

# 2025-27 Budget Update: Revenue Shortfall Overview

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June 12, 2024

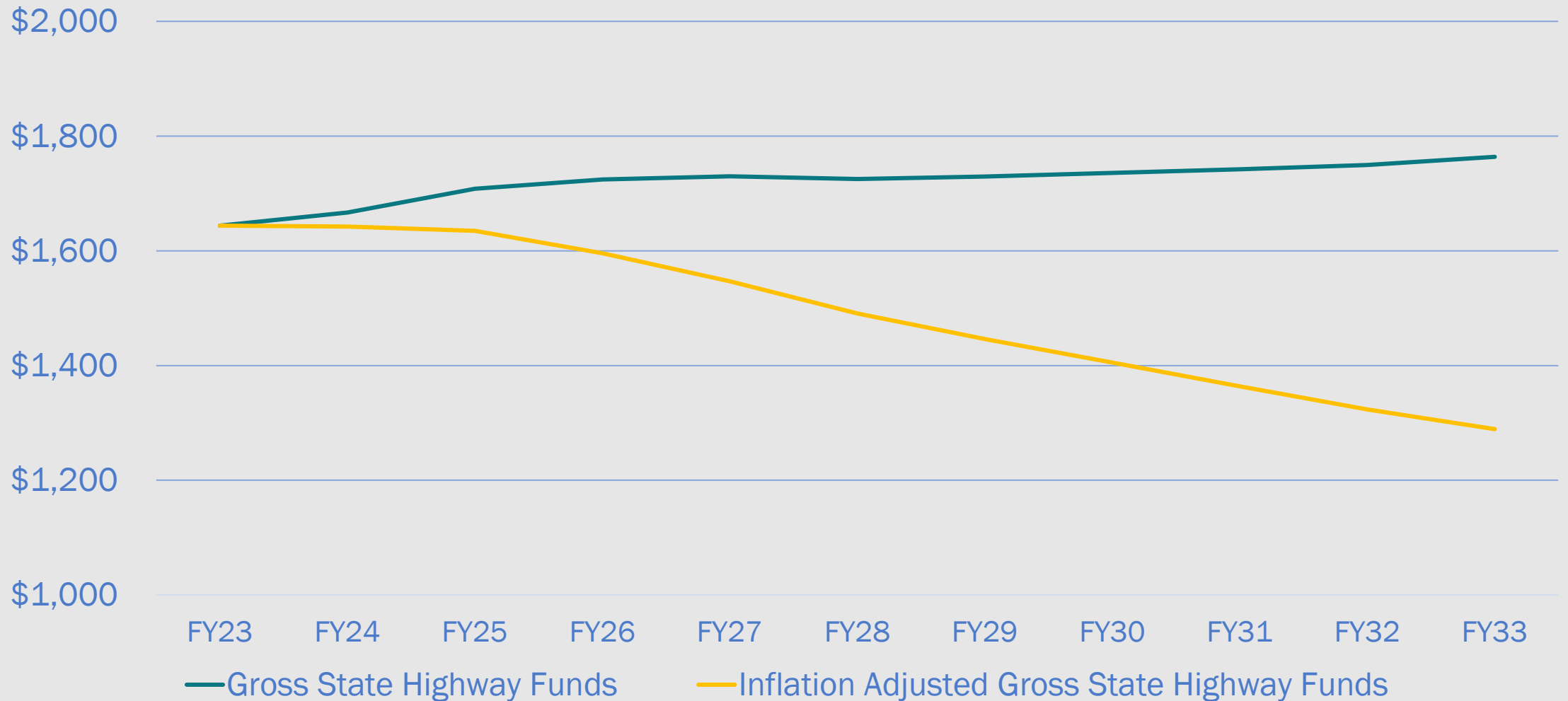


