

Workgroup #1: Back to Basics Maintenance and Preservation ODOT Follow-up Material

Workgroup Session #4 – Nov. 19, 2024

1. Does the TNC fees include taxis? And has ODOT considered a rental vehicles tax?

The comparator state from ODOT’s analysis (Colorado) does not apply their rideshare fee to taxis. Because this was used as the basis for a revenue estimate in Oregon, the revenue estimates in Oregon would not include a fee that applied to taxis.

To-date ODOT has not evaluated a rental car fee. However, ODOT has been asked to research and provide information on this topic at the workgroup’s 12/2 meeting.

2. With regard to RUC, what is the cost of tracking methods and technology for new vehicles?

Currently, the OReGO program is structured such that business partners that administer the mileage reporting process are allowed to retain forty percent of the revenues generated. This revenue is intended to incentivize participation by business partners. As the program grows and economies of scale can be achieved, ODOT expects this revenue share to drop precipitously. Costs of collection vary among business partners and Mileage Reporting Options (MRO), with the OBD plug-in device being the most expensive. Collection costs for the same MRO may differ between business partners based on proprietary business practices. The table below provides an overview of the relative cost of collection for each MRO, as well as additional context around cost drivers and benefits. It should be noted that the below table does not reflect anticipated ODOT costs to administer a program at scale; therefore, total relative costs may vary as mandatory program is implemented.

Mileage Reporting Option	How It Works	Relative Cost	Cost Context
OBD plug-in device	<p>A device is plugged directly into the on-board diagnostic port of a participant’s vehicle.</p> <p>OBD devices can be GPS- or non-GPS-enabled. Mileage data is transmitted automatically to the OReGO business partner.</p>	\$\$\$\$\$	<p>Equipment costs have ranged from \$140-\$260 per device.</p> <p>There are additional costs associated with transmission and processing of mileage data.</p> <p>Device can be easily removed, which could result in additional program costs related to compliance and enforcement.</p>

Telematics with location data	The vehicle owner subscribes to a telematics service – either the native telematics offered by the original equipment manufacturer	\$\$\$\$	The inclusion of location data entails additional data processing costs.
Telematics without location data, daily data pull	(i.e. the automaker) or a third-party service. The vehicle owner then grants the OReGO business partner access to the telematics data. Mileage data is transmitted automatically to the OReGO business partner.	\$\$\$	Less expensive than telematics with location data, but the higher frequency of data pulls result in additional costs.
Telematics without location data, monthly data pull	Note: new vehicle purchasers are sometimes offered a complimentary initial subscription to the telematics service, but the customer typically must pay to access the data after any initial complimentary period.	\$\$	Least expensive of the telematics options given lower frequency of data pulls and no inclusion of location data.
Photo odometer capture through business partners	The participant uses a mobile phone application developed by the OReGO business partner to take a photo of the vehicle’s odometer. The frequency of the photo captures can vary based on the business partner’s practices, but it would likely be a monthly process.	\$	As a basic, lower-tech option, photo odometer capture is cheaper than the other options, but it does not allow for differentiation of miles driven out of state.

Workgroup Session #3 – November 12, 2024

1. How is fish wildlife passage figured into ODOT’s estimated needs for culverts? And are there any unique opportunities or special funding available for this work?

ODOT works with the Oregon Department of Fish and Wildlife to identify culverts that can improve fish passage. There are a variety of factors we utilize to prioritize culvert repairs and replacement. Additionally, we have a prioritized list of culvert replacements that can restore fish habitat. These factors are applied to both categories when determining which projects to fund. There are federal grant funding opportunities for fish passage. We pursue the [Aquatic Organism Passage](#) and [PROTECT grant](#) funds as part of our fish passage program.

2. What percentage of maintenance and preservation work is conducted by ODOT crews in-house versus contracted out? Is the trend of contract work a reflection of budget cuts? How much of ODOT’s contracted work is union represented?

