal may not yield a greater satisfaction rate.

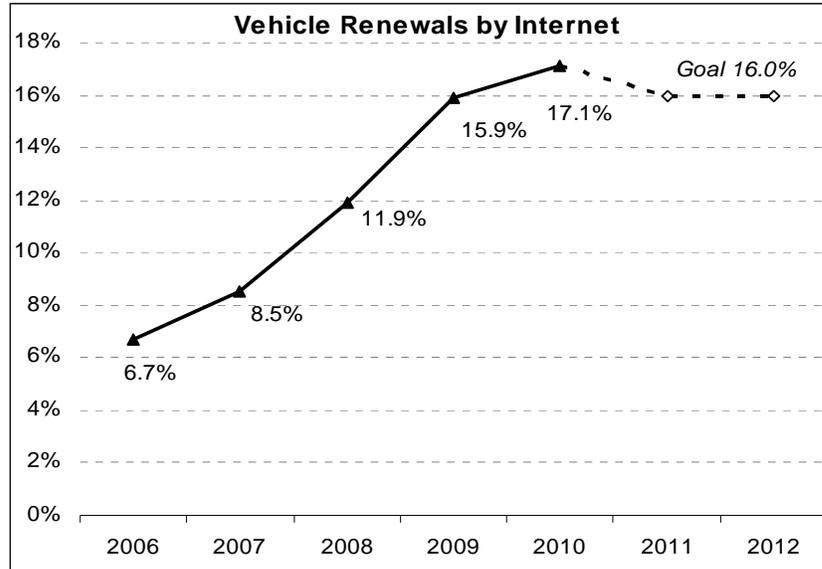


Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

VEHICLE RENEWALS USING THE INTERNET

This measure shows the percentage of customers that are using the Internet to renew their vehicle registration.

- DMV tracks which service channels customers are using to conduct business with DMV.
- Transactions that are processed through the Internet are the most cost effective method for DMV to conduct business with the public.



- Renewal notices mailed to homes encourage people to use the Internet to register their vehicle and pay with a credit card.
- Customers are reminded in field offices that their transaction could have been done over the Internet.
- DMV worked with DEQ to allow customers residing in emission inspection areas to use the Internet to renew their vehicle registration. This should increase the number of customers using the Internet for vehicle registration renewals.

Beginning with the 2011-2013 biennium, the Legislature changed “Phone Wait Time” and “Title Transaction Wait Time” from Key Performance Measures to division internal measures. DMV strives to reduce processing and customer wait times for various types of transactions in order to better meet our customers’ needs.

PHONE WAIT TIME

- Feedback from customers and businesses indicates that DMV was expected to provide a consistent level of service.
- In response, DMV opened a third phone center and has reduced phone wait times by about half compared to six years ago.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — DRIVER and MOTOR VEHICLE SERVICES DIVISION —

- In 2004, the average annual time was about 64 seconds but in 2010 the average time dropped to 33 seconds. Phone wait time performance has fluctuated from year to year but with the third phone center the large variations will decrease.

- During the last six years, DMV has successfully attained phone wait time targets by taking steps to ensure that resources and staffing levels were in the right place at the right time.



TITLE TRANSACTION WAIT TIME

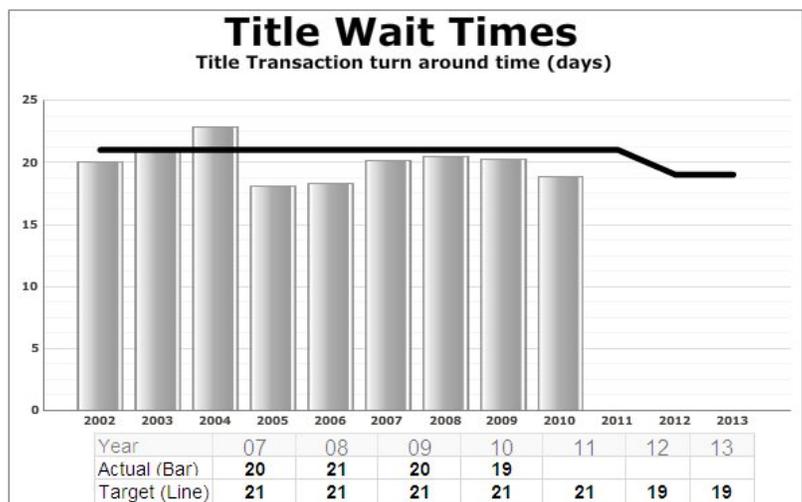
This measure tracks time from when a title application is received at DMV headquarters to when the title is mailed to the customer.

- During the last five years DMV has successfully attained title wait time targets of 21 days.

- Beginning in fiscal year 2011, the target was decreased from 21 to 19 days.

- DMV met this target by initiating numerous changes to title processing that resulted in more efficient operations.

- Efficiencies included moving documents from the address verification area to the vehicle transaction processing areas on a continual basis, rather than delivering the documents once per day.



Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — DRIVER and MOTOR VEHICLE SERVICES DIVISION —

BUDGET HIGHLIGHTS

Driver and Motor Vehicle Services Expenditures

	2007–2009 Actuals	2009–2011 Actuals	2011–2013 Legislatively Adopted
Programs			
Program Services	27,331,140	27,326,645	29,320,617
Field Services	64,292,067	65,082,930	71,028,262
Processing Services	25,181,272	26,080,717	28,992,698
Customer Services and Hearings	28,007,595	30,099,540	30,053,611
Administrator's Office	869,157	764,654	951,805
Total	145,681,231	149,354,485	160,346,993
Expenditures by Category			
Personal Services	97,145,766	99,018,103	106,243,642
Services and Supplies	47,953,834	48,313,912	52,976,680
Capital Outlay	133,217	1,064,013	134,763
Special Payments	448,414	976,150	991,908
Other Payments		(17,693)	0
Total	145,681,231	149,354,485	160,346,993

Positions 878 862 861

Full-Time Equivalent (FTE) 841.92 838.46 837.46

Motor Carrier Transportation Division

MOTOR CARRIER TRANSPORTATION DIVISION

The Motor Carrier Transportation Division (MCTD) helps truckers comply with Oregon laws and regulations relating to registration, safety, highway-use tax, truck size, and weight. 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 (<http://www.oregon.gov/ODOT/MCT>) with news and information about trucking in Oregon.

MCTD PROGRAMS

- **SALEM MOTOR CARRIER SERVICES**
 - Commercial Vehicle Registration
 - Trucking Online
 - Over-Dimension Permits
 - Highway-Use Tax Collection
 - Economic Regulation

- **INVESTIGATIONS, SAFETY, FEDERAL PROGRAM**
 - Commercial Vehicle and Driver Safety Enforcement
 - Green Light Weigh Station Preclearance

- **FIELD CARRIER SERVICES**
 - Truck Size and Weight Enforcement
 - Field Registration Services

- **Motor Carrier Audit**
 - Oregon Weight-Mile Tax Audit
 - International Registration Plan (IRP)
 - International Fuel Tax Agreement (IFTA)

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

SALEM MOTOR CARRIER SERVICES

Commercial Vehicle Registration

MCTD regulates a diverse motor carrier industry ranging from one-truck owner-operators based in Oregon to carriers with large fleets that operate nationwide and in Canada. The division maintains accounts for approximately 20,500 trucking companies with 283,000 trucks registered to operate in Oregon. This includes 8,000 Oregon companies with 41,000 trucks. Oregon-based trucks display a red ODOT license plate for vehicle registration and weight-mile tax identification purposes. Trucks that operate within the state display an Oregon Commercial plate and trucks that travel outside the state display an Oregon Apportioned plate.



Most carriers from other states and Canada participate in the International Registration Plan program through which they pay apportioned registration fees so their trucks can operate in Oregon. Those trucks are identified by the license plates issued by each carrier's home state or province.

MCTD registration staff responsibilities include the following:

- Issue or renew more than 40,000 truck license plates to Oregon carriers each year.
- Issue more than 280,000 temporary passes and trip permits each year.
- Help more than 5,000 Oregon interstate truckers operate in other states and Canada under the International Registration Plan and International Fuel Tax Agreement. Collect and distribute over \$56 million in registration fees and fuel taxes for other jurisdictions.
- Annually collect about \$225 million in weight-mile taxes and \$45 million in Oregon truck registration fees.
- Ensure truckers pay registration fees, file road-use tax reports, and pay taxes on time.
- Ensure that intrastate truckers have liability insurance and, when necessary, cargo insurance.
- Ensure that certain truckers file a bond or cash deposit to secure tax and fee payments.

Trucking Online

MCTD was one of the first Oregon state agencies to offer an Internet service that allows customers to go online to transact business, make payments, and check records. There are currently 65 business processes that can be completed online and developers continue to add services. Besides transactions, Trucking Online lets authorized users check their trucking company accounts and it features a Public Access Menu that allows anyone to view public records. More than 14,000 trucking companies now save time and money every day using a home or office computer to run their business without the need for a phone call, fax, mail delivery, or over-the-counter service. Since January 2003, Trucking Online has been used for well over 3 million transactions or record inquiries.

Online business was up in 2010 as Trucking Online handled 7 percent more transactions and 9 percent more records inquiries than the previous year. In the major categories of activity, there has been a steady increase in online weight-mile tax reports and payments. Now, 25 percent of all such transactions are completed online. The annual renewal of truck registration or tax credentials is another major online activity. In 2010, companies based out of state put the paperwork aside to electronically renew 65 percent of all tax credentials needed for trucks that will operate in Oregon in 2011. As a result, Oregon saved 310 reams of paper (a stack that would reach 65 feet high), plus over \$16,000 in postage and staff time to process and mail renewal-related materials.

Over-Dimension Permits

Staff issue single-trip and continuous-operation (annual) permits for oversize, overweight, or unusual truckloads. The division maintains road and bridge restriction information for the state and provides truckers routing instructions for their trips. Permits are available at the Salem headquarters office, the Jantzen Beach Portland office, three ports of entry, and at many DMV and Highway Division district offices throughout the state. The permits authorize travel on state and federal highways. They can also cover county roads, with county approval, but many Oregon counties issue their own permits. In 2010, the division processed 99,240 single-trip permits and 23,611 continuous-operation permits.

MCTD manages the work of four third-party agents that processed 147,668 continuous oversize or overweight truck permits in 2010. This includes 141,529 permits issued through a statewide one-stop-shopping system that makes it possible for a trucker to obtain a permit good for travel in all Oregon jurisdictions involved in the trip. The permits are currently available from MCTD, two private businesses, and two counties.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

Highway-Use Tax Collection

MCTD staff process mileage reports and collect highway-use taxes and fees from truckers. Weight-mile tax collections in 2010 totaled approximately \$225 million. Trucks weighing more than 26,000 pounds pay this tax in Oregon. Trucks with non-divisible loads weighing more than 98,000 pounds pay a road use assessment fee for the loaded portion of their movements. Road use assessment fee collections in 2010 totaled approximately \$1.5 million. These graduated taxes and fees depend on a truck's weight and the miles traveled on public roads. Tax rates are established by the Legislature based on results of the Highway Cost Allocation Study, which is updated every two years by a consultant under contract to the Department of Administrative Services. All taxes collected, minus administrative costs, are disbursed to the Oregon Highway Fund for building and maintaining state and local roads.

Economic Regulation (Rates and Entry)

About 105 moving companies and 10 bus companies have special authority to conduct business in Oregon. They are subject to state regulation, including regulation of the rates charged for service, when moving household goods within the state or operating a regular bus service. Regulation of this part of the industry seeks to ensure Oregon has good, stable service at fair prices.

Legislation passed in 2009 (HB 2817) made it easier for Oregon household goods movers to obtain and transfer authority or extend existing service. Now applicants must simply show they're fit, willing, and able to perform the service, they're insured and operating safe vehicles, and they'll charge approved rates. They must also submit to a criminal background check and check each of their employees. Illegal movers face a penalty of \$1,000 per violation. The legislation in 2009 ended almost seven years of regulation of businesses that provide a specialized labor service packing and loading household goods. Now, Oregon law specifies that pack and loaders are exempt from motor carrier regulations if they don't provide or operate a vehicle for moving household goods or act as an agent for someone who does provide or operate the vehicle.

Staff in the Complaint Resolution unit is responsible for processing civil complaint actions against those who violate motor carrier regulations. Most enforcement begins with a finding of violation and then, if subsequent violations occur, graduates to complaints seeking monetary penalties and suspension of operating authority. Violations are commonly related to problems found in a safety compliance review. Other common violations include failing to meet safety inspection follow-up requirements, operating in excess of size or weight limits, or operating without valid registration credentials. Staff completed 712 civil complaint enforcement actions in 2010.

INVESTIGATIONS, SAFETY, AND FEDERAL PROGRAMS

Commercial Vehicle Safety

Highway safety is the top priority for the Motor Carrier Transportation Division. The division administers and enforces state and federal safety rules regarding the mechanical condition of trucks, qualifications and fitness of truck drivers, securement of cargo, and proper shipping of hazardous cargo. Safety specialists inspect trucks at weigh stations and along roadsides. They conduct comprehensive audits of trucking companies at their offices to check regulatory compliance, including audits of new interstate motor carriers to ensure they get off to a good start. Staff also occasionally helps law enforcement officers investigate truck crashes.

MCTD is responsible for training and certifying enforcement officers who perform truck, driver, and hazardous cargo safety inspections. There are more than 500 certified inspectors at work in Oregon today. They completed a total of 46,144 inspections in 2010 — a rate of 1 inspection every 11 minutes. MCTD staff completed 30,642 of the inspections, while other state law enforcement officers completed 15,502. Critical safety violations were found in 25 percent of trucks and 15 percent of drivers inspected, indicating that inspectors effectively selected which to check. (Current national rates are 20 percent trucks and 5 percent drivers).

MCTD manages the federal Motor Carrier Safety Assistance Program (MCSAP) in Oregon and receives more than \$2.6 million in federal funds each year to support truck safety-related efforts. As a condition for receiving MCSAP funds, the division produces an annual Commercial Vehicle Safety Plan addressing ways to reduce crashes, injuries, and fatalities. The plan is also required by Oregon law and all trained and certified inspectors must follow it. The 2011 plan is available on the Internet: www.oregon.gov/ODOT/MCT/docs/2011CVSPlan.pdf

Green Light Weigh Station Preclearance

MCTD uses an intelligent transportation system called Green Light to weigh trucks in-motion and identify them as they approach Oregon's busiest weigh stations. The preclearance system is operational at 22 weigh stations statewide. It allows the stations to signal transponder-equipped trucks to proceed without stopping if they cross weigh-in-motion scales and successfully pass a computer check of size, weight, height, registration, account status, and safety records.

In 2010, trucks were weighed, electronically screened, and signaled to pass the stations 1,286,048 times. Operating a heavy truck is estimated to cost \$1.96 per minute and stopping at a weigh station can take five minutes. On that basis, Green Light saved truckers 107,000 hours of travel time and \$12.5 million in truck operating costs in that year alone.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

Allowing safe and legal trucks to bypass weigh stations helps enforcement officers manage a growing stream of truck traffic, preserves weigh station facilities, and eliminates hours of delay and significant expense for the trucking industry. This contributes to the department's key strategic goal of moving people and goods efficiently, using innovative technology to solve transportation problems. It also contributes to Oregon Benchmark No. 77 – Carbon Dioxide Emissions (emissions as a percentage of 1990 emissions) because trucks that avoid stopping at weigh stations emit far fewer health impact pollutants.

Emission testing by the Oregon Department of Environmental Quality has confirmed additional benefits of the program. Tests found a 36 to 67 percent reduction in each of the pollutants monitored – particulate matter, carbon dioxide, nitrogen oxides, carbon monoxide, and hydrocarbons – when trucks stayed at highway speed past a weigh station. Moreover, trucks that avoided the deceleration and acceleration necessary to enter and exit a weigh station also experienced a 57 percent improvement in fuel economy.

FIELD CARRIER SERVICES

Size and Weight Enforcement

Motor carrier enforcement officers are based in eight districts statewide. They work at 87 fixed weigh stations, including six ports of entry, and dozens of portable scale sites to ensure trucks stay within size and weight limits. In 2010, motor carrier enforcement officers weighed 2,002,410 trucks on static scales. They sorted and sent on their way hundreds of thousands of empty trucks that did not need to be weighed. Officers also processed 1,286,048 trucks that were electronically weighed and checked at highway speed by the Green Light weigh station preclearance system. The officers' work protecting Oregon highways and bridges from damage by oversize and overweight trucks contributes to Oregon Benchmark No. 72 – Road Condition (percent of roads and bridges in fair or better condition).

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —



A motor carrier enforcement officer checks truck size and weight at one of six Oregon Ports of Entry.

In 2010, motor carrier enforcement officers issued 15,480 citations and warnings for truck weight violations, 598 citations and warnings for size violations, and 15,791 citations and warnings for safety and other credentials-related violations. They also required 2,340 vehicles to correct a problem (legalize) before proceeding.

While the officers check truck size and weight, they also safeguard highway safety by performing safety inspections. Officers conducted a total of 9,089 truck and driver inspections in 2010.



A customer visits the Farewell Bend

Field Registration Services

MCTD operates a 24/7 Credentials Service Center in Salem at which staff is always available by phone (except on major holidays). It also offers over-the-counter registration service from 8 a.m. to 5 p.m. on weekdays at the Salem Headquarters, at a Portland office in Jantzen Beach on the Washington border, and at three ports of entry located near Ashland, Farewell Bend, and Umatilla. Motor carriers need registration service at certain field offices because Oregon is a weight-mile tax state. Rather than collecting fuel taxes at the pump for

heavy vehicle road use, Oregon's tax is based on vehicle weight and miles traveled. If truckers are not permanently registered to operate in the state, they obtain a registration trip permit and a temporary pass through which they pay weight-mile taxes in advance for their trip. In 2010, Motor Carrier Division staff issued 262,828 temporary passes and collected \$14.7 million in fees and weight-mile taxes.

MOTOR CARRIER AUDIT

MCTD auditors verify the accuracy of weight-mile tax reports and payments by all motor carriers operating in Oregon. In 2010, auditors completed 595 weight-mile tax audits and assessed \$5.2 million in unreported taxes and fees. The number of audits

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

completed is indicative of only part of actual program activity because for every one account that is assigned to an audit, hundreds more are screened and cleared by staff. In 2010, auditors screened 29,383 accounts to determine which warrant close scrutiny. The work of this section recovering dollars owed to the State Highway Fund contributes to Oregon Benchmark No. 72 – Road Condition (percent of roads and bridges in fair or better condition).

Auditors also check the records of Oregon-based carriers that operate in other states and provinces to verify payments of registration fees and fuel taxes owed to the jurisdictions. As part of Oregon’s obligations under the International Registration Plan (IRP), and the International Fuel Tax Agreement (IFTA), auditors must annually audit at least 3 percent of the Oregon carriers participating in those programs. In 2010, auditors completed 169 IRP audits and 146 IFTA audits.

Administrator’s Office

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

ISSUES AND TRENDS

Motor Carrier Transportation Division (MCTD) services are driven by the demands of a trucking industry that is itself under pressure to meet shipper demands. The division must meet the industry’s need for fast, just-in-time registration and permit services, while keeping staff and administrative costs to a minimum.

- **Regulatory Streamlining** – MCTD prides itself in being a leader in regulatory streamlining. It is constantly searching for, considering, and implementing opportunities that make regulations simpler, speedier, and less expensive for motor carriers without decreasing the protections that Oregonians expect for the public and the environment. In past years, streamlining-related initiatives included elimination of a special Oregon license plate that out-of-state-based trucks had been required to display, the revamp of security bond and cash deposit requirements, redesign of the Motor Carrier Education Program, simplification of a process related to verifying Heavy Vehicle Use Tax payment, and consolidation of International Registration Plan and Fuel Tax Agreement applications and renewals.

- **Freight Mobility** – As every corner of the state is impacted by the unprecedented amount of construction work funded by the Oregon Transportation Investment Acts, the 2009 Jobs and Transportation Act, and the 2009 American Recovery and Reinvestment Act, MCTD is actively involved in mitigating those impacts. Staff participates in project design, identifies key routes and types of loads that

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

may be operating in and around construction projects, provides feedback regarding clearances for freight loads, helps find detours and alternate routes, and advises the trucking industry of project impacts. As a result of this work, Oregon can minimize delays for the traveling public and freight industry, minimize detouring trucks on local roads through communities, minimize route restrictions, and maintain an unimpeded north/south and east/west route for freight movement through the state.

- **Innovation** – MCTD is actively addressing the key department strategy to use innovative program designs and technologies to solve transportation problems. It is committed to using the Green Light intelligent transportation system to make its weigh stations more efficient. It is also committed to advancing its Trucking Online e-government services that exemplify regulatory streamlining. More than 13,500 trucking companies now save time and money every day completing a wide range of transactions, from obtaining a trip permit, to paying road-use taxes, to checking the status of an insurance filing or making some other records inquiry, all without the need for a phone call, fax, mail delivery, or over-the-counter service. This online service narrows a gap in customer service. In the past, Oregon offered extensive over-the-counter service throughout the state. But since 1996, the division has trimmed staff by more than 22 percent as part of agency-wide budget cuts.

MCTD works in close partnership with Motor Carrier Applications Development (MCAD) staff from ODOT Information Systems to take advantage of technology in the simplest, speediest, and least expensive ways. Staff created Trucking Online, for example, in a matter of months with \$217,000 in start-up costs and \$105,000 in initial applications development costs. A third-party vendor would charge millions for such work.

- **Institutional Barriers** – The Green Light weigh station preclearance system will realize its full potential to increase weigh station capacity when institutional barriers to truckers' use of compatible transponders are removed. Thousands of trucks are unnecessarily forced to pull into Oregon weigh stations each month because their PrePass-brand transponders belong to a company called HELP, Inc. that prohibits their use in Oregon. Except for HELP's institutional barrier to interoperability, the transponders could work here and could allow the truckers to be weighed in motion, identified, and precleared to pass Oregon stations.
- **Credit Card Transaction Fees** – MCTD's customers rely on the convenience of credit cards for completing transactions by phone, over-the-counter, and online. They use credit cards so much, in fact, that in 2010 alone MCTD paid \$1.4 million in credit card transaction fees. To lower these costs, MCTD has added an Automated Clearing House (ACH) product for online transactions, called Direct Payment, through which companies authorize direct withdrawals from a bank

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

account. This is the ideal payment method because rather than paying banking fees equal to about 2.2 percent of each credit card payment, MCTD pays just 6 cents for each Direct Payment, regardless of the transaction amount. In the first 30 months after this service was offered in March 2009, more than 680 Trucking Online users signed up for it and chose that method for online payments totaling over \$8 million. As a result, they saved \$180,100 of their taxpayer dollars that MCTD would otherwise have spent on banking fees if they had used credit cards.