# ROADMAP

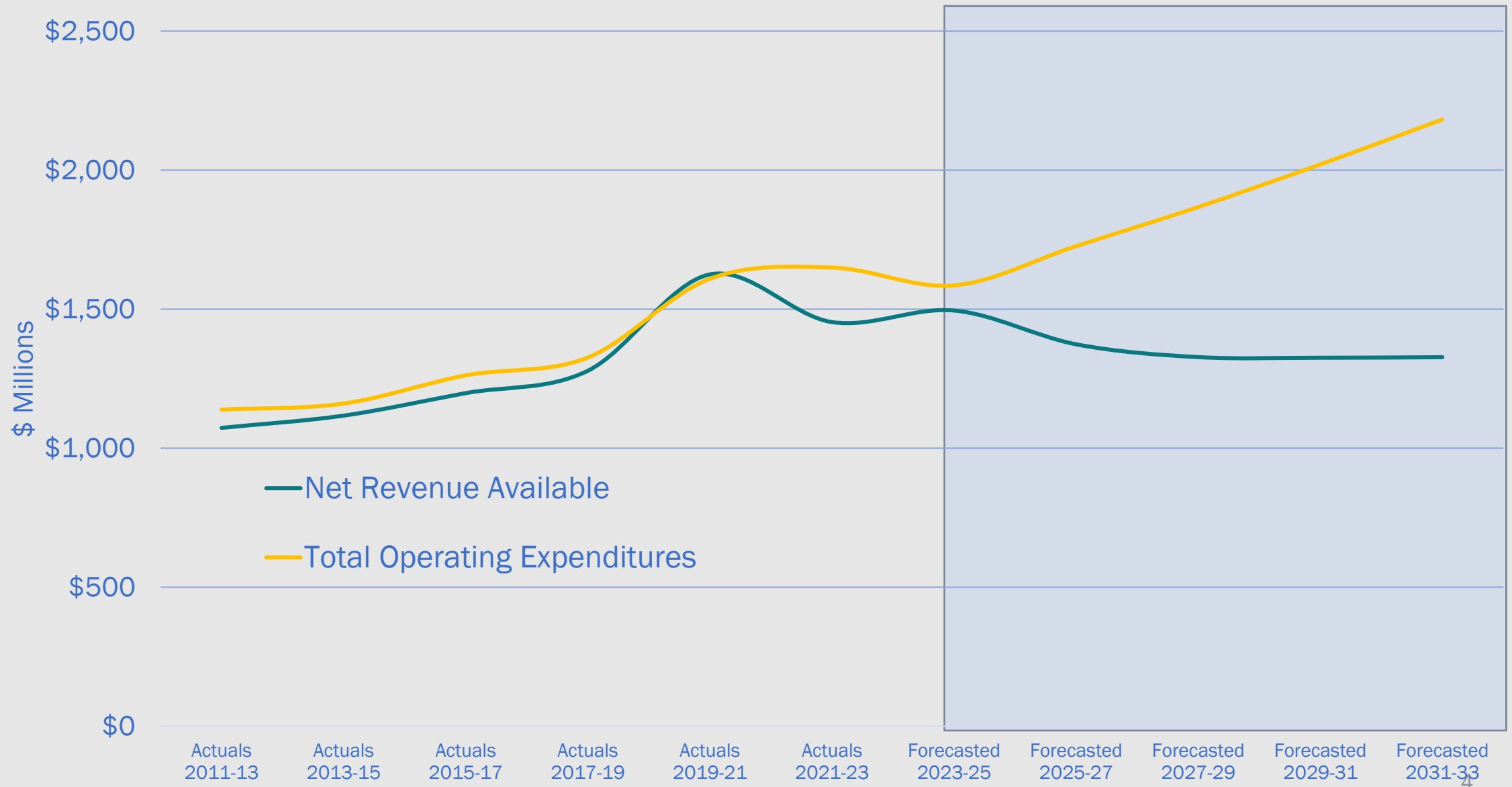
- Revenue/Expenditure Forecast
- Major Budget Drivers
- CSL Shortfall Figures
- Scope/Impact Preview

