

# 2025-27 Agency Request Budget

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August 1, 2024

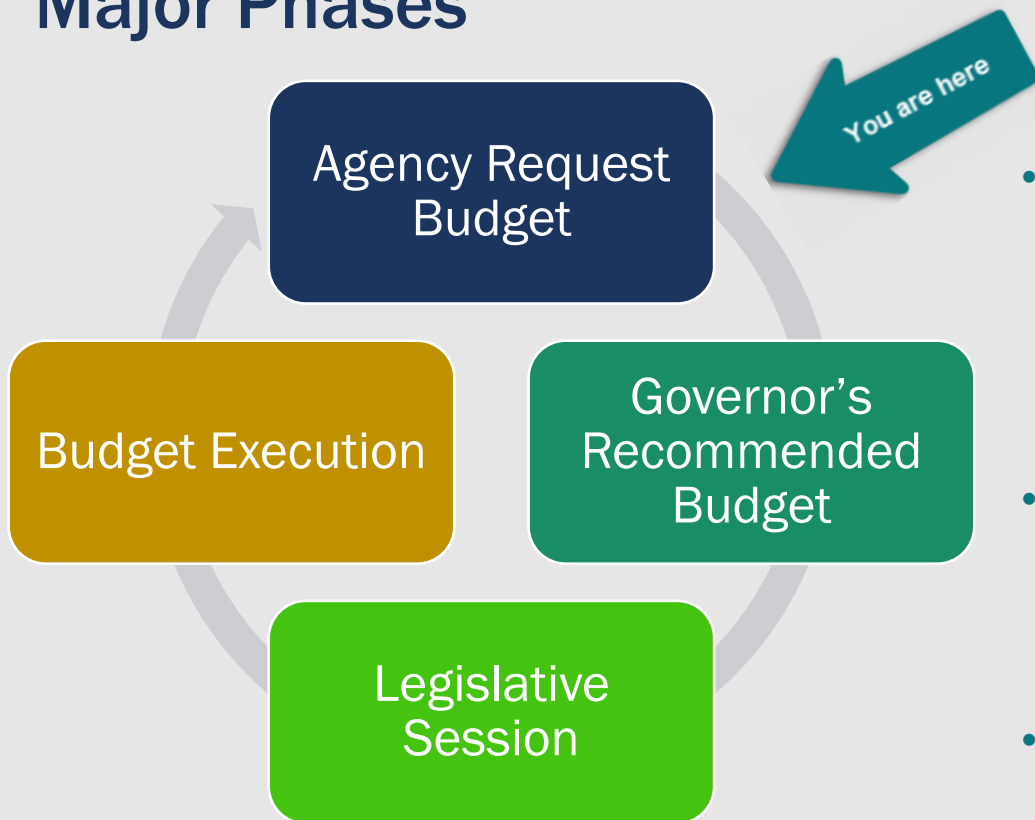


# ROADMAP

- High-level ARB Details
- Revenue Shortfall Packages
- Policy Option Packages
- 2025-27 TOF Allocations

