



Metro



2027-30

Metropolitan Transportation Improvement Program

Adoption Draft

Appendix III: Fiscal Constraint

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 that requires that no person be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination on the basis of race, color or national origin under any program or activity for which Metro receives federal financial assistance.

Metro fully complies with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act that requires that no otherwise qualified individual with a disability be excluded from the participation in, be denied the benefits of, or be subjected to discrimination solely by reason of their disability under any program or activity for which Metro receives federal financial assistance. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit oregonmetro.gov/civilrights or call 503-797-1890.

Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1700 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet's website at trimet.org.

Metro is the federally mandated metropolitan planning organization designated by the governor to develop an overall transportation plan and to allocate federal funds for the region. The Joint Policy Advisory Committee on Transportation (JPACT) is a 17-member committee that provides a forum for elected officials and representatives of agencies involved in transportation to evaluate transportation needs in the region and to make recommendations to the Metro Council. The established decision-making process strives for a well-balanced regional transportation system and involves local elected officials directly in decisions that help the Metro Council develop regional transportation policies, including allocating transportation funds. Together, JPACT and the Metro Council serve as the MPO board for the region in a unique partnership that requires joint action on all MPO decisions. This means JPACT approves MPO decisions and submits them to the Metro Council for adoption. The Metro Council will adopt the recommended action or refer it back to JPACT with a recommendation for amendment.

The opinions, findings and conclusions expressed in this report are not necessarily those of the U.S. Department of Transportation, Federal Highway Administration and Federal Transit Administration.

About Metro

Metro is the regional government in greater Portland. Metro manages public services and regional systems that protect the environment, support the local economy and ensure every community can thrive.

Metro coordinates regional planning and funds new affordable homes and supportive housing services. It manages 19,000 acres of parks and natural areas and the region's garbage and recycling system. Metro also runs the Oregon Convention Center, Portland's Centers for the Arts, the Portland Expo Center and the Oregon Zoo.

Metro is led by a nonpartisan elected council. It serves 1.7 million people in 24 cities across Clackamas, Multnomah and Washington counties.

Stay in touch with news, stories and things to do.

oregonmetro.gov/news

Follow oregonmetro



Metro Councilors

Ashton Simpson, District 1

Christine Lewis, District 2

Gerritt Rosenthal, District 3

Juan Carlos González, District

4 Mary Nolan, District 5

Duncan Hwang, Acting Council President, District 6

Auditor

Brian Evans

600 NE Grand Ave.

Portland, OR 97232-2736

503-797-1700

APPENDIX III TABLE OF CONTENTS

I.	Fiscal Constraint Demonstration by Fund Type	5
	a. Table 1. Metro Revenues by Federal Fiscal Year	6
	b. Table 2. Metro Funding Revenues Programmed	7
	c. Table 3. ODOT Funding Revenues Programmed	8
	d. Table 4. SMART Funding Revenues Programmed	9
	e. Table 5. TriMet Funding Revenues Programmed	9
II.	2027-30 Metropolitan Transportation Improvement Program Revenue Forecast	10
III.	Oregon Department of Transportation Capital Investment Plan	63

Appendix III
Fiscal Constraint

Fiscal Constraint Demonstration by Fund Type



METRO

Table 1. Metro Revenues by Federal Fiscal Year

Fund Type	FFY 2027	FFY 2028	FFY 2029	FFY 2030	FFY 2031-32	Total
Regional Flexible Funds Revenues						
Federal Carry-over from previous cycle	\$6,921,245	\$-	\$-	\$-	\$-	\$6,921,245
Carbon Reduction Program	\$-	\$3,777,103	\$3,777,103	\$3,777,103	\$-	\$11,331,309
CMAQ Urban	\$15,680,337	\$13,895,900	\$13,895,900	\$13,895,900	\$-	\$57,368,037
Surface Transportation Block Grant (STBG) - Urban	\$64,815,712	\$32,035,497	\$32,035,497	\$32,035,497	\$-	\$160,922,203
Transportation Alternatives (TA) - Urban	\$2,745,541	\$2,994,011	\$2,994,011	\$2,994,011	\$-	\$11,727,574
Other Federal Revenues						
Federal Redistribution Funds	\$8,733,072	\$1,000,000	\$1,000,000	\$1,000,000	\$-	\$11,733,072
5303 – Metropolitan Planning	\$1,118,529	\$879,164	\$879,164	\$879,164	\$-	\$3,756,021
Metropolitan Planning	\$2,733,061	\$2,508,970	\$2,508,970	\$2,508,970	\$-	\$10,259,971
Reconnecting Communities Pilot (RCP) Program	\$1,000,000	\$-	\$-	\$-	\$-	\$1,000,000
Safe Streets and Roads for All (SS4A) Program	\$13,223,200	\$4,918,752	\$-	\$-	\$-	\$18,141,952
Federal Subtotal	\$116,970,697	\$62,009,397	\$57,090,645	\$57,090,645	\$-	\$293,161,384
Other Local Funds	\$24,811,016	\$17,685,577	\$6,534,647	\$11,890,614	\$3,392,082	\$64,313,936
Total	\$141,781,713	\$79,694,974	\$63,625,292	\$88,729,077	\$3,392,082	\$357,475,320

Table 2. Metro Funding Revenues Programmed by Fund Type

Fund Type	FFY 2027	FFY 2028	FFY 2029	FFY 2030	FFY 2031-32	Total
5303 – Metropolitan Planning	\$1,118,529	\$879,164	\$879,164	\$879,164	\$-	\$3,756,021
Carbon Reduction Program	\$-	\$-	\$-	\$11,721,515	\$-	\$11,721,515
CMAQ Urban	\$15,680,337	\$13,000,000	\$13,000,000	\$13,512,574	\$2,175,126	\$57,368,037
Metropolitan Planning	\$2,733,061	\$2,508,970	\$2,508,970	\$2,508,970	\$-	\$10,259,971
Reconnecting Communities Pilot (RCP) Program	\$1,000,000	\$-	\$-	\$-	\$-	\$1,000,000
Safe Streets and Roads for All (SS4A) Program	\$13,223,200	\$4,918,752	\$-	\$-	\$-	\$18,141,952
Surface Transportation Block Grant (STBG) - Urban	\$33,568,688	\$35,002,721	\$36,577,440	\$51,783,315	\$7,484,788	\$164,416,952
STBG – Urban (Redistribution Funds FFY 2025)	\$153,222	\$-	\$-	\$-	\$-	\$153,222
Transportation Alternatives (TA) - Urban	\$1,540,472	\$-	\$2,590,193	\$1,205,069	\$12,664,084	\$17,999,818
Federal Subtotal	\$69,017,509	\$56,309,607	\$55,555,767	\$81,610,607	\$22,323,998	\$284,817,488
Other Local Funds	\$24,811,016	\$17,685,577	\$6,534,647	\$11,890,614	\$3,392,082	\$64,313,936
Total	\$93,828,525	\$73,995,184	\$62,090,414	\$93,501,221	\$25,716,080	\$349,131,424