Contracted Work at ODOT

Preservation work of roads, bridges, and other assets refers to work that is designed and put out to bid as a construction project. Maintenance work is typically not designed but is either preventative maintenance like chip sealing a road or reactive maintenance like patching potholes. Maintenance work is done through in-house crews and contracted work depending on urgency and budget/resource availability. The contracting percentages below are for the listed maintenance program activities for the 21-23 biennium.

Maintenance Activity	Total Costs	Contract Costs	Contracted Work
Bridge	\$4,905,140	\$377,966	7.7%
Culverts	\$5,552,660	\$124,882	2.2%
Pavements	\$60,122,960	\$14,703,857	24.5%
Signals	\$8,278,330	\$188,552	2.3%

Contact Work and Budget Cuts

We are seeing a growing need for corrective maintenance repairs due to insufficient resources to perform routine preservation treatments. Reduced funding for maintenance has impacted our capacity to obtain general contracted work for these repairs.

Union Presentation in Contract Work

ODOT does not record which contractors have union staff, and wages for workers on ODOT public works or public improvement contracts are governed by prevailing wage rates set by other state and federal agencies. However, ODOT has anecdotal information from Associated General Contractors (AGC) that roughly 20% to 30% of the contractors performing ODOT-contracted work have union staff. In FFY23, ODOT had 4.17% Disadvantaged Business Enterprise (DBE) contractors leading our contracted projects and 15.34% of contracted work by monetary value was performed by a DBE contractor.

3. How does Oregon's gas tax compare to other western states?

See the [Western States Tax Comparison Report](#).

4. How much funding is going into the EV rebate program and how much has been delivered?

Revenues to fund Oregon's EV rebate program are generated from the Vehicle Privilege Tax, currently set at 0.5% of all new vehicles sales in Oregon. Since inception, the Vehicle Privilege Tax has generated approximately \$87 million for DEQ's EV rebate program, or about \$14 million per year. In addition to Vehicle Privilege Tax revenues, the EV rebate program received a one-time \$15 million General Fund infusion in 2022, for total resources of \$102 million. Since establishment of the program, DEQ has obligated approximately \$99 million in EV rebates. It should be noted that the program is currently fully obligated and has a waiting list to receive funds. Comprehensive information related to the EV rebate program can be found on DEQ's [website](#) and additional questions can be directed to DEQ.

5. What is included in the \$145M need for Safety Programmatic Investments?

See ODOT's Resource Library Document titled "[Needs Analysis Programmatic and Systemic Safety Investments](#)".

6. What's the impact of studded tires have on the roadway?

See ODOT's [Studded Tires in Oregon Report](#).

Workgroup Session #2 – October 22, 2024

1. Has ODOT been looking at each rule and regulation to question whether it's still necessary, if it's outdated and needs to be modernized, whether it's cost effective, or consider if requesting a waiver would be beneficial, to achieve our objectives?

ODOT takes an active role in commenting on rulemaking by both federal and state agencies that impacts transportation. We do this through both formal comment processes as well as informal engagement. For federal rulemaking, we provide comments both directly through the federal rulemaking process as well as through the American Association of State Highway and Transportation Officials (AASHTO), a national organization that both develops national standards and guidelines as well as advocates for the interests of state DOTs. Some recent examples include:

Federal

- FCC rulemaking recently reallocated use of the 4.9 GHz spectrum from dedicated use for public safety to use by AT&T. This will impact 350 sites for ODOT as well as sites for local agencies. While the ruling did not go in our favor, we did submit comments through AASHTO on the importance of this spectrum for transportation.
- FEMA is currently working through rulemaking related to floodplain management. The new rules have a substantial impact on local agencies and have the potential to impact transportation projects and maintenance in floodplain areas. ODOT has been participating with other state and local agencies to submit comments to FEMA.

State

- DEQ is developing rules to implement the California CARB rules for diesel engines in January 2025. ODOT has been working closely with fleet-owner state agencies and DEQ to evaluate feasibility of compliance.
- DLCD is developing rules to implement the Community Green Infrastructure Grant program. ODOT has been working closely with DLCD on the rules for the program and what can be done and not done within highway right of way.
- ODOT recently reviewed our procedures for management of hazardous waste at maintenance yards and determined that with the improvements we have made, we now qualify as a small quantity generator under DEQ rules. This allowed us to reduce the amount of report and record keeping required.