# Where are we in the budget cycle?

## Major Phases



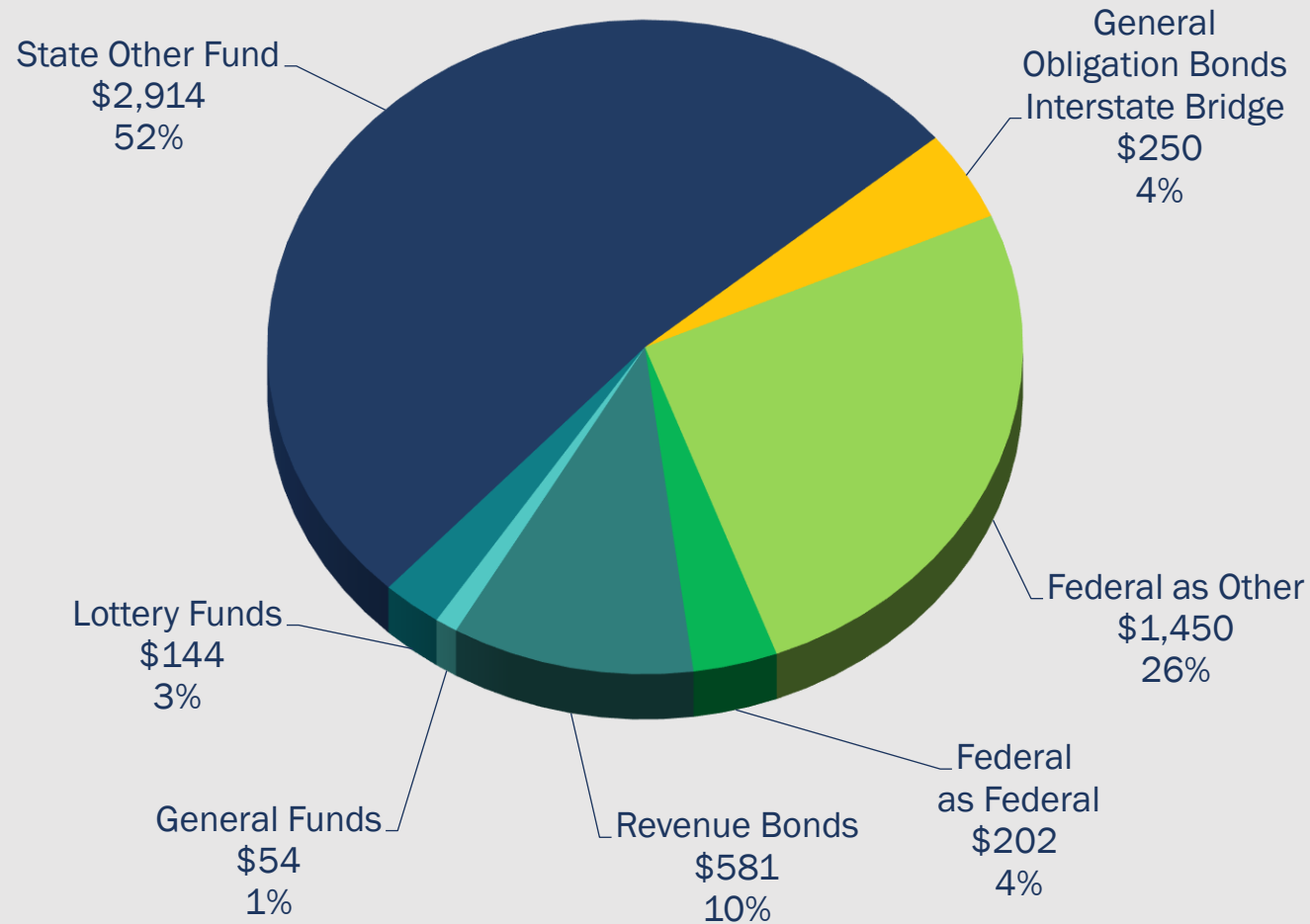
- **Agency Request Budget – Jan - Sept 2024**
  - Start early in even-numbered years to develop agency budget.
  - Lays out agency finances and policies for Governor's consideration.
  - Due to CFO by Aug 30.
- **Governor's Budget – Sept - Dec 2024**
  - Governor and CFO review agency budget requests.
  - Use Governor's priorities, budget policies, and current law to make budget decisions.
  - Published by Dec 1.
  - Presents recommended budget to legislature when it meets at the start of the next calendar year.
- **Legislatively Adopted Budget – Jan - June 2025**
  - Once received, legislative committees review proposed budget.
  - Public hearings held to request feedback from agency, public.
  - Budget bills enacted into law make up the legislatively adopted budget.
- **Budget Execution – July 2025 - June 2027**
  - Agencies carry out, or executes, the budget over the two-year budget period.