OREGON DEPARTMENT OF TRANSPORTATION (ODOT)

Table 3. ODOT Funding Revenues Programmed by Fund Type¹

Fund Type	FFY 2027	FFY 2028	FFY 2029	FFY 2030	Total
5310 - Enhance Mobility of Seniors & individuals with Disabilities Program	\$192,606	\$-	\$-	\$-	\$192,606
Advance Construction	\$6,741,282	\$-	\$-	\$-	\$6,741,282
Congressionally Directed Spending	\$3,226,691	\$-	\$-	\$-	\$3,226,691
Grant Anticipation Revenue Vehicles (GARVEE) Bonds	\$60,739,000	\$15,361,807	\$-	\$-	\$76,100,807
Highway Safety Improvement Program (HSIP)	\$26,449,178	\$3,348,000	\$11,817,000	\$16,038,430	\$57,652,608
National Highway Freight Program (NHFP)	\$6,571,875	\$-	\$-	\$-	\$6,571,875
National Highway Freight Program (NHPP)	\$2,030,684	\$-	\$-	\$-	\$2,030,684
Rail Hwy Cross Hazard	\$5,608,800	\$-	\$-	\$-	\$5,608,800
Surface Transportation Block Grant (STBG) - Flex	\$29,709,829	\$8,876,653	\$16,200,137	\$36,436,895	\$91,223,514
Transportation Alternatives - Flex	\$5,787,611	\$-	\$-	\$-	\$5,787,611
Transportation Alternatives - State	\$1,263,241	\$-	\$-	\$-	\$1,263,241
Federal Subtotal	\$148,320,797	\$27,586,460	\$28,017,137	\$52,475,325	\$256,399,719
State Funds	\$2,129,813	\$1,026,469	\$819,803	\$1,371,664	\$5,347,749
Local Funds	\$15,799,487	\$361,503	\$2,347,375	\$4,577,715	\$23,086,080
Total	\$166,250,097	\$28,974,432	\$31,184,315	\$58,424,704	\$284,833,548

¹ Available ODOT Revenues for the Portland Metro Area can be found in 2027-2030 MTIP Revenue Forecast Table 9. ODOT Funding Program Amounts, Federal Fiscal Years 2027-2030

LOCAL TRANSIT AGENCIES

Table 4. South Metro Area Rapid Transit (SMART) Funding Revenues Programmed by Fund Type

Fund Type	FFY 2027	FFY 2028	FFY 2029	FFY 2030	Total
5307 - Urbanized Area Formula Program	\$700,000	\$750,000	\$795,000	\$843,000	\$3,088,000
5339(a) Bus and Bus Facilities Formula Program	\$62,000	\$67,000	\$71,000	\$75,000	\$275,000
Local Funds	\$190,500	\$204,250	\$216,500	\$229,500	\$840,750
Total	\$952,500	\$1,021,250	\$1,082,500	\$1,147,500	\$4,203,750

Table 5. Tri-County Metropolitan Transportation District (TriMet) Funding Revenues Programmed by Fund Type

Fund Type	FFY 2027	FFY 2028	FFY 2029	FFY 2030	Total
5307 - Urbanized Area Formula Program	\$60,201,571	\$60,987,522	\$62,817,147	\$64,701,662	\$248,707,902
5310 - Enhance Mobility of Seniors & individuals with Disabilities Program	\$2,469,755	\$2,363,386	\$2,434,288	\$2,507,316	\$9,774,745
5337 - State of Good Repair Program	\$46,393,040	\$48,248,264	\$50,177,687	\$52,184,276	\$197,003,267
5339(a) Bus and Bus Facilities Formula Program	\$1,117,148	\$3,534,479	\$-	\$-	\$4,651,627
FTA Other	\$1,067,820	\$-	\$-	\$-	\$1,067,820
Local Funds	\$27,789,875	\$28,783,414	\$28,857,281	\$29,848,314	\$115,278,884
Total	\$139,039,209	\$143,917,065	\$144,286,403	\$149,241,568	\$576,484,245

Appendix III
Fiscal Constraint

2027-30 Metropolitan Transportation Improvement Program Revenue Forecast





2027-2030 Metropolitan Transportation Improvement Program (MTIP) Revenue Forecast

Initial Draft

State and Federal Unallocated Funds

February 2024

Public service

*We are here to serve the public
with the highest level of
integrity.*

Excellence

*We aspire to achieve exceptional
results*

Teamwork

*We engage others in ways that foster
respect and trust.*

Respect

*We encourage and appreciate
diversity in people and ideas.*

Innovation

*We take pride in coming up with
innovative solutions.*

Sustainability

*We are leaders in demonstrating
resource use and protection.*

Metro's values and purpose

We inspire, engage, teach and invite people to preserve and enhance the quality of life and the environment for current and future generations.

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 that requires that no person be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination on the basis of race, color or national origin under any program or activity for which Metro receives federal financial assistance.

Metro fully complies with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act that requires that no otherwise qualified individual with a disability be excluded from the participation in, be denied the benefits of, or be subjected to discrimination solely by reason of their disability under any program or activity for which Metro receives federal financial assistance.

If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit oregonmetro.gov/civilrights or call 503-797-1536.

Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1700 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet's website at trimet.org.

Metro is the federally mandated metropolitan planning organization designated by the governor to develop an overall transportation plan and to allocate federal funds for the region.

The Joint Policy Advisory Committee on Transportation (JPACT) is a 17-member committee that provides a forum for elected officials and representatives of agencies involved in transportation to evaluate transportation needs in the region and to make recommendations to the Metro Council. The established decision-making process assures a well-balanced regional transportation system and involves local elected officials directly in decisions that help the Metro Council develop regional transportation policies, including allocating transportation funds. JPACT serves as the MPO board for the region in a unique partnership that requires joint action with the Metro Council on all MPO decisions.