- **Data Security** – as a result of the Payment Card Industry (PCI) Data Security Standards instituted in 2004 and strengthened in 2006 and the passage of Oregon SB 583 in 2007, MCTD will make changes to its e-commerce and point-of-sale transactions to better protect the sensitive information it collects from motor carriers. Beyond e-commerce functions, MCTD is also making physical modifications to its Salem Headquarters building to restrict the public's access to areas where sensitive information is stored.

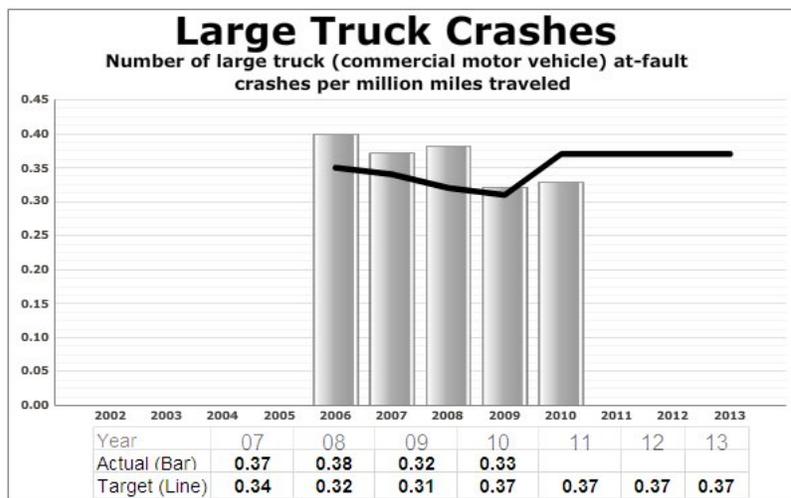
- **Organizational Assessment** – In 2007, ODOT completed Organizational Assessment surveys that checked perceptions of the workplace and personal experiences. MCTD employee responses were generally favorable and especially notable in the categories of Fairness and Treatment of Others, Communication, Use of Resources, and Work and Family/Personal Life. Managers are addressing certain employee concerns about training, career development, and workplace safety. They remain open to employee input about ways the business can improve, advance, and stay in step with expectations.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

PERFORMANCE MEASURES

KPM #5	LARGE TRUCK AT-FAULT CRASHES Number of large truck at-fault crashes per million vehicle miles traveled (VMT).	Measure Since 1998
Goal	ODOT Goal #1 Safety -- Engineer, educate and enforce a safe transportation system	
Oregon Context	Oregon Benchmark #45: Preventable Death	

Strategies to address truck-at-fault crashes must focus on the driver. Almost all of these crashes are caused by the truck driver and usually linked to speeding, tailgating, changing lanes unsafely, failure to yield right of way, or fatigue. Of the 521 truck-at-fault crashes that occurred in 2010, only 35 were attributed to a mechanical problem.



Motor Carrier Transportation Division safety specialists and enforcement officers take the lead in efforts as they conduct inspections at weigh stations and during safety compliance reviews at trucking company terminals. Oregon law enforcement officers play a key role, too. Many State Police troopers, county sheriffs and city police, are certified inspectors who work under both compensated and non-compensated Motor Carrier Safety Assistance Program (MCSAP) intergovernmental agreements. They conduct inspections at the roadside after probable cause stops for traffic violations. They also routinely join safety specialists and motor carrier enforcement officers in special operations that focus on speed enforcement and logbook checks. All inspectors follow Oregon's Commercial Vehicle Safety Plan, which is updated annually. Under the plan, enforcement efforts focus on traffic along major freight routes where most truck-at-fault crashes happen. Specifically, there are 268 highway miles in 12 parts of the state that are referred to as AIM Corridors — Accident Intensified MCSAP Corridors.

There were a total of 1,002 truck crashes in 2010, 67 more than in 2009 – a 7 percent increase. It was determined that the truck was at-fault in 521 of the crashes, 9 more than in 2009 – a 2 percent increase. A total of 408 people were injured in truck crashes last year, 50 more than in 2009 – a 14 percent increase. A total of 43 people were killed, 14 more than in 2009 – a 48 percent increase.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

Although the 2010 totals are higher than the previous year, they're still at a historically low level. Compared with 2007 totals, truck crashes in Oregon are down 20 percent, crashes in which the truck driver is at-fault are down 25 percent, crashes caused by a truck mechanical problem are down 19 percent, injuries in truck crashes are down 22 percent, and fatalities are down 17 percent.

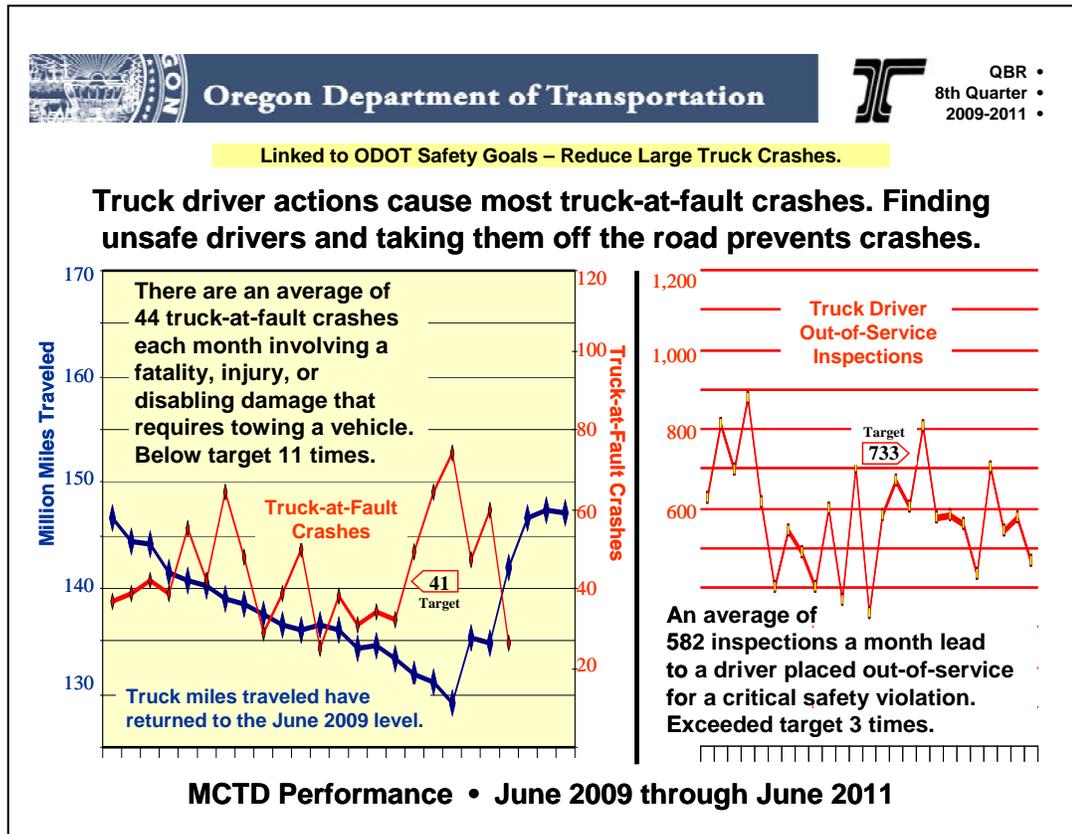
Highway-use statistics show trucks traveled 0.2 percent fewer miles in 2010 than they did in 2009. According to mileage reported on weight-mile tax and flat fee payment reports, along with mileage reported for temporary passes, motor carriers traveled 1,584,503,288 miles in Oregon in 2010. Based on that activity, truck crashes occurred at a rate of 0.632 per million miles traveled, up from 0.589 per million in 2009. Truck-at-fault crashes occurred at a rate of 0.329 per million miles traveled, up from 0.322 per million in 2009.

Factors directly affecting this measure largely involve commercial vehicle driver fitness, qualifications, and judgment. The rate of crashes is also directly and indirectly affected by the volume of all vehicle miles traveled, not just commercial vehicle miles. It's affected by traffic congestion and the level of road and bridge construction and maintenance work currently underway in Oregon. Further contributing to crash rates is the absence or presence of law enforcement officers on the road and, most notably, inclement weather. From January through October 2010, for example, truck-at-fault crashes were averaging 38 each month. But then there were 64 truck-at-fault crashes in November and 74 in December, many of which were weather-related crashes.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

TRUCK-AT-FAULT CRASHES

Truck drivers cause most truck-at-fault crashes. Finding unsafe drivers and taking them off the road prevents crashes.



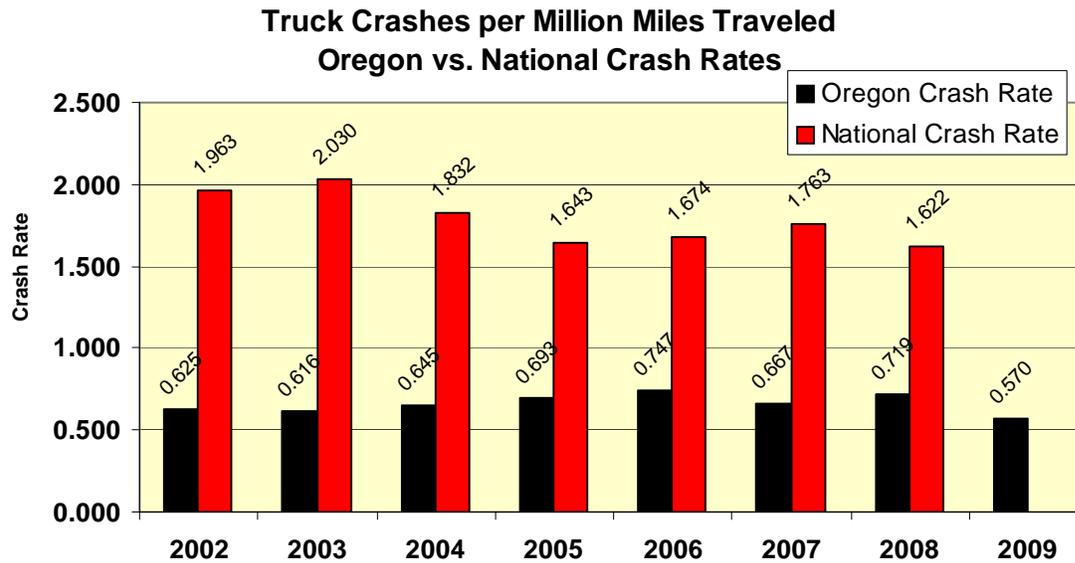
Statistical correlation:

- As more truck drivers are placed out-of-service for critical safety violations, truck-at-fault crashes decline.

In response to an increase in truck crashes in recent years, the Motor Carrier Division produced a 2007-09 Safety Action Plan to Reduce Truck-at-Fault Crashes. The publication seeks to raise awareness about truck safety. MCTD's action plans include tactics such as more frequent multi-day inspection exercises that focus on truck driver inspections. One new tactic involves partnering with law enforcement in a safety campaign called TACT (Ticket Aggressive Cars and Trucks) to catch persons in the act of driving unsafely around trucks. More than just an enforcement effort, the TACT campaign also educates drivers about how to stay out of trouble. The bottom line objective is to reduce truck crashes, particularly those in which the car driver is at-fault, and reduce the number of people injured or killed on Oregon highways.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

OREGON TRUCK CRASHES – IN PERSPECTIVE



A comparison of Oregon vs. national crash rates provides important context to any truck safety discussion. Oregon’s truck crash rate has historically been much lower than the national rate. In 2008, the most recent year for which national totals are available, Oregon’s crash rate was 56 percent lower.

Chart Sources:

Oregon DOT Transportation Development Division, Crash Analysis & Reporting Unit (Truck crash totals only. Truck-at-fault crashes are not tracked at the national level.)

Large Truck Crash Facts 2008, Federal Motor Carrier Safety Administration, Analysis Division, Table 1 – Large Truck Fatal Crashes, Table 4 – Large Truck Injury Crashes, Table 5 – Large Truck Property Damage Only Crashes

<http://ai.fmcsa.dot.gov/CarrierResearchResults/HTML/2008Crashfacts/2008LargeTruckCrashFacts.htm>

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

TRUCKS WEIGHED, WEIGHT CITATIONS AND WARNINGS ISSUED

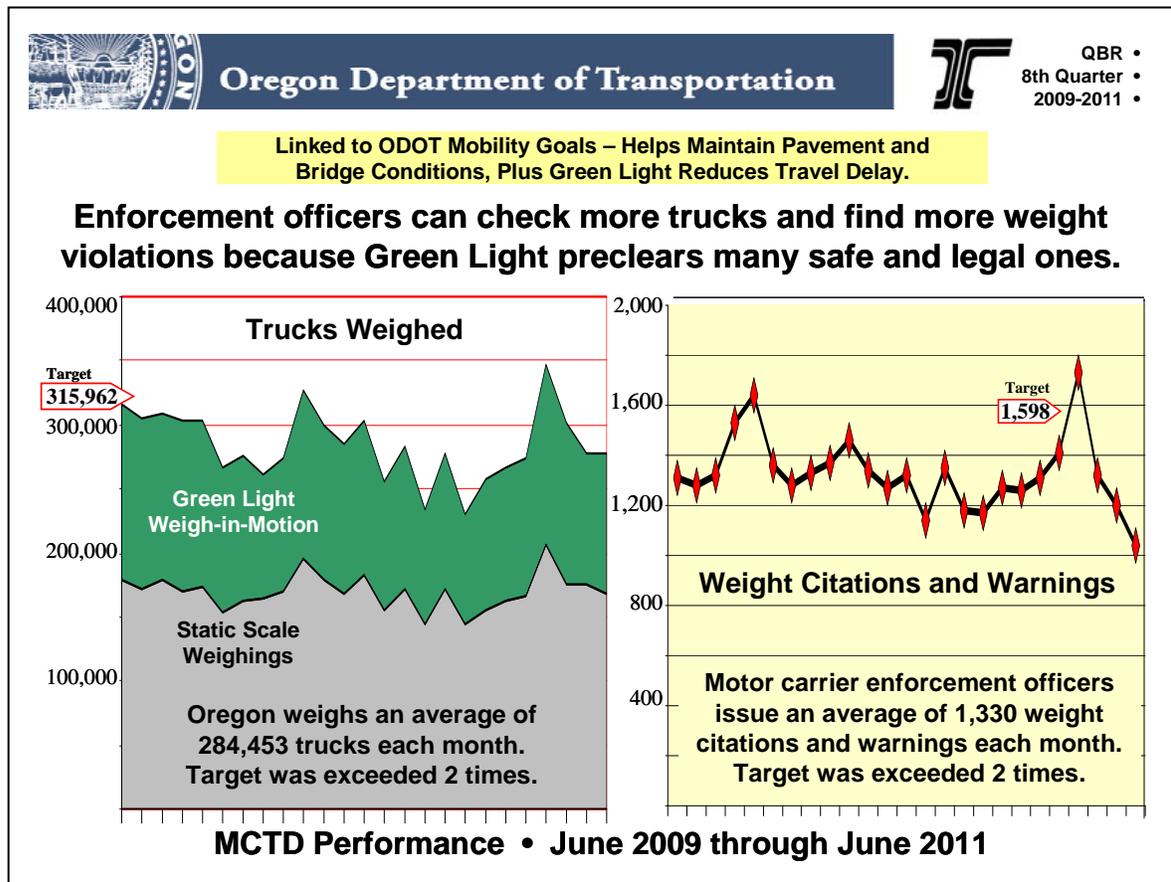
Enforcement officers can check more trucks and find more weight violations because the Green Light weigh station preclearance system screens out many safe and legal ones.

Statistical correlation:

- As Green Light filters truck traffic, more weight citations and warnings are issued because the trucks pulling into weigh stations are more likely to be overweight.

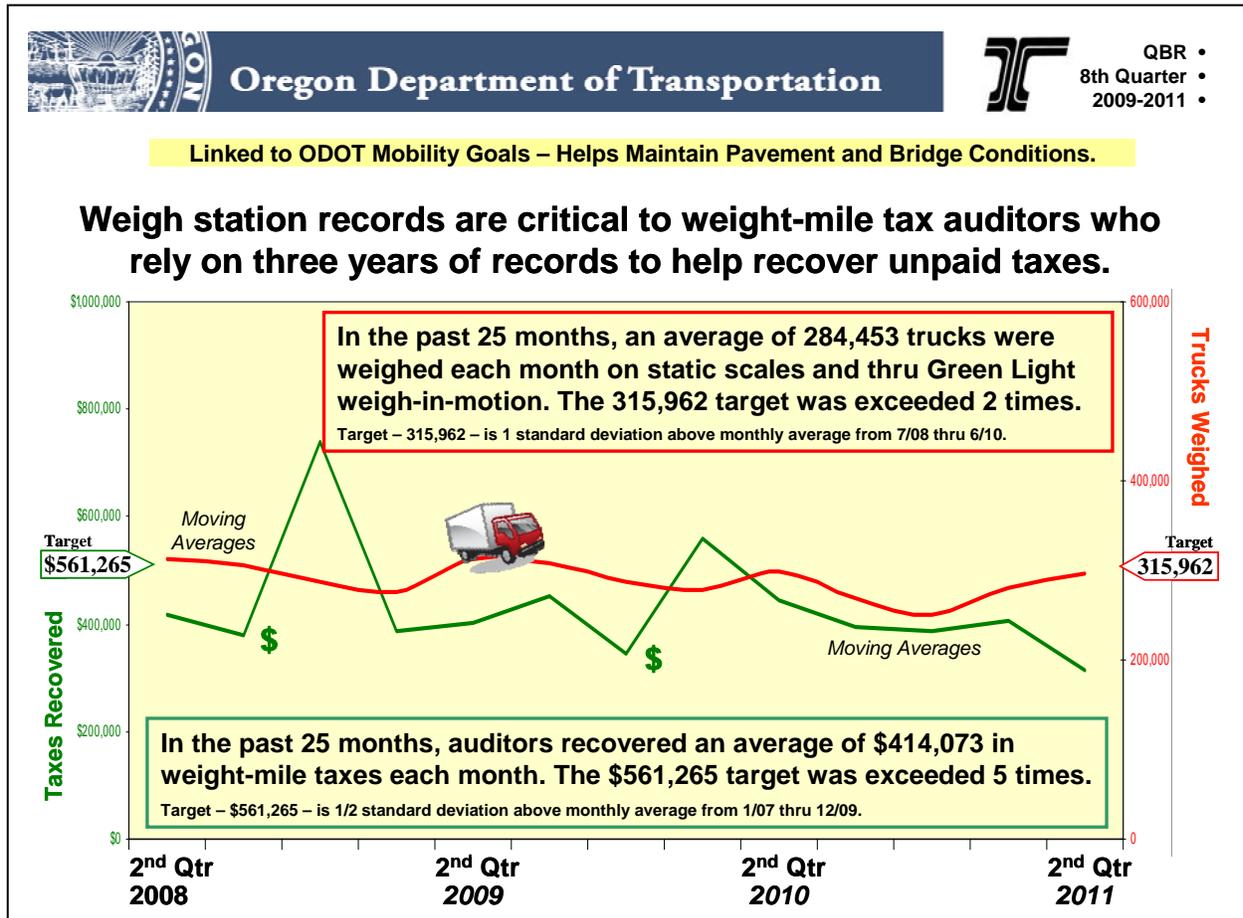
Enforcement officers have a performance target to issue 1,330 weight-related citations and warnings each month. They're currently achieving 83 percent of that target.

Monthly Average: 770 Citations
 559 Warnings
 1,330 total



Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

TRUCKS WEIGHED AND WEIGHT-MILE TAXES RECOVERED



Weigh station records are critical to weight-mile tax auditors who rely on three years of records to help recover unpaid taxes.

Statistical correlation:

- As more trucks are weighed, more scale crossing records are collected and more weight-mile taxes are recovered by auditors.

History of weight-mile taxes recovered:

1999	\$ 4.361 million	2005	\$ 4.015 million
2000	\$ 4.514 million	2006	\$ 3.552 million
2001	\$ 5.256 million	2007	\$ 4.748 million
2002	\$ 4.964 million	2008	\$ 6.407 million
2003	\$ 5.519 million	2009	\$ 4.551 million
2004	\$ 5.140 million	2010	\$ 5.180 million

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

CUSTOMER SATISFACTION

Results – Responses to six benchmarks of customer service – standard questions on all state agency surveys

Regarding Motor Carrier Division staff and service provided . . .

	Excellent	Good	Fair	Poor	Responses
1. TIMELINESS – How do you rate the timeliness of the services provided by the Motor Carrier Transportation Division?	42%	48%	9%	1%	919
2. ACCURACY – How do you rate the ability of the Motor Carrier Transportation Division to provide services correctly the first time?	45%	45%	7%	3%	916
3. HELPFULNESS – How do you rate the helpfulness of Motor Carrier Transportation Division employees?	54%	37%	7%	2%	918
4. EXPERTISE – How do you rate the knowledge and expertise of Motor Carrier Transportation Division employees?	45%	44%	9%	2%	902
5. AVAILABILITY OF INFORMATION – How do you rate the availability of information at the Motor Carrier Transportation Division?	40%	48%	10%	2%	911
6. OVERALL SERVICE – How do you rate the overall quality of service provided by the Motor Carrier Transportation Division?	43%	48%	8%	1%	914

MCTD is contributing to the department’s strategic goal of providing outstanding customer service, as measured by Key Performance Measure 23 – Customer Service Satisfaction. MCTD regularly conducts customer satisfaction surveys that ask, “How are we doing and how can we do a better job?” In 2010, 91 percent of respondents from ten customer groups rated MCTD good or excellent in terms overall service, while another 8 percent rated service fair. A total of 4,211 surveys were sent by mail and 22 percent were completed and returned.