# 2025-27 Agency Request Budget By Category

Category	2021-23 Actuals	2023-25 LAB	2025-27 ARB	% of ARB	%Δ from 2023-25
Personal Services	\$1,156,925,602	\$1,348,529,631	\$1,136,701,721	20%	-16%
Services & Supplies	\$2,606,185,922	\$3,546,308,714	\$3,236,581,154	57%	-9%
Capital Outlay	\$88,774,369	\$101,482,316	\$31,232,037	0%	-69%
Special Payments	\$577,021,702	\$718,596,523	\$640,312,560	11%	-11%
Debt Service	\$545,036,168	\$615,038,790	\$669,739,786	12%	+9%
<b>TOTAL</b>	<b>\$4,973,943,763</b>	<b>\$6,329,955,974</b>	<b>\$5,714,567,258</b>		<b>-10%</b>
Positions	4,935	4,939	3,923		-21%
FTE	4,731.92	4,806.87	3,827.87		-20%

# ODOT 2025-27 Est. Agency Request Revenue

## \$5,595 (in millions)



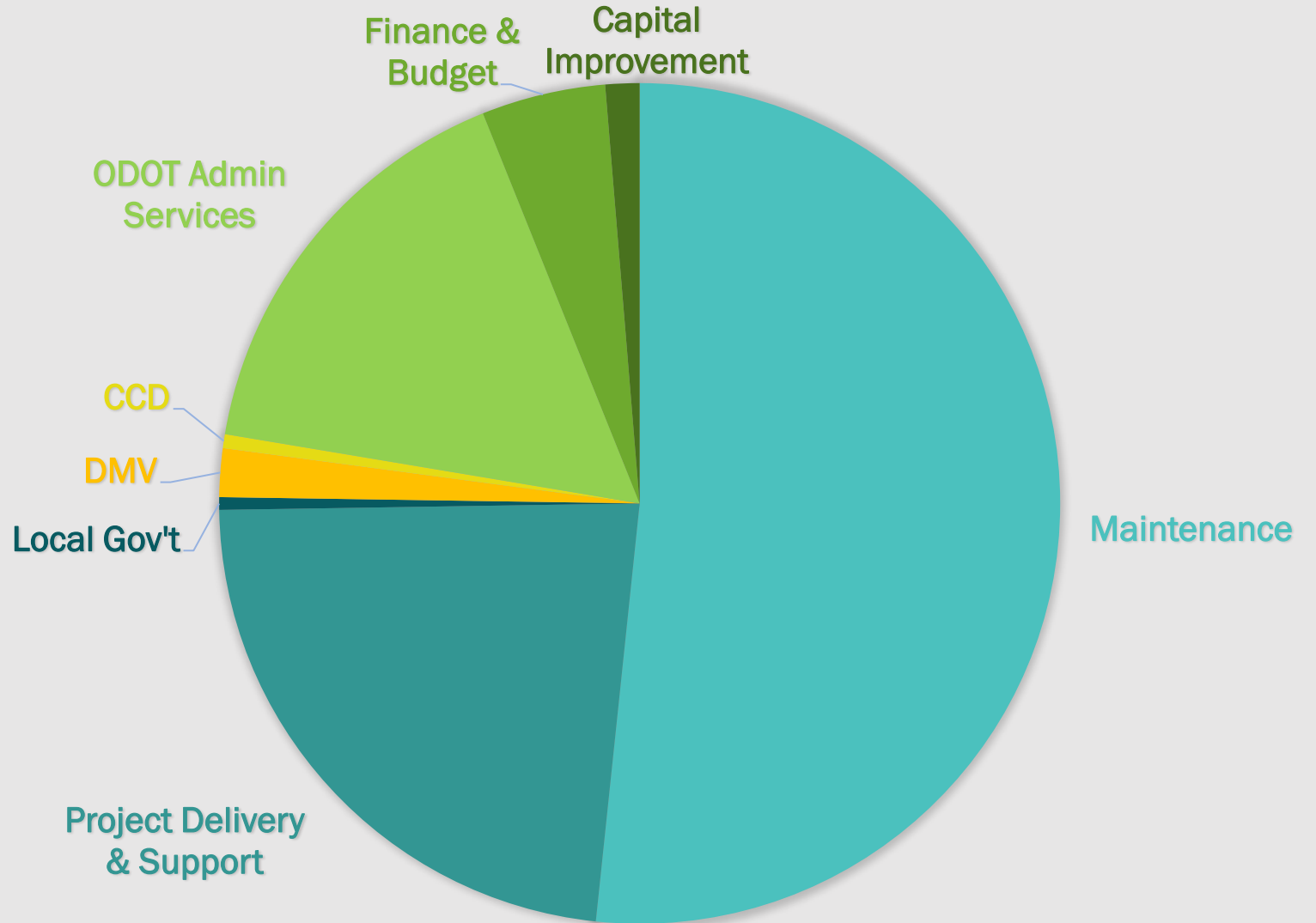
Note: this chart excludes beginning balance revenue