Internal Policy

- ODOT is currently in the process of reviewing and updating the ODOT Maintenance Guide which provides direction for the maintenance program. We are looking to eliminate outdated practices, put a fresh lens on our work and find ways of becoming more efficient.
 - ODOT's Maintenance Operational Notices are currently on a three-year review cycle. During that review they are assessed for continued relevance and updated as needed.
1. The Routine Road Maintenance Water Quality and Habitat Guide which covers best practices to perform maintenance work in compliance with environmental regulations is updated on a five-year cycle.

2. What would be the added cost of converting ODOT's fleet to low-carbon diesel fuels, and would there be a cost benefit?

We estimate there will be a \$12,000,000 one-time investment to convert our fleet and build charging infrastructure, with an on-going biennial cost of \$2,200,000.

3. Does every ODOT Region have to come up with an annual or biennium cut, and do they need to be the same proportional cut for each season? For example, can it vary from winter cuts to summer cuts? Does ODOT require the cuts be season by season?

In absence of additional funding from the 2025 legislative session, every ODOT Region will have to make cuts in the next biennium based on the size of the budget gap. Each region is staffed differently based on the size of the region, lane miles, project portfolio and population. Our maintenance crews have a fixed number of FTE that perform different types of work in each season. As budgets allow, we do hire seasonal temporary employees for different tasks in both the winter and summer. However, with our budget gap, this will become less common. Our teams examined a variety of activities from sweeping, sanding, plowing, mowing, striping, tree trimming, asset management, permits and more as they made their cuts. They had the difficult task of trying to identify cuts between supplies and personnel.

Workgroup Session #1 – October 15, 2024

1. How is ODOT increasing efficiency and reducing costs through technology developments? For example, DMV and CCD.

DMV

DMV constantly strives to become more efficient to reduce costs, improve efficiency, and provide better customer service. DMV accomplishes this through i) completion of projects and initiatives; ii) expansion of third-party services; iii) centralization and streamlining functions through staff redeployment; and iv) changes to DMV forms and manuals.

Projects and Initiatives

- DMV Virtual Assistant for Voice and Web Services – In 2021, DMV stood up IBM's AI Watson to help handle the high incoming call volume during the COVID-19 pandemic. This tool, which is co-located on our customer facing web pages, answers approximately 30% of customer's basic questions while freeing up our phone agents to handle the more complex calls at a reduced wait time. If we did not have this tool, we would need to hire 25-30 more staff at \$200,000 per person per biennium or wait times would increase significantly.
- DMV Title Processing - DMV processes over one million titles per year. About 60% of those titles are processed and then auto released based on a pre-programmed criterion, while 40% require further staff review before being issued to the customer. That is an efficiency gained with the new IT system, starting in 2019; under the legacy mainframe system every title was manually reviewed. Recently, after a thorough analysis of our data, we were able to adjust the programming in our system to release a larger percentage of our titles automatically. This means that more customers will receive their titles within approximately one week from processing, freeing up staff to do other high priority work for the division. This change was just put in place, so data is not yet available. However, DMV anticipates being able to move resulting position vacancies from this area to our Field Offices to more efficiently help customers who need or want in-person services.
- DMV Headquarters Staffing - Over the past several years DMV has realized efficiencies in production as a result of our new system. DMV has developed a process to analyze the need to fill vacant positions before they are submitted for recruitment. As a result of this collaborative approach, there have been 28 vacant HQ positions that have been redistributed to increase our Field Services staffing by 20 FTE to more effectively serve Oregonians seeking in-person services.
- Centralized Supply Ordering - In late 2021, DMV centralized supply orders. Through this centralization effort, DMV has saved approximately \$50,000 per year from our baseline supply budget.
- DMV Phone Line Consolidation Project - In 2023, DMV began a review of all the phone lines that feed into our headquarters building. As we have reorganized our work units and evolved in some of our production processes, we have found that the needs for staff to utilize our phones to service customers have changed significantly. The resulting savings

has been worth the effort. When complete, this will result in a savings of over \$90,000 per biennium.

