

Transportation

PROGRAM AREA AGENCIES

OREGON DEPARTMENT OF AVIATION..... G-3
 DEPARTMENT OF TRANSPORTATION G-5

	2005-07 Actuals	2007-09 Leg Approved Budget	2009-11 Governor's Recommended
General Fund	\$8,626,167	\$4,504,713	\$1,180,845
Lottery Funds	22,819,711	46,559,957	105,011,065
Other Funds	2,585,509,943	3,359,339,201	4,130,561,529
Federal Funds	53,553,637	90,401,956	85,122,811
Other Funds (Nonlimited)	220,324,825	17,663,632	18,158,214
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,890,834,283	\$3,518,469,459	\$4,340,034,464
Positions	4,676	4,656	4,819
Full-time Equivalent	4,562.61	4,549.62	4,665.96

Overview

Good roads, bridges and highways keep Oregon's economy strong. Workers use the transportation system to get to and return from their jobs. Businesses depend on the delivery of materials and supplies to prosper. Every region of Oregon relies on transportation to assure economic growth and improve Oregon's quality of life. The Transportation Program Area includes two agencies: the Department of Aviation and the Department of Transportation.

Approximately 0.03 percent of program area activities are supported by General Fund, which is used for the rail program; however the Jobs and Transportation Act of 2009 proposes to replace those funds with fees from custom license plates. Other Fund revenue sources include fuel taxes, motor vehicle and aircraft registrations, driver license fees, airport leases and maritime pilot fees. Lottery Funds support debt service on rail construction projects, short line rail infrastructure loans, Oregon Streetcar projects, light rail projects and investments in multi-modal infrastructure. Federal Funds support highway, transit, rail programs, and airport improvement programs. Federal Highway dollars are budgeted and spent as Other Funds. All other Federal Funds are budgeted and spent as Federal Funds.

The state's participation has been essential to the development of the High Capacity Transit (HCT) network that has been established in the Portland metropolitan region. Lottery dollars are currently funding debt service on bonds for the Westside Light Rail.

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Recommended Budget

The budget for the Transportation Program Area is \$4.3 billion total funds, a 23.35 percent increase over the 2007-09 Legislatively Approved Budget. General Fund and Lottery Funds total \$106.2 million, a 108 percent increase from 2007-09 levels. Compared with the 2009-11 essential budget level, total funds are increased by 20.5 percent while General Fund and Lottery Funds are increased by 9.01 percent. The increase in total funds is related mostly to the Jobs and Transportation Act of 2009. The increase in Lottery Funds is for debt service on existing bonds and for proposed future bonds related to the Jobs and Transportation Act of 2009 and Connect Oregon III.

During 2007-09, under the Connect Oregon II Program, the state sold \$100 million in lottery backed bonds to invest in air, rail, marine and transit infrastructure to ensure Oregon's transportation system is strong, diverse and efficient. The 2009-11 budget includes funding for Connect Oregon III to fund another round of multimodal projects for improving public transportation, aviation, rail networks and marine ports.

Key elements of the Governor's recommended budget for the Transportation Program Area are outlined below:

- The Governor's budget includes the Jobs and Transportation Act of 2009, which provides significant funding for investment in Oregon's transportation system and will create jobs and keep the economy moving.
- The budget includes funding for the Department of Aviation to construct safety-related improvements through the renovation of the runway, taxiway and apron at the Joseph Airport.
- The recommended budget provides the Motor Carrier Transportation Division with resources to address deferred maintenance at Oregon's weigh stations, and provides the department with resources for the Oregon Wireless Interoperability Network project that will allow ODOT to invest in infrastructure critical to its wireless communication system.
- The budget includes \$100,000 for the Department of Aviation to provide Financial Aid to Municipalities Grants for operation and improvement of local general aviation airports in Oregon.
- The Governor's budget includes funding critical to the Department of Motor Vehicles to continue responding to the mandates outlined in the federal Real ID Act.

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OREGON DEPARTMENT OF AVIATION

	2005-07 Actuals	2007-09 Legislatively Approved	2009-11 Governor's Recommended
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	6,886,659	9,431,549	7,478,042
Federal Funds	2,863,075	10,443,166	2,470,000
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$9,749,734	\$19,874,715	\$9,948,042
Positions	19	17	19
Full-time Equivalent	17.92	17.00	19.00

Overview

The Oregon Department of Aviation's mission is to advocate for the safe operation, growth and improvement of aviation in Oregon. Founded in 1921, it was the first government aviation agency in the United States.

The department plans development of airports, state airways and aviation industries. The department is also responsible for operations and maintenance of 27 state-owned airports. It assists communities in obtaining federal support for airport construction and maintenance; registers pilots, aircraft and airports; and inspects and licenses public and private airports and heliports.

State jet fuel and aviation gas taxes fund the Statewide Airport Pavement Maintenance program. The department also awards grants to communities to use as a match for Federal Funds, or to fund projects that are not eligible for federal support.

