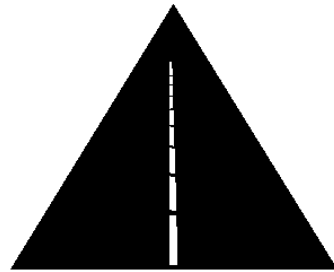


Transportation Infrastructure Funding 2023



ASPHALT PAVEMENT
ASSOCIATION OF OREGON

ODOT's Pavement Needs

- Target is 85% fair or better
- \$280M per year to maintain current conditions

WSDOT's Pavement Needs

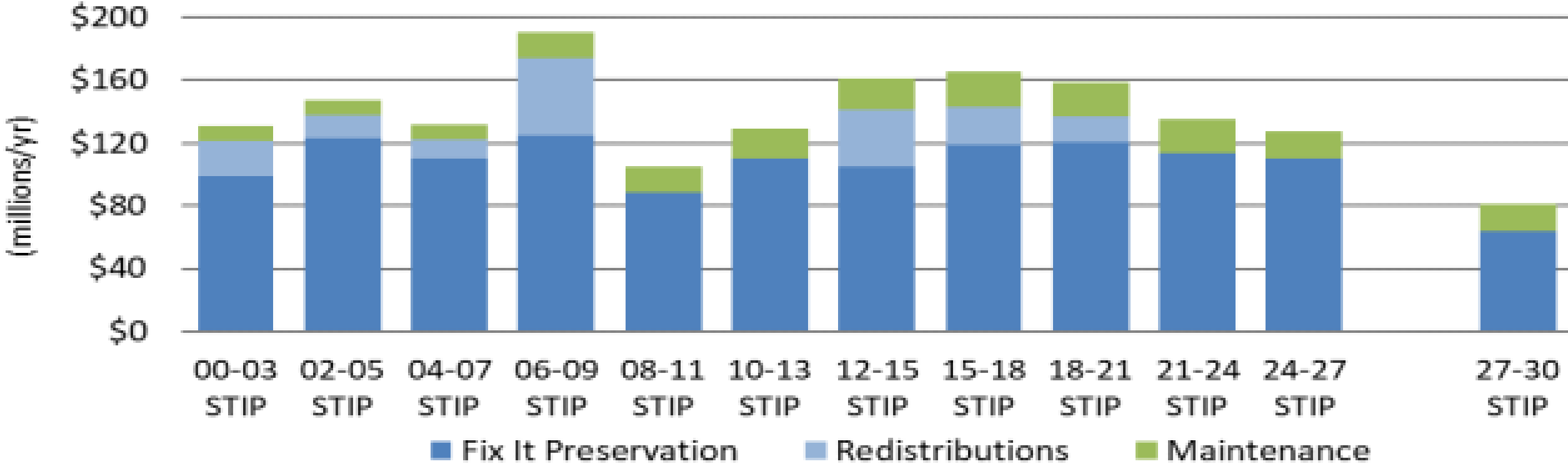
- Target is 90% fair or better
- \$350M per year to maintain current conditions

Oregon's Past & Present Pavement Funding

- 2012 – 2021: \$140M per year
- 2021 – 2024: \$114M per year
- 2024 – 2027: \$110M per year (including IIJA)

- Conditions started to drop across the state in 2018/2020
- Conditions will decline quicker with time

Avg. Pavement Funding - \$/yr



Oregon's Future Pavement Funding

2027 – 2030: \$65M per year

What does that mean?

- ODOT will only maintain interstates
- Conditions will decline more quickly with time

“The outlook for state highway pavement is bleak.”

Pavement Condition Examples



Washington

Investment needed for State of Good Repair *Delivering Complete Streets w/ highway preservation dollars*

Asset category	Replacement value	Average annual need	Current plan annual average spending (including MAW)	Average annual funding shortfall
Highways	\$123,425	\$1,055	\$705	\$350
Deliver Complete Streets with Preservation	N/A	\$210	\$70	\$140
Multimodal (i.e. Aviation, Public Transportation, Rail)	\$685	\$115	\$60	\$55
Intra-Agency (i.e. IT, Facilities, Fleet, Real Estate)	\$70,245	\$185	\$80	\$105
Ferries	\$5,325	\$510	\$330	\$180
TOTAL	\$199,680	\$2,075	\$1,245	\$830

Washington

Pavement Ten Year Average Need (\$ in Millions)	2022	2023	2024	2025	2026	2027-2031	Total
Capital Preservation	\$318	\$318	\$318	\$318	\$318	\$1,590	\$3,180
Operational Maintenance ²	38	38	39	39	39	204	397
Total Need	\$356	\$356	\$357	\$357	\$357	\$1,794	\$3,577
Pavement Ten Year: Planned Spending (\$ in Millions)	2022	2023	2024	2025	2026	2027-2031	Total
Total Capital Preservation Spending	\$186	\$177	\$177	\$168	\$168	\$863	\$1,739
<i>Preservation³</i>	30	28	28	27	27	138	278
<i>Rehabilitation</i>	104	99	99	94	94	483	973
<i>Replacement</i>	52	50	50	47	47	242	488
Operational Maintenance Spending	38	38	39	39	39	204	397
Total Spending	\$224	\$215	\$216	\$207	\$207	\$1,067	\$2,136
Investment Gap	\$(132)	\$(141)	\$(141)	\$(150)	\$(150)	\$(727)	\$(1,441)

Preservation needs continue

Move Ahead Washington was a great down payment on our repair needs as we identify future funding for remaining and ongoing needs.

- 3,490 lane miles of pavement are due for preservation, another 6,000 are past due, and 1,390 lane miles are in poor condition; currently paving 920 lane miles per year
- 16 bridges need replacement, 36 more need major rehabilitation; 4 are being replaced
- 50 steel bridges are due for painting, 57 are past due; 3 are being painted
- 87 concrete bridge decks are due for repair, and 72 more are past due; 24 decks are being resurfaced
- WSDOT's ferry vessels experienced 539 days of unscheduled maintenance in FY22 which is a slight increase from 516 in FY21
- 25% of the Palouse River and Coulee City (PCC) is in poor condition; 80% of the system is operated at 10 MPH or less *
- 42% of WSDOT-owned buildings are more than 50 years old; 44% are in poor condition.* Concerns include asbestos, failing to meet pollution discharge and clean building standards, outdated and inefficient systems.



What happens when pavement conditions decline?

Safety declines

Fuel/energy costs increase

Vehicle wear and tear increases

Projects take *WAY* longer and cost *WAY* more

All users suffer

Oregon's Bridge Needs

- Bridges target 78% not distressed
- Design life: 50-75 years
- Life when maintained: 75-100 years
- Actual replacement cycle: 900 years

Bridge Ten Year Average Need (\$ in Millions)	2022	2023	2024	2025	2026	2027-2031	Total
Capital Preservation	\$332	\$332	\$332	\$332	\$332	\$1,661	\$3,321
Operational Maintenance ¹	27	27	27	28	28	144	281
Total Need	\$359	\$359	\$359	\$360	\$360	\$1,805	\$3,602
Bridge Ten Year: Planned Spending (\$ in Millions)	2022	2023	2024	2025	2026	2027-2031	Total
Total Capital Preservation Spending	\$266	\$253	\$253	\$240	\$240	\$1,233	\$2,485
<i>Preservation²</i>	152	144	144	137	137	703	1,417
<i>Rehabilitation</i>	85	81	81	77	77	394	795
<i>Replacement</i>	29	28	28	26	26	136	273
Operational Maintenance Spending	27	27	27	28	28	144	281
Total Spending	\$293	\$280	\$280	\$268	\$268	\$1,377	\$2,766
Investment Gap	\$(66)	\$(79)	\$(79)	\$(92)	\$(92)	\$(428)	\$(836)