### Key Highlights

- State Highway Fund (SHF) revenues are forecasted to be essentially flat compared to 2023-25
- Bond proceeds make up a considerably larger portion of the agency's revenue relative to prior biennia
- ODOT's projected total funds ending balance is currently \$446 million, significantly larger than the 2023-25 LAB's \$111 million
- However, only a fraction of that is base SHF available to cover salary pot or unexpected O&M costs not currently reflected in ARB

# 2025-27 CSL Shortfall by Division/Budget Area

Division/SCR	25-27 Revenue Shortfall Amount
Maintenance	(\$183,046,593)
Project Delivery & Support (indirect)	(\$81,808,842)
Local Gov't (indirect)	(\$1,719,513)
DMV	(\$6,608,517)
CCD	(\$1,887,830)
ODOT Admin Services	(\$57,687,254)
Finance & Budget	(\$16,904,711)
Capital Improvement	(\$4,638,650)
<b>ODOT TOTAL</b>	<b>(\$354,301,910)</b>



# Revenue Shortfall Package Details by Division

Division/SCR Name	Personal Services	%	Services & Supplies	%	Capital Outlay	%	Total All Categories	Pos	FTE
Capital Improvement	-	0%	-	0%	\$(4,638,650)	100%	\$(4,638,650)	-	-
D&O – Maintenance	\$(99,223,260)	54%	\$(61,372,582)	33%	\$(24,629,719)	13%	\$(185,225,561)	(414)	(402.65)
D&O – Proj. Del. & Sup.	\$(122,570,115)	86%	\$(19,568,890)	14%	-	0%	\$(142,139,005)	(371)	(369.93)
D&O – Local Government	\$(5,317,104)	97%	\$(178,688)	3%	-	0%	\$(5,495,792)	(17)	(17.00)
DMV	\$(3,760,282)	57%	\$(2,848,235)	43%	-	0%	\$(6,608,517)	(14)	(14.00)
Commerce & Compliance	\$(1,430,620)	76%	\$(457,210)	24%	-	0%	\$(1,887,830)	(7)	(7.00)
ODOT Admin Services	\$(49,347,715)	86%	\$(8,258,539)	14%	\$(81,000)	0%	\$(57,687,254)	(154)	(153.83)
Finance & Budget	\$(8,174,956)	48%	\$(8,977,248)	52%	-	0%	\$(17,152,204)	(28)	(28.00)
<b>Total All Divisions</b>	<b>\$(289,824,052)</b>	<b>69%</b>	<b>\$(101,661,392)</b>	<b>24%</b>	<b>\$(29,349,369)</b>	<b>7%</b>	<b>\$(420,834,813)</b>	<b>(1,005)</b>	<b>(992.41)</b>