MTIP web site: oregonmetro.gov/mtip

The preparation of this report was financed in part by the U.S. Department of Transportation, Federal Highway Administration and Federal Transit Administration. The opinions, findings and conclusions expressed in this report are not necessarily those of the U.S. Department of Transportation, Federal Highway Administration and Federal Transit Administration

TABLE OF CONTENTS

INTRODUCTION	1
Table 1. Forecast of Federal and State Generated Transportation Revenues, Portland Metro Area Transportation Federal Fiscal Years (FFY) 2027 through 2030 (in millions)	2
METRO REGIONAL FLEXIBLE FUNDS (RFF) REVENUE FORECAST	4
Step 1: Developing the Statewide Metropolitan Area/Transportation Management Areas (TMA) Revenues Forecast (Fall 2023 – Spring 2024)	4
Federal Transportation Funding.....	4
Developing Statewide Forecasts	4
Translating Statewide Federal Transportation Forecasts to Urban Areas.....	6
Step 2: Forecasting the Revenue Allocation Authority to Metro and the Regional Flexible Funds (Late 2023 to Spring 2024)	6
Revenue Forecast Methods and Assumptions	9
Table 2. 2027-2030 Metro Regional Flexible Funds and Carbon Reduction Funds	11
Step 3: Defining the Regional Flexible Fund Program Direction and Distributing Revenues to Programs (Winter 2024 – Spring/Early Summer 2024; Fall 2024 – Summer 2025)	11
Step 4: On-Going Management of Forecast Amount and Programming of Project Costs (July 2023 – September 2027)	12
OREGON DEPARTMENT OF TRANSPORTATION (ODOT) REVENUE FORECAST	13
Step 1: Statewide Total Revenues Forecast (May – September 2023)	13
Federal Transportation Funding.....	14
Table 3. Federal Revenue Funding Programs Description	15
Table 4. State Revenue Funding Programs Descriptions	18
Table 5. ODOT Revenue Forecast - Unallocated STIP Revenue, Federal Fiscal Years 2028-2030 (All revenues are in millions).....	20
Step 2: Distribution of Revenues to Categorical Policy Areas (May 2023 – November 2023)	21
Step 3: Distribution of Revenues to Funding Allocation Programs (November 2023 and Early 2024)	23
Table 7. Description of ODOT Funding Programs	23
Step 4: Estimates of Funding Allocation Program Revenues to ODOT Region 1 and the Portland Metro MPO Area (Winter 2024 – Early 2025)	27
TRANSIT AGENCY REVENUE FORECASTS	32
SOUTH METRO AREA REGIONAL TRANSIT (SMART) REVENUE FORECAST	32
Step 1: SMART Revenue Forecasting (Fall – Spring – Annually)	32
Non-Federal Operating Revenues	32
Federal Grants.....	33
Table 10. SMART Revenue Forecast, Federal Fiscal Years 2027-2030.....	34
Table 11. Federal Grants to SMART Forecast, Federal Fiscal Years 2027-2030 (From the SMART Programming of Projects).....	34

Step 2: SMART – Distribution of Revenues to Major Budget Categories (Winter – Spring – Annually)	35
Operations.....	35
Capital Improvement Program	36
Step 3: Adoption of Annual Budget (Spring – early Summer – Annually)	36
TRIMET – REVENUE FORECAST	37
Step 1: Developing the Revenue Forecast (Fall – Spring – Annually).....	37
Table 12. Summary of TriMet Forecasted Revenues, Fiscal Years 2027 – 2030	41
Table 13. Federal Grants to TriMet, Federal Fiscal Years 2024-2027 (Part of Operating and Capital Grants element of Table 12, in millions)	41
Step 2: TriMet – Distribution of Revenues to Major Budget Categories (Winter – Spring – Annually)	42
Step 3: Adoption of Annual Budget (Spring – Summer – Annually).....	43
Figure 1. TriMet Annual Budget Development Cycle	43
Coordination of the TriMet Budget, Program of Projects and the MTIP	43

INTRODUCTION

This report documents the cooperative development of the revenue forecast for the 2027-2030 Metropolitan Transportation Improvement Program (MTIP). It includes a description of the forecast methods and the process by which forecasted revenues were distributed to funding allocation programs administered by the four agencies with federal funding authority within the greater Portland metropolitan area that select transportation projects and programs to receive those funds. These agencies are:

- The Oregon Department of Transportation (ODOT)
- Metro
- The Tri-County Metropolitan Transportation District of Oregon (TriMet); and
- The South Metro Area Region Transportation (SMART)

The revenue forecast is only for transportation funding that will be programmed in the MTIP, which includes all federal transportation funds and state and local agency funds that will be used on regionally significant transportation projects and programs. Generally, regionally significant projects and programs are those that are located on the regional transportation system as defined in the Metro area Regional Transportation Plan (RTP) or implement a key transportation strategy from the RTP, such as transportation demand management. Therefore, state and local dollars that will be used to build projects and maintain the local street system are not included in the forecast.

In developing the revenue forecast for the 2027-2030 MTIP, each agency which carries a responsibility to administer federal transportation funding summarized the methodology for determining the estimated amount of revenue available for transportation projects and programs in federal fiscal years 2027 through 2030. Each agency also described, to the extent known, the process for how those agencies will allocate the funds to major categories. The revenue estimation process does not discuss the outcomes or the specific details of the allocation of the revenues to transportation projects and programs. Separate documentation is provided about the allocation process, project prioritization criteria, and allocation results.

Recognizing Metro and ODOT use three-year cycles for allocating transportation revenues to projects and programs, the revenue forecast for Metro and ODOT focuses on new revenues available for federal fiscal years 2028, 2029, and 2030. Metro also provides an estimate of unallocated carryover revenues anticipated for federal fiscal year 2027. These unallocated revenues represent a refined estimate of the anticipated federal revenues available, but had not previously been allocated to transportation projects and programs in the 2024-2027 MTIP. The transit agencies, SMART and TriMet, include estimates for each federal fiscal year (2027-2030) as both agencies conduct their programming of projects annually through their budget processes.