Transportation Funding Issues

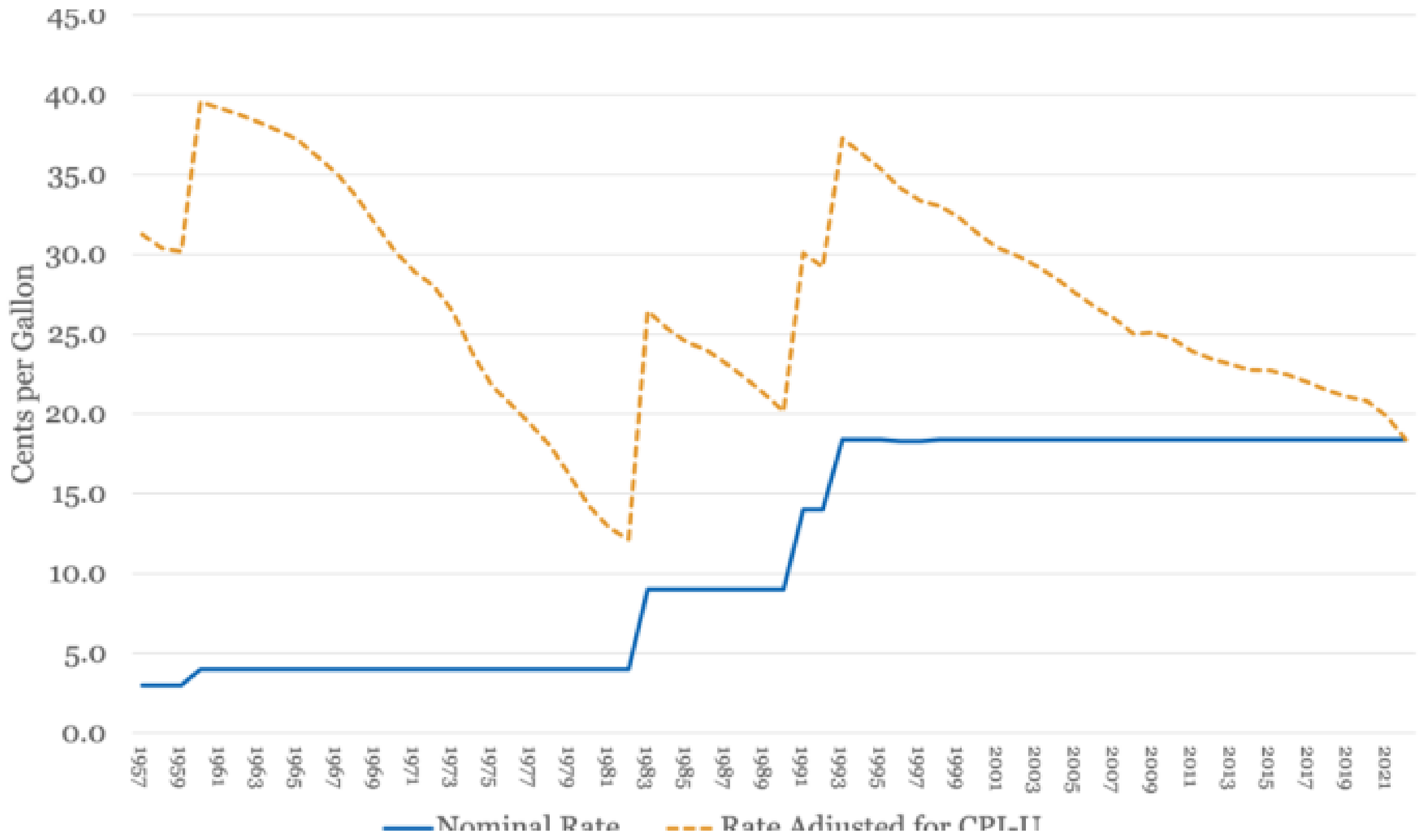
- Gas tax
- Registration & title fees
- Federal funding
- Inflation
- ADA/Complete Streets
- Cities and counties
- VMT/RUC

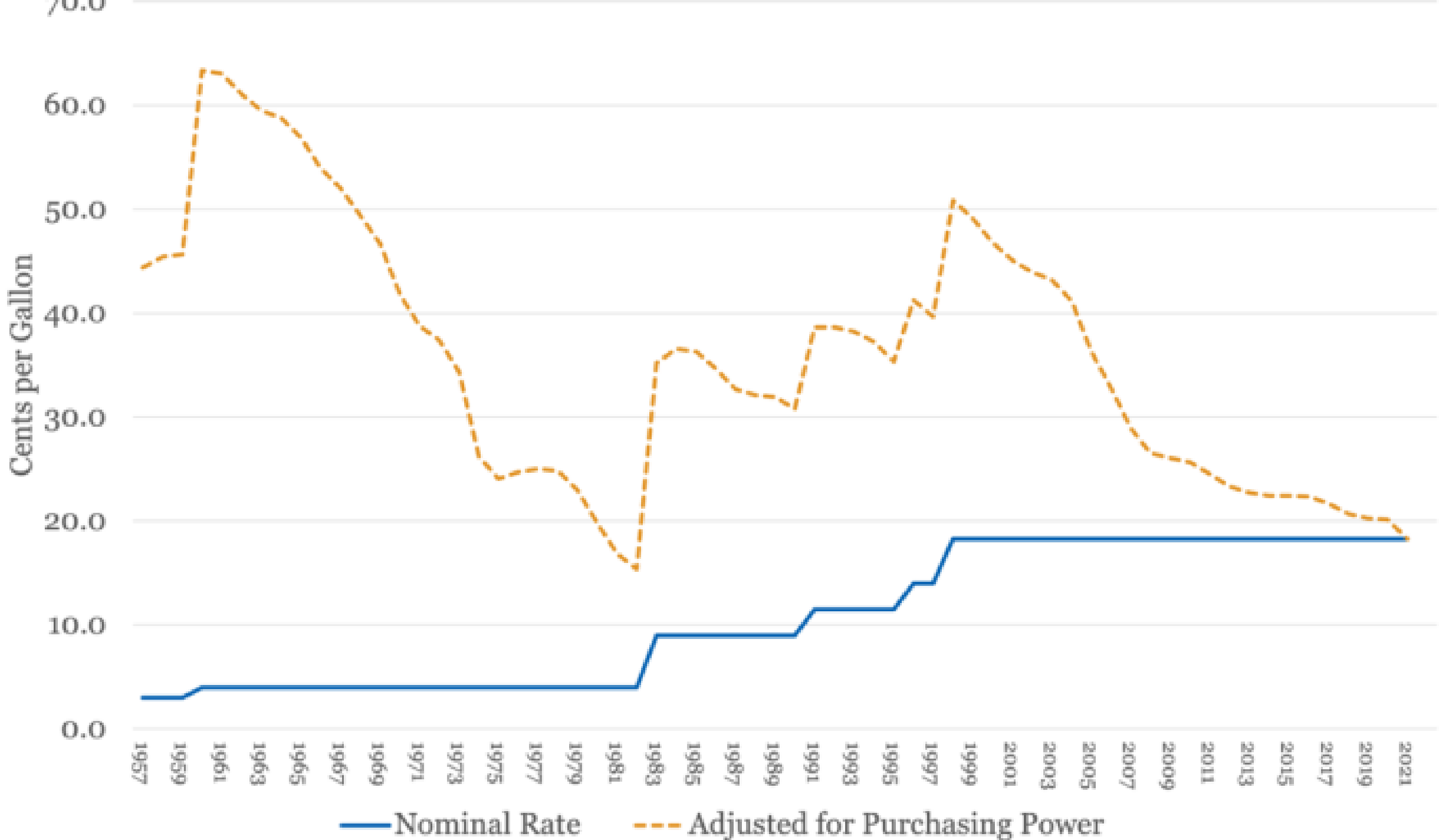
Road Funding History

- 1800s “User-Do” model
- 1901: start of state vehicle registration fees
- 1919: Oregon, New Mexico, and Colorado adopted 1 cent gas tax
 - Equivalent to 17.4 cents in today’s dollars
- 1929: All states had gas taxes of 2 to 6 cents per gallon
 - Equivalent to \$0.36 and \$1.08 in today’s dollars
- 1932: Federal Government adopted 1 cent gas tax

Federal Gas Tax

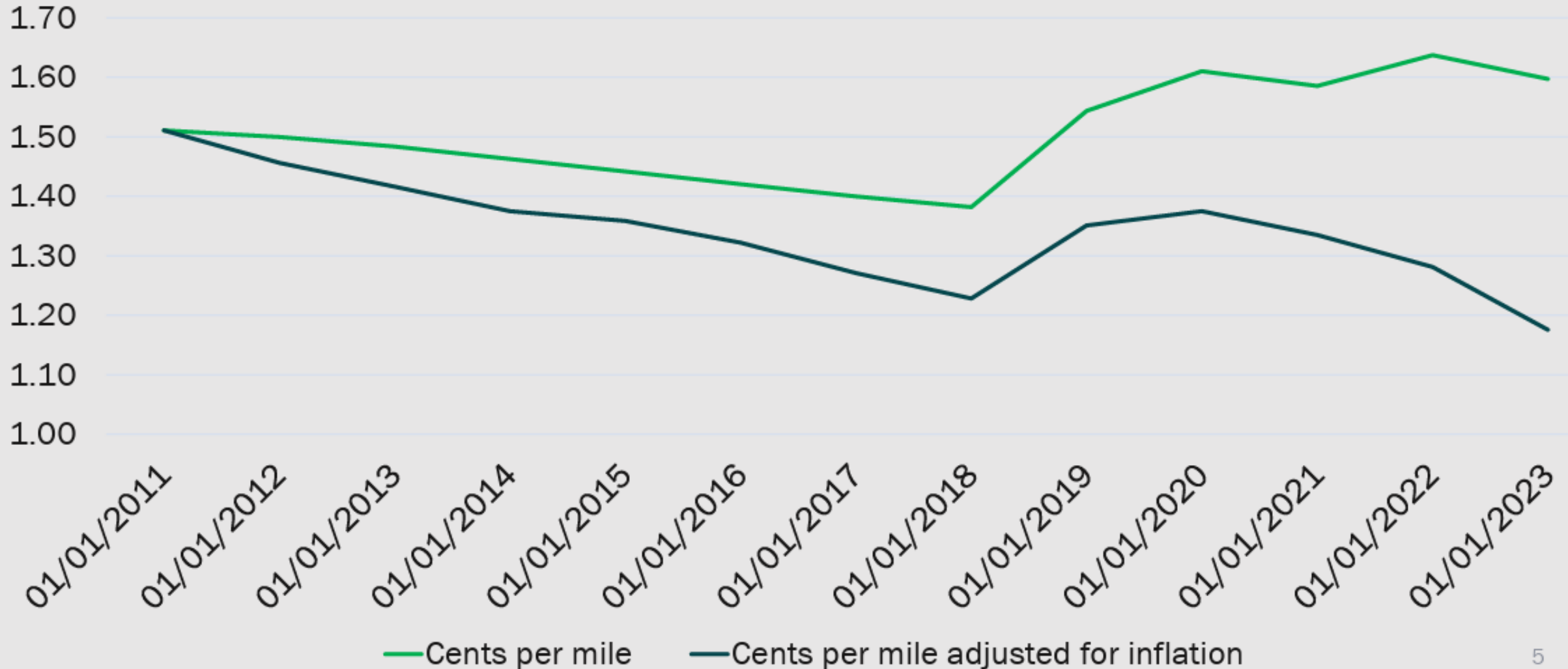
Year	Per Gallon Tax	Average Efficiency	Today's Dollars
1932	1 cent	13-14 mpg	21 cents
1954	2 cents	13 mpg	22 cents
1959	4 cents	13 mpg	40 cents
1982	9 cents	15.2 mpg	27 cents
1990	14 cents	18 mpg	31 cents
1993	18.3 cents	19.6 mpg	37 cents
2023	18.3 cents	25 mpg	18.3 cents