Recommended Budget

The Governor's recommended budget is \$9.9 million total funds. Non-Capital Construction expenditures of \$8.4 million are 4.8 percent greater than the 2007-09 Legislatively Approved Budget for these operational costs.

The recommended budget continues all programs. In addition, \$100,000 in Financial Aid to Municipalities grants are authorized. Funding is approved for construction of safety-related improvements at the Joseph airport. Also, the agency is authorized to assume ownership of the Mulino airport as soon as all requirements in the agreement with the Port of Portland have been met. Two positions are established to provide maintenance support for the Mulino, Aurora and Independence airports.

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Revenue

Other Funds and Federal Funds support the department. Other Fund revenues come from licenses, registrations, leases, fuel taxes and other sources. Pilot registration fees are increased to help fund search and rescue activities and to modernize the registration system. Aircraft registration fees are also increased to fund additional Financial Aid to Municipalities grants and to modernize the registration system. The Federal Aviation Administration provides 100 percent of federal support in the form of grants requiring a five percent state match.

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DEPARTMENT OF TRANSPORTATION

	2005-07 Actuals	2007-09 Leg Approved Budget	2009-11 Governor's Recommended
General Fund	\$8,626,167	\$4,504,713	\$1,180,845
Lottery Funds	22,819,711	46,559,957	105,011,065
Other Funds	2,578,623,284	3,349,907,652	4,123,083,487
Federal Funds	50,690,562	79,958,790	82,652,811
Other Funds (Nonlimited)	220,324,825	17,663,632	18,158,214
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,881,084,549	\$3,498,594,744	\$4,330,086,422
Positions	4,657	4,639	4,800
Full-time Equivalent	4,544.69	4,532.62	4,646.96

Overview

The mission of the Oregon Department of Transportation (ODOT) is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregon. The Department is under the direction of the five-member Oregon Transportation Commission, which is appointed by the Governor, as is the agency Director.

ODOT is responsible for a wide range of programs and activities related to Oregon's transportation systems. The agency is involved in developing highways, roads and bridges; railways and public transportation services; bicycle and pedestrian paths, transportation safety programs, driver and vehicle licensing; and motor carrier regulation. The agency, which is organized into eight divisions, has more than 4,600 employees located in offices and facilities around the state.

Recommended Budget

The Governor's recommended budget is \$4.3 billion total funds. The budget is a 23.8 percent increase over the 2007-09 Legislatively Approved Budget. The increase is related to the Jobs and Transportation Act of 2009, which is the Governor's comprehensive transportation plan to create thousands of jobs, establish sustainable long-term funding for Oregon's statewide transportation system and address greenhouse gas emissions in transportation construction and planning. The plan includes policies to reduce vehicle-miles-traveled in urban areas, a dedicated fund for non-highway transportation investments, a new transportation utility commission and funds for rural counties hit hardest by the scheduled sunset of the federal forest payments.

The General Fund portion of the budget is 73.8 percent less than 2007-09, as the department proposes to replace those funds with an increase in custom plate fees.

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The Governor's budget builds upon current department operations. The budget reflects a significant increase in the Preservation, Highway Operations and Local Government programs. In addition, the Modernization program is increasing by approximately \$62 million. The budget also contains \$150 million in Lottery Revenue Bonds for the Connect Oregon III program, which will provide ODOT with funding for another round of multimodal projects to improve public transportation, the aviation system, the rail network and marine ports.

The Driver and Motor Vehicle Division (DMV) will continue responding to the mandates outlined in Senate Bill 640 (2005) and Senate Bill 1080 (2008). The DMV has received the budget resources to respond to the requirements of the Federal Real ID Act. This Act sets minimum standards for state-issued driver licenses, instructional permits and ID cards. Compliance with the Act will require the division to make major changes to its work processes and computer systems.

This budget makes significant investments in maintaining and improving the agency's aging infrastructure. It will also allow improvement of ODOT's wireless communication system through a \$75 million investment in the Oregon Wireless Interoperability Network project.

Revenue

The recommended budget includes General Fund support for passenger rail services and for planning for future rail needs.

Debt service on lottery bonds supporting Connect Oregon, the Westside Light Rail, South Metro Commuter Rail, Southeast Metro Milwaukie Extension, Short Line Rail and industrial spur projects and Street Car projects is paid for with Lottery Funds.

The majority of the agency's revenue comes from motor fuel receipts, weight-mile tax collections and motor vehicle licensing and registration fees. Net proceeds from these revenue sources, after collection costs incurred by Driver and Motor Vehicle Services, Motor Carrier Divisions and Central Services are deducted and shared with cities and counties on a formula basis. ODOT also collects various special fees and surcharges which are transferred to other state and local agencies. A portion of fuel taxes collected for various special classes of vehicles, such as boats, aircraft and snowmobiles is also transferred to other state agencies for use in programs benefiting the users of these vehicles.

The Jobs and Transportation Act of 2009 recommends increases in the states registration and title fees and a two cent increase in the state fuel tax to raise \$499 million annually. A goal of the act is to provide a path to transition away from the gas tax as the central funding source for transportation.