

Financial Outlook for Oregon's Transportation System

AGC/ODOT Annual Conference

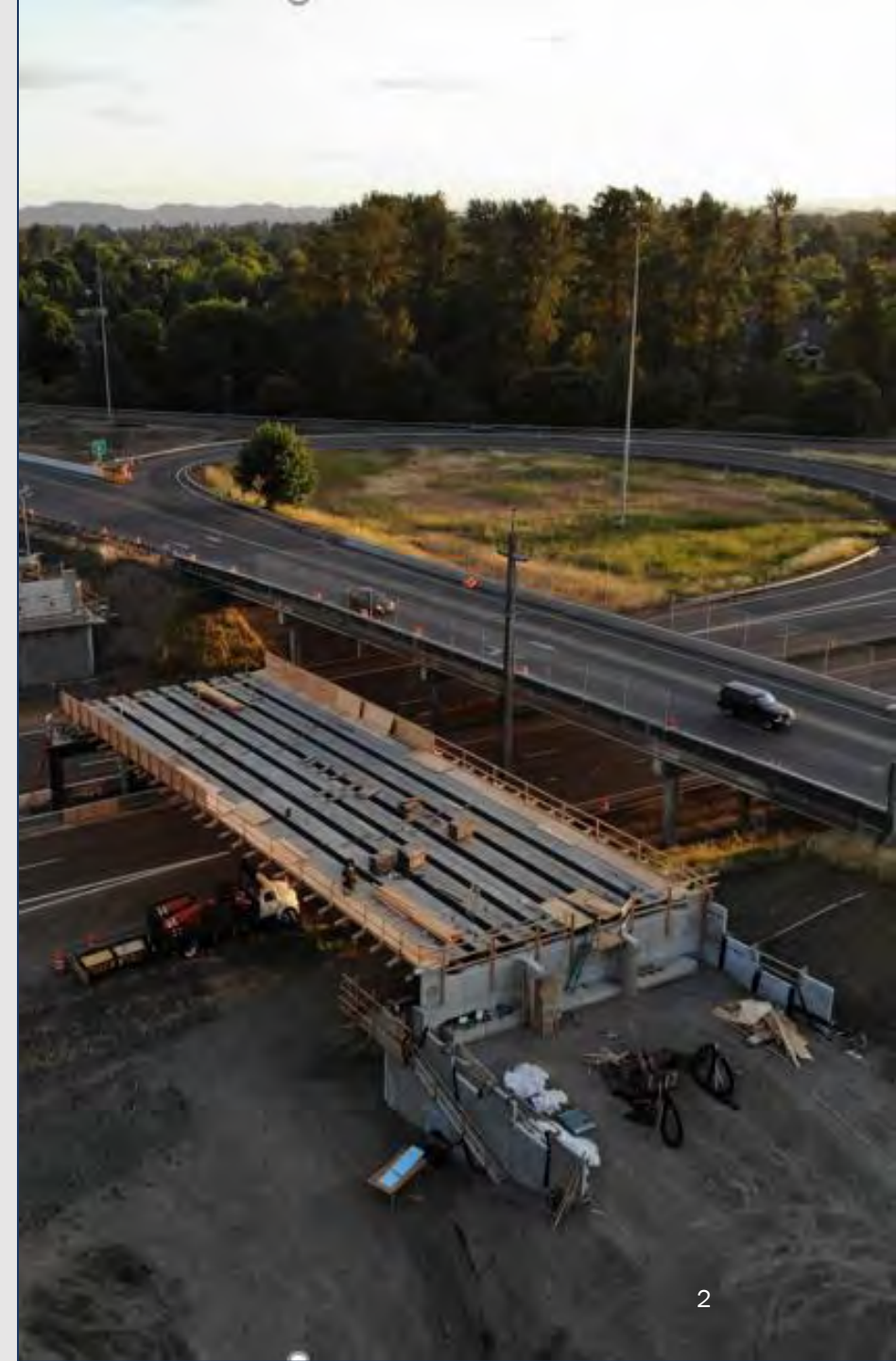
Travis Brouwer

ODOT Assistant Director for Revenue, Finance and Compliance

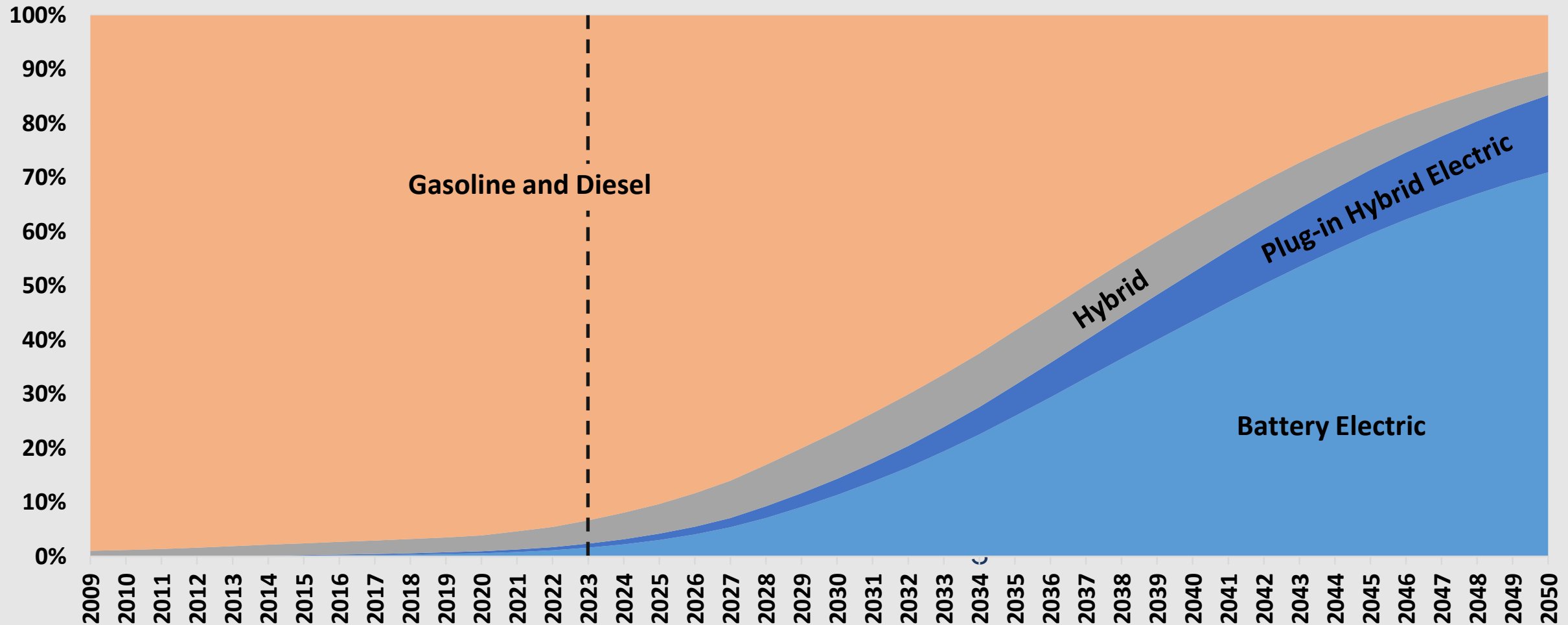
February 9, 2024

Transportation Funding Challenges

- Growing fuel efficiency continues to diminish the gas tax
- Inflation erodes transportation revenue sources
- ODOT faces massive shortfall for operations and maintenance
- Construction funding is heading downhill