Gas Tax in Cents Per Mile

Adjusted for increasing fuel efficiency and inflation





LOCAL BIZ NATION SPORTS ENTERTAINMENT LIFE HOMES OPINION | THE TICKET JOBS EXPLORE ▼ All Section:

Politics Law & Justice Watchdog Mental Health Project Homeless Education Traffic Lab Eastside Environment Obituaries

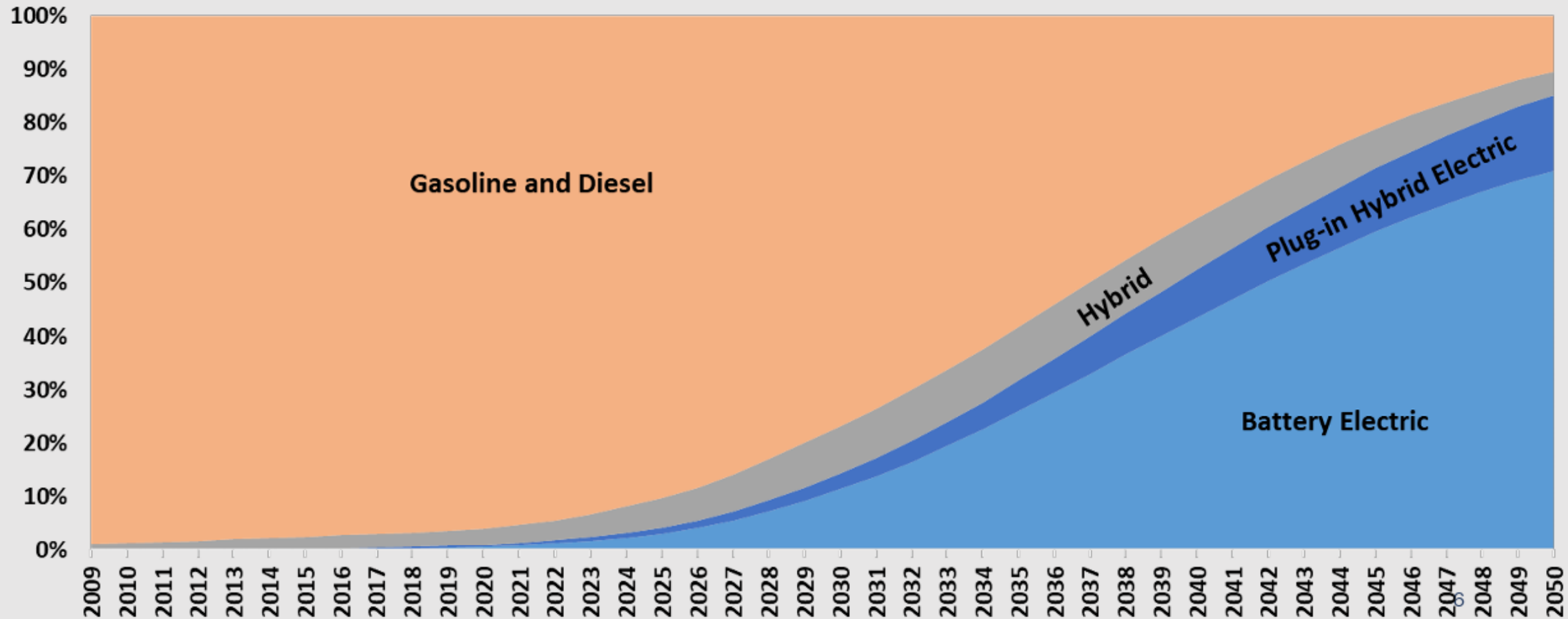
[Business](#) | [Environment](#) | [Local News](#) | [Traffic Lab](#)

WA adopts zero-emission standards for car sales by 2035

Oregon bans sales of new gas-powered cars by 2035

Updated: Dec. 28, 2022, 4:17 p.m. | Published: Dec. 19, 2022, 4:54 p.m.

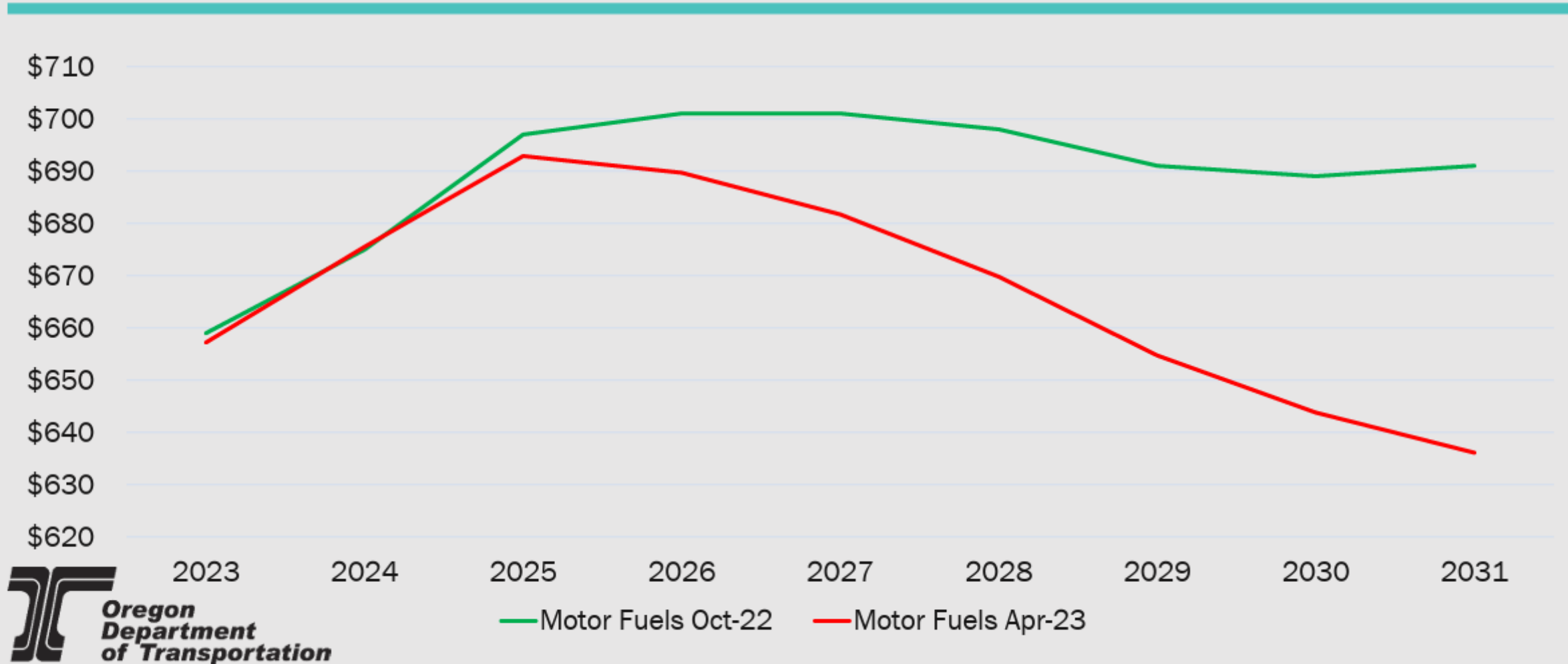
Passenger Vehicles in Oregon are Becoming More Fuel Efficient



Source: Oregon Department of Transportation April 2023 Passenger Vehicle Stock Forecast. Actuals through 2022, forecast begins in 2023