# State Highway Fund Revenue

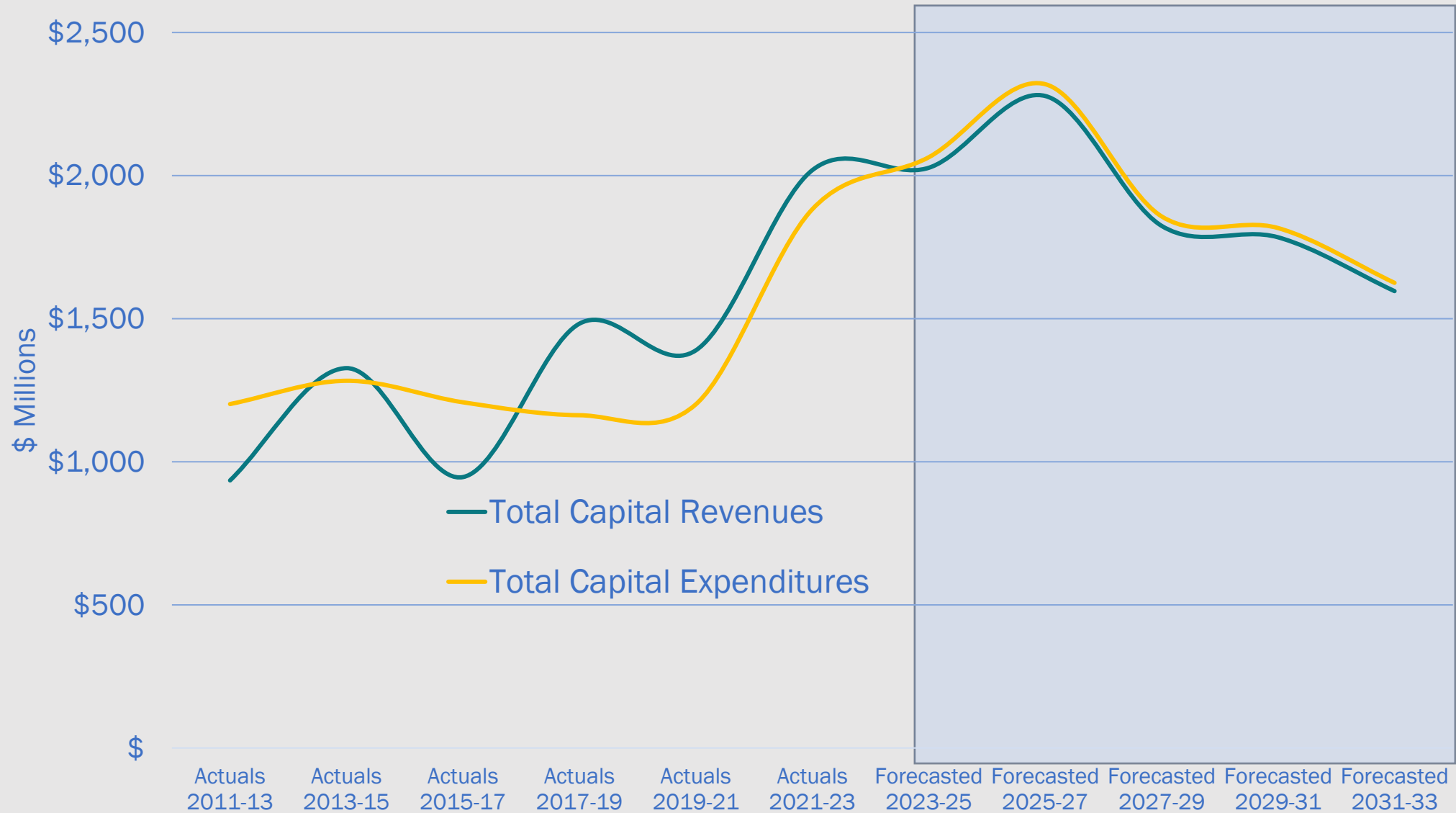
Gross Revenue, April 2024 Revenue Forecast (Millions)