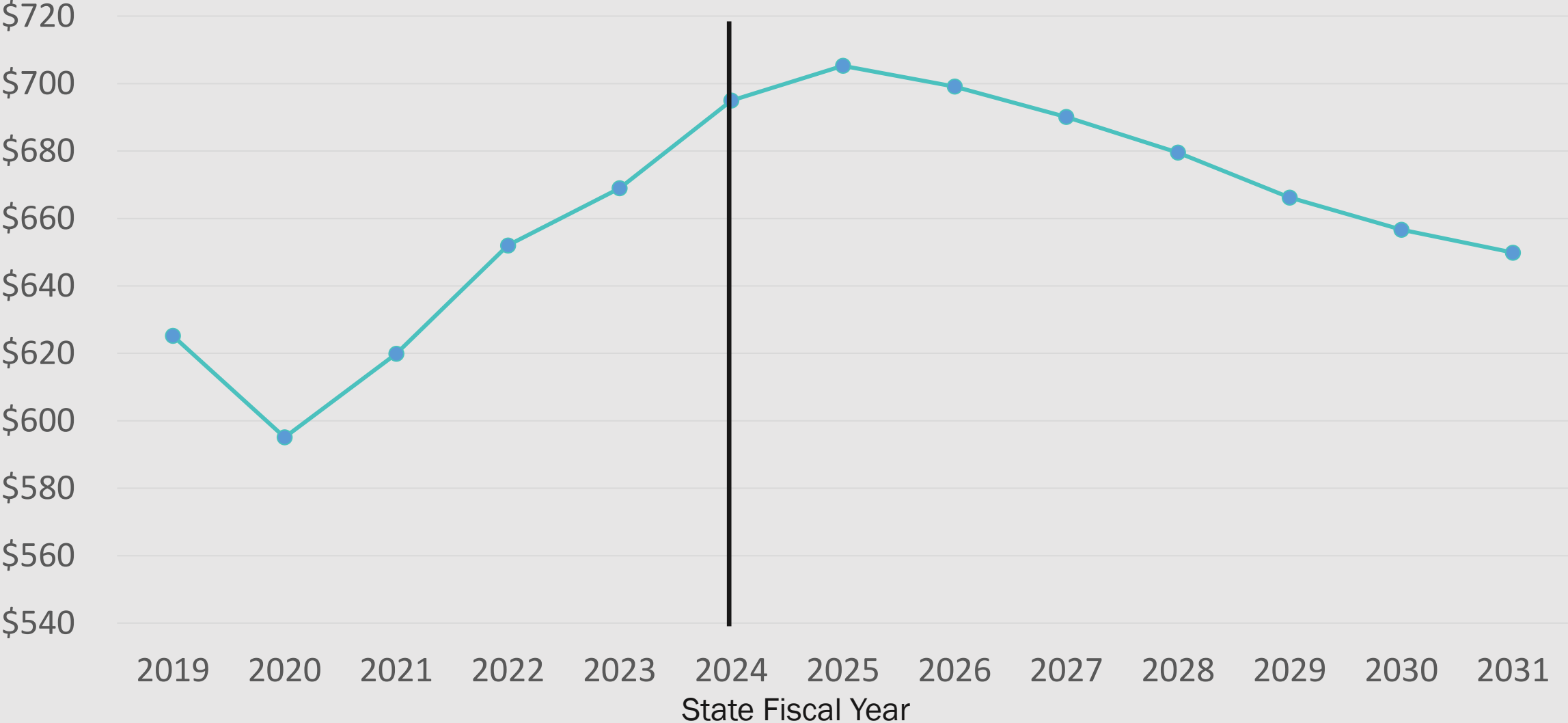


Passenger Vehicles in Oregon are Becoming More Fuel Efficient



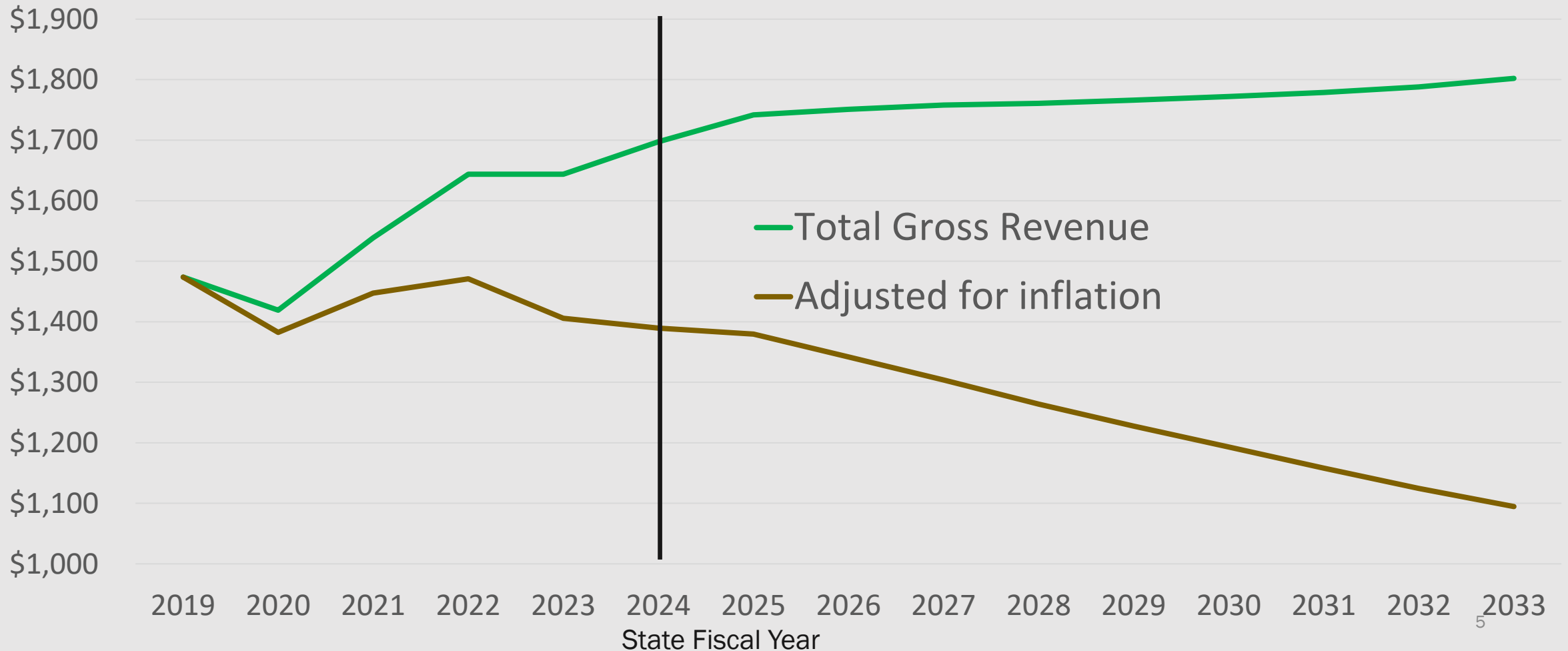
Fuels Tax Revenues Are Going to Decline

Oregon Motor Fuels Tax Forecast (October 