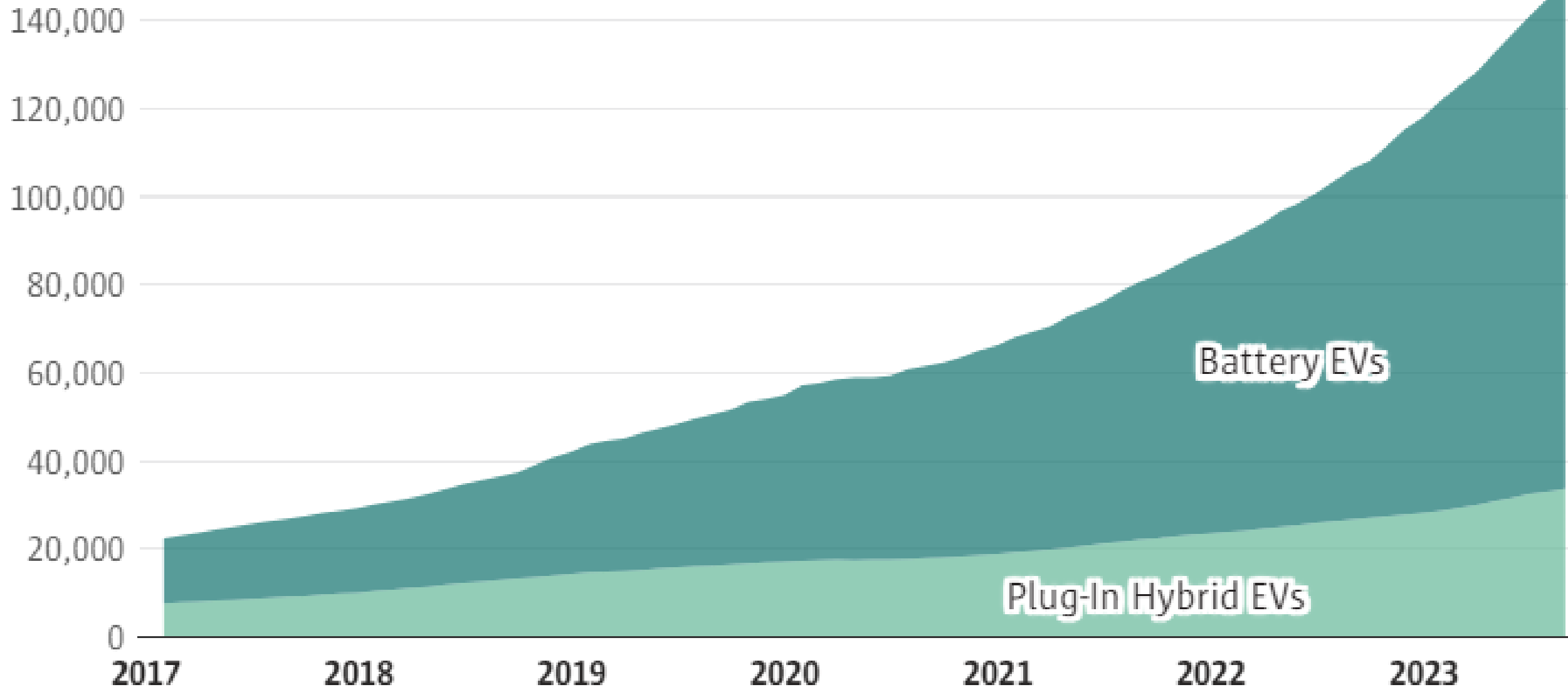
Oregon Motor Fuels Tax Forecast Comparison

In millions of nominal dollars



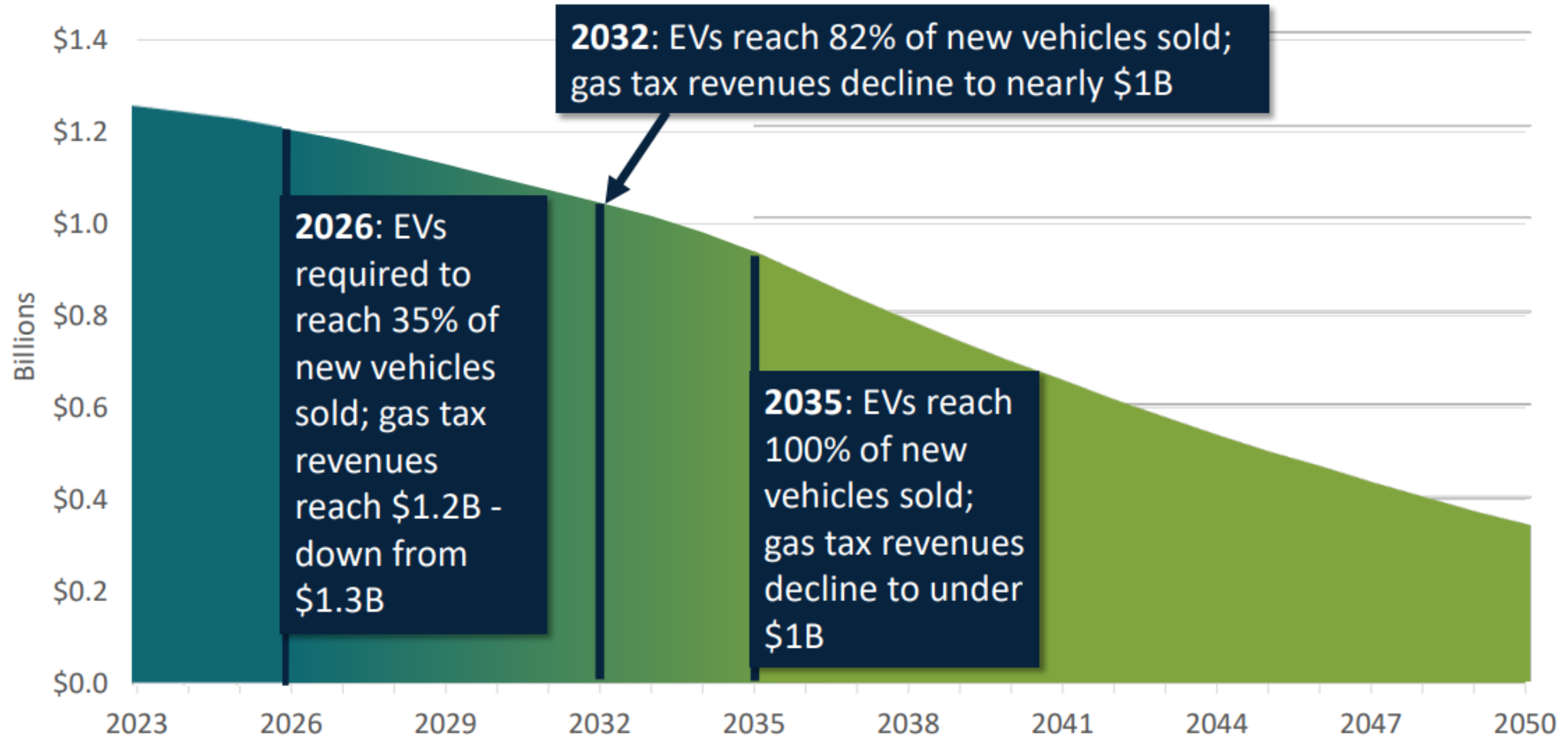
How EV ownership has exploded in WA

In just five years, the number of EVs on the road has increased nearly six-fold.



Washington

Gas Tax Revenues Will Decline as Zero Emissions Mandates Are Implemented



Gas Tax for High Mileage Users

Passenger Car Driver Driving 15,000 miles per year

- Fed: 18.3 cents per gallon = 0.73 cents per mile = \$110 per year
- OR: 38 cents per gallon = 1.52 cents per mile = \$227 per year
- WA: 49.4 cents per gallon = 1.97 cents per mile = \$296 per year

Pickup Truck Driver Driving 15,000 miles per year

- Fed: 1.02 cents per mile = \$153 per year
- OR: 2.12 cents per mile = \$318 per year
- WA: 2.75 cents per mile = \$413 per year

What are roads worth?

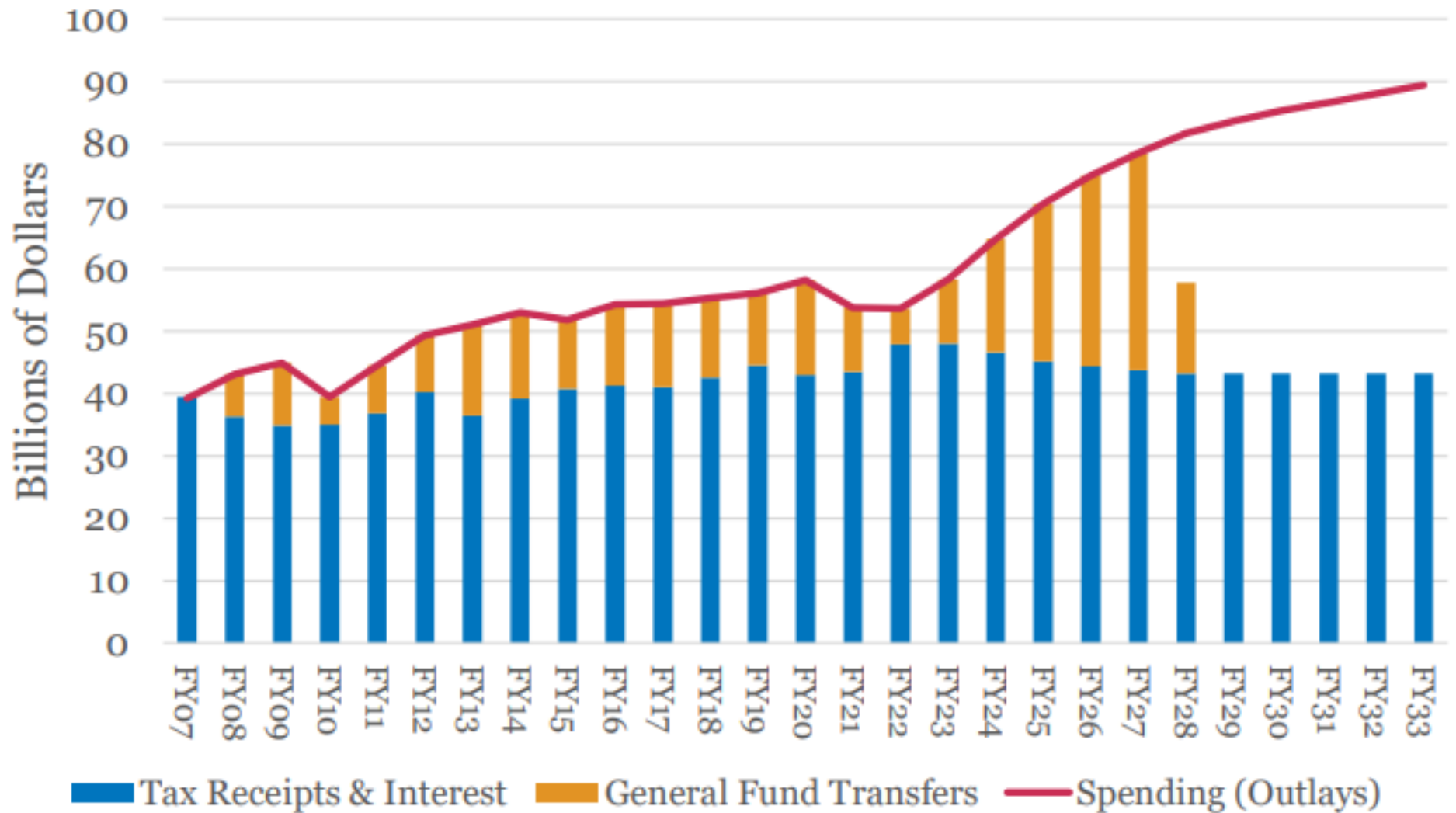
Oregon Car User (15,000 miles): \$337 + \$68 = \$405