This was the sixth time in 12 years that MCTD has reached out to its customers.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

BUDGET HIGHLIGHTS

Motor Carrier Transportation Division Expenditures

	2007–2009 Actuals	2009–2011 Actuals	2011–2013 Legislatively Adopted
Programs			
Field Carrier Services	17,930,572	20,512,452	19,335,325
Salem Motor Carrier Services	16,485,750	17,148,927	17,873,308
Investigations, Safety, & Federal	11,701,914	9,857,193	13,349,499
Motor Carrier Audit Program	7,924,217	7,974,128	8,769,268
Administrator's Office	1,462,980	1,166,440	2,386,979
Complaint Resolution/Economic Regulation	1,562,069	1,707,535	2,183,348
Total	57,067,502	58,366,675	63,897,727
Expenditures by Major Revenue Source:			
State (Highway Fund)	52,753,031	53,585,247	58,312,861
Federal Funds (MCSAP)	4,314,471	4,781,427	5,584,867
General Fund	0		0
Total	57,067,502	58,366,675	63,897,728
Expenditures by Category:			
Personal Services	41,813,046	41,912,096	44,925,867
Services & Supplies	14,684,405	15,183,272	18,606,405
Capital Outlay	570,036	1,269,156	365,456
Other Expenditures	16	2,151	0
Total	57,067,503	58,366,675	63,897,728

Positions	312	309	310
Full-Time Equivalent (FTE)	312.00	309.00	310.00

Transportation Safety Division

TRANSPORTATION SAFETY DIVISION

The Transportation Safety Division works with many partners to organize, plan, and conduct a statewide transportation safety program. These partners include other state agencies, governor-appointed advisory committees, local agencies, nonprofit groups, and citizens. The division promotes transportation safety through education, enforcement, emergency medical services and engineering.

TRANSPORTATION SAFETY DIVISION PROGRAMS

STATEWIDE OPERATIONS

Funds in the statewide operations 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, interagency coordination, legislative research, and support of local volunteer groups.

FIELD PROGRAMS

Field program staff provides grants, contracts, and services to the public and government agencies. Examples of these grants include the DUII Resource Prosecutor, the Malheur County Coordinator, the Portland Safe Community Project, Motorcycle Training, Driver Education and the Child Safety Seat Resource Center.

The past five 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 the five-year period 1949–1953, yet it is still possible to further reduce that number. The number of people injured in crashes has also dropped to record lows. Through strong partnerships and focused work, Oregon's safety profile is one of the best in the nation. Continued strong



The Team Safety Crash car was used in school assemblies to show central Oregon teens the dangers of drinking and driving.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

support from the Legislature, Governor, state agencies, local agencies, nonprofit organizations, and citizens will allow for even more improvements and continued energy invested in highway safety.

ISSUES AND TRENDS

Impaired Driving

More than 38 percent of Oregon's traffic fatalities can be attributed to impaired drivers over the last five years. Transportation Safety supports increased penalties for drivers under the influence of intoxicants who are transporting minors in their vehicles; additional penalties for repeat offenders or high alcohol content; and an expansion of the definition of Driving Under the Influence of Intoxicants (DUII) to include all substances that impair driving.

Safety Belts

Safety belts reduce the risk of death to front-seat passenger car occupants by 45 percent and the risk of moderate to critical injury by 50 percent. For light truck occupants, safety belts reduce the risk of death by 60 percent and moderate to critical injury by 65 percent. There were 90 individuals who died on average per year from 2006-2010 who were not wearing their safety belts. Approximately half of these people would have survived the crash each year if they had worn seat belts.

Driving Too Fast for Conditions

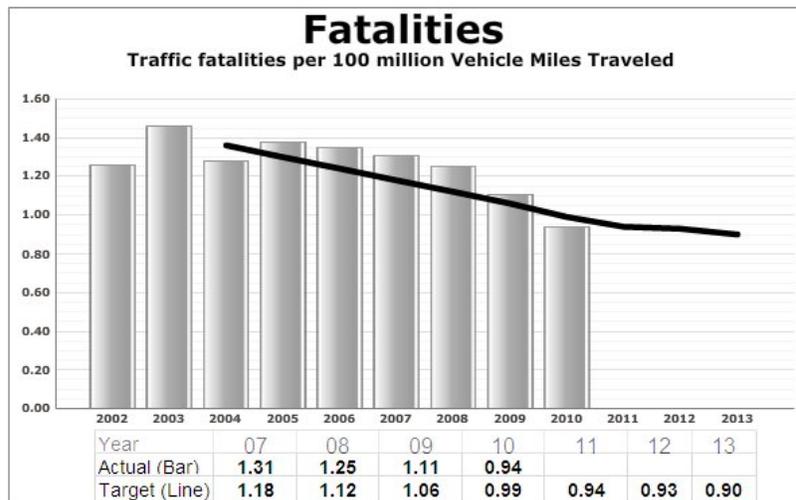
Almost 45 percent of Oregon's traffic fatalities from 2006-2010 can be attributed to speeding or driving too fast for road and weather conditions. Transportation Safety supports increased penalties for drivers caught excessively speeding, particularly in work zones, school zones, and safety corridors. Street racing has emerged as an issue in many suburban neighborhoods.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

PERFORMANCE MEASURES

KPM #1	TRAFFIC FATALITIES Traffic fatalities per 100 million Vehicle Miles Traveled (VMT)	Measure Since 1998
Goal	ODOT Goal #1 Safety -- Engineer, educate and enforce a safe transportation system	
Oregon Context	Oregon Benchmark #45: Preventable Death	

ODOT's strategy to reduce traffic fatalities is to continue to implement traffic safety programs based on the causes of fatal crashes in Oregon. For example, the Oregon Traffic Safety Performance Plan and the ODOT Transportation Safety Action Plan catalog safety activities directed at safe driving, DUI, safety belt use, speeding, motorcycle safety, child safety seats, equipment standards, and other areas. ODOT also seeks to combat traffic fatalities through strategic highway safety improvements,



such as median cable barriers, rumble strips, and pedestrian crossings as well as DMV medical at risk program.

ODOT seeks downward trends for fatality statistics. Targets are set based on ODOT's desire to reduce fatality rates gradually over time to achieve the longer term goal of dramatically reducing fatality rates to 0.90 per 100 million VMT by 2013. The rate for 2010 is under the target at 0.94 per 100.

ODOT compares Oregon traffic fatality data with national data provided by the National Highway Traffic Safety Administration (NHTSA). Despite a lower than expected fatality rate decline, in 2010, Oregon's rate (0.94) compares favorably to the U.S. national fatality rate of 1.09. From 2007 to 2010, Oregon's fatality rates have been below the national rate.

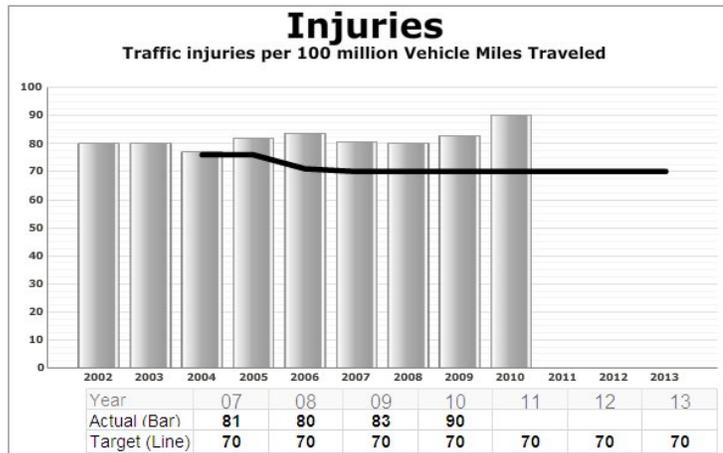
Several factors affected the traffic fatality rate in 2010. Among those factors were continuing increases in crashes involving pedestrians. The number of available traffic law enforcement officers also continues to be an issue. Another factor is that it is harder to make changes when the fatality rate is so low. However, fatal crashes involving alcohol, speed, or not wearing a safety belt dropped dramatically, leading to the lowest fatality rate in Oregon history. Over the last twelve years, Oregon has experienced the lowest fatality count since the late 1940s. Overall progress toward reducing traffic fatalities has been very positive.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

KPM #2	TRAFFIC INJURIES Traffic injuries per 100 million Vehicle Miles Traveled (VMT)	Measure Since 1999
Goal	ODOT Goal #1 Safety -- Engineer, educate and enforce a safe transportation system	
Oregon Context	Oregon Benchmark #45: Preventable Death	

Reducing the number of traffic crashes is the primary strategy to reduce traffic injuries, but when a crash happens, reducing the severity becomes the secondary strategy. This is influenced in three primary ways:

- a. Safe Infrastructure:
Implement design practices that mitigate structural safety risks on Oregon's transportation system.
- b. Driver Behavior:
Deploy safety information and education programs to reduce crashes caused by driver behavior.
- c. Emergency Medical services



Like fatalities, ODOT seeks downward trends for injuries due to traffic crashes. Although trends for these crashes fluctuate up and down year to year (see graph above), the targets are set with reductions in mind. Traffic injuries increased slightly in 2010 compared to the previous years, while the vehicle miles traveled decreased slightly. A reduction in injuries is desirable; however the increase is not out of line with typical trends. Traffic deaths declined significantly over the last several years, which provides a logical shift to an increase in injury and property damage crashes. Successful interventions such as safety belt use, enforcement of speed and driving impaired laws, and safer road design have decreased the severity of crashes and transformed what would have been a fatality into a lesser injury or property damage crash.

The 2010 national injury rate is 75 injuries per 100 million vehicle miles traveled (VMT). This rate was provided by the National Center for Statistics and Analysis of the National Highway Traffic Safety Administration (NHTSA). The Oregon rate in 2010 (90) is higher than the national average. Passenger cars (Oregon 11% increase, U.S. 4% increase) and light trucks (Oregon 9% increase, U.S. 4% decrease) saw the largest increase in injury crashes in Oregon, followed by motorcycles (Oregon 1% increase, U.S. 9% decrease). The number of bicyclists injured in Oregon increased dramatically compared to the national level (Oregon 14% increase, U.S. 0% change). The number of pedestrians injured also was higher than the national figure (Oregon 21% increase, U.S. 19% increase).

Several factors affected the injury rate in 2010. Significant positive factors affecting injury rates were high rates of the use of safety belt, child safety seats and booster seats. On the negative side was an increase in bicyclist and pedestrian injuries and drivers age 15 to 20 continue to be overrepresented in injury crashes. About 19 percent of all crashes involve a driver age 15 to 20.

ODOT should continue to review the causes of crashes and target safety activities accordingly. Also, ODOT will continue to monitor the success of various safety programs to efficiently and effectively target efforts to reduce major and moderate injuries.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — TRANSPORTATION SAFETY DIVISION —

KPM #3	IMPAIRED DRIVING Percent of fatal traffic crashes that involved alcohol	Measure Since 1998
Goal	ODOT Goal #1 Safety -- Engineer, educate and enforce a safe transportation system	
Oregon Context	Oregon Benchmark #45: Preventable Death	

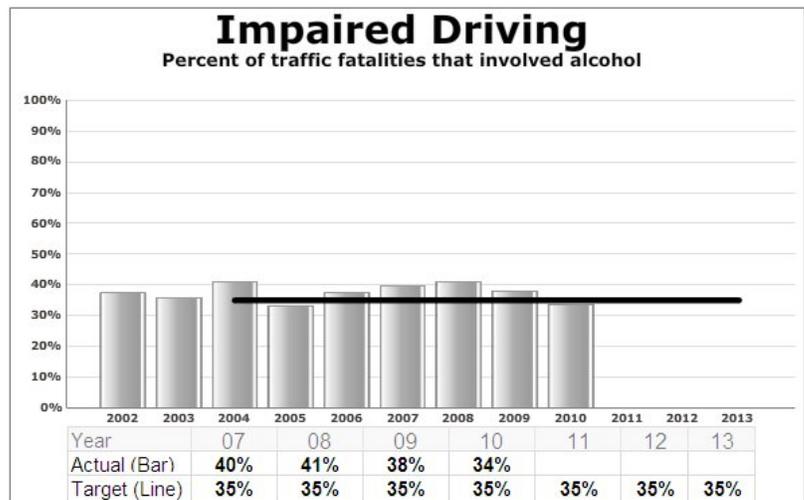
ODOT will continue to monitor all aspects of fatalities due to impairments and will channel efforts through two primary areas of influence:

Driver Behavior:

Deploy safety information and education programs to reduce crashes caused by driver behavior.

Enforcement:

Keep unsafe drivers and vehicles off the system to improve safety and feelings of safety among Oregon system users through enforcement efforts.



ODOT continues to strive for reductions. The target of 35 percent for 2009 was below the national average for the same year according to statistics published by the National Highway Traffic Safety Administration (NHTSA).

Alcohol-involved fatalities were 41 percent of the total fatalities in all crashes in 2009 and reduced to 34 percent in 2010.. The 2009 outcome of 41 percent of fatalities in crashes involving alcohol is less than the national average of 42 percent reported. Both the state and national trends show an increase from prior years (nationally up from 40 percent in 2005), but Oregon’s increase was higher.

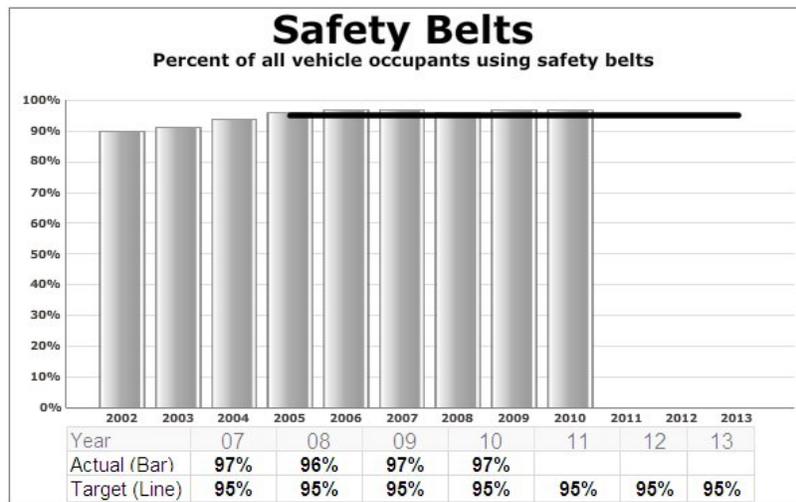
This is a measure of a variety of influences that contribute to the result. ODOT efforts are focused to make gains on driver behavior and choices through education and enforcement, but social and economic influences will also remain significant factors.

ODOT will continue to monitor all aspects of fatalities due to impairment. ODOT’s Safety Division is charged with the coordination and staff for the Governor’s DUII Advisory Committee, which is focused on reducing the impacts of DUII in Oregon. Input from this committee and ODOT staff contribute to strategies developed to continue the reduction of alcohol-involved traffic fatalities. These strategies are typically enforcement- or education-based, such as training for police, prosecutors and judges; grants to pay for DUII enforcement overtime; community-based campaigns, public information and other education campaigns.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

KPM #4	USE OF SAFETY BELTS Percent of all vehicle occupants using safety belts	Measure Since 1998
Goal	ODOT Goal #1 Safety -- Engineer, educate and enforce a safe transportation system	
Oregon Context	Oregon Benchmark #45: Preventable Death	

ODOT's current strategies for increasing safety belt usage among the traveling public include the provision of grants to pay for law enforcement overtime related to safety belts, speed and impaired driving laws and efforts to increase the availability of information in rural areas and for non-English speakers. In addition, ODOT's safety division conducts public awareness efforts to communicate to Oregonians the importance of wearing safety belts in reducing premature deaths and injuries, and in improving travel safety in Oregon.



ODOT seeks to influence a greater percentage of the public to use safety belts, so an upward trend is desirable. A very high percentage has been set as the target because Oregon has consistently been in the top five among states with a high percentage use of safety belts.

This measure shows progress toward improving travel safety in Oregon and exceeds the target ODOT set for every year since 2005. ODOT Safety Division programs have been effective toward increasing the percentage of Oregonians using safety belts.

Oregon's rate of 97 percent cannot be compared to other states because the Oregon safety observation study uses a more comprehensive methodology than the national survey. Using NHTSA's safety belt survey that does not review all seats in a vehicle like the Oregon survey does, Oregon has routinely been in the top five among states with the highest rates of safety belt usage.

Education and outreach efforts have recently been more focused on child occupants in order to increase the proper usage of child restraints and booster seats. Use of grant dollars for police overtime for targeted enforcement related to safety belts has also had positive results.

Safety belt usage is such an important contributor to reductions in traffic fatalities that ODOT will continue its efforts to further increase safety belt use among Oregonians. ODOT will continue to monitor safety belt usage and direct efforts to keep usage increasing, particularly among children.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — TRANSPORTATION SAFETY DIVISION —

KPM #8	TRAVELERS FEEL SAFE Percent of public satisfied with transportation safety	Measure Since 1998
Goal	ODOT Goal #1 Safety -- Engineer, educate and enforce a safe transportation system	
Oregon Context	Oregon Benchmark #45: Preventable Death	

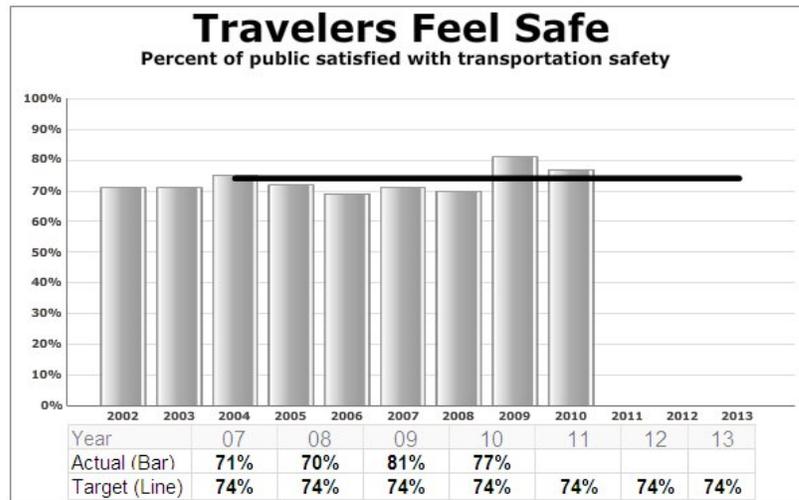
ODOT's current strategies for increasing perception of safety on Oregon's transportation system fall primarily in two areas:

Education:

Information campaigns educate about safety and department activities that support safety. A more knowledgeable public is likely to feel safer.

Visible Police Presence:

This visibility increases safety and perception of safety through enforcement.



ODOT seeks to influence a greater percentage of the public that perceives the transportation system to be safe so an upward trend is desirable. This measure hovers around a reasonable range of the target for the last several years and was above target for the last two years (81 percent in 2009 and 77 in 2010). The average for the previous five years is 74 percent, which is near the target. Although an upward trend is generally desirable, complacency on the part of the traveling public would not be a desirable outcome based on too high a perception of safety.

Oregonians' perception of safety of the transportation system cannot be compared to other states because this survey is not compiled on a nationwide basis.

ODOT's Traffic Safety Division coordinates safety activities within ODOT and numerous safety programs exist within other ODOT divisions such as Highway, Motor Vehicle Services and Motor Carrier Transportation. These programs sustain constant efforts, but public awareness campaigns inform Oregonians about department activities to improve safety within the state. Some correlation likely exists between increased awareness of safety activities and perception of safety. A less visible presence of police due to reductions may also be a factor in perceptions of safety as it is certainly a factor in enforcement.

ODOT will sustain its focus on all aspects of safety as it remains the agency's highest priority. Continued information campaigns will not only increase public awareness of safe choices and behaviors, it also informs them of department activities. Grant monies will also continue to be provided for focused police presence to improve safety. Additional efforts for coordination of safety programs for public transit and rail may also be of benefit.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

BUDGET HIGHLIGHTS

Transportation Safety Division Expenditures

	2007–2009 Actuals	2009–2011 Actuals	2011–2013 Legislatively Adopted
Programs			
Statewide Operations	4,965,407	4,869,619	5,266,934
Field Programs	21,021,457	24,141,522	26,273,547
Total	25,986,864	29,011,141	31,540,481
Expenditures by Major Revenue Source:			
State (Dedicated Funds)	10,912,212	11,981,106	13,960,554
Federal Funds	15,074,652	17,030,035	17,579,927
General Fund	0	0	0
Total	25,986,864	29,011,141	31,540,481
Expenditures by Category:			
Personal Services	3,986,520	3,974,546	4,303,646
Services and Supplies	3,626,948	3,700,491	3,995,551
Capital Outlay	32,308	60,681	164,763
Special Payments	18,335,088	21,275,424	23,076,521
Total	25,986,864	29,011,141	31,540,481
Positions	26	26	25
Full-Time Equivalent (FTE)	25.50	25.50	25.00

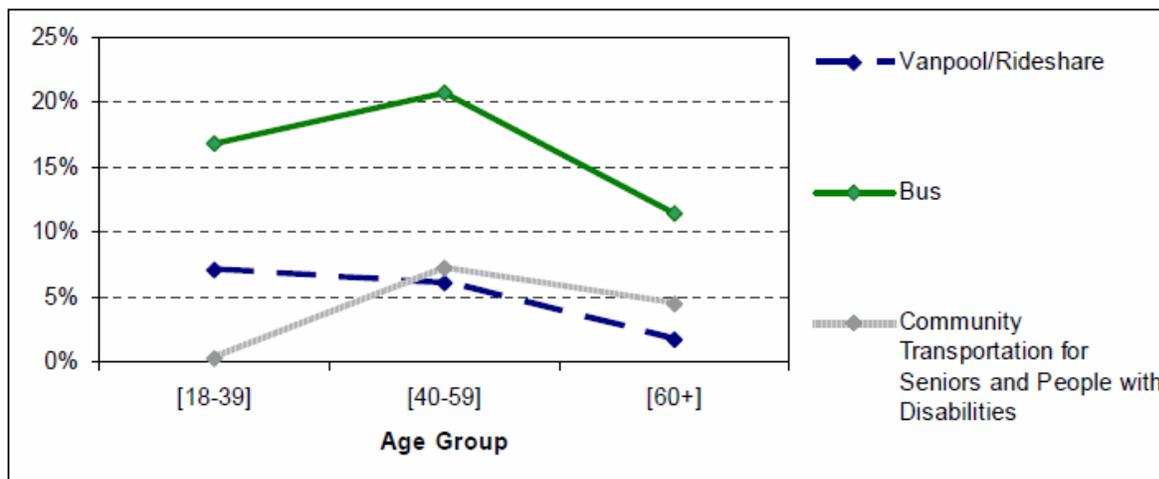
Public Transit Division

PUBLIC TRANSIT DIVISION

The Public Transit Division provides grant assistance, advocacy, and technical assistance to communities and local transportation providers. Mobility is needed to live independently and participate in Oregon’s economy. The division also develops and encourages the use of transit, ridesharing, telecommuting, schedule shifting, walking, bicycling, and other alternatives to driving alone during peak travel times as ways to reduce congestion, diminish environmental impacts, and improve the functioning of Oregon’s highways.