- DMV first began accepting credit and debit cards in 2016 – this was a customer service win, but an impact to costs due to the merchant fees DMV pays to the credit card companies. (DMV does not pass the credit card fee on to the customer.) From the start DMV’s system treated all cards as credit cards, rather than separating out debit cards, which means paying a higher rate in merchant fees for debit card transactions than we otherwise would. DMV currently pays close to \$9 million a biennium on credit card fees for services offered in field offices and online. Recently DMV has been working with the Oregon Treasury Department and Elavon, our card processing center, to reduce those merchant fee costs. While credit card transactions charge up to 2% per, debit cards use incurs much lower fees. DMV estimates that we can save up to \$3 – \$5 million a biennium by treating debit cards as debit cards in field offices, and by offering ACH (Automated Clearing House payment - electronic transfer of money between financial institutions) for those doing business online. In October, Elavon pushed an update to the 367 PIN Pads in our field offices that allows us to process debit cards as debit cards by requesting a PIN to be entered by the customer. The data is still being analyzed, but it is hopeful that we can cut our merchant fee costs by as much as half.

Expansion of Third-Party Services

- Expanding third-party services improves the customer experience by either eliminating the need to visit a field office altogether or by improving customers’ in-office experience (shorter wait time, fewer return visits, ability to wait elsewhere, decreased language barrier, calmer environment, reduced disruptive behavior, more effective staffing, etc.). In turn, the improved customer experience should result in less employee burnout, lower absenteeism, fewer office closures, and ultimately lower turnover and reduced costs for training.
- Third-party testing businesses conduct roughly 80% of the state’s non-commercial drive tests and 98% of the state’s CDL drive tests. DMV does not provide direct compensation to these businesses but has a small compliance team that provides training and compliance oversight of the program. (Note: DMV fees do not cover DMV’s cost of conducting drive tests.)
- A third-party Electronic Vehicle Registration (EVR) Integrator receives and processes 75% of all Oregon vehicle dealer title and registration transactions. DMV does not provide direct compensation to this vendor and the state receives all fees due for the transactions.
- DMV intends to expand the EVR program in 2025 to significantly increase the volume of transactions processed by EVR vendors. The program will be opened to out-of-state dealers and financial (lending) institutions. It will also expand the scope of services and number of vendors eligible for the program, reducing DMV’s workload even more.

Consolidation and Centralization of DMV Functions Through Realignment of Existing Positions

- Created Budget and Legal Support Section that centralizes all budget and legal support functions across DMV. This has produced operational efficiencies, enabled by standardized processes and centralized expertise. It has also resulted in more effective monitoring of costs, proactive steps to mitigate legal risks, and enabled continuous improvement across all business functions.
- Created the Oregon Dealer Services unit, which consolidates the management and processing of title transactions specifically for Oregon vehicle dealers. Centralizing these services has realized significant operational efficiencies and better leverages Oregon dealers as agents of DMV.
- Created cross-functional teams for Driver and Vehicle programs to implement a centralized process to coordinate and vet issues and proposed solutions. This process has resulted in more efficient use of limited expertise and resources and improved DMV's management of "system fix" proposals. The coordination teams ensure problems are clearly defined, all aspects of the issue are understood and fully coordinated, and appropriate solutions are developed and prioritized, preserving limited system resources for the highest priority needs.
- In the early stages of an initiative to change how DMV processes refunds for bulk accounts, significantly reducing the volume of checks processed, which reduces costs.