In developing the revenue forecast for the 2027-2030 MTIP, Metro led the coordination efforts by working with partners ODOT, SMART, and TriMet and utilizing information from concurrent revenue forecasting efforts, whether that was a budget process or a funding allocation discussion. Metro provided a template outlining a series of steps in describing the development of the revenue estimates. The template was developed in a manner which would be flexible to each agency and respecting the agency’s revenue forecasting processes, while also making the progression towards identifying the estimated revenues in the Portland metropolitan region. Key aspects each partner was expected to address as part of the revenue forecast included baseline starting points for revenue estimates, key assumptions related to the availability of revenues, revenue growth rates, assumed limitation rates, etc. Metro coordinated meetings with partner agency staff to review report drafts and forecast methods in preparation to produce this snapshot forecast of anticipated revenues to be invested in the region’s transportation system in federal fiscal years 2027 through 2030. The revenue forecast was initially developed over winter 2023 through spring 2024. The 2027-2030 MTIP revenue forecast was discussed at the Transportation Policy Alternatives Committee (TPAC) and provided to the Joint Policy Advisory Committee on Transportation (JPACT) in 2024.

Table 1. Forecast of Federal and State Generated Transportation Revenues, Portland Metro Area Transportation Federal Fiscal Years (FFY) 2027 through 2030 (in millions)

	FFY 2027	FFY 2028	FFY 2029	FFY 2030	FYs 2027-30 Total
ODOT Directed ^{1, 3, 6}	N/A ^{4, 7}	\$149.83	\$149.83	\$149.83	\$449.5
State Trust Fund to Cities/Counties ⁴	\$248.0	\$248.22	\$251.77	\$257.56	\$1,005.55
Federal Discretionary ⁸	N/A	\$20.0	\$20.0	\$20.0	\$60.0
Metro MPO ^{1, 2, 3, 5, 7}	\$3.86	\$54.9	\$54.9	\$54.9	\$168.7
SMART	\$3.31	\$3.50	\$3.71	\$3.94	\$14.46
TriMet	\$112.0	\$115.8	\$119.9	\$124.0	\$471.7
Sub-Total (excludes federal discretionary and State Trust Fund to Cities/Counties)	\$119.17	\$324.03	\$328.34	\$332.67	\$1,104.21
Sub-Total (includes federal discretionary, but excludes State Trust Fund to Cities/Counties)	\$119.17	\$344.03	\$348.34	\$352.67	\$1,164.21
Sub-Total (includes federal discretionary and State Trust Fund to Cities/Counties)	\$367.17	\$592.25	\$600.11	\$610.23	\$2,169.76
Tolling ⁹	TBD and to be updated				
Total (All listed revenues)	TBD and to be updated				

¹ Does not included federally dedicated planning funds, federal dollars for rural and small cities outside MPOs, or funds dedicated to ODOT Administrative costs.

² Utilizes MPO forecast method, which differs from ODOT forecast method for federal funding programs.

³ Metro and ODOT forecasted revenues for FFY 2027 have already been allocated. SMART and TriMet forecasted revenues are allocated on an annual basis through their budget processes.

⁴ Funds not typically reflected in the Metropolitan Transportation Improvement Program, unless funds are being used for capital projects deemed as regionally significant.

⁵ Total reflects combined revenue for federal fiscal years 2028 through 2030 and under allocated carryover estimated for 2027. See Table 2 for further detail.

⁶ Estimates for carryover revenues for FFY 2027 for ODOT funding programs are unavailable for the revenue forecast. Carryover estimates will be made available and used as part of revenue estimates for fiscally constraining the MTIP and the STIP.

⁷ Total includes revenues from the federal Carbon Reduction program.

⁸ Estimate is based on the Portland region to receive a proportion, based on population, of federal discretionary grant awards estimated for Oregon to receive. The estimate for Oregon is based on historical awards of discretionary funding from federal fiscal years 2021 through 2024 and a 25% reduction of discretionary funding available from Bipartisan Infrastructure Law levels. Funding is not guaranteed and would rely on project applications put forward competing well in the discretionary grant program. Estimate was not provided for federal fiscal year 2027. Anticipated federal discretionary awards for ODOT led major projects (e.g., Interstate Bridge Replacement) are not included in the estimate.

⁹ Metro and ODOT continue to discuss an appropriate revenue estimate for the operational toll program to include in the 2027-2030 MTIP revenue forecast. Once Metro and ODOT come to an agreement on a revenue estimate for the four fiscal years, Metro will revise the revenue forecast.

METRO REGIONAL FLEXIBLE FUNDS (RFF) REVENUE FORECAST

Metro’s Regional Flexible Fund Allocation (RFFA) is a process that consolidates the distribution of three long-standing federal funding program sources to transportation projects and programs in the Metro region. One new federal funding program as a result of the Bipartisan Infrastructure Law (BIL) – also known as the Infrastructure Investment and Jobs Act (IIJA) – is also identified but kept separate from the Regional Flexible Fund because its long-term status remains to be determined with the next federal transportation reauthorization. The revenue forecast for the Regional Flexible Funds is coordinated with the Oregon Department of Transportation and Oregon’s other Metropolitan Planning Organizations (MPOs).

Step 1: Developing the Statewide Metropolitan Area/Transportation Management Areas (TMA) Revenues Forecast (Fall 2023 – Spring 2024)

Federal Transportation Funding

The federal government provides revenues from federal fuels taxes and heavy truck taxes to states and local governments. Most federal funding is distributed to states, metropolitan planning organizations, and local governments by funding formulas, with the remainder allocated in competitive application-based programs.

Oregon receives over half a billion dollars (\$600 million) in funding from the Federal Highway Administration each year. However, with the passage of the Bipartisan Infrastructure Law (BIL) also known as the Infrastructure Investment and Jobs Act (IIJA), Oregon, like many other states, saw a significant increase for federal surface transportation funds for fiscal years 2022 through 2026. All federal highway funds flow through ODOT from individual federal funding programs, including new programs created through BIL, and each have their own rules regarding what types of projects are eligible for those funds and what match rates are required.

About one-third of those surface transportation funds which flow through ODOT are distributed to local governments either directly by formula (e.g., urban-STBG program funds) or by ODOT agreements (e.g., the sub-allocation of CMAQ funds to MPOs that have had federal air quality compliance violations and implementation plans to address them).