2023), In millions of nominal dollars



Inflation Will Dramatically Impact the State Highway Fund

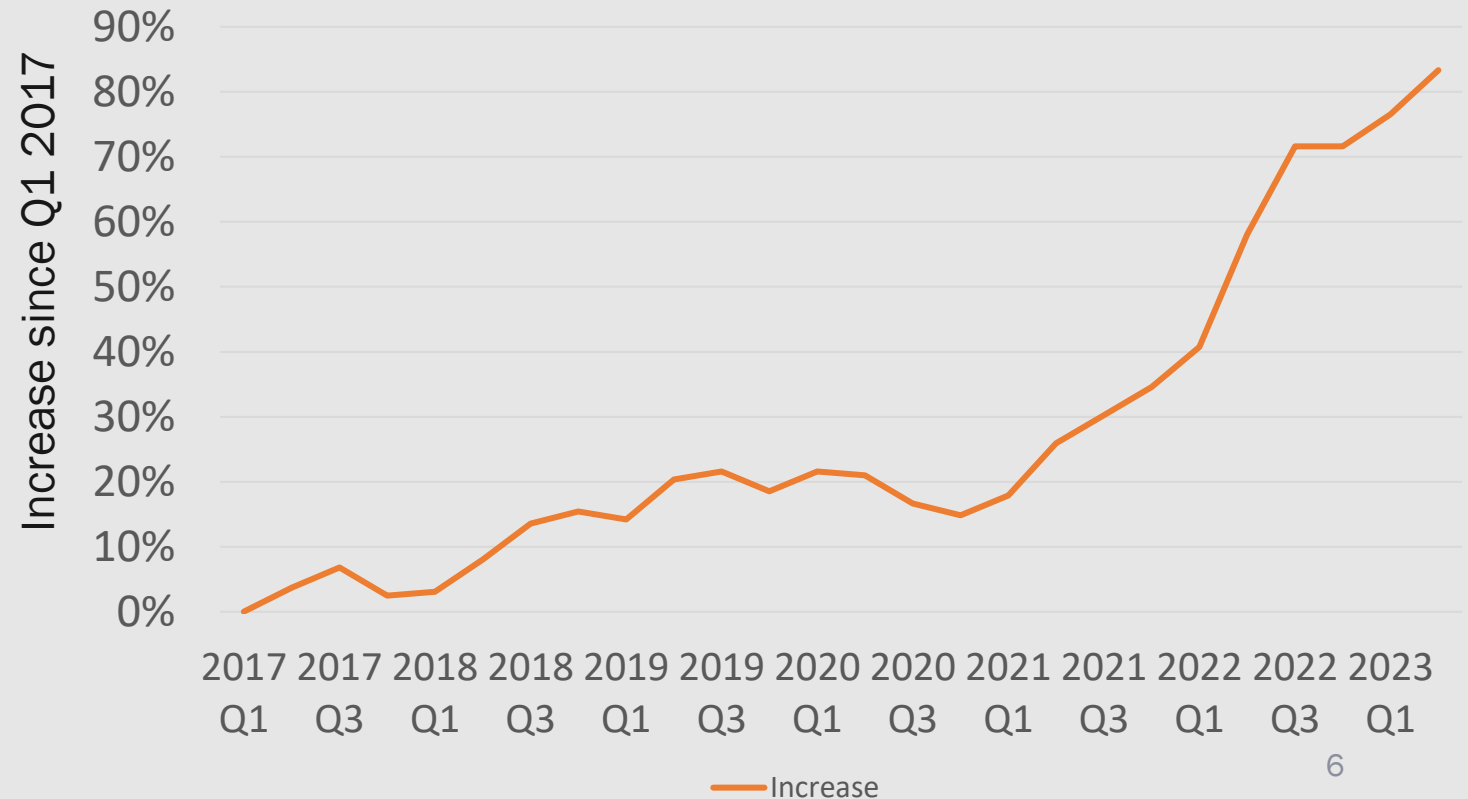
Total Gross State Highway Fund Forecast (October 2023), In Millions of Dollars