Efficiencies and Cost Reductions Through Form and Manual Changes

- Since January 2019, we have stopped bulk-printing 176 different forms (moved to PDF only or discontinued altogether), representing a biennial cost savings of more than \$85,000.
- Increased availability of PDF forms online and the use of electronic signatures have enabled changes in business practices that have reduced or eliminated mailing costs, e.g. paperless Sno-Park Permit Agent agreement process and reduced mail related to business certificate renewals.
- Changed DMV forms used by the courts into fillable PDFs to reduce paper form usage and are working toward 100% court adoption so that we can eliminate those paper forms completely.
- Removed printed fees on trip permits to avoid creating new permits and wasting old permit inventory when fees change.
- Established an Outlook mailbox for "DMV Forms Suggestions," to encourage staff to submit ideas for improving forms. Ideas being implemented.
- Since 2021, the Web Service Center has recreated our Driver Manuals (Class C, CDL, and Motorcycle) into a webpage format providing customers web access to the manuals (available in paper, PDF, audio, and now webpage). Benefits of this format include:
 - More user-friendly online format than the PDFs

- Support web page audio readers
- Provide better accessibility and support translations into many different languages through the web browser
- Decrease usage of the hard copy manuals, which range from 25¢ to 67¢ each.

Customer Service Efficiencies

Oregon’s population has increased more than 20 percent over the last two decades, growing by about 750,000 people from 2001 to 2024. In that same period, DMV has only increased its budgeted head count by seven (from 846 to 853 staff members, excluding limited duration and temporary staff in both years’ counts). To meet growing service needs, DMV has focused on creating efficiencies that improve DMV customer service through i) additional online capabilities; 2) in-office or in-person improvements; and 3) staffing efficiency improvements.

Online Capabilities

- Online capabilities assist all customers. Those who access them are able to conduct business 24/7 and without going to a field office. And those who do *not* access them are also assisted by the reduced numbers of other customers – those who did go online – being at the field office. Already in 2024 over 100,000 customers accessed on-line renewal or replacement of their driver license or ID card. Prior to July 2020, every one of those would have required an in-person visit to DMV.
- On DMV2U customers can schedule an appointment at a DMV field office nearby. They can then show up at the appropriate time and be served. This reduces customer wait time. Average appointment wait time statewide during the three-month period July – September 2024 is 10 minutes. During the three-month period July – September 2024, customers scheduled more than 108,000 appointments – 57,000 of which were for REAL ID issuances. DMV also allows customers to walk in and be served; wait times vary depending on the field office. Statewide average is 36 minutes for walk-ins for the same period.
- Online Knowledge Testing—individuals who need to take a knowledge test for issuance of a license or permit (Class C and Motorcycle) no longer need to wait in line or make an appointment at a DMV office. Customers can pay for and take the knowledge test online 24/7/365. Class C knowledge test is available on-line in eight languages. Customers frequently need to take the test multiple times to pass. Online knowledge testing has significantly reduced the number of office visits many customers need to make.
- Online appointment scheduling—customers can schedule office and behind-the-wheel drive test appointments directly using DMV2U. DMV staff are able to use the system to more easily update and inform customers when there is a need to reschedule appointments due to office closures (inclement weather, facility issues, etc.).
 - Listed below are some of our online services with number of transactions processed just for the current calendar year: 1/1/2024-9/30/2024.
 - Knowledge Tests: 41,425
 - Driver License Renewal and ID Card: 64,148
 - Driver License Replacement and ID Card: 38,573
 - Registration Renewal: 505,046

- Replace Vehicle Registration: 21,190
 - Replace Vehicle Month Sticker: 5,937
 - Replace Vehicle Plates: 7,856
 - Change of Address: 102,950
 - Pay Reinstatement Fee: 6,581
 - Purchase a Trip Permit: 15,922
 - Purchase a Sno-Park Permit: 5,088
 - Request Employee's Driving Records: 24,103
 - Request My Driving Record: 33,099
 - Request Vehicle Records: 7,788
 - Hardship Permit: 1,821
 - Request a Hearing: 602
 - Submit Medical Examiner Certificate (CDL requirement): 6,049
 - Notice of Vehicle Sale: 83,496
 - Add Emergency Contact: 6,764
 - Dealer Notice of Vehicle Sale: 33,406
 - Dealer Notice of Vehicle Purchase: 69,464
- DMV2U – Preapplication Option Available – Customers may provide transaction information prior to their visit via the preapplication process. This saves time moving customers through their transaction more quickly.
 - Online Collision Report—planned for introduction in the spring of 2025, the online collision report will enable online reporting, improve the timely collection of crash data for analysis, reduce the need for paper copies of the crash report form, and improve the ability to access information and provide customer assistance, ultimately reducing DMV staff workload.