In 2010, Oregonians took 128.8 million rides in urban transit districts with 4.25 million rides in rural areas. Of these trips, people with special transportation needs (older adults and people with disabilities) took 3.2 million van or volunteer trips. Total trips provided averaged more than 33.5 rides per Oregonian.

The 2009 ODOT Oregon Transportation Needs and Issues Survey showed that Oregonians of all ages use public transportation. The figure below shows ages and the percent of respondents using services in the month prior to the Survey.



Note: scale is to 25%.

To implement division goals, the division conducts a spectrum of activities to develop transportation solutions and alternatives:

Social Services Transportation Coordination: ODOT works with the Department of Human Services in numerous communities around the state to make transportation service for seniors and individuals with disabilities more efficient through improvements such as transportation brokerages, vehicle sharing, joint maintenance, and other coordination improvements. There is new emphasis on this work at the Federal level.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

The division also worked with the Oregon Department of Veterans Affairs and with the Federal VA to provide handicapped accessible vehicles for the VA fleet. This came about because of the division administrator's participation on the Governor's Task Force on Veteran's Transportation. The division was able to locate handicapped accessible vehicles being phased out of the public transit fleet, refurbish the vehicles and provide them for use in the Federal Veteran's Administration for use in their fleet. This marks the first time that handicapped accessible vehicles are part of the VA's fleet.

The division also participates in the new "United We Ride" initiative. A United We Ride grant has assisted to improve coordination between state agencies and other transportation providers to enhance services for individuals with disabilities, older adults and persons with lower incomes. In response to a DHS budget note, the division, working with DHS, completed an assessment of needs and potential resources that will help prepare the state to meet demands for special transportation anticipated due to increase in senior population. In 2013 the division will take a fresh look at transportation coordination possibilities. An example is the state, federal and local agency effort to improve veteran's transportation by broader use of medical transportation call centers and assisting to make accessible vehicles available for veteran transportation.

Trip Planning Information: Resources are being invested to improve the quantity and quality of transportation information available to the public statewide. ODOT's Trip Check website has been updated with a Transportation Options tab that provides travelers with a computer connection to help them identify and choose among transportation options within and among communities.

Statewide Rideshare Program: During the 2011-2013 biennium the division will initiate a Rideshare On Line (RSO) technology improvement. RSO software allows the public to use the internet to find rideshare matches for travel in Oregon, Washington and other western areas. The state-of-the-art technology has features that allow communities of interest or individuals maximum flexibility to make shared trips possible that are safe and convenient.

Transit Fleet Preservation: One key component of an improved transit network is to improve the condition and capacity of vehicles providing trips in Oregon. In 1999, the legislature approved discretionary grant resources to improve vehicles used for seniors and individuals with disabilities. These improvements are funded from federal Surface Transportation Program funds (STP). This program has been very successful.

The goal is to sustain and improve the condition of vehicles used in Oregon's public and special transportation service for which the division has title. The goal was to increase from only 66 percent of vehicles that are within the federal standards for average useful life to at least 80 percent of the fleet within the standard. The current program has improved the fleet to the 80 + percent goal.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

In 2010, the legislature approved a division request to apply for a grant from the Federal Transit Administration “State of Good Repair” program. Oregon was awarded \$3 million FTA funds to replace 31 aged vehicles. This assisted the division to maintain the fleet standard for local service providers. A similar request has been made for 2011.

Coordinated Partnerships: This biennium the division has taken advantage of a Federal Transit Administration (FTA) pilot program to use In-Kind Match for intercity bus service. This program has allowed the division to add an intercity passenger route along the southwest corridor in Oregon.

The division continues to partner with the Association of Oregon Counties to assist local governments to develop and implement area plans for human services transportation coordination.

PUBLIC TRANSIT DIVISION PROGRAMS

GENERAL PUBLIC TRANSIT

Mass Transit Vehicle Grants

The division offers a capital grant program that helps public entities replace urban transit vehicles that have exceeded federal condition standards. This helps communities provide general public transit service with vehicles that are safe and appropriately designed for the route. The program is funded with federal Surface Transportation Program funds.

Rural Operating Grants

The division provides training, technical expertise and grant assistance to local governments that offer transit choices within and between rural communities to support Oregon’s goals for productive and healthy communities. The source of funding is the Federal Transit Administration (FTA). Funds may be used for planning, operations, and capital purchases or technology improvements in communities with populations under 50,000. Thirty-six communities around the state receive annual grants through this program.

Jobs Access Reverse Commute Grants

The division coordinates a competitive grant process for rural (under 50,000 population) and small urban areas (from 50,000 to 200,000 population) to provide grants for employment-related transportation for low-income and individuals with disabilities. The source of funds is Federal Transit Administration (FTA).

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

Oregon Street Car Fund

The 2007 Oregon Legislature created the Oregon Streetcar Project Fund to finance grants to municipalities for the purchase of contemporary rail-based streetcars used in public transit systems. The streetcars are to be purchased from an Oregon–owned and Oregon-based manufacturer. \$20 million dollars of lottery backed revenue were made available for this project. The Fund is assisting the City of Portland to purchase five contemporary streetcars for an extension of the popular Portland Streetcar network to Lloyd Center. The new streetcars are being built in Portland by Oregon Iron Works.

INTERCITY PASSENGER PROGRAM

Rural Intercity Bus Program

This Federal Transit Administration funded program promotes intercity passenger services connecting rural communities. The program funds intercity service, vehicles, information systems, intermodal facilities, technology and equipment to make vehicles accessible. Emphasis is placed on strengthening the Oregon intercity bus network by connecting communities with the next larger market economy, supporting intercity bus service on underserved corridors, closing service gaps, supporting improved coordination of intercity service, and connecting bus, rail and air. Staff provides technical assistance, identifies service gaps, works with committees to prioritize needs, and manages grant contracts to meet priority needs. The division has implemented a new project to use a federal pilot program match option for a match partner to develop intercity connections for southern Oregon.

The division has worked to enhance and improve three Oregon intercity bus services. The division continued efforts to improve rural intercity passenger bus service through POINT (Public Oregon Intercity Transit). POINT is a service of regional transit companies and ODOT. The NorthWest POINT provides two round trips a day between Portland and Astoria. Amenities include AC outlets, free Wi-Fi, extended leg room for passengers, and a web site. The SouthWest POINT provides daily round trip service between Klamath Falls and Brookings. Amenities include free Wi-Fi on buses and at the Klamath Falls and Brookings passenger terminals, and a web site. The HighDesert POINT provides two daily round trips between Redmond and Chemult. The HighDesert POINT connects with Amtrak passenger rail service in Chemult. Amenities include free Wi-Fi on buses and an informational web site. For additional Oregon POINT information see www.Oregon-POINT.com.

Amtrak Thruway Bus Connections

Public Transit and Rail divisions work together to support intercity connections with Amtrak passenger rail service by providing the federal intercity resources for three rural intercity bus connections to Amtrak rail.

SPECIAL NEEDS TRANSPORTATION PROGRAM

Special Transportation Grants

Funds for vehicles and services benefiting older adults and individuals with disabilities are available through the state supported Special Transportation Fund and from FTA funds. Special Transportation Funds (STF) are allocated to transportation districts, counties, and nine federally recognized Tribal governments. State sources of STF are cigarette tax revenues, state Identification Card fees, and non-highway use state gas tax revenues. The federal funds for Special Needs Transportation are composed of federal sources that support vehicles, service and improved access for seniors and people with disabilities that are identified through local coordinated transportation plans. The division offers training and technical assistance and coordinates the state and federal planning requirements associated with special needs transportation.



Special Needs programs assist providers serving senior citizens and people with disabilities.

New Freedom Grants

The division coordinates a small FTA competitive grant program to develop additional transportation services for individuals with disabilities that will increase access to the job market and other services. This program encourages projects that provide public transportation options for individuals with disabilities that are new, and go beyond the requirements of the Americans with Disabilities Act.

TRANSPORTATION DEMAND MANAGEMENT

The program helps ODOT achieve national and state goals for land use, air quality, congestion management, energy conservation, and promotion of mobility alternatives for commuters. The Transportation Demand Management Program, also called “Transportation Options”, helps fund the development of services and facilities that better manage ODOT transportation system capacity and improve citizens’ alternatives to drive alone travel. Examples include rideshare programs, park-and-ride lots, telecommuting, marketing, consumer education and information, and incentive programs to encourage the use of alternatives to driving alone. The program is currently responding to an increased demand for ride sharing program options due to increasing fuel costs and climate change issues. This program will focus activities to achieve new emissions reductions goals recently set in response to global warming.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

Transportation Options Rideshare Grants

ODOT Regions contribute funds to projects within their areas. Division staff provides technical assistance and contract oversight for Transportation Options/Rideshare programs in Albany-Corvallis, Bend, Eugene, Medford, Portland and Salem. Technical assistance is also provided to ODOT regional staff and communities for issue identification and strategy development.

Transportation Options Marketing Grants

This program administers \$1.5 million in federal Surface Transportation Program (STP) dollars that are dedicated to traditional and individualized marketing initiatives.

- Individualized marketing of travel options. Follow-up research finds that this strategy has been successful to provide a 14 percent mode-shift. A recent example was the summer 2008 “Governor’s Commute Challenge” for Capital Mall employees.
- A mass marketing campaign. “Drive Less. Save More.” began in the Portland Metro area, but became a statewide program late in the 2009-2011 biennia. During the 2011-2013 biennium, the campaign will continue to reach Oregonians in all regions of the State. Drive Less. Save More’s message to the public is about the simple ways they can use their cars more efficiently, and reduce Single Occupancy Vehicle travel.

PUBLIC TRANSIT PLANNING

The Transit Planning Program supports statewide transit planning and policy development. Division staff develops and provides technical expertise in plan review for local, regional, and statewide plans to ensure the appropriate consideration of public transit needs. Federal Transit Administration funds are made available to support statewide and local transit plan development.

Metropolitan Planning Grants

The division administers Federal Transit Administration federal pass-through funds for Metropolitan Planning Organizations in the Eugene, Portland, Salem, Bend, Corvallis, and Medford areas for use in intermodal transportation planning.

ISSUES AND TRENDS

Global Warming, Emissions Reductions and Carbon Constraints

The Oregon Transportation Plan names global warming as one of the priorities that ODOT is to address. The policy of the state is to halt increases in Oregon's greenhouse gas emissions by 2010, and then reduce those emissions to 10 percent below 1990 levels by 2020 and to 75 percent below 1990 levels by 2050. The Governor's Climate Change Integration Group Report has identified transportation as a key area for accomplishing many of these emissions reductions. Within transportation, it named vehicle miles traveled (VMTs) as a key measurement for reduction. Also, Oregon is a part of the Western Climate Initiative, which plans to design a carbon cap and trade system that will, among other things, act as an economic constraint on VMTs and gasoline use.

Use of public transit and other transportation options (carpooling, vanpooling, bicycling, etc.) significantly reduces VMT and carbon emissions from the same distances traveled in the drive-alone mode. These travel-modes make more efficient use of existing road capacity -- at much smaller expense than building new roads. By reducing the number of cars on the road they reduce traffic congestion and help freight move more swiftly and predictably to protect Oregon's economic health.

Urban Congestion

Urban congestion is a serious economic issue for Oregon. The Oregon Progress Board's Population Survey for 2004 indicates that 47 percent of people living in the Portland Metro area see traffic congestion as a serious or critical issue. Urban transit and other travel options program alternatives are viewed as essential to preserving the efficiency and health of metropolitan areas transportation systems.

Oregon public transportation providers are responding to the climate change and urban congestion goals for a more sustainable Oregon. Urban transit has seen unprecedented service increases and requests for rideshare information continues to grow. The following financial challenges will need to be addressed as demand for sustainable alternative transportation service continues to increase. Public Transportation providers are facing the following issues in the 2011–2013 biennium:

- Pressure to transition to equipment and practice that is energy efficient and has less environmental impact
- Pressure to add operational improvements, i.e. more routes, amenities and additional service on popular routes
- Pressure to enhance services and modernize aging facilities
- Pressure to reduce bus headways

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

- Pressure to add commuter bus and rail capacity
- Pressure to modernize bus options and design
- Increasing costs to modernize travel information and upgrade communications and security equipment

Aging Population - Sustaining Older Adults and Individuals with Disabilities Service

Oregon's population is growing and the fastest growing segment includes residents over the age of 65. Providing mobility that fosters independence for this group helps defer or avoid the higher costs associated with administering support services. Rural communities in particular are affected. In the southern coast area, 27 percent of the population includes seniors above the age of 65 compared to 12 percent statewide. By 2015, it is estimated that 15 percent of the population will be over 65.

Transit agencies provide about 17 million transit trips for older adults and people with disabilities. The cost of these services is about \$47.5 million per year. According to a study conducted by Portland State University, in order to keep pace with population growth *alone*, the low estimate of the cost for service in 2030 will be \$132 million, and the high estimate is \$246 million. These estimates *do not* include inflation or addressing unmet need. In order for STF cigarette tax revenues to keep up with the estimated demand and the projected decline in cigarette tax revenues by 2030, the current 2 cent cigarette tax would need to be raised to at least 13 cents (the low estimate) and as much as 37 cents (the high estimate). This could be accomplished with an annual increase of 0.6 to 1.8 cents per pack. To keep pace in the short term (to 2015), the cigarette tax would need to be between 4.3 cents and 7.2 cents.

In urban areas, the high cost of providing federally mandated dial-a-ride curb to curb service, commonly referred to as complementary paratransit service, is challenging the ability of the largest urban transit systems to sustain services. Urban systems have implemented, or are contemplating, reductions in fixed route services to offset the high cost of complementary paratransit service.

Rural Transit Service Trends

In 2009 the division partnered with Portland State University to study rural public transportation. The results, "Rural Transit in Oregon; Current and Future Needs; January 2010", reports that 43 percent of all Oregonians live in rural areas and currently 55 percent of those rural Oregonians have some level of public transportation available.

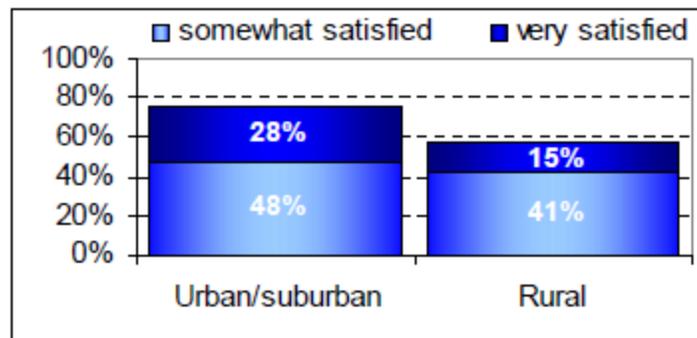
The 2009 ODOT "Transportation Needs and Issues Survey", December 2009 found that only 41 percent of Oregonians surveyed that did not have driver licenses were satisfied with available transportation choices. (See table below.)

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — PUBLIC TRANSIT DIVISION —

Satisfaction with ODOT’s efforts to make transportation options available to all, comparing responses of drivers (licensed) to non-drivers.

	Are you a licensed driver?	
	No	Yes
very satisfied	33%	25%
somewhat satisfied	8%	46%
not very satisfied	13%	23%
not at all satisfied	46%	5%

Additional information from the survey indicated Oregonians living in rural areas were not as satisfied with available transportation choices as those in urban areas.



Satisfaction with ODOT’s efforts to make transportation options available to all, comparing responses of urban/suburban to rural residents.

These results challenge the division to continue work on Oregon’s rural public transportation. The PSU study estimated that additional funds of \$16 million per year in 2015 are needed to improve service levels that will meet the demand for those living in rural communities. During 2011-13 the division will use study information to consider program improvements and target areas for additional investments.

ACTIVITIES

TripCheck - Public Transit Information Online

TripCheck-Transportation Options (TripCheck-TO), is a public transportation extension to the TripCheck.com website. It includes a comprehensive directory of Oregon transit services. Users search by city or county of interest, and can filter by accommodation type or service type. Users may enter an origin city and a destination and see service options for traveling between cities. TripCheck-TO can be accessed by going to www.tripcheck.com and selecting the “Transportation Options” tab, or directly at www.tripcheck.com/rtp-to/cityCounty/cityCountySearch.aspx

Stakeholder Participation

PTD convenes an advisory committee of representative public and private transit stakeholders to advise on improving public transit in Oregon. In March 2010 the PTAC prioritized sixteen transit project proposals to compete in the 2010 ConnectOregon III program. Public transit projects for Wilsonville, Central Oregon, City of Portland Streetcar, Rickreall, Medford, and the Umatilla Tribe were awarded grants.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — PUBLIC TRANSIT DIVISION —

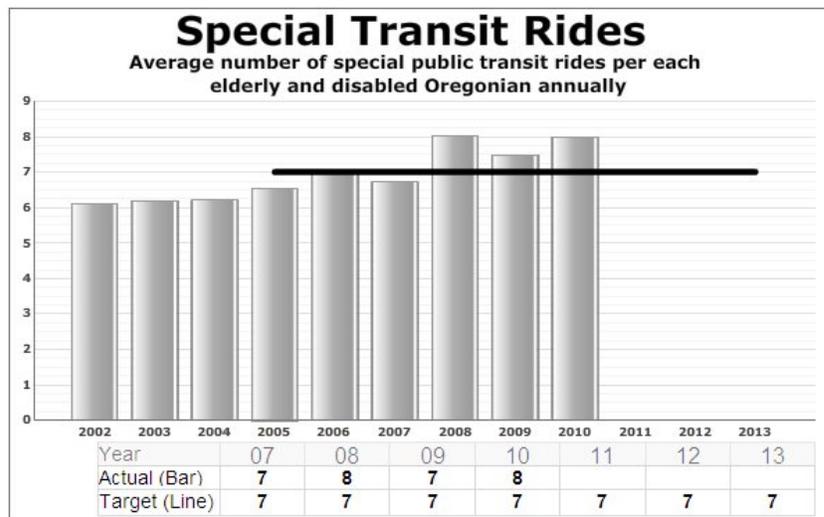
PERFORMANCE MEASURES

KPM #10	SPECIAL TRANSIT RIDES Average number of special transit rides per each older adult and person with disabilities Oregonian annually.	Measure Since 1999
Goal	ODOT Goal #3: Mobility/Economic Vitality -- Keep people and the economy moving	
Oregon Context	Oregon Benchmark #59: Independent Seniors, Oregon Benchmark #60 Working Disabled	

Transportation Mobility:

ODOT invests in and promotes the use of accessible transportation services for older adults and persons with disabilities. State and Federal Programs have been developed to provide equality of access for those with mobility needs.

Since 1998, average annual rides per older adult and person with disability steadily increased until 2007. In 2007 the average number of rides



declined due to population and fuel cost increases with no commensurate resource increase. 2008 shows a small recovery, with 2009 and 2010 continuing to show gains in rides provided as resources became available through recent legislative support and federal stimulus funds.

The target was set in 1999 as a goal based on a 1998 study of the needs of older adults. New work has been completed in 2008 with Association of Oregon Counties and Portland State University to re-assess the transportation needs for older adults and people with disabilities. New baseline and targets will be reflected in the 2013 – 2015 budget.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — PUBLIC TRANSIT DIVISION —

KPM #12	INTERCITY PASSENGER SERVICE Percent of Oregon communities of 2,500 people or more with intercity bus or rail passenger service	Measure Since 1998
Goal	ODOT Goal #3: Mobility/Economic Vitality -- Keep people and the economy moving	
Oregon Context	Increase access to the transportation system and services	

Connecting Communities:

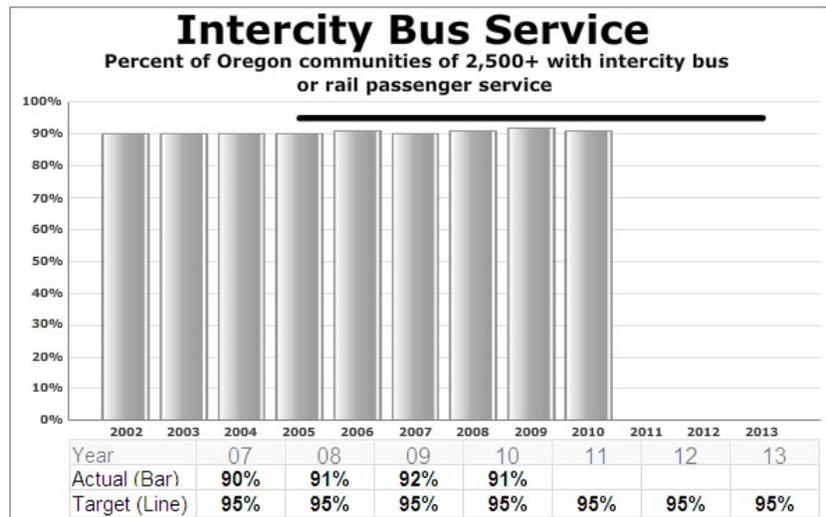
Viable transportation options are important for rural communities. ODOT has placed an emphasis on strengthening connections for rural communities. Mechanisms to support this include incentive funding and vehicle purchase for providers of intercity passenger service.

The target of 95 percent for this measure comes from the Oregon Transportation

Plan, demonstrating alignment between ODOT’s key performance measures and long-term planning. The goal for 2011–2013 biennium is to maintain existing progress and meet the goal of 95 percent.