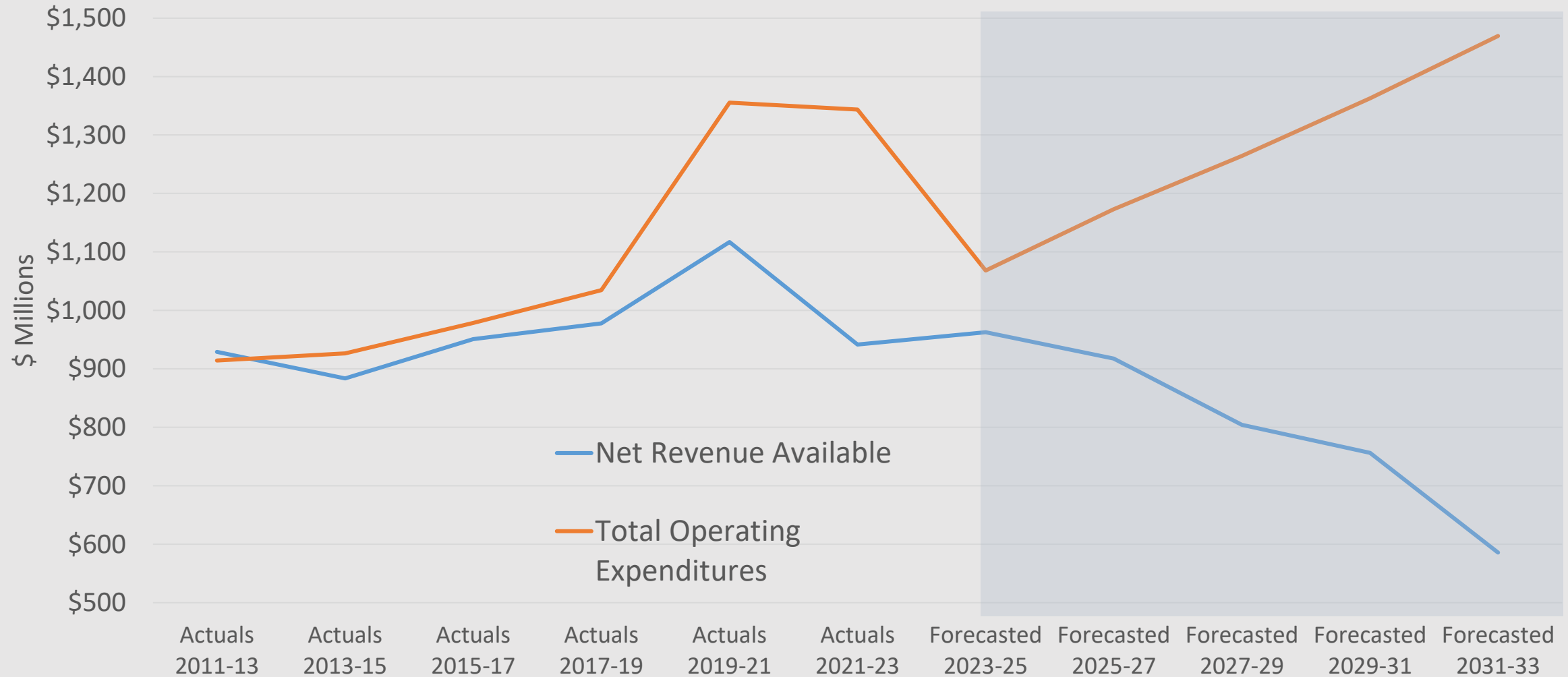
Construction Costs Have Risen Rapidly

Nationwide highway construction costs increased more than 80% since beginning of 2017