Oregon Pickup User (15,000 miles): \$471 + \$63 = \$534

- 3 Coffee Drinks per week (\$2.83 per drink): \$442
- DirecTV (\$65 per month): \$780
- Cat Food (3 cats, 2 cans per day): \$1,095
- Eating Out (family of 4, \$10 more per meal, 24 times): \$960 extra

Federal Funding

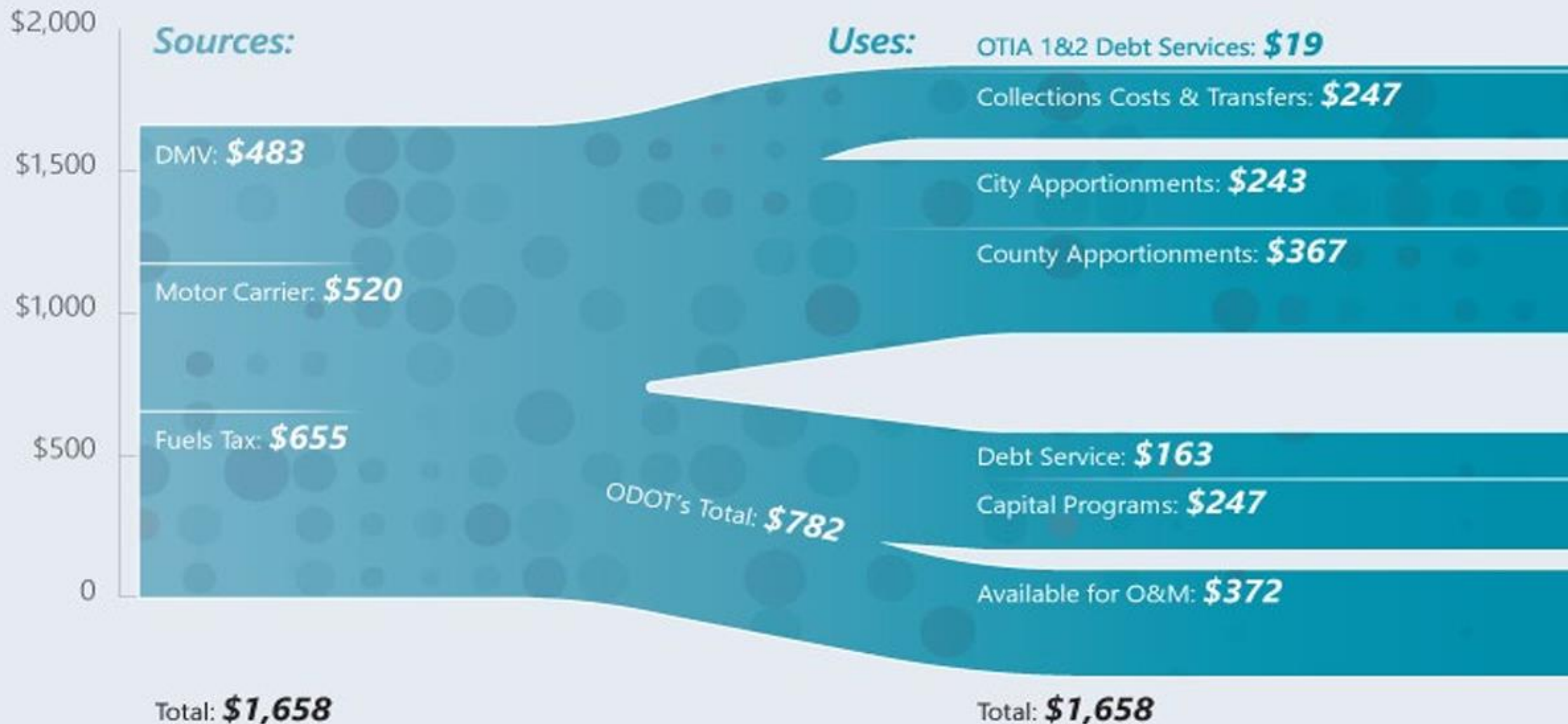
FIGURE 12: HIGHWAY TRUST FUND FY 2007-2022 (ACTUAL),
FY2023-2033 (CBO BASELINE)



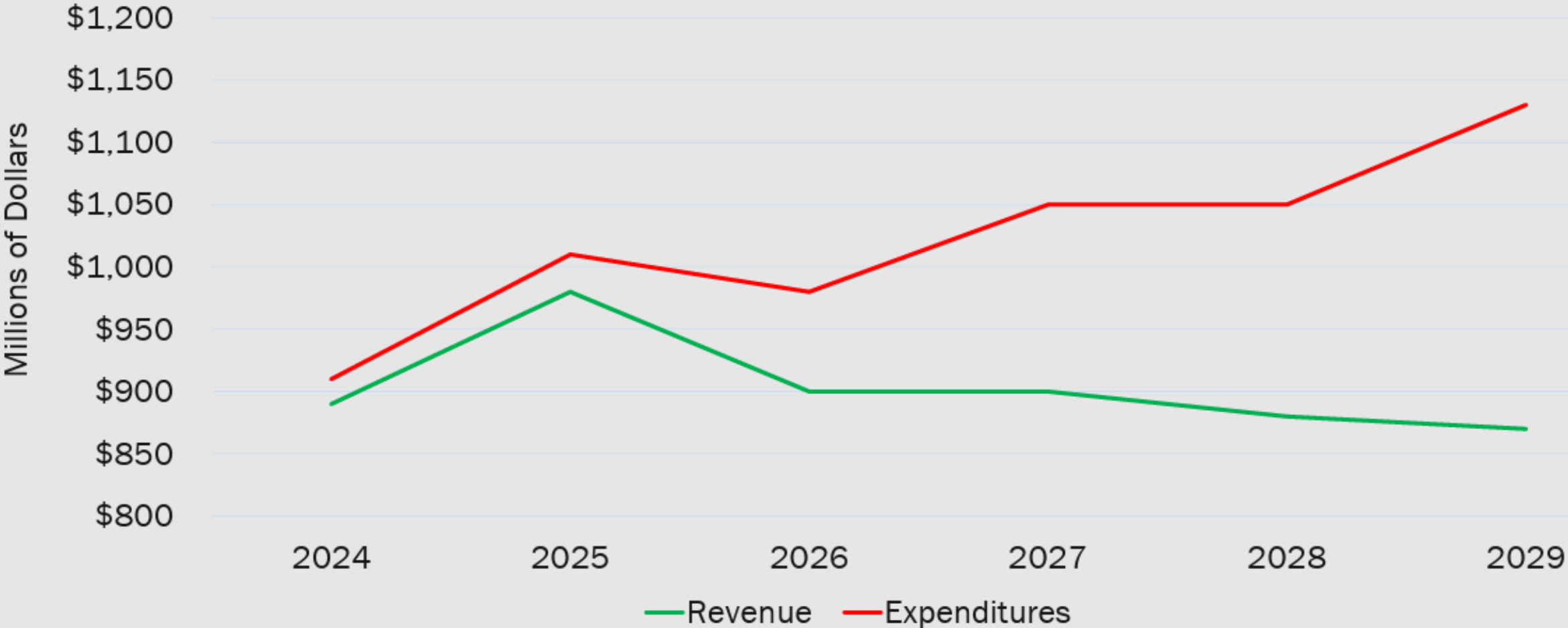
General Fund transfers shown in the year the transferred funds are spent.