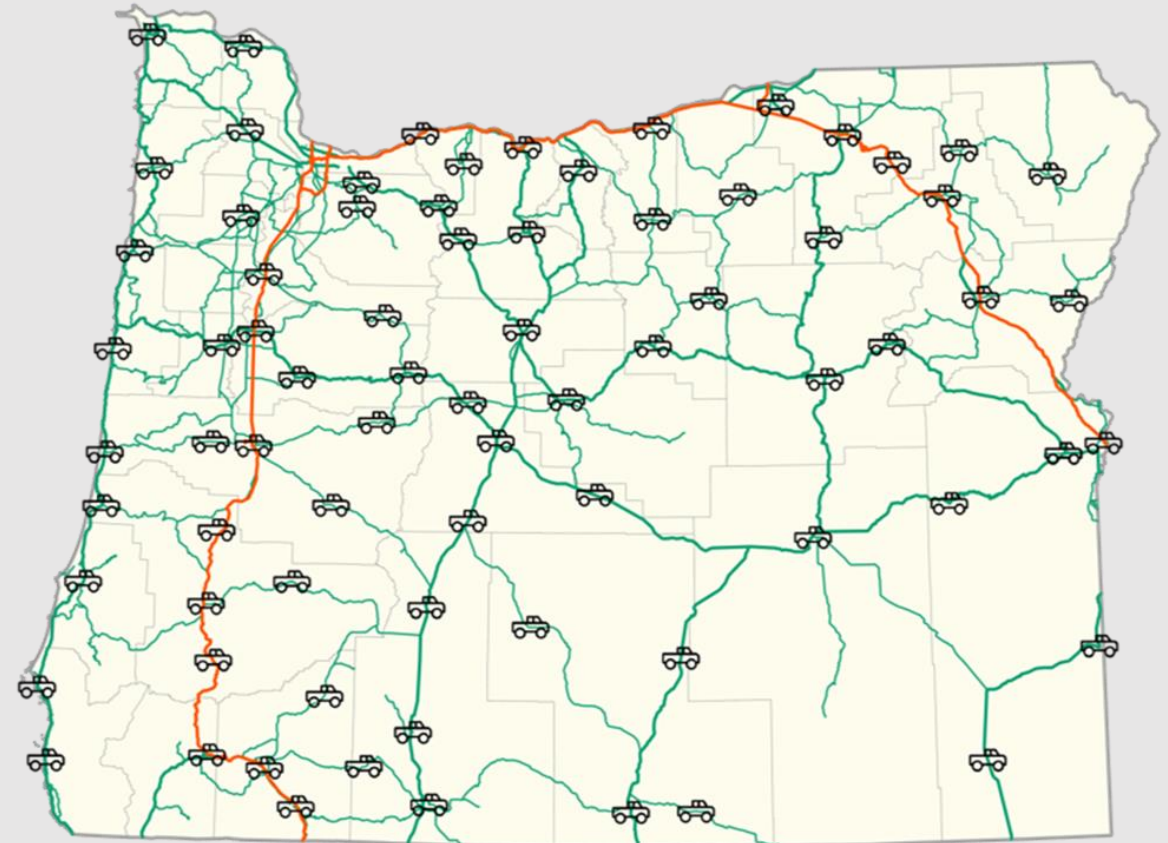
# Level of Service: Maintenance

## Current Budget:

- Maintenance stations in 88 communities
- Providing services at a lower level
- Implemented cost reductions
- Supplemental increase from General Fund

## Reduced Budget:

- Redistribute assets and resources statewide
- Consolidate crews to ensure operational safety
- Further reduce services
- Longer and slower response times





# Level of Service: Project Delivery

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## Current budget:

- Five tech centers staffed to independently deliver projects
- Regions primarily deliver capital projects through their own tech centers with support from consultants
- Staff delivering projects in their geographic areas
- Technical standards, policies and processes developed and managed by statewide branches
- Project delivery innovation and portfolio support provided by Project Development Section

## Reduced budget:

- Fewer managers and technical resources statewide results in slower delivery timelines and fewer projects
- Restructured tech centers with resourcing across geographic areas to deliver projects
- Restructured to centralize some disciplines statewide
- Reduced capacity for innovative and special programs
- Staff working on projects outside their geographic area
- Technical staff wearing many hats – both project design and standards



# Revenue Shortfall Impacts – Agency Administration

- Reducing administrative functions will cause significant impacts to the agency and customers
- Technology risks- cybersecurity, general failures, outages
- Delayed enhancements and implementation of software & IT systems
- Longer procurement timelines
- Employee relations will suffer
- Delay in necessary facility repairs (roofs, leaks, etc.)
- Delays to payments to vendors and contractors
- Lower service to local governments in timely execution of grants and prompt & accurate payment

# Policy Option Packages – Targeted Investments in Transportation System, Customer Service, and Safety

POP Title (#)	Pos	FTE	PS Cost	S&S / SP Cost	Total Cost
IBR Program (#110)	22	15.09	\$5,361,616	\$246,463,384	\$251,825,000
PTD Core Program Delivery (#120)	6	5.64	\$1,424,794	\$113,984	\$1,538,778
DMV Real ID Staffing (#130)	26	6.50	\$1,182,402	\$594,592	\$1,776,994
Teen Driver Education Program Expansion (#140)	3	2.25	\$424,350	\$18,123,948 / \$1,222,400	\$19,770,698
Rural Veterans Healthcare Transportation Grant Program Improvements (#150)	1	0.88	\$232,553	\$18,604 / \$150,000	\$401,157
Newberg-Dundee Bypass ARPA Carryover (#160)	--	--	--	\$19,000,000	\$19,000,000
DMV Portable Office (#500)	--	--	\$315,196	\$246,822	\$562,018
Housing Project Priority Review Staff (#501)	1	0.50	\$143,065	\$28,613	\$171,678
<b>TOTALS</b>	<b>59</b>	<b>30.86</b>	<b>\$9,083,976</b>	<b>\$285,962,347</b>	<b>\$295,046,323</b>

**Oregon Department of Transportation  
Transportation Operating Fund  
2025-27 Agency Request Budget**

**REVENUE (estimates)**

Beginning Balance	\$	20,824,389
Transfer-in from Fuels Tax	\$	36,883,874
Sunset Empire Loan Repayment	\$	717,762
<b>Total Estimated Revenue</b>	<b>\$</b>	<b>58,426,025</b>

**EXPENDITURES (budgeted)**

Driver and Motor Vehicle Division	\$	1,165,000
Commerce and Compliance Division	\$	983,453
Delivery and Operations Division	\$	615,000
Policy, Data and Analysis Division	\$	11,000,000
Public Transportation Division	\$	42,309,867
Support Services Division	\$	125,000
Finance Division	\$	50,000
Reserve Funds	\$	2,000,000
<b>Total Estimated Expenditures</b>	<b>\$</b>	<b>58,248,320</b>
<b>Estimated Ending Balance</b>	<b>\$</b>	<b>177,705</b>

## 2025-27 TOF Allocations

- TOF sourced primarily by estimated non-refunded gas tax paid on small engine use of gasoline powered vehicles
- Top proposed expenditures include:
  - Passenger Rail
  - NEVI charging station grants
  - Elderly and Disabled transportation
  - Innovative Mobility Program
  - Community Paths Program

# NEXT STEPS

- ARB document submitted to DAS by August 30
- In collaboration with ODOT and DAS CFO, Governor Kotek will develop her 2025-27 Governor's Budget for executive branch agencies – published by December 1
- ODOT will present agency budget to Ways & Means Committee in Spring of 2025

Questions?