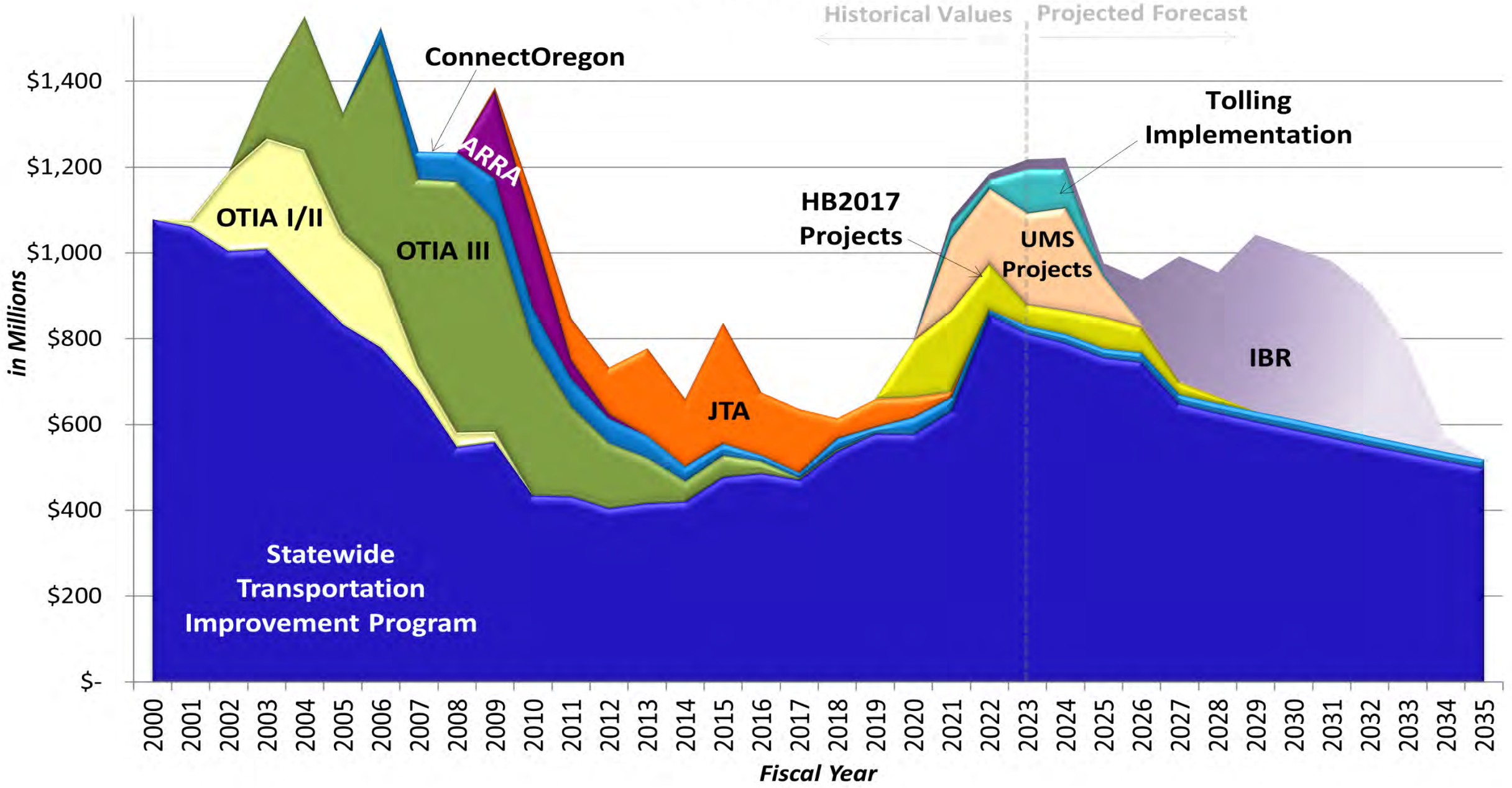
National Highway Construction Cost Index
Increase Since Q1 2017