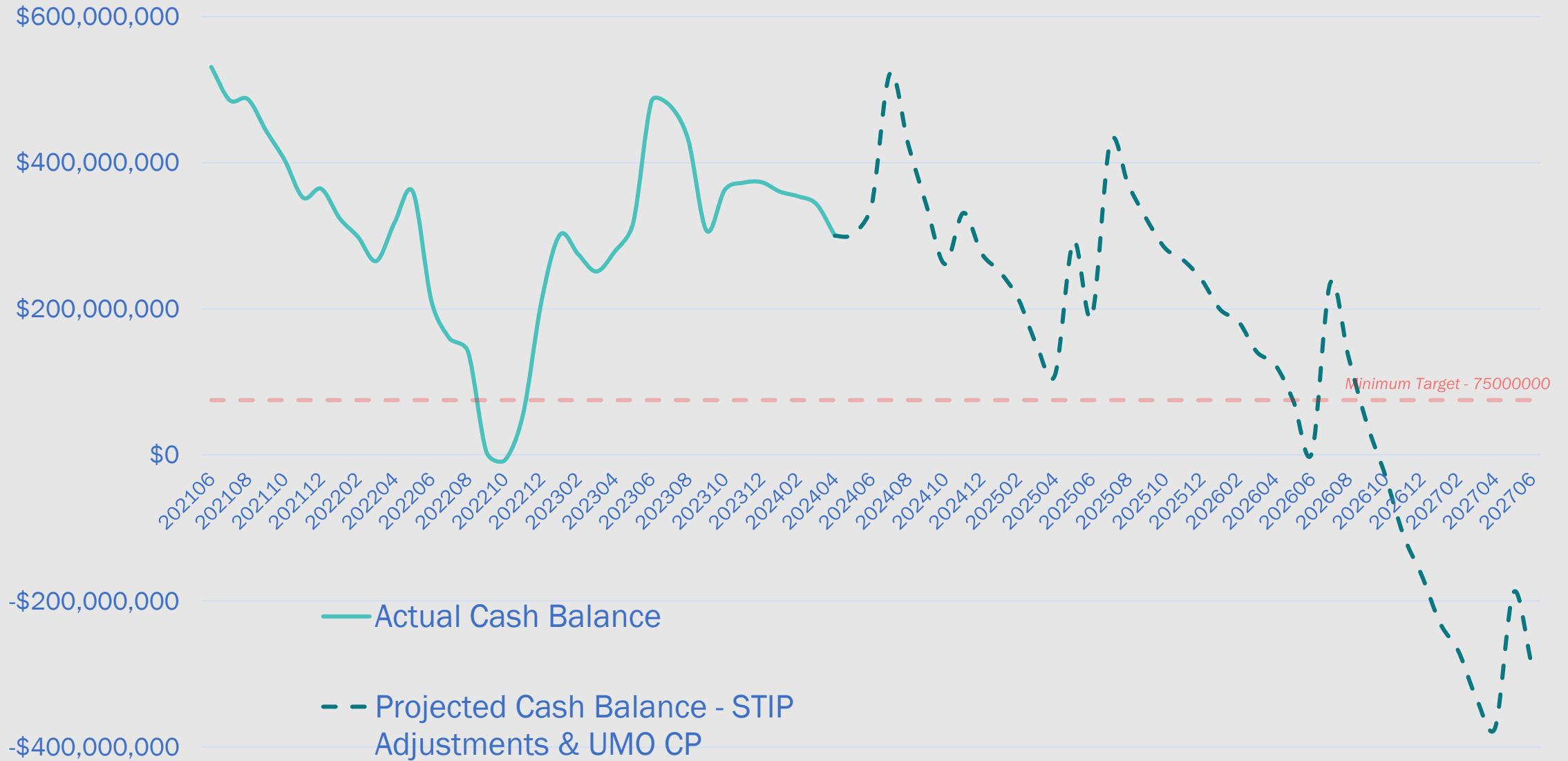
# Operations & Maintenance Revenue vs. Expenditures