Developing Statewide Forecasts

The statewide forecast of federal funds available for transportation projects and programs during the time period of the 2027-2030 State and Metropolitan Transportation Improvement Programs (TIPs) is coordinated by the Statewide Investment Management Section of the ODOT and updated with new information and events. The forecast is shared with MPOs and Transit agencies in the state through the statewide TIP coordination committee.

Metro staff works with ODOT staff and other Oregon MPOs at the transportation improvement program (TIP) coordination committee to coordinate forecast methodology options for the federal funding programs provided to the Oregon TMA MPOs: Surface Transportation Block Grant (STBG) – including the Transportation Alternatives (TA)

Program set-aside, the Congestion Mitigation – Air Quality (CMAQ) funding program, and the Carbon Reduction Program, created by BIL. The Transportation Management Area (TMA) MPOs in Oregon are apportioned allocation authority over the following federal transportation funding programs:

- **Surface Transportation Block Grant (Urban):** The Surface Transportation Block Grant (STBG) Program provides flexible funding that may be used by States and localities for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.
- **Congestion Mitigation and Air Quality (CMAQ):** The Congestion Mitigation and Air Quality program provides a funding source to State and local governments for certain eligible transportation projects and programs to help meet the requirements of the Clean Air Act and local State Implementation Plans (SIPs). Funding is available to areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (referred to as nonattainment areas) and for former nonattainment areas. The goals of the program are to mitigate for congestion and improve air quality by reducing transportation emissions. The scope of a transportation project or program must fit within one or more of the identified project types which are recognized eligible by federal requirements of the program as well as any additional state requirements. These funds are sub-allocated to eligible areas by the Oregon Transportation Commission, which has adopted a statewide formula for this purpose. The Oregon Transportation Commission has also adopted additional state priorities and program guidance for use of CMAQ funds in Oregon.
- **Transportation Alternatives (set-aside from Surface Transportation Block Grant):** The Bipartisan Infrastructure Law continues the Transportation Alternatives set aside from program the Surface Transportation Block Grant, which the previous authorizations had eliminated the predecessor Transportation Alternatives Program (TAP) and replaced it with a set-aside of Surface Transportation Block Grant (STBG) program funding for transportation alternatives (TA). These set-aside funds are flexible to include all projects and activities that were previously eligible under the old TAP funding program. This encompasses a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, community improvements such as historic preservation and vegetation management, and environmental mitigation related to storm water and habitat connectivity. The BIL also increased the set aside amount to 59% to be sub-allocated by population.
- **Carbon Reduction Program:** The Bipartisan Infrastructure Law created the Carbon Reduction Program to fund transportation activities focused on reducing greenhouse gas emissions from transportation sources. Eligible projects may include public transit and active transportation; streetlight and traffic control

device energy efficiency; tolling, pricing and transportation demand management that shift travel to cleaner modes; freight and port projects; alternative fuels; and congestion management technologies. Additionally, state departments of transportation (DOT), in consultation with MPOs, are required to develop and update at least every four years a carbon reduction strategy and submit it to U.S. DOT for approval. U.S. DOT must certify that a State's strategy meets the statutory requirements.

Translating Statewide Federal Transportation Forecasts to Urban Areas

ODOT staff provided the TIP coordination committee historical data of revenues for each MPO for use in developing the revenue forecast for their MPO.¹ This information was also provided knowing that the most recent transportation authorization sharply increased federal transportation funds and the likelihood of sustaining such levels may not be possible. ODOT staff also offered the TIP coordination committee the ability to provide revenue forecasts with different assumptions pertaining to long-term existing of funding programs or less conservative reductions of a new federal transportation reauthorization to help form a set of scenarios to then inform the revenue forecasts for urbanized areas.

The TIP coordination committee nor ODOT staff require MPOs to agree and apply a specific revenue forecasting methodology, leaving the discretion to each MPO. Each MPO decides the way in which to forecast funding for the purpose of allocating forecasted funding to projects. However, for TIP programming, the MPOs are limited in how much funding they can program to project costs in each fiscal year by the amount of committed or reasonably expected revenue to projects within each MPO. Methods for determining committed and reasonably expected revenue for financially constraining the TIP will continue to be coordinated with the statewide committee.²

Step 2: Forecasting the Revenue Allocation Authority to Metro and the Regional Flexible Funds (Late 2023 to Spring 2024)

While the work of the TIP committee significantly influences the revenue forecast of MPOs throughout Oregon, the Portland metropolitan region also considers and emphasizes several other factors in developing an appropriate method for forecasting available funding for the allocation of Regional Flexible Funds. These factors include: 1) consideration of federal processes which determine the amount of federal transportation funds distributed to states and MPOs for transportation projects; 2) project readiness and delivery

¹ Historical data on revenues sub allocated to MPOs was not provided for the new Carbon Reduction funding program.

² While the TIP coordinators committee and ODOT do not specify a particular forecast of revenues for the purpose of allocating funding to projects, the TIP coordinators committee and ODOT will continue to meet throughout the development of the 2027-2030 MTIPs and STIP to coordinate the revenue forecast which will be used to financially constrain the MTIPs and STIP. The initial financial constraint forecast for the 2027-30 TIP financial constraint purposes is expected to take place in autumn/winter 2022-2023 with updated financial information. Revenue information used to financially constrain the TIP to committed and reasonably available funding is continually updated through the life of the TIP to reflect most up to date revenue data. When the TIP is adopted or amended, financial constraint utilizing the most current revenue and project cost data is utilized.

considerations and the federal aid process; 3) management of obligating federal funds in a timely manner; and 4) administration considerations of the RFFA allocation process.

The first factor is the federal process that makes funds available for projects and highly influences the revenue forecast. Every five to six years, federal authorization legislation is passed that sets the budget authority for federal transportation funding, including Regional Flexible Funds. After authorization, each year funds are apportioned based on actual transportation revenues generated, up to the amounts previously authorized. In recent history, apportionment of funds typically generates about 88-95% of authorized amounts. The percent of apportionment to authorization is known as the limitation rate.