Since 2002, 90 percent of all communities with a population of 2,500 or more have bus service to the next regional service market and accessible connections to statewide and regional intercity transportation service. This goal helps to meet the needs of rural Oregon communities for travel alternative and intercity service access. We have kept up with growth in number of communities and population. For 2010 91% of communities are now connected a small decrease caused by one community that is not served that grew to over 2,500 population.

This program will be refined within the next biennium to reflect the opportunities for improvement that ODOT’s new traveler information project will provide when valuable internet based information is available to help rural communities and providers make intercity connections.

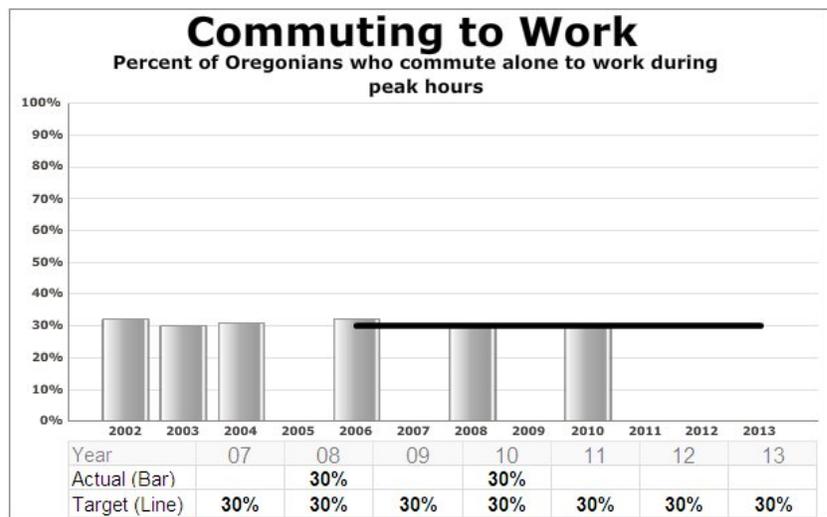


Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — PUBLIC TRANSIT DIVISION —

KPM #13	ALTERNATIVES TO ONE-PERSON COMMUTING Percent of Oregonians who commute to work during peak hours by means other than Single Occupancy Vehicles (SOV)	Measure Since 2000
Goal	ODOT Goal #3: Mobility/Economic Vitality -- Keep people and the economy moving	
Oregon Context	Oregon Benchmarks #68 Traffic Congestion, and #70 Alternative Commuting	

Transportation Options:

ODOT seeks to promote the use of transportation modes other than SOVs by enhancing existing facilities and increasing transportation options where possible. These improvements lead to a reduction in travel delay and stress on the highway system and can ensure multi-modal options for Oregonians.



This measure reports the percentage of commuters that use alternatives to one-person commuting during peak hours. Oregon does well during peak hours and also compares well nationally when looking at commuting choices during all hours.

Efforts to reduce SOV commuting are impacted by the fact that many people combine their commute with household trips to help balance the time demands of work, home, children and travel. Economic factors also have an affect, such as fuel prices and increases or decreases in growth. Education and awareness of alternatives to SOV commuting can also affect change.

The current program is working and should be maintained and improved where opportunities exist. ODOT’s Transportation Demand Management program will continue and new techniques and strategies will be applied where appropriate.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

BUDGET HIGHLIGHTS

Public Transit Division Expenditures

	2007–2009 Actuals	2009–2011 Actuals	2011–2013 Legislatively Adopted
Programs			
General Public	36,968,491	37,163,994	26,275,103
Elderly & Disabled Program	16,717,616	49,510,293	52,188,439
Transportation Options	2,463,169	2,124,454	1,763,798
Statewide Planning	1,837,917	1,862,522	1,170,060
Special Projects		13,500,287	
Transit Administration		1,372,962	1,515,063
Total	57,987,193	105,534,512	82,912,463
Expenditures by Major Revenue Source:			
State	17,659,818	36,324,927	25,710,760
Federal Funds	40,327,375	62,098,302	55,201,703
General Fund	0	7,111,283	2,000,000
Total	57,987,193	105,534,512	82,912,463
Expenditures by Category:			
Personal Services	2,425,147	2,981,527	2,640,668
Services & Supplies	1,265,983	1,593,437	6,298,269
Capital Outlay	0	7,354	0
Special Payments	54,296,063	100,952,195	73,973,526
Total	57,987,193	105,534,512	82,912,463

Positions	13	15	15
Full-Time Equivalent (FTE)	12.75	14.75	14.75

Rail Division

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— RAIL DIVISION —

RAIL DIVISION

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

Funding Sources: Railroad Gross Revenue Fee, Grade Crossing Protection Account; Grade Crossing Improvement Account; State Rail Rehabilitation Fund (unfunded); Rail Transit fee; Custom Plate Fees; Lottery Bond Proceeds; FRA and FHWA federal funds for railroad projects; and FHWA funds for Highway Railroad Crossing Safety Improvements.

RAIL DIVISION PROGRAMS

- **RAIL ADMINISTRATION**
- **RAIL SAFETY**
Rail Transit Safety Oversight
- **CROSSING SAFETY**
- **OPERATIONS**
Planning
Projects
Passenger Rail
Railroad Property Management



The Amtrak Cascades rolls through downtown Salem past the 12th Street walkway.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— RAIL DIVISION —

ADMINISTRATION

Division administration defines overall state rail policies, actively represents the interests of rail customers and ensures that rail transport opportunities are adequately addressed at the federal, state and local levels. Administration also coordinates the various functions of the Division.

RAIL SAFETY

The Division ensures compliance with state and federal regulations related to track, locomotives and rail cars, hazardous material transport and railroad operating practices. This program is critical in reducing the potential for railroad derailments and release of hazardous materials. The Rail Safety Program, in cooperation with the federal government, uses a combination of inspections, enforcement actions and industry education to improve railroad safety. Under a separate statutory program, the Division inspects railroad sidings, yards and loading docks to ensure the safety of railroad workers. Under this program, the Division's jurisdiction covers not only the 24 operating railroads, but also 533 rail-served industries. This program is funded by an assessment on all railroads based on annual gross operating revenues generated in Oregon (Rail Fund).

Rail Transit Safety Oversight

The Division has responsibility for the safety oversight of rail fixed guideway systems, i.e. light rail, streetcars and trolleys. The Rail Transit Specialist works closely with rail transit agencies in developing safety and security policies and procedures in compliance with Federal Transit Administration Guidelines. The Rail Transit Specialist also participates in incident and accident investigations and makes recommendations for improvement, if necessary. A Crossing Signal Compliance Specialist inspects crossings of rail transit operations to ensure compliance with federal and state regulations. This program is funded from an assessment on the rail fixed guideway operations (Tri-Met, Portland Streetcar, Astoria Trolley and Willamette Shore Trolley).

CROSSING SAFETY

The Rail Division enforces state laws and administrative rules as well as federal laws and regulations related to crossing safety. This encompasses, by statute, regulatory authority over all public highway-rail grade crossings in the state. The Rail Division, through its Crossing Safety Section, authorizes the construction, alteration or elimination of highway-rail grade crossings within the state. Through regular inspection of the approximately 2,400 public crossings statewide, the Crossing Safety Section enforces numerous state and federal safety requirements. The Crossing Safety Section manages safety improvement projects through administration of federal highway funds and state funds provided by the Grade Crossing Protection Account. Injuries and

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— RAIL DIVISION —

fatalities at Oregon highway-rail grade crossings have been significantly reduced through projects such as construction of grade-separated crossings, signal upgrades and elimination of highway-rail grade crossings. In addition to its regulatory role, Crossing Safety Section staff works cooperatively with railroad companies, state, federal, and local government agencies and the general public to address crossing safety concerns and participate in transportation planning activities to improve the mobility of highway and rail traffic. The Rail Division's crossing safety functions are funded 50 percent from the Rail Fund (Gross Revenue Fee) and 50 percent from the Grade Crossing Protection Account.

OPERATIONS

The Operations programs help develop freight and passenger rail plans and manage railroad improvement projects, including *ConnectOregon*, for both freight and passenger rail operations. Staff provides technical expertise to communities interested in developing rail opportunities, such as commuter rail. The Division participates in federal proceedings related to railroad mergers and line abandonments. Staff also manages the state-supported Amtrak *Cascades* passenger rail service and the related *Thruway* motor coach service. Passenger rail ridership has steadily increased since the service began in 1999, setting record numbers of riders in 2010, up 13% from 2009.

ISSUES AND TRENDS

The Rail Division's priorities and resource allocation strategies are driven by three primary goals: Public Safety, Mobility and Livability.

Public Safety

Under Oregon law, the Rail Division is responsible to ensure the safety of railroads in the state. This mandate covers various components of the railroad system including public highway-rail crossings, infrastructure (tracks, signals), locomotives and cars, along with rail transit systems. These efforts are focused on ensuring operating practices, maintenance activities and highway-rail crossing construction projects maximize safety for citizens, railroad employees and customers of the rail system, such as shippers and passengers.

Mobility

Freight and passenger movement rely on rail shipments. By operating independently from highways, trains avoid highway congestion and conditions. With their self-contained track system, rail shipments remove trucks from the highways while providing for efficient movement of people and goods, which directly impacts local and regional economies.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— RAIL DIVISION —

Each of the modes, including rail, are being challenged by the growing need for transportation, both within and beyond the state's boundaries on infrastructure that is often constrained. The Division manages the public funds invested in rail infrastructure projects, such as smaller railroads upgrading their infrastructure to accommodate heavier freight cars and enhancing rail access to ports and other intermodal facilities.

The Division also facilitates the expansion of passenger rail service and encourages partnerships on developing public/private agreements to help address significant infrastructure challenges. The Rail Division realizes it is imperative for the modes to work cooperatively to address the state's mobility needs because no one mode can satisfy current and future demands in isolation.

Livability

The Division's mandates and programs contribute to the state's livability through development of efficient, safe and comprehensive rail service that minimizes environmental impact, contributes to effective land use, sustains jobs and contributes to a favorable business climate. The ability of Oregon's railroads to help divert road traffic (for both freight and passenger trips) helps congestion management efforts and enhances the useable life of road investments. The Division's regulation of public highway-rail crossings aids local access, emergency response times and overall livability (reduced noise and air pollution from idling, etc.). The state-sponsored intercity passenger rail service and related bus service offers citizens and visitors alternative travel modes.



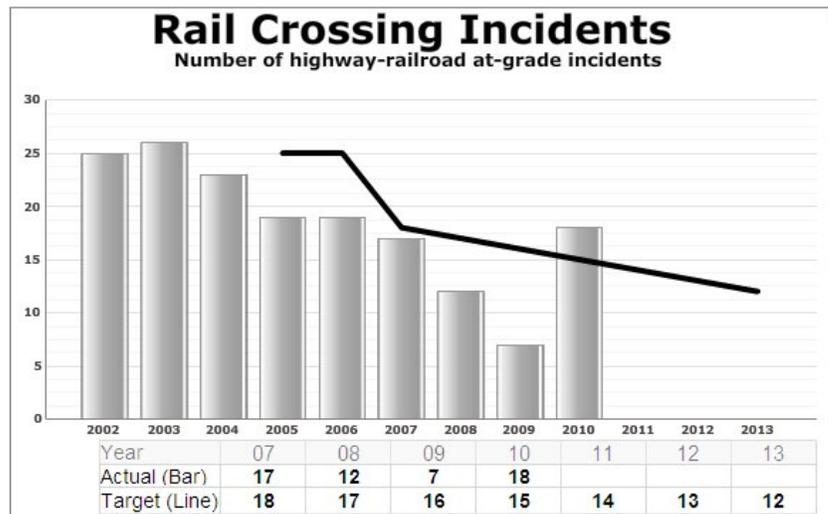
Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— RAIL DIVISION —

PERFORMANCE MEASURES

KPM #6	RAIL CROSSING INCIDENTS Number of highway-railroad at-grade incidents	Measure Since 1999
Goal	ODOT Goal #1 Safety -- Engineer, educate and enforce a safe transportation system	
Oregon Context	Oregon Benchmark #45: Preventable Death	

Safe Infrastructure:

A priority for ODOT is to have the safest infrastructure possible. Safe infrastructure is promoted by implementing design practices that mitigate structural safety risks on Oregon’s transportation system. There are several ODOT activities specific to the Rail Division associated with this general strategy. The Crossing Safety Section manages public highway-rail crossing improvement projects and inspects crossings to ensure they are appropriately maintained. The



Division works with public and private entities, including the railroad companies, public road authorities and law enforcement to address crossing safety concerns and participate in transportation planning activities to improve the mobility of highway and rail traffic.

The Rail Division strives for a zero incident performance. The target reflects the reality that some number of incidents is outside the control of the Division and its transportation safety partners.

In 2010, the number of rail crossing incidents (18) was above target. Since 2001, there has been a decline in the number of incidents. The data shows that in 2010, 13 incidents involved motor vehicles and 5 incidents involved pedestrians, resulting in 3 fatalities. Some incidents are caused by deliberate actions rather than lack of safety education or crossing safety devices. Four of the five pedestrian incidents occurred at fully signalized crossings. Two incidents involved drivers who circumvented lowered crossing gates at signalized crossings. Two other incidents involved drivers who came to a complete stop at a passive crossing and then proceeded into the path of an oncoming train. On three separate incidents, drivers drove their vehicles into the side of a train and then fled the scene on foot.

The Federal Railroad Administration reports that during recent years, Oregon has been in or near the top twenty states for least number of motor vehicle incidents at public crossings except for an increase in 2010.

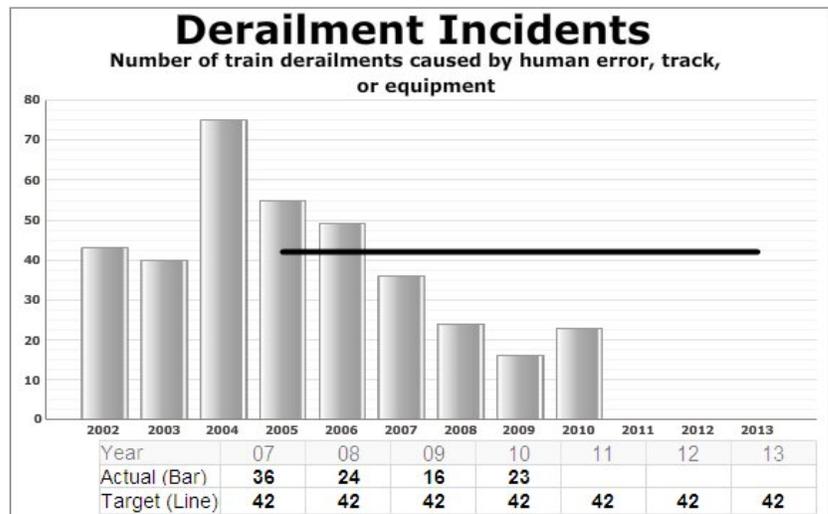
Options to continue the decline in incidents include maintaining inspection efforts, increasing funding for crossing investments and increasing education outreach on crossing safety to the driving public and pedestrians.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— RAIL DIVISION —

KPM #7	DERAILMENT INCIDENTS: Number of train derailments caused by human error, track, or equipment.	Measure Since 1998
Goal	ODOT Goal #1 Safety -- Engineer, educate and enforce a safe transportation system	
Oregon Context	Oregon Benchmark #45: Preventable Death	

Safe Infrastructure:

A priority for ODOT is to provide safe infrastructure and mitigate structural safety risks on Oregon's transportation system. The Rail Division, working with the Federal Rail Administration (FRA), uses a combination of inspections, enforcement actions and industry education to improve railroad safety and reduce the incidence of derailments and the potential for release of hazardous materials.



In 2010, there were 23 derailment incidents, an increase from the 16 derailments that took place in 2009. Over the past six years, derailment incidents have decreased by 71 percent after reaching a peak in 2004. Derailments are below the target. This trend indicates significant improvement. Some of the increase may be attributed to increased train volumes as the industry recovers from the recent recession.

According to FRA's data, derailments increased in Oregon and its neighboring states of Washington, Idaho and Nevada, while California showed a decrease. Oregon showed a 44 percent increase in derailments. The rail systems differ among the states in terms of track miles and the number of carloads, e.g. California has a much larger system than Oregon while Idaho and Nevada have much smaller systems.

The overall decrease in derailments can be partially attributed to an increase in inspections and a full staff of certified inspectors. The decline has steadily continued since 2004 with the hiring, training and certification of new inspectors to replace the turnover in staff. This supports the need for certified inspectors performing regular inspections. A comparison of derailments per track mile (miles of track in each state) shows Oregon with .98 incidents per train mile while Washington shows a high of 1.23 and Nevada shows a low of 0.42.

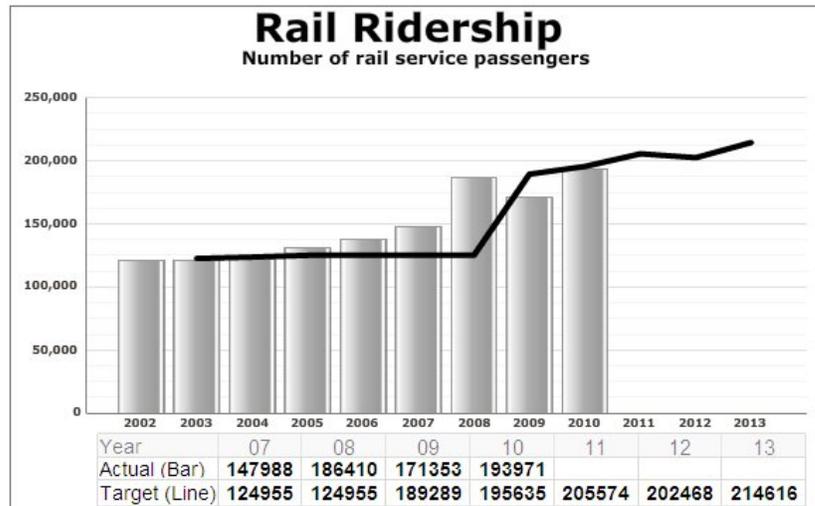
Recruitment and retention of qualified compliance (inspector) personnel is vital as new hires require at least one year of training to become federally-certified to conduct inspections. Staff turnover combined with the required training period can limit the Division's effectiveness in identifying non-compliant, potential derailment conditions. Analysis of data from previous inspections (track conditions, operating issues, etc.) aids the Division in identifying areas of concern on which to focus resources and inspections to reduce incidents.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — RAIL DIVISION —

KPM #11	PASSENGER RAIL RIDERSHIP Number of state-supported rail service passengers	Measure Since 1999
Goal	ODOT Goal #3: Mobility/Economic Vitality -- Keep people and the economy moving	
Oregon Context	Oregon Benchmarks #70: Promoting alternatives to one-person commuting and, #71: Reducing vehicle miles traveled.	

Transportation Options:

ODOT seeks to promote the use of transportation modes other than Single Occupant Vehicles (SOVs) by improving existing facilities and creating new transportation options where possible. Alternative modes of transportation are provided to reduce travel delay and stress on the highway system and ensure multi-modal options for all Oregonians.



The target projections are based on historical increases in state-supported *Cascades* trains and *Thruway* buses. An increase in rail ridership is desirable and could be an indication that transportation options in Oregon have expanded.

Since 2000, passenger rail ridership has steadily increased, reaching its highest level in 2010. Passenger rail ridership fell short of the 2010 target by 1,664. However, the 2010 ridership shows a 13% increase from 2009 numbers.

Since 2000, passenger rail ridership has steadily increased, reaching its highest level in 2010. Passenger rail ridership fell short of the 2010 target by 1,664. However, the 2010 ridership shows a 13% increase from 2009 numbers.

Oregon's passenger rail program is very modest compared to Washington's and California's programs. Both Washington and California have aggressive investment programs for passenger rail resulting in corresponding benefits for passenger and freight rail.

In general, ridership increases result from reductions in travel time, increased train frequencies and improvements in on-time reliability. Each of these conditions is largely dependent upon sufficient capital investment. Oregon recently purchased two new train sets for \$38 million. These train sets will begin service in the summer of 2012 and allow Oregon to provide current service levels to its citizenry. These capital investments add to the existing *Cascade* service pool of five trains sets and bring the pool total to seven.

There are several steps that ODOT can take in terms of improving rail ridership:

- a. Seek increased funding options to increase train speed, frequency, and range of service
- b. Continue passenger rail marketing

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— RAIL DIVISION —

BUDGET HIGHLIGHTS

Rail Division Expenditures

	2007–2009 Actuals	2009–2011 Actuals	2011–2013 Legislatively Adopted
Programs:			
Rail Administration	712,732	576,006	716,953
Rail Safety	2,311,454	1,957,604	2,453,627
Crossing Safety	7,499,834	6,496,164	12,750,782
Rail Planning, Projects & Ops	16,964,656	279,381,701	51,029,841
Total	27,488,676	288,411,475	66,951,203
Expenditures by Major Revenue Source:			
State	22,983,963	270,231,849	32,344,300
Federal	0	18,179,626	34,606,903
General Funds	4,504,713	0	0
Lottery Funds	0	0	0
Total	27,488,676	288,411,475	66,951,203
Expenditures by Category:			
Personal Services	4,401,702	4,215,830	4,802,296
Services & Supplies	8,065,478	6,678,486	18,198,939
Capital Outlay	79,501	17,340,325	18,300,000
Special Payments	14,941,995	260,174,385	25,649,968
Debt Service	0	2,449	0
Total	27,488,676	288,411,475	66,951,203

Positions	24	25	25
Full-Time Equivalent (FTE)	24.00	25.00	25.00

Transportation Program Development

TRANSPORTATION PROGRAM DEVELOPMENT

State and federal laws and rules require ODOT to conduct project development activities such as planning, scoping of projects and data collection to design and operate an efficient transportation system. To this end, Transportation Program Development (TPD) coordinates the future use of transportation resources among federal, state, regional, and local agencies. Transportation Program Development has six major program responsibilities:

TRANSPORTATION PROGRAM DEVELOPMENT PROGRAMS

- **STATEWIDE PLANS AND SPECIAL STUDIES**
 - Statewide Planning Projects
 - Regional Planning
- **TECHNICAL ASSISTANCE AND COORDINATION**
 - Local Government Assistance
 - Statewide Coordination
 - Technology Transfer
- **ANALYSIS AND RESEARCH**
 - Transportation Management Systems
 - Transportation Data and Mapping
 - Transportation Planning Analysis
 - Statewide Transportation Modeling
 - Multi-state Research Projects
 - Research Projects
- **LEGISLATIVE MANDATES**
- **STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM**
- **CONNECTOREGON**

STATEWIDE AND REGIONAL STUDIES

Statewide Planning Projects

TPD oversees the following projects:

- Implementation of the 2006 Oregon Transportation Plan (OTP) which is the 20 year statewide multimodal transportation plan, as required by state and federal legislation, which establishes the policies that are implemented through modal, topic and facility plans.
- The 1999 Oregon Highway Plan (OHP) was reprinted showing all amendments through 2006. The OHP is continually amended due to approval of Interchange Area Management Plans and other facility plans that are considered amendments to the OHP which emphasizes the long-range safe and efficient management of the highway system. Additionally, the OHP will be amended in several areas to respond to recent legislative direction related to highway mobility and highway access balanced with economic development objectives of the state.
- Implementation of the Oregon Freight Plan (2011), which will support the long-range safe and efficient management of the freight transportation system. Part of implementing the Oregon Freight Plan includes amending some portions of the existing Oregon Highway Plan as well as identifying key freight bottle necks.
- Coordinate and review with other ODOT Divisions in the development of modal plans such as the Transportation Safety Action Plan, the Public Transportation Plan, and Rail Plan.
- Economic and safety studies which include evaluations of program effectiveness and analysis of transportation policy implications.