In-Person Improvements

- FastQ Lobby Management System—supports more efficient service and customer management in Field Offices. An ongoing challenge with field office appointments is customer no-shows. The system sends reminders to customers for their appointments, also allowing them to reschedule or cancel. If they do, that appointment slot immediately opens for another customer to select. Customers can check in for their appointments or pull a number as a walk-in using our new touch screen check-in stations, available in English and Spanish. If a customer selects Spanish, their number will be announced in Spanish which reduces the time it takes for a customer to reach the counter after being called and helps the employee be prepared to serve the customer in Spanish or with a language tool. The system calls out customer numbers in a clear voice and with flashing print on lobby screens rather than employees calling them out. Lobbies are quieter, service flow is more organized. This is especially important for customers with hearing or mobility issues. If desired, customers can choose where they wait by entering a mobile phone number and receive a message when it is almost their turn to be called to the counter. Queuing by transaction is available using the new system, and in many offices directs REAL ID customers to dedicated staff hired to support the issuance of REAL ID credentials. FastQ has reduced the amount of overtime in field offices because the system measures the capacity of each office and queue and issues tickets accordingly. Finally, the system

provides more accurate and reliable customer wait times, allowing DMV to identify best practices that support faster customer wait times.

- Self-Service Kiosks—planned for installation winter of 2024 through spring of 2025, stand-alone kiosks located in an initial set of ten grocery stores first will offer vehicle registration renewal including stickers. More transactions will be added over time, including duplicate registration cards, replacement stickers, and the payment of reinstatement and other fees. The kiosks will be available beyond normal DMV office hours and locations and are expected to reduce the number of customers who visit a DMV office for their stickers. Many units will accept cash to assist those who are unbanked or choose not to use credit/debit cards. DMV will monitor customer adoption and utilization of the kiosks to determine additional future locations.
- Pocket Talk Translator Devices – While 25% of DMV’s field staff are bilingual, it is impossible to fully support Oregonian’s diverse needs with employee language skills alone. DMV equipped all 59 field offices and DMV headquarters with at least one Pocket Talk translator device, and they are being used daily. The translators immediately convert words in one language into another and provide the translation both verbally and in text. With the translator device conversations can be held in more than 80 languages. While they are not a perfect substitute for a bilingual employee, DMV staff are now able to move through challenging discussions more quickly and with less frustration for employees and customers.
- Free ID Program and Process Improvements – Challenges with the free ID program for Oregonians experiencing homelessness have been mitigated through process improvement and outreach to non-profit organizations responsible for facilitating the program with qualifying individuals. Non-profit organizations have received individual training and there is a standing monthly drop-in meeting for them to obtain continued help. The effort has resulted in significant reduction in failed transactions, as well as disruptive customer behavior and threatening situations in offices.

Staffing Efficiency Improvements

- Staffing Tracker – In the process of rolling out a staffing tracker that will allow us to glean more complete data about where staff are sent each day for relief and where staff are available in field offices. This will improve coordination between offices for sending employees from one office to another to meet the demands of offices in real time and provide data for forecasting staffing and relief.
- Virtual Training – While not possible for all training, many trainings or parts of trainings are in the process of being converted to virtual trainings. This reduces the amount of travel time and cost and keeps employees working in offices rather than traveling.

For more information, please see the [DMV Cost of Service Report](#).

CCD

Commerce and Compliance Division (CCD) is continually taking efforts to modernize our operations to expand accuracy and efficiency in our work, improve customer service and save taxpayer dollars. With threefold industry growth and no accommodating increases to our staff, we are always mindful of ways to streamline our processes and improve the customer experience. Much of our effort is directed towards simplifying compliance and increasing online services to reduce administrative workload. Our costs as a share of revenue have reduced from just over 10% in 2013-15 biennium to approximately 7% in 2021-23.