Surface Transportation Block Grant (STBG) funds and the Transportation Alternatives set-aside are allocated to Transportation Management Area (TMA) metropolitan planning organizations (MPOs) based on formulas outlined by federal statutes. Metro receives approximately 75% of STBG funding made available to large MPOs in Oregon. In addition to federal formula allocation of STBG, Oregon also receives a state allocation of Congestion Mitigation and Air Quality (CMAQ) funds based on the U.S. Environmental Protection Agency (EPA) air quality designations. Oregon employs a statewide formula allocation for CMAQ funding to the eligible areas. The CMAQ statewide formula allocation was recently updated in 2017 and the allocation applies to CMAQ funds through 2024. ODOT and participating CMAQ agencies agreed in 2022 to continue with the existing formula, updated with current program status and data used for inputs in calculating the formula (e.g., population and requirements to implement the state Employee Commute Options rule) through 2030. Metro as the largest eligible MPO to receive CMAQ funds, receives approximately 73% of the CMAQ funds available to eligible Oregon MPO areas.

The second factor for the revenue forecast is the potential readiness for the use of forecasted funds and the local project delivery process of federal transportation funds. Upon award of funds, a local agency coordinates with ODOT and Metro to define a detailed scope of work, budget and schedule that address state and federal requirements (e.g. National Environmental Protection Act (NEPA) process requirements, design requirements) and execute an intergovernmental agreement to document how the project will meet requirements and provide required match funding. The process of executing the agreement typically takes a year or longer due to the number of details needing to be defined in meeting federal requirements. Implementing the agreement through the project phases of planning, preliminary engineering, right of way acquisition, and construction can take up to an additional four to five years. Recognizing the federal aid process and potential readiness of a transportation project awarded funding can impact the amount of forecasted revenues available year-by-year, the history of readiness of previous projects and complexity of federal aid processes influences whether Metro takes a conservative or aggressive approach to the revenue forecast for allocation purposes.

The third factor is the ODOT and MPO partnership on fund management of federal transportation funds. Each state must contractually obligate all federal transportation funding apportioned to it each federal fiscal year or the unobligated funds will be redistributed to states that have obligated all their funds. As ODOT has better capability to obligate federal transportation funds quickly on projects or programs, the agency takes on

the responsibility to ensure all federal transportation funding authority is obligated, including unobligated MPO funding authority. When ODOT obligates MPO unobligated funding authority, ODOT then provides equivalent funding authority in a future year. This provides flexibility to MPOs and keeps Oregon eligible for redistribution funds from other state's unobligated funding authority. Since 2019 ODOT and the large MPOs entered an agreement for MPOs to meet obligation rates in exchange for the ability to share in a portion of the redistribution funds ODOT receives annually. The management and obligation of federal transportation funds allocated by MPOs opened a new opportunity for potential increased revenue available to include in forecast. The enactment of the agreement resulted in small bumps of additional revenues in federal fiscal years 2022 through 2024. The consistency in the Portland region meeting the obligation rates provides a foundation in assuming a small amount of redistribution revenues will emerge from obligation performance.

The fourth and last additional factor incorporated into Metro's revenue forecast is the administrative consideration and impact of the 3-year allocation cycle. Through the RFFA process, Metro undertakes a significant administrative effort to run a deliberative and transparent funding allocation process based on the policy objectives and strategy for implementing the region's long-range transportation plan. This process is designed as a thoughtful effort of weighing tradeoffs and advancing progress towards the region's goals for the transportation system. As a result, the RFFA process is not nimble and does not adapt well to quickly allocate additional revenues not previously forecasted. Therefore, a less conservative forecast is appropriate so that a large amount of additional revenue does not go unallocated and unobligated.

In summary, forecasting and estimating the revenue for the Regional Flexible Funds allocation process has additional unique objectives from other funding allocation programs in the 2027-2030 MTIP.

With these factors in mind, the goals of estimating the revenue allocation authority are created to achieve the following objectives:

- Select enough projects that prepares an adequate pipeline to be ready to obligate funding as it becomes available each year to achieve the following:
 - deliver project benefits to the region as soon as possible
 - minimize loss of purchasing power to inflation
 - help ODOT (and subsequently the region) be eligible for federal redistribution funds
 - prevent having to undertake any supplemental allocation processes to distribute available funding that is in excess of earlier forecasts
- Provide a steady flow of funding to projects and programs to avoid shocks to the delivery systems.

- Balance forecasting enough revenues to develop projects in the delivery pipeline to maximize obligation of all funds as they become available without creating an over expectation of projects that can be delivered or excessive conflicts between projects for access to funds as they become available.

Revenue Forecast Methods and Assumptions

In prior RFFA cycles, forecast amounts would be based on funding authorization levels, with an assumed limitation rate based on historic performance. If the allocation cycle extended beyond the authorization period, a decision would be made on how to forecast expected revenues. Typically, a growth factor, based on historic performance and factoring in the limitation rate from the last year of authorization, would be applied to the final authorization year and extended out to the final year of the RFFA cycle. While recent reauthorization bills have increased federal funding amounts, there has also been a recent history of extending authorization levels beyond the life of an authorization bill through continuing resolutions. This results in a flat rate of no growth from the last year of the previous authorization bill until a new bill is passed. A more conservative forecast method is to assume a flat level of funding from the last year of the current authorization bill to reflect the possibility of this potential scenario playing out through the years of funding to be allocated in the RFFA process. Finally, because the most recent reauthorization bill, the Bipartisan Infrastructure Law (BIL), significantly increased the amount of federal funding provided with historic levels of contributions from general fund sources (as opposed to dedicated revenues to the Highway Trust Fund such as the federal gas tax) and the dedicated federal gas tax revenue faces uncertainties in the face of fleet electrification, increasing fuel efficiency, and a flat rate structure, some transportation analysts advocate an even more conservative forecast method to expect reduced federal transportation funding.

Furthermore, CMAQ funding is held constant from FFY 2024 forward to reflect guidance from ODOT staff. This is because ODOT will update the inputs to the statewide distribution formula for CMAQ funds by FFY 2024 to address any changes brought about by updated population estimates and possible changes in other formula factors for areas within the state. While overall CMAQ revenues to the state are expected to grow at the same rates as other federal funding programs within the time of the authorization bill, the assumption of a no-growth rate for the Metro areas mitigates some of the risk that a new Oregon sub-allocation formula may reduce the proportion of CMAQ funds sub-allocated to the Metro area.

As started in federal fiscal year 2022, the region is eligible to receive federal redistribution funds from ODOT if the funds become available and the region meets its funding obligation targets. To become eligible for these funds, the region needs to utilize the administrative tools to obligate existing RFFA funds on schedule, consistent with the forecast and allocation objectives as described above. The forecast assumes the region will be successful in meeting the funding obligation targets, based on initial history of having received redistribution funds in 2022, 2023, and 2024. As redistribution funds are not a consistent source of funding, \$1 million per year is being forecasted. Actual awards are expected to

fluctuate year to year as redistribution amounts to Oregon depend on the actual funding obligation performance of other states.