**Complex transportation systems
require long-range planning.**

Regional Planning

Regional Planning consist of a variety of planning efforts:

- Transportation System Planning (TSPs) occurs at the state, regional and local levels.
 - At the state level, the state Transportation System Plan (TSP) includes the Oregon Transportation Plan and adopted modal, topic, corridor and refinement plans.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION PROGRAM DEVELOPMENT —

- At the regional level, Metropolitan Planning Organizations (MPOs) develop both state and federal regional Transportation System Plans (TSPs). There is work identified in both HB 2001 (2009) and SB 1059 (2010) that could change the way the MPOs develop their Regional Transportation Plans.
- At the local level, cities and counties prepare Local Transportation System Plans (TSPs) consistent with each other and the state and regional TSPs. Work identified in both HB 2001 (2009) and SB 1059 (2010) could change the way cities and counties in MPO areas develop their TSPs.
- Transportation Facility Plans – identify transportation system problems, analyze solutions and determine the most effective actions to manage and improve facilities for long-term operations.
 - Transportation facility plans include Refinement Plans, Highway Segment Designation Plans, Downtown Plans, Interchange Area Management Plans, and Safety Corridor Plans.

TECHNICAL ASSISTANCE AND COORDINATION

Local Government Assistance

- ODOT administers funds for the state's Metropolitan Planning Organizations (MPOs). ODOT region planners serve as liaisons to MPOs. Responsibilities include review of the yearly Unified Planning Work Program and work on specific projects. This support will expand with the various initiatives identified in HB 2001 (2009), including the development of a Least Cost Planning process work anticipated around greenhouse gas emission reductions. HB 2001 (2009) includes the expectation of providing resource assistance to Metro and Central Lane MPO. The requirements in SB 1059 (2010) also result in increased coordination and collaboration with MPOs.
- ODOT assists the local governments when they conduct updates to the transportation element of their comprehensive land use plans.

Statewide Coordination

This program helps agencies and partners that interact with the state transportation system. Examples are the Area Commissions on Transportation (ACTs) and the Regional Solution Teams and coordination with other state agencies implementing SB 766 helping to promote industrial economic development and job growth for the state.

Technology Transfer

This program collects and shares information on transportation management, engineering, research, safety and other best practices with federal, state and local agencies. The center is funded with approximately 50 percent federal funds and 50 percent matching funds from local agencies.

ANALYSIS AND RESEARCH

Transportation Asset Management

ODOT's has built upon the principles behind the agency's primary management systems, such as those used to monitor and manage pavements and bridges, and expanded these to other transportation assets. Federal initiatives required implementation of these management systems and now recognized best practices apply proactive principles to a broader array of transportation assets. ODOT is in the process of building this more robust and consistent statewide inventory. Consistency across the state via coordinated data collection and update cycles will support STIP development – directing resources where they are most needed. In addition, this work supports mandated federal programs such as the Highway Performance Monitoring System (HPMS) and National Bridge Inventory (NBI) submittals.

Transportation Data and Mapping

This program delivers data to statewide decision-makers to help prioritize Oregon's transportation needs and satisfy federal reporting requirements. Data is collected and analyzed, and then used by various program areas to assess current conditions as well as to track and report statistics about the performance of transportation facilities, programs and systems. This work includes:

- Monitoring and reporting transportation system performance through the National Highway System, Federal Functional Classification, Crash Analysis, Highway Performance Monitoring System, State Highway Video Log, Traffic Counting programs and Geographic Information Services program areas.
- Collecting traffic, crash and other required data on all public roads to ensure compliance with the Federal SAFETEA-LU requirements that ODOT provide state and local safety partners with information on the Highway Safety Improvement Program (HSIP).
- Providing geospatial data management leadership through the development of standards, the delivery of training and integration.

Transportation Analysis

There are two primary areas of work. First, this program provides technical expertise in analyzing transportation systems such as traffic forecast and analysis for project selection, environmental impact analysis and design recommendations which are necessary to implement the STIP and to satisfy legislative mandates for highway and transportation system development.

Second, transportation, economic and land use modeling are essential inputs to transportation system plans, statewide plans and strategies, policy development, project development, greenhouse gas analysis, and air quality conformity analysis. It is also an important input to most major facility planning. The modeling work and needs are more

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION PROGRAM DEVELOPMENT —

acute given HB 2001 (2009) and SB 1059 (2010) and the expectation of a congestion pricing pilot project, the development of a Least Cost Planning model and the support to the MPOs and their local governments to address greenhouse gas emission reductions. The modeling program includes:

- Facilitating the Oregon Modeling Steering Committee with members from 17 state and federal agencies, ports, universities, and MPOs to provide consistency and oversight to Oregon modeling efforts.
- Providing technical support and staff resources to MPOs for transportation modeling and analysis in support of the federal and state planning requirements.
- Working with local governments to develop and update cost-effective transportation models to support TSPs; (e.g. Roseburg, Grants Pass, Klamath Falls, Astoria, and Warrenton).
- Providing technical support necessary for STIP project development and implementation, including the additional projects identified in HB 2001 (2009).

Research

Research projects emphasize new technologies that will help ODOT and the transportation system operate better and use resources more effectively. Areas include bridges, pavements, materials, construction, maintenance, climate change, performance measures, hydrology, geotechnical, roadway design, planning, public transportation, intermodal facilities, freight, socio-economic factors, safety, traffic, and Intelligent Transportation System (ITS). In a climate of scarce resources, research and development becomes extremely important in helping ODOT work smarter and make the most efficient and effective use of available resources.

ODOT participates in multi-state research projects through involvement in national and regional transportation research initiatives, such as the:

- Transportation Pooled Fund Program
- National Cooperative Highway Research Program (NCHRP)
- Transportation Research Board (TRB).

LEGISLATIVE MANDATES

Completion of the recent legislative session has led to additional work efforts.

- SB 766 which includes the establishment of an Economic Recovery Review Council, designation of regionally significant industrial areas and creation of an expedited review process for some industrial development applications.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION PROGRAM DEVELOPMENT —

- SB 795 addressing Mobility Standards and the Transportation Planning Rule (TPR). The policy changes required will seek additional flexibility for OHP mobility standards that better balance multimodal transportation, land use and economic development objectives.

This is coupled with work still underway due to the passage of HB 2001 during the 2009 session and SB 1059 during the 2010 special session. Major work efforts were identified to provide the support necessary for guidelines on developing and evaluating alternative land use and transportation scenarios that may reduce transportation related greenhouse gas emissions. Work efforts include development of a:

- Least Cost Planning Model (HB 2001)
- Greenhouse Gas Emissions Reductions Toolkit (SB 1059)
- Statewide Transportation Strategy (SB 1059)
- Scenario Planning guidance document (SB1059)

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM DEVELOPMENT (STIP)

Federal regulations require ODOT to develop a transportation improvement program and update it every two years. The STIP development process begins with the identification and preliminary prioritization of problem areas. This identification and prioritization is based on transportation system planning, crash data, management systems and stakeholder input. The next step is to review alternatives for the priority problem areas. The review typically includes individuals with expertise in pavement, bridge, environmental, geohydro, planning and traffic engineering. The final step is to decide which projects to include in the STIP based on available revenue, cost-benefit information, local cost-sharing agreements, stakeholder input and other programming considerations such as the Oregon Transportation Commission's approved eligibility criteria and prioritization factors. HB 2001 (2009) identified principles that should be considered in the criteria used in project selection. This will affect the selection of projects in the 2012-2015 STIP after the new criteria is approved by the Commission.

ConnectOREGON

ODOT implements the provisions of SB 71 (2005), HB 2278 (2007), HB 2001 (2009) and HB 2166 (2011) for *ConnectOregon* I, II, III, and IV. *ConnectOregon* is a lottery-bond-based initiative first approved by the 2005 Oregon Legislature to invest in air, rail, marine, and transit infrastructure. This key strategy ensures Oregon's transportation system is strong, diverse and efficient. *ConnectOregon* is focused on improving the connections between the highway system and the other modes of transportation to better integrate the components of the system, improve flow of commerce and remove delays.

ISSUES AND TRENDS

Several federal and state level initiatives have affected TPD project development over the past decade.

SB 766 (2011) includes the establishment of an Economic Recovery Review Council, designation of both state and regionally significant industrial areas and creation of an expedited review process for some industrial development applications. This is new work for TPD and ODOT.

SB 795 (2011) addresses Mobility Standards and the Transportation Planning Rule (TPR). The policy changes required herein will seek additional flexibility for OHP mobility standards that seek to better balance multimodal transportation, land use and economic development objectives. This requires Administrative Rule changes.

The passage of HB 2001 (2009) had a number of requirements that have affected TPD in the work that is accomplished, how it is completed and the effect it has on other stakeholders.

- TPD continues to work on development of least cost planning methodology and integration with greenhouse gas emissions work. Changes to the transportation planning process to address this new initiative have begun.
- TPD's work supports the climate change and sustainability agenda in addressing the state's growing transportation needs and taking actions to reduce transportation related greenhouse gas emissions.
- TPD is working with MPOs and local governments to assess the costs of greenhouse gas emissions planning work.

Implementation of the Oregon Transportation Plan has affected project development in the following areas:

- The Oregon Freight Plan sets the foundation for continued incorporation of freight issues and perspectives into the transportation planning process, which will support a safe and effective transportation system for the movement of freight and goods.
- Additional work is necessary to complete transportation facility plans for highways to adequately protect the efficiency of the state highway system over the long term.

ODOT's system management strategy is changing from the traditional mode to a more strategic approach, using asset management tools and methodologies to optimize the management of Oregon's multi-billion dollar transportation infrastructure.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— TRANSPORTATION PROGRAM DEVELOPMENT —

At the federal level there are potential changes due to reauthorization, reporting requirements and information learned from the 2010 Census that could affect the work:

- Federal Reauthorization effort could impact transportation planning. The current Federal Transportation Authorization expired in October 2009, and the next transportation authorization bill is expected to differ in several key areas from previous authorizations. DOT Secretary Ray LaHood has stated that transportation should move in the direction of supporting sustainability and livability. The recently announced DOT-EPA-HUD partnership aimed at simultaneously addressing transportation, housing and environmental goals, illustrates this change in direction. In addition, there is much uncertainty regarding federal funding levels. Recent discussions at the federal level appear to point to a likely authorization package more closely tied to expected revenues. If this occurs, it could require significant adjustments to federally funded transportation programs including those managed through the Transportation Development Division.
- New federal reporting requirements for the Highway Performance Monitoring System (HPMS) such as increased data reporting for pavement, traffic, and interchanges may impact asset management systems.
- New census data will impact various program areas: transportation analysis, urban land use and travel demand model development and application.

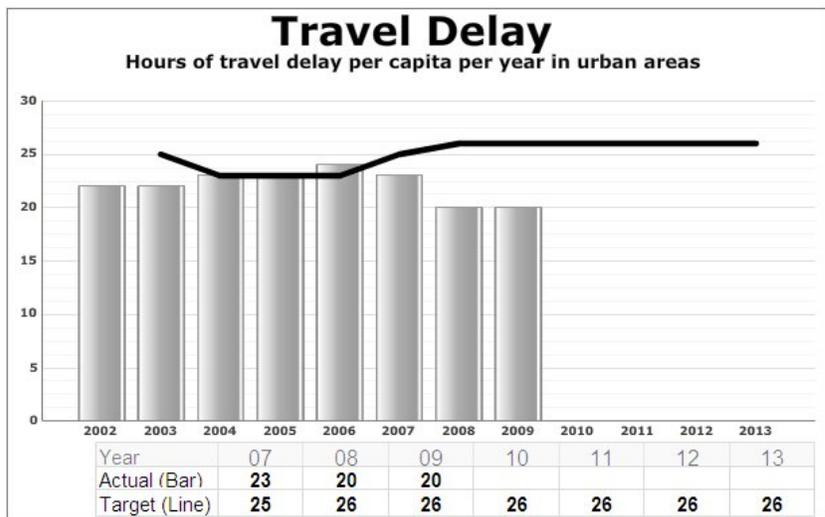
As of June, 2011, for *ConnectOregon* I, II and III, there are 108 approved projects with 56 complete and the remaining projects in design or construction. *ConnectOregon* III had a set aside fund specific to rural airports. This led to the selection of 165 projects and 79 are completed with the remaining in design or construction.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — TRANSPORTATION PROGRAM DEVELOPMENT —

PERFORMANCE MEASURES

KPM #9	TRAVEL DELAY Hours of Travel Delay per capita per year in urban areas.	Measure Since 2000
Goal	ODOT Goal #3: Mobility/Economic Vitality -- Keep people and the economy moving	
Oregon Context	Oregon Benchmark # 68: Traffic Congestion	

Traffic congestion has risen during the last 30 years because expansion of road capacity has not kept pace with the growth of travel. The target represents a ceiling of tolerance for delay. Congestion delay is strongly associated with population size. As cities become more populous, they become more congested.



The mobility that Oregonians have enjoyed in recent decades has been a result of past high capital investment rates.

Congestion has been rising because the excess capacity created by those investments is being used up and not replaced. Over the long run, travel delay has increased more than population. In more recent years, delay has increased more slowly than population partly because of the economic downturn and rising fuel prices. Traffic management efforts in the Portland metropolitan area (e.g. freeway monitoring, incident management, ramp metering) have also helped to limit the effect of travel demand on traveler delay. The public transportation service and usage has contributed significantly as well.

According to the Texas Transportation Institute's 2010 Urban Mobility Report, delay per traveler in the Portland metropolitan area is about average for urban areas of its size. According to that same report, delay per traveler in Eugene is lower than the small urban area average while Salem is higher.

Central Services Limitation

CENTRAL SERVICES LIMITATION

The Central Services limitation includes two administrative support divisions—Central Services Division and the ODOT Headquarters—providing centralized administrative, support, and managerial services to ODOT’s seven operating divisions, the Oregon Transportation Commission, external partners, and stakeholders. Funding for this limitation is provided through internal assessment. Other Funds are the primary source for payment.

CENTRAL SERVICES DIVISION

DEPUTY DIRECTOR

Financial Services

- Provides budget services, which coordinate the Department's legislative budget development process including all Emergency Board requests and program budget development. It provides cost allocation and cost/benefit analysis, allotment plans, quarterly business reviews, and permanent financing plans.
- Provides debt management and oversees the Oregon Transportation Infrastructure Act (OTIA) bonding and other bonding programs for the Department. It also provides and monitors loans and financial assistance to local governments through the Oregon Transportation Infrastructure Bank. In addition, it provides financing proposals and manages investments and cash for the Department.
- Provides economic and financial analysis such as Highway Fund revenue forecasts, economic and feasibility studies, cash flow forecasting, revenue impacts, and DMV transaction analysis. In addition, provides economic, financial and policy studies to determine Highway cost allocation, Western States Automobile taxation comparison, Motor Carrier fee and tax comparisons, transportation finance, value of travel time and cost of delay estimates, and job and income generation impacts of construction projects.
- Provides financial support to the Department in the areas of accounts payable, accounts receivable, contractor payments, payroll support, retirement and benefits coordination, travel claims processing, financial policy development, financial training, labor and equipment rate development, financial coordination and reporting, asset accounting, federal and local billings, and coordination with the State of Oregon Statewide Financial Management System.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

- Administers the fuels tax law and ordinances for Oregon as well as many city and county jurisdictions. The Fuels Tax Unit processes licenses and revenue tax reports for motor vehicle fuel dealers, use fuel users and sellers, and audits licensees for fuels tax compliance and reporting. The Collections Unit provides collection services for various sections of the Oregon Department of Transportation.

Human Resources

- Provides statewide business advice and counsel to ODOT Divisions in the areas of performance management (coaching, counseling, performance evaluation, documentation and correction or discipline), leaves of absence, policy and union contract interpretation, workers' compensation and unemployment insurance matters
- Advances the Department's equal employment opportunity and affirmative action goals, as well as ensures that the Department addresses employee and public accommodation/accessibility issues in accordance with the Americans with Disabilities Act (ADA)
- Provides recruitment, selection, retention and diversity services to enhance the recruitment and retention of a qualified and diverse workforce
- Provides statewide coordination of training and staff development, human resource policies, labor-management partnership efforts and union contract negotiations
- Provides assistance in the areas of job classification, compensation, position control and position management, employee records management, and coordination of the general business, communications and facility needs of Human Resources

Information Systems

- Provides business systems planning, architecture, development and maintenance
- Provides information technology systems analysis and technology consultation services
- Performs information technology project management, including the design, development and implementation of Information Technology projects
- Provides personal computer and software support, security and disaster recovery
- Coordination of infrastructure services and delivery with the State Data Center
- Supports Intelligent Transportation System (ITS) development and support
- Provides Information Technology purchasing and management of Information Technology assets

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

Business Services

- Business Services provides management, guidance in the protection and preservation of the department's records as well as maintaining state and agency telephone directories, the ODOT library, and operating graphic design and photo and video services. This section also manages the department's mail service and the Jackson Scholarship Program.
- ODOT Procurement Office provides all contracting services for goods and trades price agreements, personal service contracts, intergovernmental/interagency agreements, and highway construction contracts used by all ODOT business lines in performance of the department's business functions.

Note: The majority of the Support Services programs—Fleet Services and Facilities Services—are budgeted in Maintenance Limitation not the Central Services Limitation. These programs are discussed in the Maintenance Limitation section of this document.

Audit Services

- Conducts independent audits of department programs and functions to make recommendations for improving operations, in accordance with generally accepted government auditing standards
- Conducts external audits and special analysis to ensure costs charged to ODOT by consultants, contractors and other external groups are accurate, reasonable and comply with applicable federal and state regulations
- Provides technical assistance to the department in developing and refining performance measures to assist in the management of the department's statewide responsibilities

ODOT HEADQUARTERS

ODOT Headquarters includes the ODOT Director, Deputy Director for Operations, Deputy Director for Central Services, the Office of the Director (*composed of the Chief of Staff, the Office of Civil Rights, Sustainability, Government Relations and the Office of Employee Safety*) and the Communications Division.

Office of Civil Rights (OCR)

The Office of Civil Rights (OCR) is responsible for the assurance of equal access, participation, and compliance with affirmative action, equal opportunity, and accessibility. Its vision is to be a leader in the development of programs that increase opportunities for our workforce and small business stakeholders. Compliance is accomplished through internal and external processes including training, technical assistance, investigations, and on-site reviews. Programs

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

include: Small Business Programs - Disadvantaged Business Enterprise (DBE); Emerging Small Business (ESB); and Minority or Women Business Enterprise (MWBE) Initiatives. Workforce Programs - Workforce Development Program (WDP); Equal Employment Opportunity (EEO); On-the-Job/Apprenticeship Training Programs and Labor Compliance; and Title VI (Environmental Justice and Limited English Proficiency). OCR and ODOT's Human Resources Section are also responsible for coordinating and co-managing the Internal Civil Rights and Americans with Disability Act (ADA) programs.

Government Relations Section

- Manages a comprehensive government relations program that encompasses federal, state and local legislative and liaison activities responding to multi-modal, economic and land use issues
- Provides fiscal and policy analysis and direction for federal, state and local transportation-related programs and legislation
- Represents the department, the OTC, and the Governor and his senior transportation policy staff as the primary contact and liaison in matters before Oregon's state legislature and congressional delegation related to transportation policy, funding, administrative rules and legislation governing transportation

Office of Employee Safety

- Provides statewide leadership and delivery of services related to employee safety, occupational health, wellness, risk management and workers' compensation in the department
- Assesses safety and health risks to the agency and its employees; designs and implements programs, standards and training to mitigate risks; evaluates program effectiveness
- Develops and assists management in the process of making and implementing decisions that will minimize the adverse effects of accidental and business related losses
- Develops and maintains data systems and recordkeeping to meet regulatory requirements and to provide reports to the agency on the status of its safety, health and risk efforts

Sustainability Program

- Sustainability uses, develops and protects resources in a manner that enables people to meet current needs while providing for future generations to meet their needs, from the joint perspectives of environmental, economic and community objectives.
- Due to the state's sustainability mandates, the emerging challenges in the transportation sector and the value of sustainability practices to the agency, ODOT has developed and integrated a sustainability program. The program

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

provides central oversight and coordination and is a resource to staff incorporating sustainability goals into their work. The program is cross-divisional and addresses both internal support functions and the external transportation system-related activities of the agency.

Communications Division

- Oversees ODOT's employee communications and media relations, and informs Oregonians and Oregon transportation system users about transportation issues, policies, programs and projects
- Provides construction project information
- Interprets technical information for the public, the media, stakeholders, and users of transportation systems
- Keeps the agency workforce informed about ODOT activities and directives
- Provides support to the Oregon Transportation Commission and the Director's office
- Helps all agency divisions and programs increase the success of their public outreach by developing and implementing communication plans, providing communication training and workshops, and producing publications and other forms of information
- Oversees the Ask ODOT Office which provides Oregon citizens an avenue to resolve issues and concerns at the earliest possible opportunity and ODOT's employees a resource to bring forward ethical issues and concerns or receive policy guidance and interpretation

ISSUES AND TRENDS

Financial Services

ODOT has used the Transportation Environment Accounting and Management System (TEAMS) as the primary accounting system to process financial transactions since the mid-1980s. The design and architecture of TEAMS is based on older business models and on technologies that are less flexible and becoming obsolete. Over time, this has led to the creation of numerous independent "stove-piped" systems to meet a variety of accounting and management reporting needs throughout ODOT.