State Highway Fund Sources and Uses

2021-2023 Annual Average in Millions



ODOT State Highway Fund Revenue and Expenditure



ODOT Projected Distributions to Local Governments

Counties

2022	2023	2024	2025	2026	2027
\$342.6	\$336.4	\$342.6	\$347.1	\$348.8	\$351.8

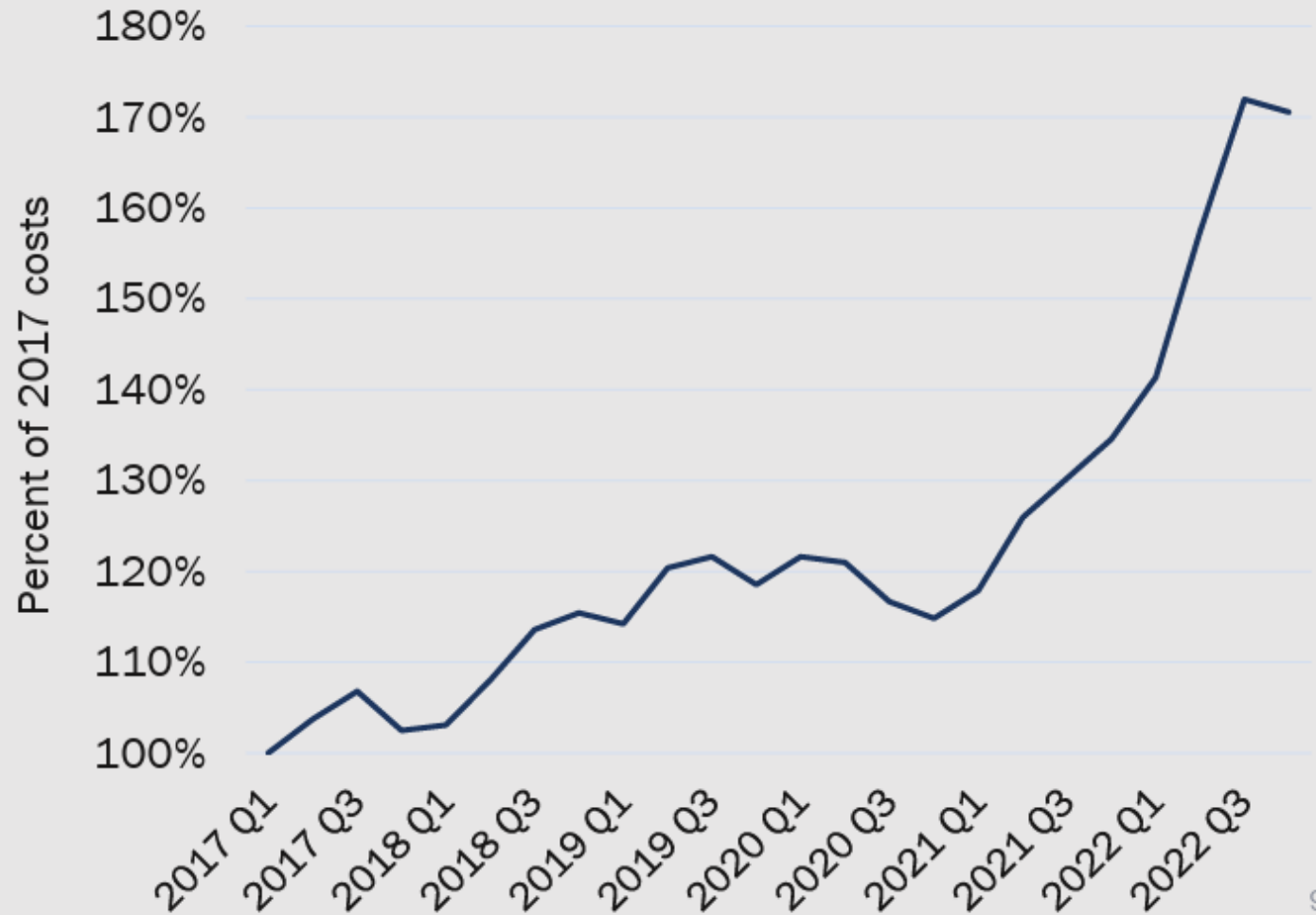
Cities

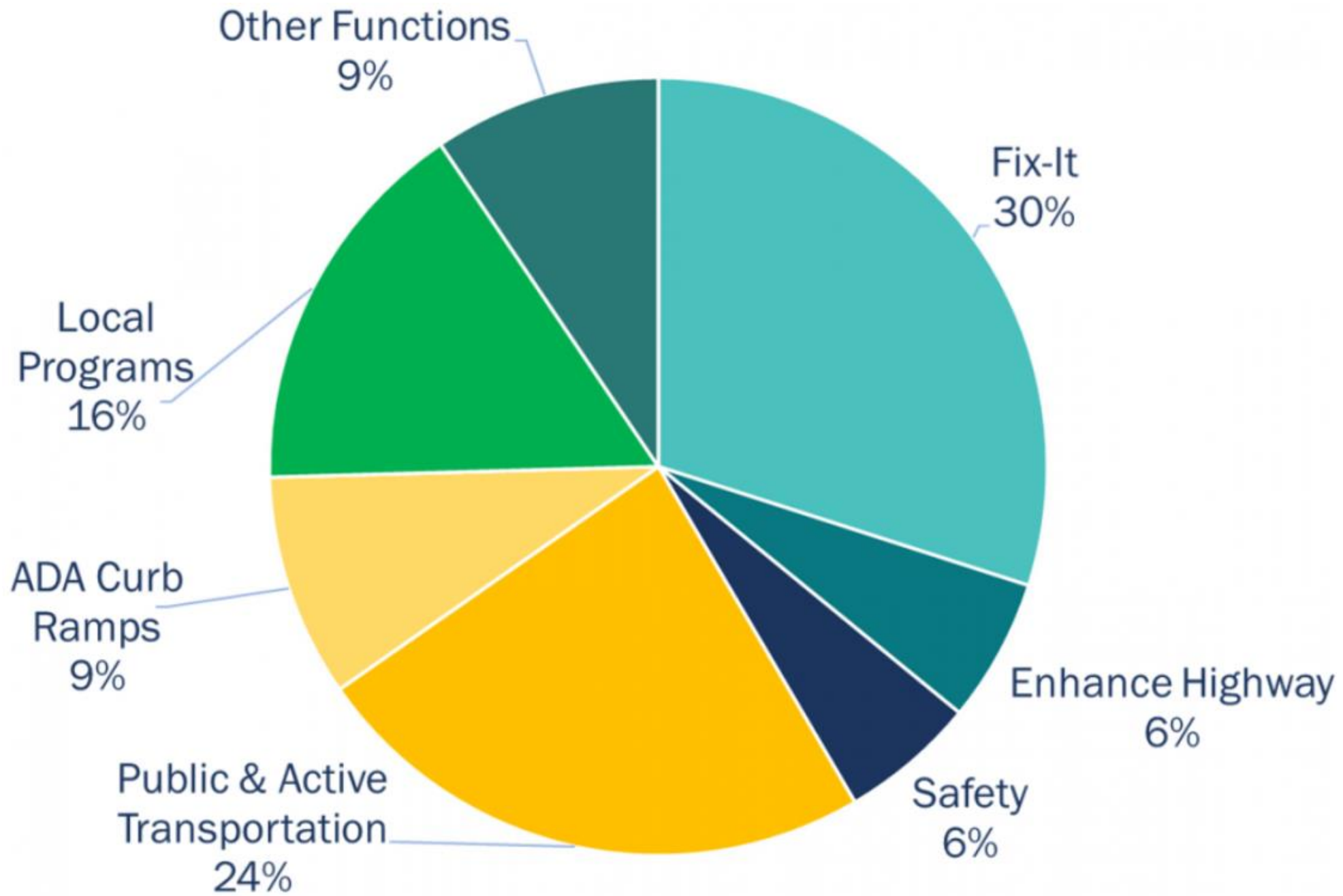
2022	2023	2024	2025	2026	2027
\$233.8	\$230.9	\$234.8	\$237.9	\$239.1	\$240.0