# Capital Revenue vs. Expenditures

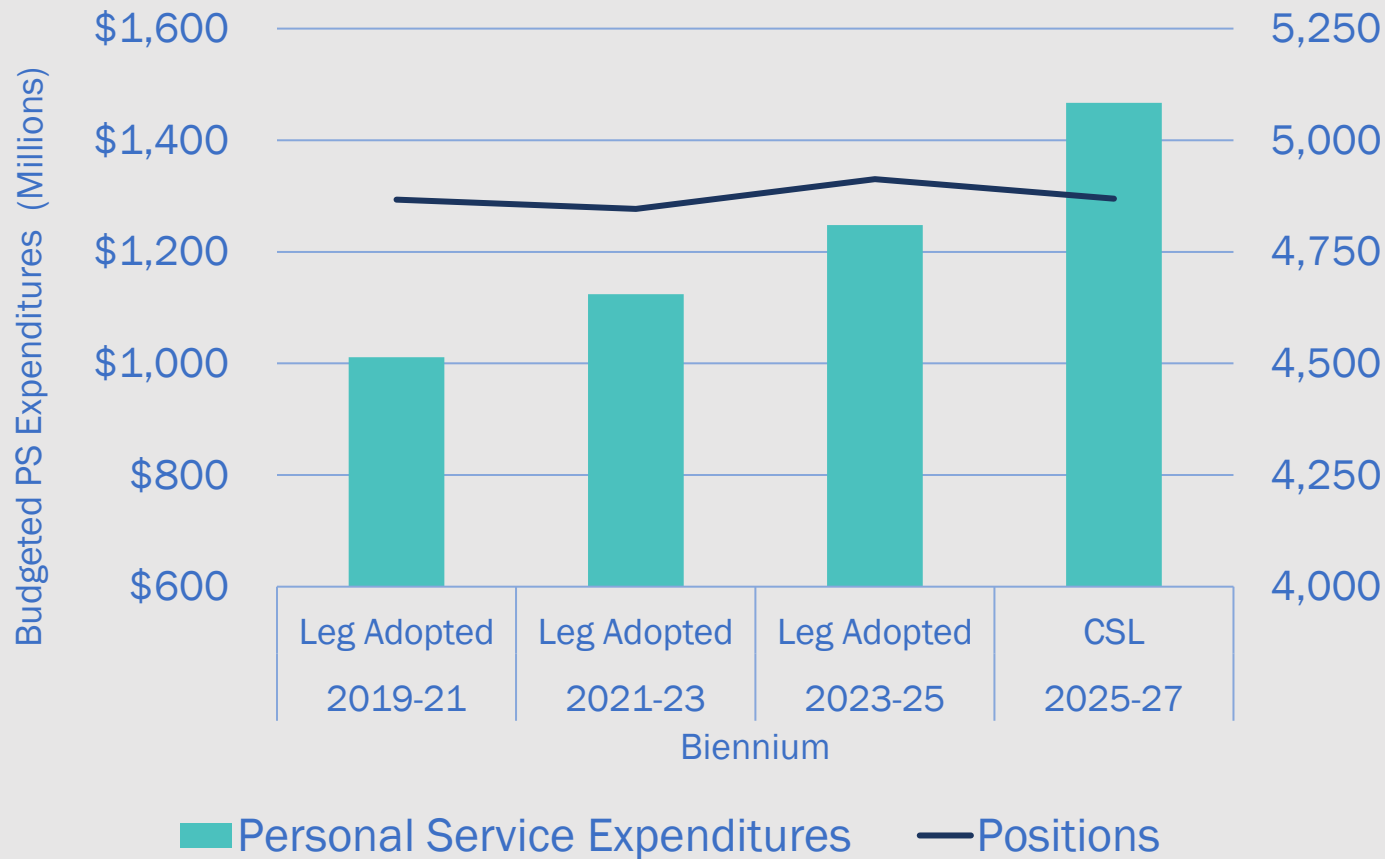


# State Highway Fund Balance



# Major