A significant step in this work will launch in May 2025 with the arrival of ORION. The Oregon Routing Information Online, or ORION, is our new online routing system for variance permits. ORION will integrate new vertical clearance and infrastructural data with other ODOT work units, such as bridge engineers, transportation economists and the state's counties to minimize risk of damage to critical highway infrastructure and improve safety.

ORION will increase service levels by offering customers around-the-clock access to Annual and Single-Trip Permits. The system's data integration will be capable of producing permits for many loads all but immediately, allowing our staff to focus on the more complex permits that require more detailed scrutiny. The increased efficiency in issuing permits will save motor carriers money by decreasing their wait time, therefore increasing their freight movement output.

Counties and other local road authorities will have an expedited approval process, including detailed travel requirements for each entity, and a communication function for centralizing this process this will reduce back-and-forth communication and permit turnover time.

Additionally, ORION will have a dedicated customer service portal, where our permit staff will be able to directly answer questions and post information and guidelines to all enrolled motor carriers. This will improve our ability to communicate with industry regarding potential mobility issues and detours, highway construction, maintenance operations or emergency situations by interacting with Oregon Highway and Mobility databases.

Other recent examples of simplification and modernization include amending Oregon Administrative Rules to open quarterly tax reporting to more carriers, aligning industry reporting requirements and touchpoints, reducing incoming paperwork processed by our data entry staff and reducing and minimizing the compliance burden on customers. Use of quarterly reporting has increased from around 3,400 carriers 1Q2020 to over 7,700 1Q2024. We also expanded online self-service options that allow customers to manage their passwords without requiring us to manually handle changes for them. With our dated system, this is a considerable improvement for our customers. With each addition and improvement to our online services, we simplify compliance for the customer and reduce staff workloads.

Effective October 1, 2023, we streamlined our Tax Service Center hours to concentrate existing staff in those business hours receiving the most calls. The average business hour call wait time is down 27.2% after the change, from 11 minutes in April to September 2023 to 8 minutes from October 2023 to July 2024. These numbers have continued to improve with wait time average at 2.48 minutes in 3Q2024. As online services improve and customer self-service increases, reductions in incoming mail, paper checks and paperwork to image have allowed CCD to terminate

its contracted mailroom service and utilize reskilling of permanent staff positions to cover the work. This will result in biennial savings of \$250,000.

Other significant changes have occurred within our tax program. We continue to transition to more strategic account selection for tax audit. Additionally, we have implemented automation in our audit screening process. To date in 2024, we have screened 44,444 files for possible audit, with 60.64% coming from an automated process allowing our analysts to focus on higher-risk accounts. This automated screening percentage is a significant increase from 4.29% in 2021. We have also reduced our screening cycle from 3 to 2 years, allowing for quicker identification of and intervention in carrier errors. Ultimately, our goal is to gain voluntary compliance through education and engagement, so we have complimented these changes with increased educational offerings such as webinars and open houses. Finally, in late fall 2024 we will roll out a records review program in lieu of some audits required for multi-jurisdictional fuel and registration agreements, improving our ability to connect with and inform carriers. Thus, through process improvements and better engagement with industry, which are less costly than an audit, we are seeing a better return on investment for both the state and carriers. We have reduced audit program FTE by 19% since 2018.

Finally, in 2023, we relocated staff in three locations, including our Salem headquarters, to state-owned buildings, saving approximately \$1 million dollars in annual costs.

As we move forward, we plan to adopt additional new back-office systems that provide customer self-service options and are equipped with the ability to continue to expand self-service options as well as connect to national data repositories. The goal is to modernize our licensing and registration services and provide real time data to law enforcement around the nation to assist us in carrying out our safety and enforcement duties.

These improvements will increase efficiency, improve customer service and decrease our costs.

2. How do Oregon and other states pay for roads?

See ODOT's Resource Library Document titled "[How Oregon and Other States Pay for Roads](#)".