The BIL created a new federal funding category that sub-allocates funds to the Metro region by federal formula named the Carbon Reduction program. The general purpose is to fund transportation projects and programs that reduce greenhouse gas emissions. Like the STBG funding program, a portion of the funding authorized for the state is required to be sub-allocated to large MPOs by a prescribed federal formula based on population.

The previous allocation of Carbon Reduction Program funds allocated funds made available between FFYs 2022 and 2026. This was different than the Regional Flexible Fund Allocation (RFFA) which allocated STBG, CMAQ, and TAP funds through FFY 2027. The amount of funds listed in FFY 2027 for CRP funding in Table 2 is the forecasted allocation of \$3,907,348 with the carryover from FFY 2026 of (\$47,927) for a total of \$3,859,421.

Metro assumes the Carbon Reduction Program will continue in future transportation authorizations. Because the funding was a new program in the last authorization bill, however, and the lack of confidence in sustaining current levels of transportation funding, Metro elected not to incorporate these funds into the Regional Flexible Fund Allocation for this cycle. The intention is to protect from overallocation of funds if the Carbon Reduction Program gets eliminated as part of the next transportation authorization. A separate but coordinated process will be undertaken for the allocation of Carbon Reduction Program funds.

Considering the above factors, Metro staff is proposing the following forecast methodology for the 2027-2030 RFFA cycle:

- Revenues estimates through current year (federal fiscal year 2024) are actual apportionments after limitation rates applied from ODOT's Finance Plan. Current year still subject to adjustments such as rescissions.
- Federal fiscal year 2024 - 2026 reflects federal authorization bill at 90% limitation rate.
- Assumes \$1 million per year in redistribution funds for years beyond most current redistribution.
- Federal fiscal years 2027-2030 reflects zero growth to year 2026 to account for possibility of a continuing resolution in the event a new authorization bill is not yet passed and to mitigate the risk of reduced general fund contributions to the Highway Trust Fund in the next authorization bill.
- No growth to CMAQ funding from federal fiscal year 2024 is forecasted for federal fiscal years 2025-2030 to mitigate risk of other eligible areas of the state receiving an increased share of state CMAQ funding.
- 2027 carry over amount is the difference between updated funding data, both actuals through FFY 2024 and forecasts for FFYs 2025-26, and the previous allocations of funds for those years. Carry overs can be additional revenues or revenue deficits depending on how updates performed relative to prior forecasts.

With the forecasting factors and the assumptions described above, the proposed revenue forecast for the 2028-2030 Regional Flexible Fund is listed below in Table 2.

Table 2. 2027-2030 Metro Regional Flexible Funds and Carbon Reduction Funds

Fund Type	2027 Carry over	2028	2029	2030	Total
U-STBG		\$33,140,169	\$33,140,169	\$33,140,169	\$99,420,507
CMAQ		\$13,799,833	\$13,799,833	\$13,799,833	\$41,399,499
TAP		\$3,097,253	\$3,097,253	\$3,097,253	\$9,291,759
Redistribution		\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000
RFFA Subtotal	\$0	\$51,037,255	\$51,037,255	\$51,037,255	\$153,111,765
Carbon Reduction	\$3,859,421	\$3,907,348	\$3,907,348	\$3,907,348	\$15,581,465
Total		\$54,944,603	\$54,944,603	\$54,944,603	\$168,693,230

The reflected revenue forecast for the 2028-2030 RFFA will guide the deliberation and selection of transportation projects and programs to support the Portland region’s effort to implement the long-range transportation plan. However, the revenue forecast provided is for allocation purposes and is intended as a snapshot of estimated revenues as of Spring 2024.

The revenue forecast will be updated just prior to the RFFA call for project applications so the Portland region may conduct this process with the best possible estimate at the time the allocation process begins. To provide stability to the allocation process, new information affecting the forecast after that point in time does not affect the amount allocated in that current cycle, unless policy action to make a change is taken up. Adjustments to the forecast and actual funding conditions after the allocation forecast is set are accounted for in the forecast of the following RFFA cycle or by policy action to make an adjustment.

Estimates continue to remain fluid as factors such as federal decisions on annual authorization and limitation rates are made. Metro staff will continue to collaborate with ODOT and the other Oregon MPOs on the methods to determine the funding authority and develop refined revenue estimates that will be utilized in each of the federal fiscal years of 2027 through 2030 for the purpose of establishing fiscal constraint. The funding authority determined in this process will be used in the MTIP programming process to limit the amount of funds that can be utilized by projects in each fiscal year of the 2027-30 MTIP. The MTIP programming is scheduled to be adopted in the summer of 2026 and is subsequently amended on a regular basis to reflect project cost and schedule adjustments and updated revenue amounts.

Step 3: Defining the Regional Flexible Fund Program Direction and Distributing Revenues to Programs (Winter 2024 – Spring/Early Summer 2024; Fall 2024 – Summer 2025)

The 2027-2030 RFFA begin in February 2024 at the regular meeting of TPAC. At that meeting a 20-month timeline and process is outlined for the kick-off of the Regional Flexible

Fund Allocation. The allocation is split into two processes: the first focuses on defining and refining the program direction for the funding allocation and the second focuses on the competitive capital grant process.

The newly adopted 2023 Regional Transportation Plan (RTP) policy objectives guide the investment priorities for the RFFA. Several of those objectives are continuations from the 2018 RTP which include equity, safety, climate, and mobility. A new policy objective of thriving economy resulted from the 2023 RTP. The RTP directs that further policy, planning and funding outcomes should advance the region toward its goals in these five areas.

Anticipated for JPACT and Metro Council is to reaffirm the same two-step process used to award funding since the 2012-2013 RFFA cycle:

- Step 1 continues the region’s commitment to repayment of bonds used to develop and construct high-capacity transit and active transportation projects. It also continues investments in region-wide programs to fund system and demand management activities and to invest in transit-oriented development projects near high-capacity transit lines. The region-wide programs are long-standing regional programs which have been established to meet various regional commitments, such as air quality, federal and state policy goals, and the Climate Smart Strategy.
- Step 2 focused funding on capital projects. Eligible applicants include agencies capable of entering an inter-governmental agreement with ODOT for funding and administering a federal aid transportation project; cities and counties, park districts, regional and state agencies.