Construction Cost Inflation

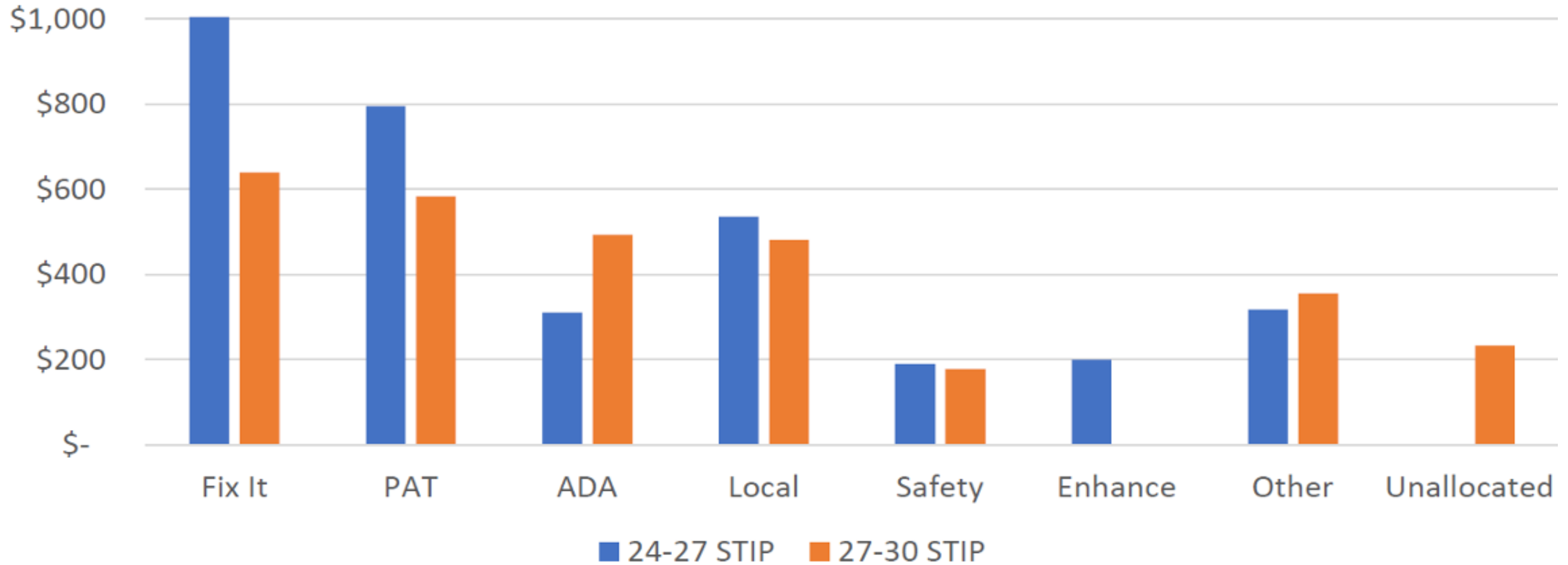
FHWA National Highway Construction Cost Index

Nationwide highway construction costs increased 71% from beginning of 2017 to end of 2022.

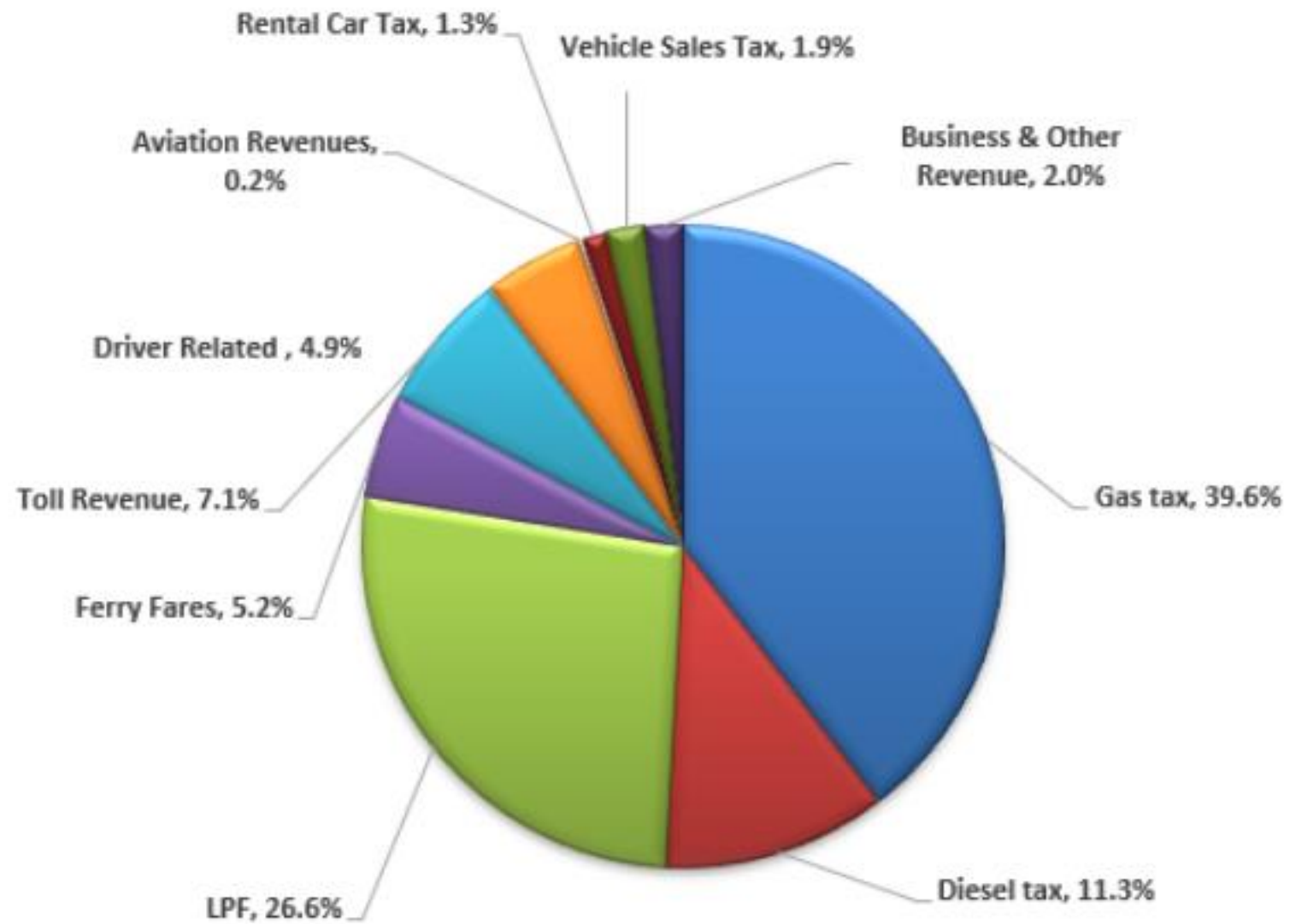




STIP Funding by Category



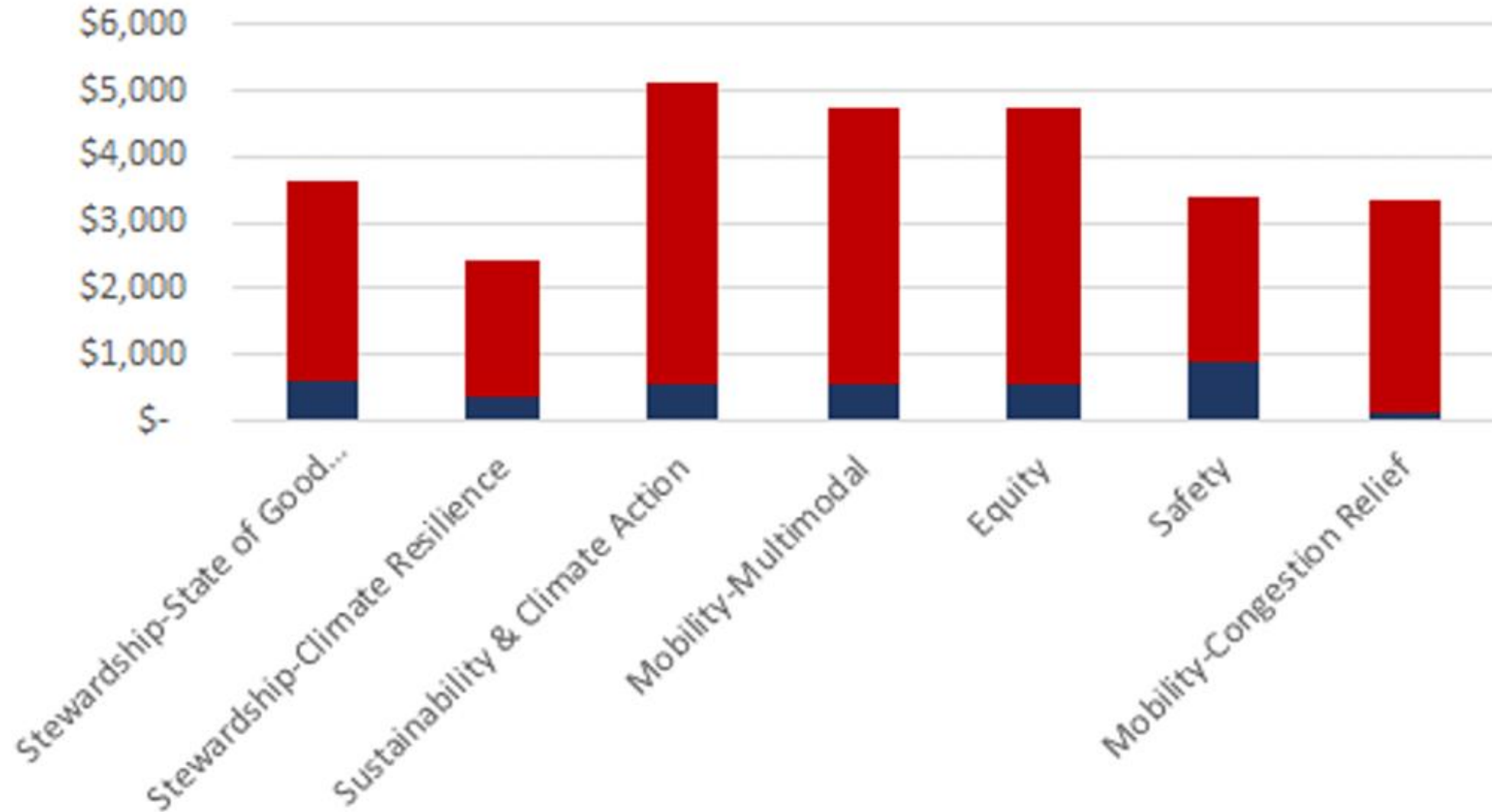
Revenue By Source 2021-23 Biennium (\$6.6 billion)