ODOT Faces a Large and Growing Gap on the O&M Side of Our Budget

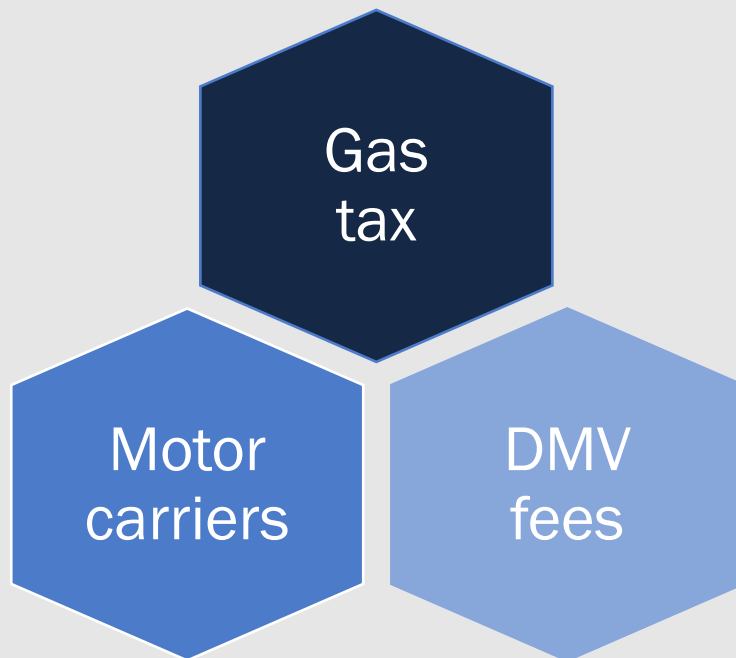


ODOT Construction Programs Adjusted for Inflation Baseline Year 2023

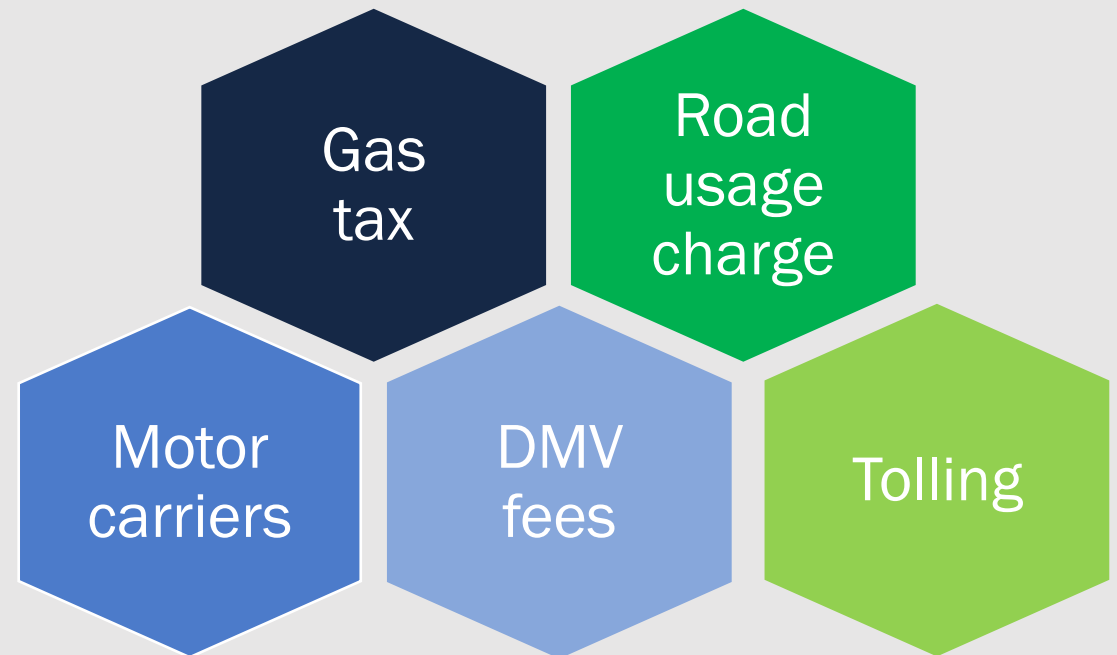


Diversifying Oregon's Road Funding Streams

Today



A Diversified Portfolio



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
- Use tolling for major construction projects