The result is an increased number of system interfaces to TEAMS, many of which require duplicate data entry. Currently, reporting on business unit performance and product or services costs frequently generates results that require considerable manual effort to reconcile. In addition, there is no common database for financial, human resource and procurement systems which must reconcile with each other. A project

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

began in the 2007-09 biennium to start the processes necessary for implementing an integrated financial and human resource management information system. However, this project has been curtailed due the national economic downturn.

Human Resources

There is a continuing demand for reliable data for use in decision-making. Details on pay differential, retirement eligibility, performance measurement, turnover and other workforce management subjects are a priority for our business partners. However, systems which allow for the easy gathering or reporting are non-existent or disconnected from other key systems making data gathering cumbersome and inefficient.

Numerous statewide job classification studies, compensation ‘compression,’ management compensation, and turnover are negatively affecting the department, especially in our urban job markets. Perhaps the most significant change will occur with the retirement of the current generation of leadership and technical staff and their replacement with the “future” ODOT employees. We will need to apply significant resources to recruitment, development and the transfer of knowledge to a new generation.

Information Systems

ODOT business units will continue to use information technology in their operations, creating new demands for application software, information delivery, and meeting external mandates. The context of these changes are the cumulative results of a workforce and public that is technologically more sophisticated, leading to broader expectations for IT services. Oregon’s citizens and businesses will place increasing demands on ODOT to provide information and services via the internet in a manner similar to their experience with the private sector. At the same time, the agency is addressing the problem of decades-old software systems that must be replaced to meet current and future business requirements and to reduce ongoing support costs. Examples are DMV systems and ODOT’s accounting system.

There is an increased need to cooperate and work with other agencies, entities, and business partners to resolve common information technology problems as well as manage enterprise solutions.

Information security concerns have resulted in a number of Department of Administrative Services policies as well as legislation requiring agencies to protect personal information and develop more comprehensive information security procedures. While these are necessary and prudent measures, the time and effort to accomplish this work must be absorbed by the department’s base budget.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

Support Services: Business Services

The ODOT Procurement Office continues to experience heavy demand for its services across the agency, for projects in the State Transportation Improvement Program, and as a result of the Oregon Transportation Investment Act program combined volume of approximately \$875 million annually (\$1.75 billion biennially). These contracts have added to the ODOT Procurement Office workload volume and increased the complexity and scope of work. The Procurement Office is also responding to increasing demand for specialized training on contract management. Work has also shifted to modify procurement methodologies to reach out to emerging or small businesses to provide avenues for these firms to compete for various departmental contracts. Outreach includes meeting with small business associations, providing training, and providing avenues to participate in electronic bidding programs.

Records Management is currently partnering with Information Systems in the deployment of an Electronic Document Management System for the Department. Incorporation of electronic documents (via imaging, e-mail, etc.) has increased the complexity of managing records for the Department.

Audit Services

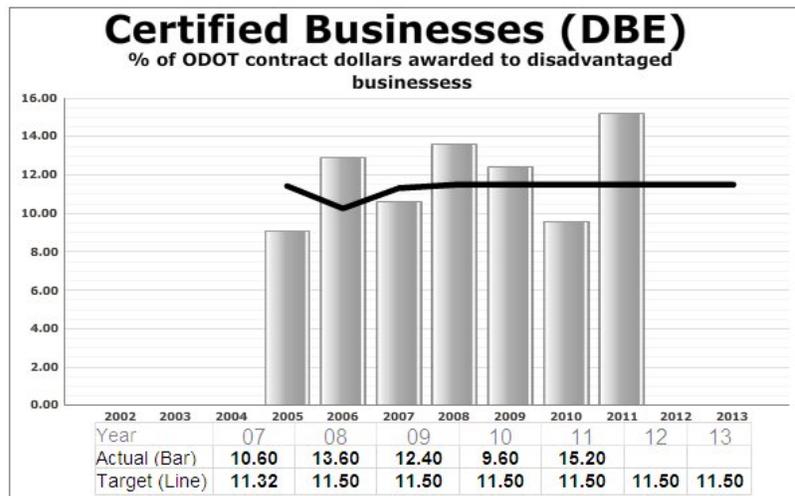
Audit Services develops an annual audit plan based on a department-wide risk assessment, but also keeps time available for specific requests from management. Demand for services has been increasing while staff resources remain static. Audits have also increased in complexity as ODOT's business lines have adapted their programs to meeting the changing needs of Oregon's transportation system. To maximize available resources, Audit Services works closely with audit organizations from other state departments of transportation to share best practices, improve consistency in audit approaches and confirm compliance with generally accepted government auditing standards.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

PERFORMANCE MEASURES

KPM #22	CERTIFIED BUSINESSES (DBE) - Percent of ODOT contract dollars awarded to disadvantaged businesses.	Measure Since 2006
Goal	Provide a Transportation System that Supports Livability and Economic Prosperity in Oregon.	
Oregon Context	Oregon Benchmark #4: Net Jobs Growth	

The US DOT requires that ODOT set an annual Disadvantaged Business Enterprise (DBE) participation goal based on availability of certified firms. DBE utilization must be tracked and reported in order for the state to receive federal funds for highway construction.



ODOT has satisfactorily complied with the federal DBE Program requirements for making a good faith effort to achieve the identified DBE Annual Goal, and for reporting those efforts. Based on the 9th US Circuit Court decision and guidance from the Federal Highway Administration, ODOT was prohibited from setting contract-specific goals, but with the completion of the Disparity Study and approval of a waiver of the Federal Regulations from FHWA allowing group-specific goals on projects where appropriate, ODOT has resumed setting DBE Goals.

After a review by the FHWA National Review Team of the ODOT DBE Program in December 2010, it was determined that the Agency's Program is "Green," indicating that overall the program is being managed in compliance with federal requirements. While there were some areas that need improvement, the ODOT DBE Program is in the top half of the state reviews (45 to date), and some of the procedures and processes sufficiently impressed the review team, that they asked to use them as "best practices." For Federal Fiscal Year (FFY) 2007, the DBE Annual Goal was 11.32% and actual utilization was 10.60%. In 2008, 2009 and 2010, the FFY Goal was 11.5% and utilization was 13.6%, 12.4% and 9.6% respectively.

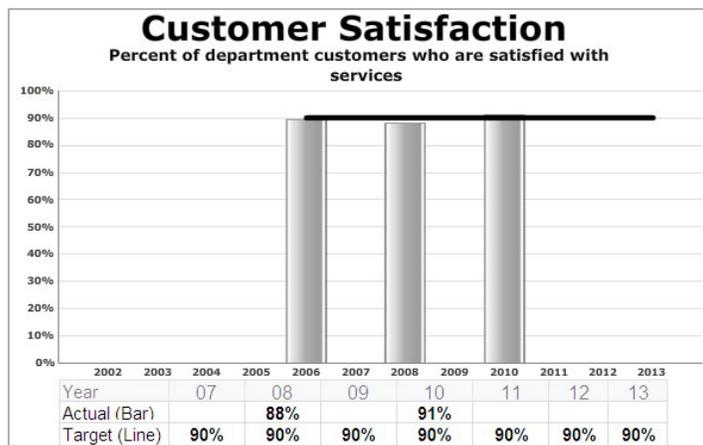
Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

KPM #23	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Measure Since 2006
Goal	Customer Service – Provide excellent customer service	
Oregon Context	Government performance and accountability	

The overall target for 2009-11 is 90 percent customer satisfaction with ODOT services. Actual performance in 2010 was 91.0 percent.

ODOT continues to achieve high overall customer service ratings from customers. On the whole ODOT continues to provide customers with good to excellent service.

Sampling of customers for the 2006 survey included major customer groups of DMV and Motor Carrier. In future surveys, additional customer groups will be added.



Both DMV and Motor Carrier conduct annual surveys of customers that are based on the Recommended Statewide Customer Service Performance Measure guidelines. DMV received over 400 survey responses in 2010 from customers who visited the DMV field offices. Customers were selected on a random, repetitive basis from the DMV computer system database of driver and motor vehicle transactions during the month of January. DMV also collects customer satisfaction using a cumulative average of the division’s monthly customer satisfaction survey. Using the cumulative average provides a broader sampling and response from customers.

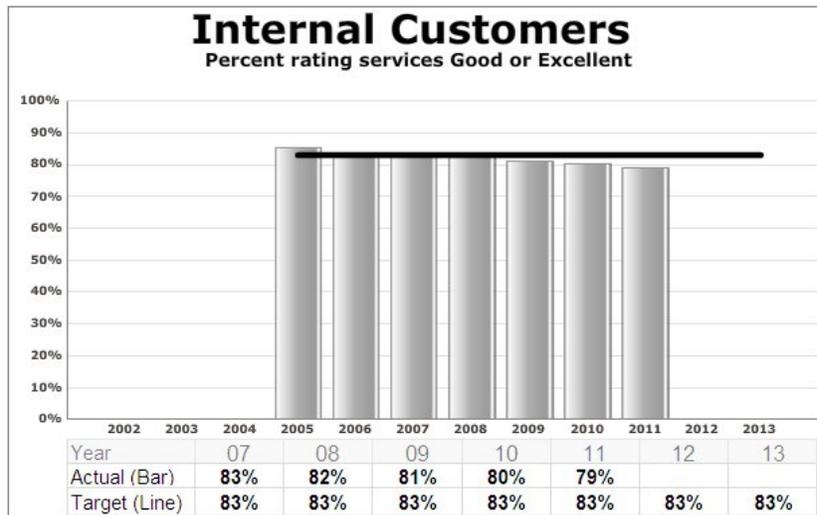
Motor Carrier surveys nine customer groups. Survey groups included companies subject to safety compliance reviews, truck safety inspections, or audits. Also, drivers subject to driver safety inspections and persons calling for registration or over-dimension permits. Taken together, the nine Motor Carrier surveys have a total of over 1,300 responses.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

Division Performance Measures

CENTRAL SERVICES CUSTOMER SATISFACTION

This measure reflects how the customers of Central Services perceive the services that the branch Division provides. Nearly 80 percent of our customers rank our services as good or excellent.



Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

COMMUNICATIONS DIVISION

The Ask ODOT Office

- The Ask ODOT Office provides a resource to citizens to resolve issues and concerns. Ask ODOT for Employees provides ODOT employees with a venue to bring forth ethical issues and concerns or to receive policy guidance and interpretation.
- Each contact is received into the Ask ODOT Office, logged into a tracking system and answered directly, on behalf of the governor, director, federal representative or management staff. If an issue is assigned to a division or region for a response, the assignee is required to notify the Ask ODOT Office when the case has been completed. All responses are monitored to assure the customer is provided with an accurate and complete response to their issue.
- A performance measure of responding to our customers has been set at five business days with a goal of 100 percent on-time. Below is a table that shows the response times achieved over the last three years.

Ask ODOT Office On-Time Performance Measure Yearly Comparisons				
Year	Number Assigned	Number on Time	Number Late	Percent on Time
2008	16,446	16,325	29	99.83%
2009	16,660	16,641	19	99.89%
2010	14,468	14,454	14	99.91%

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

- In addition, a performance measure for *Ask ODOT* is to track our client's evaluation of how well the *Ask ODOT* office fulfills its core values of competence, responsiveness, fairness, trustworthiness, timeliness and reliability. To fulfill this commitment an automatic survey is sent to a random selection of citizens and ODOT employees who contact the *Ask ODOT* Office. Below is a chart showing the results of those surveys.

Ask ODOT Office Customer Service Performance Measures Yearly Comparisons			
Percentage of Clients Satisfied with:	2008	2009	2010
Timeliness	95%	90%	92%
Response/outcome	88%	82%	85%
Overall experience w/ODOT	94%	89%	89%

FINANCIAL SERVICES

- Financial Services tracks performance indicators related to the timely and accurate delivery of products and services to both internal and external customers. Internal customers represent every employee (for payroll, benefits, and expense reimbursements) and every manager/supervisor (for accurate, timely reports on financial results of operations/budget). External customers include every Oregon city and county (for timely monthly processing and distribution of Highway Fund revenues), contractors (for timely payments of construction and maintenance project billings), and all ODOT vendors (utilities, suppliers of goods and services, etc).
- Performance measures in Financial Services support ODOT's values of efficiency and accountability, and the ability to move people and goods efficiently. ODOT adopted administrative statewide performance measures and has set goals for these measures. Payment processing targets have generally been met. Measures relating to user training for system applications

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

(financial systems and payroll) are generally being met for financial systems, however, additional emphasis in payroll training will continue in the 2011-2013 biennium. Additional emphasis in payroll accuracy and final paycheck processing will continue in the 2011-2013 biennium.

ODOT STATEWIDE FINANCIAL PERFORMANCE MEASURES					
Fiscal Year Comparison					
	FY 2008	FY 2009	FY 2010	FY 2011	Target
Vendor Payment Accuracy	99.95%	99.97%	99.97%	99.97%	99.95%
Expenditure Coding Accuracy	95.33%	93.82%	96.52%	96.01%	97.50%
Accounts Payable Timely	92.37%	96.35%	96.01%	96.44%	95.00%
Final Paychecks within standards	96.60%	99.03%	96.11%	97.10%	100.00%

HUMAN RESOURCES

- ODOT places great emphasis on creating a dynamic organization by focusing efforts to attract and retain a diverse workforce. The performance measure for number of newly hired employees who are female, persons of color, or disabled is 55 percent. ODOT has made steady progress towards this goal.
- Human Resources (HR) tracks numerous ODOT-wide performance measures that support the values of efficiency and accountability. The *time-to-fill a job vacancy* measure captures both overall department performance and internal HR service standards regarding a timely recruitment process. Specifically, the measure speaks to the number of calendar days from the date HR receives an approved recruitment to the date the selected candidate begins work. Recent results have been well below the target.
- Other HR measures of focus relate to training delivery and the Oregon Benchmark that tracks the hours of training received by each employee and by managers. The benchmark target is for 50 percent of all employees to receive 20+ hours of training each calendar year. The agency consistently meets or exceeds this measurement.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

HUMAN RESOURCES PERFORMANCE MEASURES						
Fiscal Year Comparison						
	FY2007	FY2008	FY2009	FY2010	FY2011	Target
Quantity: Percent of newly hired employees who are female, a person of color, or disabled	57%	49.30%	59.1%	50.3%	49.2%	55%
Timeliness: Number of calendar days from the date HR receives an approved recruitment to the date the selected candidate begins work	75 days	92 days	81 days	77 days	71 days	80 days
Quality: Percent of all employees who met benchmarks for training	51%	53.5%	47.5%	49.5%	53.0%	50%

INFORMATION SYSTEMS

- The information systems infrastructure is managed by the State Data Center (SDC). Previous operating measures, although collected by IS, reflect the performance of the SDC. The existing performance measures for the computer support desk, purchasing, and application problem resolution are still valid for ODOT-IS.
- Information Systems surveys its customers for satisfaction metrics. Data is collected tracking the timeliness of service, including call resolution rates, outing notification, adding new users in a timely fashion, IS purchase order execution rates and System Wide Availability Team (SWAT) resolutions of Requests For Work.

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

INFORMATION SYSTEMS PERFORMANCE MEASURES Fiscal Year Comparison						
	ODOT Service Levels					
Service Tracked	FY2007	FY2008	FY2009	FY2010	FY2011	Target
Call Resolution Rate	84.95%	84.23%	84.11%	83.20%	81.15%	80.00%
Outing Notification	100.00%	100.00%	100.00%	99.05%	96.99%	100.00%
New User Setup Within 3 Days	99.72%	99.70%	99.09%	99.52%	98.04%	99.00%
Purchase Orders Completed Within 3 Days	99.12%	98.83%	98.23%	98.84%	96.05%	100.00%
Customer Working Within 1 day on SWATS	79.17%	75.50%	78.33%	72.06%	65.08%	100.00%

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

BUDGET HIGHLIGHTS

Central Services Expenditures

	2007–2009 Actuals	2009–2011 Actuals	2011–2013 Legislatively Adopted
Programs			
ODOT Headquarters	16,180,376	22,343,110	21,910,816
Internal Audit	2,111,871	1,954,041	2,379,432
Financial Services	22,770,318	24,465,473	25,944,543
Human Resources	11,378,688	12,357,280	12,735,068
Information Services	88,781,045	98,520,778	106,922,640
Business Services	14,046,569	14,644,802	16,025,130
Total	155,268,867	174,285,484	185,917,628
Expenditures by Major Revenue Source:			
State	155,238,913	174,279,494	185,897,906
Federal	29,952	5,990	19,722
Total	155,268,865	174,285,484	185,917,628
Expenditures by Category:			
Personal Services	85,856,303	92,453,304	94,751,601
Services & Supplies	68,714,293	78,933,540	90,128,238
Capital Outlay	698,266	2,900,144	976,989
Special Payments	0	0	60,800
Other Expenditures	0	(1,504)	0
Total	155,268,862	174,285,484	185,917,628
Positions	512	497	498
Full-Time Equivalent (FTE)	502.47	493.25	494.25

**Capital Improvement
and
Capital Construction**

CAPITAL IMPROVEMENT

Capital Improvement projects are less than \$500,000 and are improvements to land or facilities; the remodeling of existing buildings to increase the value; extend the useful life of the property; or to make it adaptable to a different use. Improvements include any amount expended to improve leased property, including those provided by the lessor if the lessee requires lump-sum payment.

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. Staff from the Facilities Section of the Central Services Division manages the construction projects. Private contractors complete the majority of construction projects.

ISSUES AND TRENDS

Increasing costs associated with land acquisition, construction, leasing, and increased regulations significantly reduce the buying power of capital funding. The result is a substantial backlog (over \$6 million) of Capital Improvement projects. Deferred maintenance on existing buildings competes with Capital Improvements for funding priority.

CAPITAL CONSTRUCTION

Capital construction projects are defined as expenditures over \$500,000 for the construction of new buildings or additions to existing buildings. Construction costs include architect fees, land acquisition, land clearing, interest during construction, materials, subcontractors, and agency labor.

A quality infrastructure is a core business requirement of the Department of Transportation. Functional facilities are a critical element in a successful operation. The department owns hundreds of facilities located throughout the state. 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.

If funding is made available, the major capital construction activity focus during the 2009 – 2011 biennium would be the deconstruction and renovation of the ODOT Transportation Building, along with relocation of the existing building tenants. Due to the size and scope of this project, this would be the major construction/acquisition effort targeted for the department.

The estimate for the ODOT Transportation building deconstruction and renovation is \$66,200,000

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— Capital Improvement and Capital Construction —

ISSUES AND TRENDS

- 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.
- ODOT Transportation Building capital project will tie up departmental efforts during the next biennium

BUDGET HIGHLIGHTS

	2007-2009 Actuals	2009-2011 Actuals	2011-2013 Legislatively Adopted
Capital Improvement	3,108,722	3,259,788	3,259,788

Capital Construction Projects*	2007-2009 Legislatively Adopted	2009-2011 Legislatively Adopted	2011-2013 Legislatively Adopted
Portland Drive Test Center			1
Sisters Maintenance Station	3,400,000		
Sylvan Maintenance Station Ph 4	900,000		
Baker City & E. Portland Maintenance Station	6,100,000		500,000
Transportation Building Renovation	4,710,339	64,733,792	
SB 338 Deferred Maintenance	4,353,406		
SB 338 Rail Station	24,900		
Co-Locate Maintenance Facilities		5,500,001	
OWIN Cap Phase 2 O/F		186,463,991	
OWIN Cap Phase 1 O/F	64,856,844		
Total	84,345,489	256,697,785	500,001

* To remain consistent with Department of Administrative Services Budget and Management Division rules, the amounts shown for Capital Construction are the budgeted amounts not actual expenditures.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DEBT SERVICE —

Debt Service

DEBT SERVICE PROGRAM OVERVIEW

NON-LIMITED PROGRAMS

Oregon Transportation Infrastructure Bank (OTIB)

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

LIMITED PROGRAMS

Debt Service – General Fund

Certificates of Participation

The February 2009 Special Legislative Session transferred the State Radio Project (formerly referred to as the Oregon Interoperability Network (OWIN)) from Oregon State Police to ODOT. The Legislative Assembly allocated General Fund dollars to the State Radio Project to make debt service payments associated with General Fund-backed Certificates of Participation (COP). General Fund COPs issued to fund the State Radio Project include the \$2.1 million Series 2007B and the \$72.9 million Series 2009A.

Article XI-Q General Obligation Bonds

In May 2011, \$17.4 million Series 2011J Article XI-Q general obligation bonds (Article XI-Q GO Bonds) were issued for the State Radio Project. Debt service on the Series 2011J bonds will continue through May 2016. For the 2011-13 biennium, the General Fund will pay \$3,541,179 in debt service with the remaining \$4,485,175 in debt service being paid from the State Highway Fund.

Debt Service – Other Fund

Oregon Transportation Investment Act (OTIA)

The 2001 Session (OTIA I - \$400 million) and the February 2002 Special Session (OTIA II - \$100 million) made available \$500 million bonding authority. The bond proceeds are used for modernization and preservation projects.

The 2003 Session made available an additional bonding authority of \$1.9 billion. These bond proceeds are to be used for the following purposes:

- \$1,300 million to repair and replace state bridges
- \$ 300 million for local bridges
- \$ 300 million for modernization projects

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DEBT SERVICE —

Current and estimated bonding for OTIA:

2001 Oregon Transportation Investment Act (OTIA I and II)

In June 2002, \$225 million in proceeds were issued to fund OTIA I construction projects and in January 2005, \$20 million in proceeds were issued to fund OTIA II construction projects. Subsequently, both issues have been partially refunded. Debt service payments on the 2004 B refunding bonds are scheduled to continue through November 2019 and through June 2030 on the 2005B refunding bonds.