Oregon ADA Program

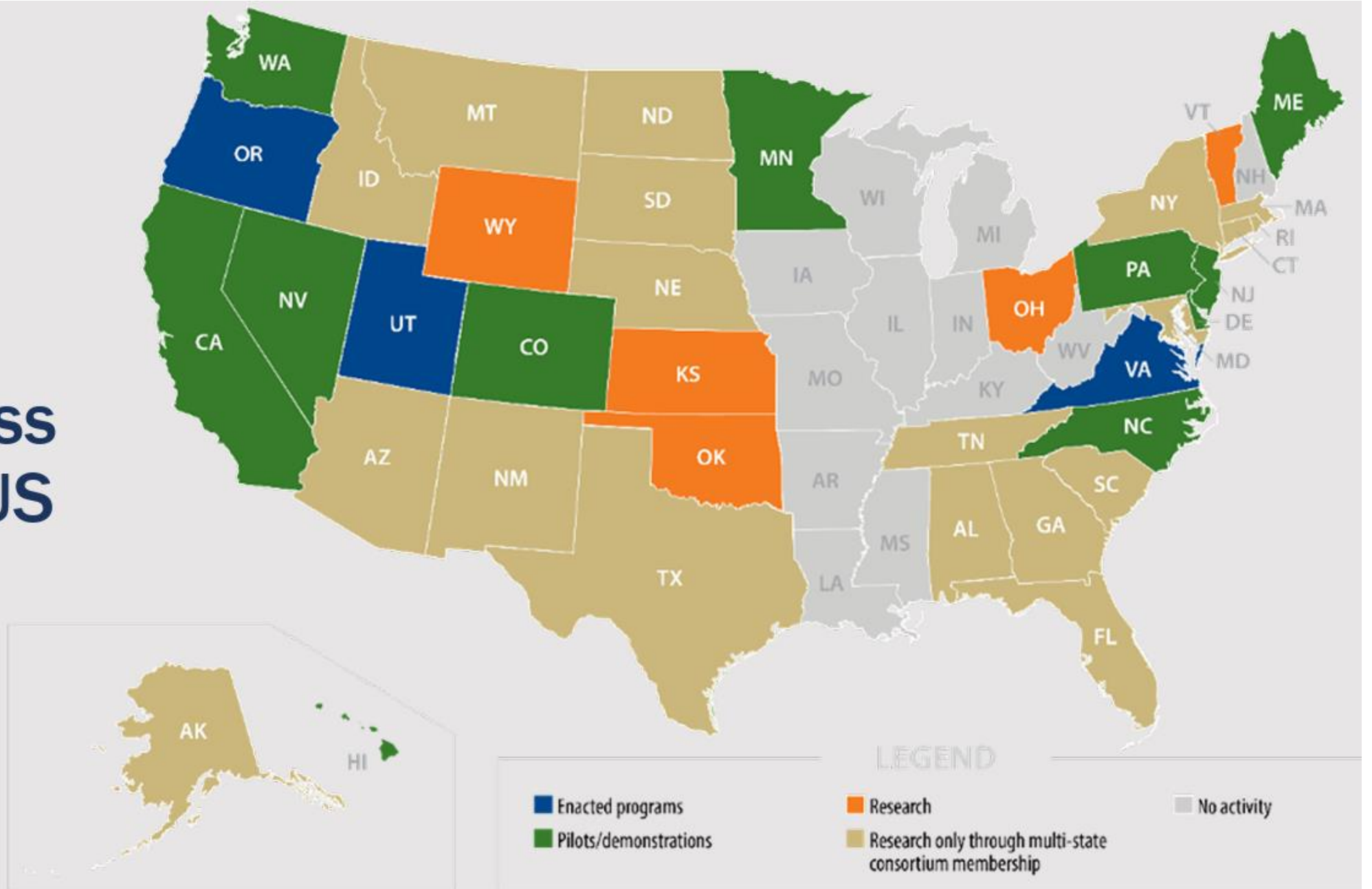
- \$1.4B dedicated funding
- 26,000 curb ramps into compliance by 2032
- 30% brought into compliance by 2022

Oregon Funding v. Needs



Is VMT a solution?

RUC Across the US



VMT Issues

- No jurisdiction has implemented a per-mile fee for everyone
- Replacement for gas tax or policy tool?
- Privacy
- Interoperability between states and federal government
- International travel
- OEMs don't like sharing telematics data
- Flat per mile fee or should fee depend on fuel efficiency?
- Collection costs are higher than those for gas tax

VMT Data Collection Technology

	In-Vehicle Telematics	OBD-II (GPS)	OBD-II (no GPS)	Mobile App (GPS)	Mobile App (No GPS)	Manual
Oregon*						
Minnesota*						
Colorado						
Washington						
California*						
Utah						
Hawaii						
Virginia						
Nevada						
Delaware+						
Pennsylvania+						

+ State pilots administered by TETC in coordination with their state departments of transportation.

* States with multiple pilot/program iterations

VMT Issues

- No jurisdiction has implemented a per-mile fee for everyone
- Replacement for gas tax or policy tool?
- Privacy
- Interoperability between states and federal government
- International travel
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- Flat per mile fee or should fee depend on fuel efficiency?
- Collection costs are higher than those for gas tax

VMT Alternatives

- Significant flat “registration-type” fee
- A fee to opt out of VMT
- Tax electricity used for electric vehicles
- Dedicating percentage of sales taxes

Virginia

Commonwealth Transportation Fund (CTF) Revenue Estimate

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL
Sources of Funds							
Retail Sales and Use Tax	\$ 1,388.2	\$ 1,435.4	\$ 1,472.7	\$ 1,486.0	\$ 1,502.2	\$ 1,541.4	\$ 8,825.9
Motor Vehicle Sales and Use Tax	1,078.2	1,218.2	1,249.6	1,269.4	1,284.9	1,279.6	7,379.9
Motor Fuels Tax	1,499.5	1,561.2	1,611.7	1,657.4	1,701.1	1,744.2	9,775.1
Aviation Fuels Tax	2.0	2.0	2.0	2.0	2.0	2.0	12.0
Road Tax	71.2	72.0	72.7	73.7	73.5	73.2	436.3
International Registration Plan	118.2	119.6	120.0	120.3	120.7	121.0	719.8
Registration Fees	218.4	219.5	221.4	221.0	221.4	221.8	1,323.5
State Insurance Premium Tax	214.5	223.5	235.2	246.4	256.0	256.0	1,431.6
Recordation Tax	52.4	54.5	56.7	59.0	61.3	61.3	345.2
Vehicle Rental Tax	38.9	38.5	38.5	38.5	39.2	39.8	233.4
Highway Use Fee	64.4	66.3	68.3	68.3	68.3	68.3	403.9
Total Commonwealth Transportation Fund	\$ 4,745.9	\$ 5,010.7	\$ 5,148.8	\$ 5,242.0	\$ 5,330.6	\$ 5,408.6	\$ 30,886.6

December 2022 Forecast; Rental Tax excludes share dedicated to WMATA Capital

Utah/UDOT 2023 Revenue (Major Sources)

Sales Taxes: \$775 M

General Fund Transfers: \$806 M

Gas Taxes: \$422 M

Special Gas Taxes: \$178 M

Federal Funds: \$408 M

Registration Fees: \$68 M

	Virginia 2021 pop. 8.6 M	Utah 2021 pop. 3.3 M	Oregon 2021 pop. 4.2 M	Washington 2021 pop. 7.7 M
General Fund	\$0	\$806	\$0	\$0
Sales Tax	\$2,400	\$775	\$0	\$0
Gas Tax	\$1,500	\$600	\$655	\$1,112
Reg. Fees	\$218	\$68	\$362	\$108
Other Tax	\$215	\$0	\$0	\$70.4
Trucking	\$189	\$14	\$522	\$585
VMT	\$64	\$10	\$2	\$0
Tolls	\$0	\$0	\$0	\$156.2

Minnesota

- **Gas Tax 28.5 cents indexed to the highway construction cost index**
- **Motor Vehicle Sales Tax 6.875%**
- **Registration fees**
- **Sales tax on auto parts**
- **Retail delivery fee, 50 cents on deliveries over \$100**
- **\$2.6B in additional funds – 1X authorization**
 - \$600M in bonds
 - \$1B from General Fund

ODOT Strategy

Reductions: Level of Service Impacts



- **Fewer personnel** to ensure roads are safe, functional and accessible for all users.



- **Slower** incident response times and **extended** closures following major events.



- **Increased safety risks** due to deferred maintenance and lack of materials.



- **Significant deterioration** of pavement on Oregon's highways.



- **Reduced frequency** of litter, graffiti, and campsite cleanup.



- Some highways previously plowed four times per day will be **plowed once per day**, if at all.



- Potential **maintenance station closures** in multiple communities.

ODOT Strategy

Diversifying Oregon's Transportation Funding Streams



ODOT Strategy

Potential Solutions

- Increase and inflation index major taxes and fees
- Ensure DMV fees cover cost of service
- Increase tiered registration fees on high-efficiency vehicles
- Shift toward a road usage charge for high-efficiency vehicles
- Focus new resources on maintenance