Budget Drivers – Personal Services

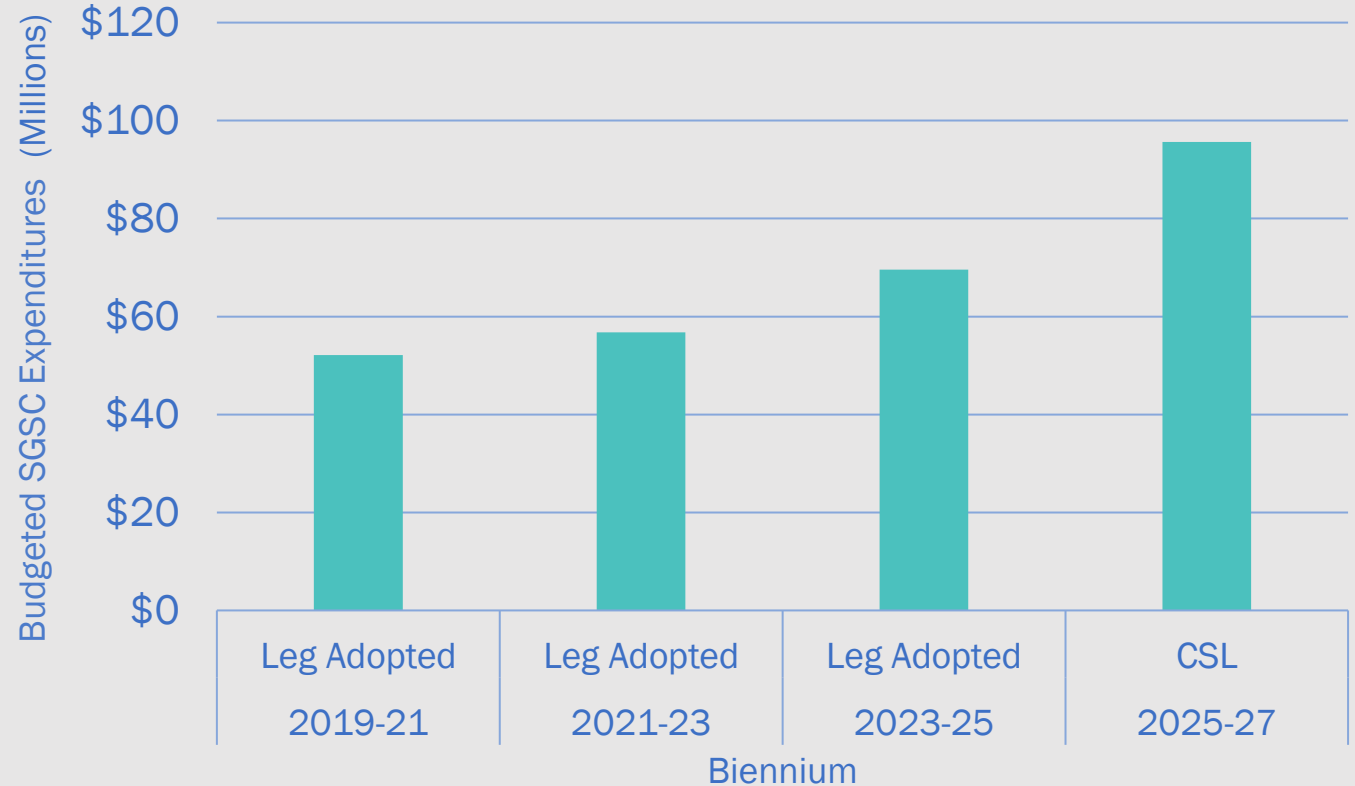
## Personal Services Costs vs. Positions