During the 2005-2007 biennium the department had two bond issuances for OTIA I and II: June 2006 for \$100 million and June 2007 for \$155 million. With these last two bond issuances funding for the OTIA I and II programs are completed. The program has achieved the legislatively authorized funding amount of \$500 million.

2003 Oregon Transportation Investment Act (OTIA III)

In July 2004, \$300 million in proceeds were issued for the Local Bridge OTIA III construction projects. Debt service payment will continue until November 2028.

In June 2006, the department issued approximately \$300 million in bonds with debt service payments for 25 years. An additional \$371 million was issued in June 2007, along with a partial refunding of the Series 2004A bonds.

In March 2009 the department issued approximately \$380 million in bonds with debt service payments for 25 years. Debt service payments will continue until November 2032.

In April 2010, the department issued its \$545 million Series 2010A taxable Build America Bonds (BABs) and its \$36 million Series 2010B tax-exempt bonds. The Series 2010A BABs, authorized under the American Recovery and Reinvestment Act (ARRA), qualify ODOT to receive direct federal subsidy payments equal to 35% of the interest costs of the taxable bonds. During the 2011-13 biennium the total federal subsidy ODOT will receive for the BABs is \$21,621,528, which will be used to offset debt service payments. Debt service payments on the Series 2010A BABs will continue until November 2034. Debt service on the Series 2010B tax-exempt bonds will continue until November 2017. With the issuance of the Series 2010A and Series 2010B bonds funding for the OTIA III bond program is complete.

Certificate of Participation – DMV Headquarters Building

In 1997, \$10.7 million in certificates of participation were issued to fund the remodel of the DMV Headquarters building. In July 2008, the COP was refunded to achieve significant savings. All Debt Service payments on the DMV Headquarters building will be satisfied in May 2020.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DEBT SERVICE —

Article XI-Q General Obligation Bonds

In May 2011, \$17.4 million Series 2011J Article XI-Q general obligation bonds (Article XI-Q GO Bonds) were issued for the State Radio Project (formerly OWIN). For the 2011-13 biennium, the General Fund will pay \$3,541,179 in debt service with \$4,485,175 in debt service being paid from the State Highway Fund. All remaining debt service for the Series 2011J bonds through May 2016 will be paid from the General Fund.

Debt Service – Lottery Fund

The Legislature allocates lottery dollars to ODOT for the purpose of making debt service payments associated with lottery-backed revenue bonds. Lottery bonds have been authorized to fund the following ODOT projects:

Short Line Infrastructure Assistance Program

The 2001 Legislative Assembly authorized a Short-Line Railroad Infrastructure Assistance Program capitalized with the sale of lottery bonds. Lottery bonds in the amount of \$2,176,000 were issued in April, 2002. In March of 2004 and again in March of 2011 these bonds were partially refunded. The Debt service payments on the un-refunded bonds are scheduled to continue until April, 2012; the refunded portion is scheduled to continue until April, 2021.

The 2003 Legislative Assembly authorized an additional \$2 million. Lottery bonds in the amount of \$2,104,661 were issued in August, 2004. Debt service payments are scheduled to continue until April, 2019.

Industrial Rail Spur Infrastructure

The 2003 Legislative Assembly authorized \$8 million in lottery bonds to fund industrial rail spur infrastructure improvements. The first \$4 million of bonds were issued in August 2004 and the final in 2005. Debt service payments are scheduled to continue until April 2025.

South Metro and Southeast Metro Milwaukie Extension Commuter Rail Projects

The 2001 Legislature authorized lottery bonds for financing the South Metro Commuter Rail project connecting Wilsonville, Tualatin, Tigard, and Beaverton.

The 2003 Oregon Legislature passed House Bill 3446 that revised the limit set for the bond sale for the project to \$35,542,000. Funding for the project was provided in two bond issues. The first – to cover start-up and administrative costs – occurred in April 2002 and the second bond sale – for project costs – occurred in February 2007. In 2007, the Oregon Legislature passed House Bill 5036 authorizing \$250 million in lottery bonds to finance the Southeast Metropolitan Extension Project to extend the light rail between Portland and Clackamas County to Milwaukee. During April 2009, \$250 million

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DEBT SERVICE —

in lottery bonds were issued. Debt service payments for the South Metro bonds are scheduled to continue until April 2027. Debt service for the Southeast Metro Milwaukie Extension bonds will continue until April 2029.

Portland Street Car

The 2007 Legislative Assembly authorized \$20 million in lottery bonds to fund Oregon Streetcar projects. Funding is restricted to grants to municipalities to provide streetcars for public transit systems, and for administrative costs incurred by the Department. Applicants must operate a public transit system that includes streetcars that are available to the public. Grant funds must only be used for the costs of purchasing newly constructed streetcars from an Oregon-based and Oregon-owned manufacturer. During April 2009, \$20 million in lottery bonds was issued with debt service of \$2,718,825 for the 2011-2013 biennium.

Connect Oregon I, II III and IV

The 2005 Legislative Assembly authorized \$100 million in lottery bonds to fund multimodal transportation projects. Funding is restricted to non-Highway purposes including air, transit and rail. Funding was in two separate bond issues. The first Connect Oregon I issue was \$25 million in August 2006; the final \$75 million for Connect Oregon I was issued in 2007. In 2007, the Oregon Legislature passed House Bill 2278 that approved authorization of \$100 million for Connect Oregon II. In May of 2008, \$10 million in Connect Oregon II lottery bonds was issued. During April 2009 the remaining \$90 million in lottery bonds for Connect Oregon II was issued. In 2009, the Oregon Legislature passed House Bill 2001 that approved a third authorization of \$100 million in lottery backed bonds for Connect Oregon III. In March 2011, \$100 million in lottery bonds were issued for Connect Oregon III projects.

In 2011, the Oregon Legislature passed House Bill 5036 that approved a fourth authorization of \$40 million in lottery backed bonds for Connect Oregon IV. It is anticipated that the \$40 million in lottery bonds for the Connect Oregon IV will be issued in March 2013 with debt service payments expected to commence in the 2013-15 biennium.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— DEBT SERVICE —

BUDGET HIGHLIGHTS

	2007-2009 Actuals	2009-2011 Actuals	2011–2013 Legislatively Approved
Non-Limited Programs			
Infrastructure Bank			
Total Non-Limited Programs	\$11,409,001	\$25,321,984	\$18,158,214
Limited Programs			
Debt Service – Other & Federal Fund:			
<u>Revenue Bonds</u>			
Highway User Tax (LSN Bond)	9,357,529	9,348,350	9,269,544
OTIA	177,645,988	240,326,414	306,995,453
JTA			14,306,000
<u>Certificates of Participation</u>			
DMV Headquarters Building	1,601,458	1,594,218	1,586,183
SB 338 COP N/L	7,067,508		
<u>Article XI-Q GO Bonds</u>			
Transportation Building			6,864,783
State Radio Project (OWIN)			15,269,951
Total Debt Service – Other & Federal	\$195,672,483	\$251,268,982	\$354,291,914
General Fund Programs			
Debt Service			
<u>Certificates of Participation</u>			
State Radio Project (OWIN)		8,999,171	11,874,870
<u>Article XI-Q GO Bonds</u>			
State Radio Project			3,541,180
Total Debt Service – General Fund		\$8,999,171	15,416,050
Lottery Fund Programs			
Debt Service			
Westside Light Rail	19,927,285	\$2,863,158	
Short Line Railroads	811,247	815,624	655,162
Industrial Spur – Rail	1,417,844	1,418,156	1,421,622
South Metro Commuter Rail	4,353,318	3,244,375	3,232,395
Southeast Metro Milwaukie Ext.	0	39,608,740	29,675,266
Portland Street Car	0	3,506,934	2,718,825
Connect Oregon I	15,118,764	10,612,490	10,614,718
Connect Oregon II	4,930,981	18,369,845	14,184,915
Connect Oregon III	0	0	10,112,020
Total Debt Service – Lottery Fund	46,559,439	\$80,439,320	72,614,923

APPENDIX A

Statewide Transportation Improvement Program (STIP) Project Selection and Delivery

Oregon Department of Transportation
 2011–2013 Legislatively Adopted Program Budget
 — STIP PROJECT SELECTION AND DELIVERY —

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

The Statewide Transportation Improvement Program (STIP) is the state’s transportation preservation and capital improvement program. It identifies transportation projects using federal, state, and local government transportation funds. It includes projects of regional significance (projects with high public interest or air-quality impacts), regardless of funding source, and projects in the National Parks, National Forests, and Indian Reservations.

The STIP encompasses a four-year construction period based on a federal fiscal year; it is updated every two years. Typically, the first two years of the STIP contain the updated projects from the previous two years. The last two years includes the new projects that are scheduled to begin in those years.

The currently approved program covers the period of 2010–2013. It includes project commitments from the 2008–2011 STIP for 2010 and 2011. A draft 2012–2015 STIP has been prepared and is currently in the approval process.

Calendar Year	2009	2010	2011	2012	2013	2014	2015
Federal Fiscal Year Oct. 1 – Sept. 30	2009	2010	2011	2012	2013	2014	2015
State Biennium July 1 – June 30	2009 – 2011		2011 – 2013		2013 – 2015		
	2010–2013 STIP					Draft 2012–2015 STIP	
						Update Period for Existing Projects	New Projects

STIP projects are developed in accordance with the goals, policies, and guidance set forth in the Oregon Transportation Plan, 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 construction begins. Each project in the STIP passes through several phases, which are defined below. These phases are shown as elements under the four highway construction programs: Preservation, Bridge, Modernization, and Highway Safety and Operations.

Preliminary Engineering Phase

Preliminary Engineering includes all work necessary to prepare a project for contract bidding. Initial work may include environmental research and analysis, surveying of physical features, geotechnical exploration, pavement analysis, and traffic analysis. Project leaders in charge of preliminary engineering are located in region field offices. Private-sector engineering and environmental consultants also participate. This work includes obtaining necessary permits followed by preparation of contract specifications. Community outreach is an important part of preliminary engineering . ODOT asks for input from citizens directly affected by projects.

Right-of-Way Phase

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
- Value determination of all of 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, and all closing and escrow work
- Relocation of displaced people and personal property
- Condemnation proceedings (when negotiated settlements are unsuccessful)
- Title clearance certification that the state has lawfully purchased the property rights
- Possession of the property
- Removal of necessary buildings and mitigation of hazardous-materials contamination

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— STIP PROJECT SELECTION AND DELIVERY —

Construction Phase

Construction Engineering

Construction Engineering includes all work necessary to construct or build the project to its designed specifications, using appropriate construction methods and practices, while providing a safe environment for both the traveling public and workers throughout the duration of the project. During construction, it is the responsibility of the project manager and other staff to ensure that the work that occurred in the development phase materializes into reality and meets the expectations of the stakeholders.

The construction engineering phase includes costs ODOT pays 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 also are involved with aspects of the project during the construction phase. Private-sector engineering consultants also participate. Project leaders, inspectors, and other support staff continue the outreach efforts during this phase of the project with the community, homeowners, businesses, and the traveling public.

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 a competitive bidding process.

PROJECT SELECTION PROCESS

State projects in the STIP are identified and prioritized using planning processes described in the 2005 federal transportation funding act, SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users). SAFETEA-LU officially expired September 30, 2009 but until Congress passes a new Act, this Act continues to receive extensions.

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 pavement, bridge, and safety programs. ODOT uses Transportation System Plans or, in the absence of Transportation System Plans, comprehensive plans and any adopted Transportation System Plans. Also, all modernization projects must be consistent with the Oregon Highway Plan policy on Major Improvements, where applicable.

ODOT regions use the project lists developed through these systems and apply localized knowledge supplemented with input from Area Commissions on Transportation, local government partners, regional partnerships, government councils, tribal governments, metropolitan planning organizations, advisory commissions, transportation stakeholders, and the public. This process results in the specific projects and their relative prioritization in the STIP.

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— STIP PROJECT SELECTION AND DELIVERY —

All projects are scheduled for construction or implementation according to their priority and funding availability. Recognizing that a project may be unavoidably delayed or that 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 specified STIP timeframe, although projects may get delayed or cancelled from the STIP altogether.

Regionally significant local government projects in the STIP are identified and prioritized using system management data and public involvement at the local government level. ODOT is included in the process (as directed by federal law). The federal planning requirements [23 CFR 450.216] state that:

- Metropolitan Planning Organizations 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 land managing agencies shall be involved on a consultation basis for 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.

The STIP is updated every two years. Before final approval, it undergoes a public review process whereby comments are transferred to the Oregon Transportation Commission (OTC) and ODOT management. Programs and projects funded in the STIP reflect these public involvement efforts.

APPENDIX B

Estimated Administrative Costs

Oregon Department of Transportation
2011–2013 Legislatively Adopted Program Budget
— ESTIMATED ADMINISTRATIVE COSTS —

ADMINISTRATIVE COSTS

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

	2007–2009 Expenditures		2009–2011 Expenditures		2011–2013 Budgeted	
	Administrative Cost	Percentage of Total Cost	Administrative Cost	Percentage of Total Cost	Administrative Cost	Percentage of Total Cost
Highway	\$20,699,899	0.93%	22,040,098	0.96%	25,281,844	1.02%
DMV	4,290,400	2.95%	4,107,470	2.75%	4,827,935	3.01%
MCTD	2,059,645	3.61%	2,185,131	3.74%	2,460,879	3.85%
Safety	593,352	2.28%	614,045	2.12%	690,609	2.19%
Transit	426,699	0.74%	467,496	0.44%	577,294	0.70%
Rail	465,506	1.69%	463,095	1.29%	510,445	0.76%
TPD	3,634,419	4.93%	2,692,661	3.35%	3,673,219	2.65%
Central	119,595,350	77.02%	135,549,540	77.77%	144,064,791	77.49%
TOTAL	\$151,765,270	5.46%	\$168,119,536	5.59%	\$182,087,016	5.62%

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

- ODOT director, deputy directors and staff positions
- First and second levels of division and region management and all related support staff
- Financial Services (except Fuels Tax Audit/Collection Units)
- Information Services (except Application Development)
- Human Resources
- ODOT headquarters

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
- Safety or award dinners
- Clerical or office support for all administrative activities
- Fines and penalties

APPENDIX C

Policy Option Packages Summary

Oregon Department of Transportation
2011-2013 Legislatively Adopted Budget
Appendix C: Policy Packages Summary

	POS	FTE	Total Funds	General Fund	Other Funds	Federal Funds	Lottery Funds
#140: OWIN Operation & Maintenance							
Highway Division	8	8.00	3,106,768		3,106,768	0	0.00
			0		0	0	0.00
#140 Total	8	8.00	\$ 3,106,768	\$ 0.00	\$ 3,106,768	\$ 0	\$ 0.00
#230: CDLIS							
Driver & Motor Vehicle Services	0	0.00	\$ 350,890	\$	\$ 350,890	\$	\$
#230 Total	0	0	\$ 350,890	\$ 0.00	\$ 350,890	\$ 0	\$ 0.00
#86: Inflation Reduction							
Highway Division	0	0.00	\$ (3,390,200)	\$	\$ (3,390,200)	\$ 0	\$ 0.00
Driver & Motor Vehicle Services	0	0.00	\$ (1,434,427)	\$	\$ (1,365,413)	\$ (69,014)	\$ 0.00
Motor Carrier Transportation	0	0.00	\$ (476,289)	\$	\$ (357,883)	\$ (118,406)	\$
Transportation Program Division	0	0.00	\$ (3,978,850)	\$	\$ (3,977,881)	\$ (969)	\$ 0.00
Public Transit	0	0.00	\$ (1,868,555)	\$	\$ (752,306)	\$ (1,116,249)	\$ 0.00
Rail	0	0.00	\$ (206,845)	\$	\$ (119,394)	\$ (87,451)	\$ 0.00
Transportation Safety	0	0.00	\$ (660,201)	\$	\$ (283,728)	\$ (376,473)	\$
Capital Improvements	0	0.00	\$ (78,235)	\$	\$ (78,235)	\$	\$
Central Services Division	0	0.00	\$ (4,620,351)	\$	\$ (4,620,351)	\$ 0	\$ 0.00
#86 Total	0	0.00	\$ (16,713,953)	\$ 0.00	\$ (14,945,391)	\$ (1,768,562)	\$ 0.00
#87: 5.5% Personal Services Reductions							
Highway Division	0	0.00	\$ (26,146,596)	\$	\$ (26,146,596)	\$	\$
Driver & Motor Vehicle Services	0	0.00	\$ (6,261,469)	\$	\$ (6,261,469)	\$	\$
Motor Carrier Transportation	0	0.00	\$ (2,624,047)	\$	\$ (2,570,028)	\$ (54,019)	\$
Transportation Program Division	0	0.00	\$ (2,407,768)	\$	\$ (2,397,570)	\$ (10,198)	\$
Public Transit	0	0.00	\$ (154,945)	\$	\$ (55,293)	\$ (99,652)	\$
Rail	0	0.00	\$ (280,604)	\$	\$ (280,604)	\$	\$
Transportation Safety	0	0.00	\$ (253,790)	\$	\$ (129,670)	\$ (124,120)	\$
Central Services Division	0	0.00	\$ (5,580,208)	\$	\$ (5,580,208)	\$	\$
#87 Total	0	0.00	\$ (43,709,427)		\$ (43,421,438)	\$ (287,989)	\$ 0.00
#90 Analyst Adjustments							
Highway Division	(2)	(2.00)	\$ (232,747)	\$	\$ (232,747)	\$	\$
Driver & Motor Vehicle Services	(1)	(1.00)	\$ (91,763)	\$	\$ (91,763)	\$	\$
Transportation Safety	(1)	(0.50)	\$ (56,939)	\$	\$	\$ (56,939)	\$
Debt Service	0	0.00	\$ (32,678,407)	\$ (32,678,407.00)	\$	\$	\$
#90 Total	(4)	(3.50)	\$ (33,059,856)	\$ (32,678,407.00)	\$ (324,510)	\$ (56,939)	\$ 0.00

Oregon Department of Transportation
2011-2013 Legislatively Adopted Budget
Appendix C: Policy Packages Summary

	POS	FTE	Total Funds	General Fund	Other Funds	Federal Funds	Lottery Funds
#805 SB 5508							
Highway Division	0	0.00	\$ (1,304,404)	\$	\$ (1,304,404)	\$	\$
Driver & Motor Vehicle Services	0	0.00	\$ (1,862,141)	\$	\$ (1,862,141)	\$	\$
Motor Carrier Transportation	0	0.00	\$ 100,405	\$	\$ 101,528	\$ (1,123)	\$
Transportation Program Division	0	0.00	\$ 12,733,299	\$	\$ 12,735,571	\$ (2,272)	\$
Public Transit	0	0.00	\$ 1,991,211	\$ 2,000,000.00	\$ (3,625)	\$ (5,164)	\$
Rail	0	0.00	\$ (11,201)	\$	\$ (11,201)	\$	\$
Transportation Safety	0	0.00	\$ (15,185)	\$	\$ 5,963	\$ (21,148)	\$
Debt Service	0	0.00	\$ (29,183,366)	\$	\$ (17,906,875)	\$	\$ (11,276,491.00)
Central Services Division	0	0.00	\$ (1,903,041)	\$	\$ (1,903,041)	\$	\$
#805 Total	0	0.00	(19,454,423)	2,000,000.00	(10,148,225)	(29,707)	(11,276,491.00)
#810 LFO Adjustments							
Highway Division	0	0.00	\$ (5,470,514)	\$	\$ (5,470,514)	\$	\$
Driver & Motor Vehicle Services	0	0.00	\$ (77,558)	\$	\$ (1,248,021)	\$ 1,170,463	\$
Motor Carrier Transportation	0	0.00	\$ (353,853)	\$	\$ (353,853)	\$	\$
Transportation Program Division	0	0.00	\$ (836,158)	\$	\$ (836,158)	\$	\$
Public Transit	0	0.00	\$ 978,431	\$	\$ (6,512,941)	\$ 7,491,372	\$
Rail	0	0.00	\$ 23,081,012	\$	\$ 4,781,012	\$ 18,300,000	\$
Transportation Safety	0	0.00	\$ (20,943)	\$	\$ (20,943)	\$	\$
Debt Service	0	0.00	\$ 0	\$ (4,029,350.00)	\$ 4,029,350	\$	\$
Central Services Division	0	0.00	\$ (1,126,515)	\$	\$ (1,126,515)	\$	\$
#810 Total	0	0.00	16,173,902	(4,029,350.00)	(6,758,583)	26,961,835	0.00
#819 Statewide Supplemental Ending Balance							
Debt Service	0	0.00	\$ (3,469,216)	\$ (554,828.00)	\$ (2,914,388)	\$	\$
ODOT TOTAL:							
Highway Division	6	6.00	\$ (33,437,693)	\$ 0.00	\$ (33,437,693)	\$ 0	\$ 0.00
Driver & Motor Vehicle Services Divison	(1)	(1.00)	\$ (9,376,468)	\$ 0.00	\$ (10,477,917)	\$ 1,101,449	\$ 0.00
Motor Carrier Transportation Divison	0	0.00	\$ (3,353,784)	\$ 0.00	\$ (3,180,236)	\$ (173,548)	\$ 0.00
Transportation Program Development	0	0.00	\$ 5,510,523	\$ 0.00	\$ 5,523,962	\$ (13,439)	\$ 0.00
Public Transit Division	0	0.00	\$ 946,142	\$ 2,000,000.00	\$ (7,324,165)	\$ 6,270,307	\$ 0.00
Rail Division	0	0.00	\$ 22,582,362	\$ 0.00	\$ 4,369,813	\$ 18,212,549	\$ 0.00
Transportation Safety Division	(1)	(0.50)	\$ (1,007,058)	\$ 0.00	\$ (428,378)	\$ (578,680)	\$ 0.00
Central Services Division	0	0.00	\$ (13,230,115)	\$ 0.00	\$ (13,230,115)	\$ 0	\$ 0.00
Debt Service	0	0.00	\$ (65,330,989)	\$ (37,262,585.00)	\$ (16,791,913)	\$ 0	\$ (11,276,491.00)
Capital Improvements	0	0.00	\$ (78,235)	\$ 0.00	\$ (78,235)	\$ 0	\$ 0
Total	4	4.50	\$ (96,775,315)	\$ (35,262,585.00)	\$ (75,054,877)	\$ 24,818,638	\$ (11,276,491.00)