# Major Budget Drivers – State Government Service Charges

## State Government Service Charges





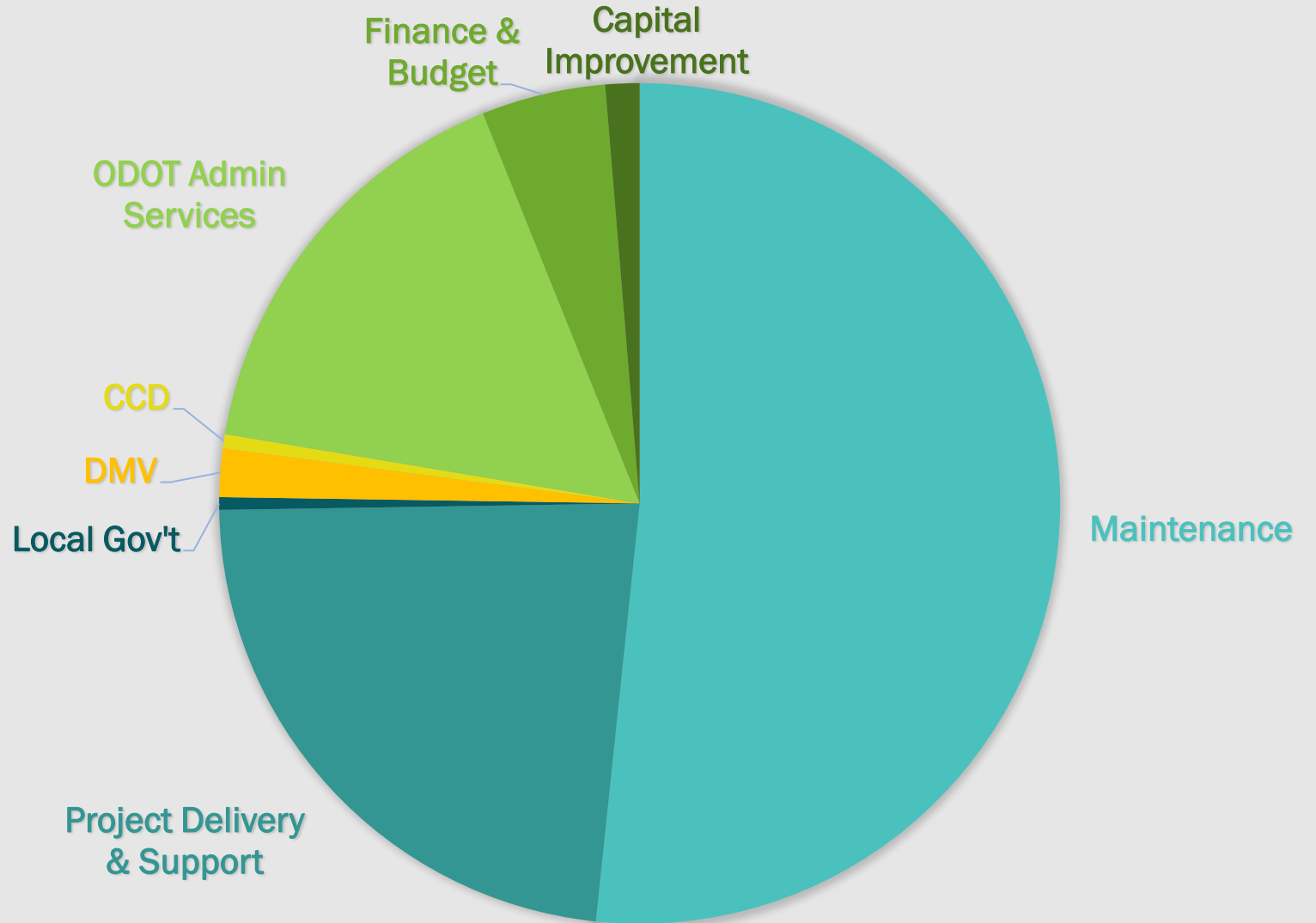
# Revenue Shortfall Packages & Restoration Policy Option Packages

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- ODOT required to propose budget reductions to stay within available resources
- Will lay out specific reductions needed within each budget and impacts
- ODOT will propose Policy Option Packages to restore service levels
- Will be focus of Agency Request Budget presentation for OTC review and action in August

# 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>



# High-level Impacts of O&M Budget Reductions

- **Maintenance:** Reduced maintenance staff would require consolidating crews and significantly reduce service levels in incident response, snow plowing, pavement patching, and litter and graffiti removal. Response times would be slower, and reliability and safety would be impacted.
- **Project Delivery:** Reduction in staff resources would reduce technical competency and expertise and cause slower delivery timelines and fewer projects delivered.
- **Local Governments:** Slowdown in delivery of federally-funded local projects and slower award and execution of grants and loans.
- **Administration:** Staff reductions degrade capabilities in IT, HR, procurement, and finance. Contracts would take longer, technology wouldn't be modernized, IT issues would take longer to fix, payments wouldn't be made as quickly, and hiring would take longer.



# NEXT STEPS

- Final versions of POPs, along with full ARB details and TOF allocation recommendations, will be presented to Commission at August meeting for review and approval
- In collaboration with ODOT and DAS CFO, Governor Kotek will develop 2025-27 Governor's Recommended Budget for executive branch agencies – published December 1

An aerial photograph of a multi-lane bridge crossing a wide river. The bridge features a concrete approach on the left and a steel truss span on the right. Below the bridge, there are several parking lots, a green field, and various commercial buildings. A dark blue rectangular box is overlaid on the left side of the image, containing the word "Questions?" in white text.

Questions?