Direction on the distribution of revenues to Step 1 programs and Step 2 project allocations is provided as a part of the 2027-2030 RFFA Program Direction documentation slated for adoption by the Metro Council in spring or early summer 2024. Final project and program allocations is scheduled for adoption in summer/autumn 2025 for incorporation into the 2027-2030 MTIP and STIP.

Throughout the program direction and RFFA process, Metro staff will also work with the local lead agencies and ODOT Region 1 staff to determine which projects awarded funding demonstrate they are ready to obligate funding for their projects and then program the awarded funding as needed by project phase. Many project phases are likely to be temporarily programmed in the illustrative MTIP years of 2031 or 2032 until the project demonstrates it will be ready to obligate funds in an earlier year. Assuming funding capacity is available, the MTIP will be amended to move projects forward at that time with the objective of utilizing as much funding capacity as possible with projects that are prepared to obligate those funds.

Step 4: On-Going Management of Forecast Amount and Programming of Project Costs (July 2023 – September 2027)

Management of the revenue forecast of expected available Regional Flexible Funds is on-going as federal and state actions will impact the amount of revenues made available for reimbursement of project costs awarded funding. As these funds are made

available each federal fiscal year, final decisions on how much funding is made available to a particular project phase is documented in the MTIP Programming tables. Programming is the balancing and assignment of available revenues for costs incurred by an eligible project.

How Metro staff recommend final programming of funds to project costs is directed by the awarded amount of funding to projects and programs by JPACT and Metro Council, the progress of the lead agency to complete steps to ensure a project is ready and eligible to receive the funds, and state and federal rules regarding TIP programming.

In modern program history, there has not been an occasion where projects that have been awarded funding by JPACT and Metro Council have been ready and requested more RFFA funding than has been available in a particular fiscal year. Should that occur in the future and Metro staff is unable to work out an acceptable solution with the lead agencies involved, Metro staff would provide a recommendation to JPACT and the Metro Council on resolution of such issue, if time allowed. A typical solution would be to delay one or more project phases eligibility to seek project cost reimbursement to the beginning of the subsequent fiscal year when additional funding becomes available. Programming of project costs and funding in subsequent years would potentially need to be adjusted to accommodate this shift.

OREGON DEPARTMENT OF TRANSPORTATION (ODOT) REVENUE FORECAST

The revenue forecast for state transportation funding is completed in four phases: Statewide total revenues forecast (May – September 2023;), Distribution of revenues to Categorical Policy Areas (May 2023 – November 2023), Categorical Policy Area sub-allocation distribution of revenues (November 2023 – Early 2024), Estimates of Funding Allocation Program revenues by ODOT Region and MPO Areas.

Step 1: Statewide Total Revenues Forecast (May – September 2023)

The statewide forecast of funds available for transportation projects and programs during the time period of the 2027-2030 State and Metropolitan Transportation Improvement Programs (TIP) is led by the state Finance and Budget Divisions, Statewide Investments Section of the ODOT. The forecast is shared with MPOs and Transit agencies in the state through the statewide TIP committee as information to build understanding related to the ODOT statewide revenue forecast and provide the MPOs a starting point for revenue estimates.

Revenue Assumptions

As a first step in revenue estimating, the forecast of ODOT administered funding is dependent on a federal authorization bill being in place or not in place. With an active federal authorization bill, the forecast includes the ratified funding levels by year outlined in the bill. When no federal authorization bill is in place, ODOT typically assumes a 10 percent reduction from current year levels to federal funding across all its funding program types

for all TIP years.³ However, in previous cycles where ODOT had assumed 10% reductions for the future federal fiscal years that amount resulted slightly too conservative, so an adjustment was made for the 2027-2030 STIP cycle. Due to the expiration of the Bipartisan Infrastructure Law (BIL), also known as the Infrastructure and Investments Jobs Act (IIJA), in 2026 and the unknown of a future federal funding authorization sustaining the same levels of funding as BIL, funding assumptions assume a 7.5% reduction. Or more specifically, the ODOT revenues projected for the 2027-2030 MTIP forecast, ODOT assumes a 7.5% reduction on the authorization levels starting for federal fiscal year 2026 the final year of BIL-IIJA.

In addition, certain programs established through BIL, such as the special bridge apportionment funding and the electric vehicle funding, have been removed as those programs were specific programs with special allocations from the IIJA.

Additionally, ODOT assumed a 10% limitation rate applied to federal fiscal years 2028, 2029 and 2030. The revenue estimates, in Tables 5, 6, 8 and 9, reflect the amount available after applying the limitation rate and the assumed reductions. Funding allocated to the MPOs (e.g., STBG and TAP) have their own forecast methodology described in the Metro MPO forecast section.

Federal Transportation Funding

The federal government provides revenues from federal fuels taxes and heavy truck taxes to states and local governments. Most federal funding is distributed to states and local governments by funding formulas, with the remainder allocated in competitive application-based programs. The current federal transportation authorization which dictates the distribution of federal funding to states is the Bipartisan Infrastructure Law (BIL) also known as the Infrastructure and Investments Job Acts (IIJA).

Oregon receives about \$600 million dollars in funding from the Federal Highway Administration (FHWA) each year for construction projects on the state's roads, including the interstate, as well as planning and engineering. Some funds can also be used for transit and bicycle/pedestrian capital projects. All federal highway funds flow through ODOT from individual federal funding programs that each have their own rules regarding what types of projects are eligible for those funds and what match rates are required. About 30 percent of those funds are distributed to local governments either directly by formula (e.g., urban-STBG program funds) or awarded through competitive application processes (e.g., HSIP program funds through the state ARTS allocation process). Oregon also receives public transportation funding from the Federal Transit Administration (FTA). These FTA funds are primarily used to support public transportation operated/contracted by ODOT or passed through to public transportation operators in small urban and rural areas. FTA works directly with transit agencies in large urban areas to provide funding for operations and projects. Table 3 provides a brief description of the various federal funding programs which contribute to the ODOT statewide revenue forecast.

³ Which specifically for the ODOT estimated revenues, applies only to federal fiscal year 2027.

Table 3. Federal Revenue Funding Programs Description

Common Federal Revenue Funding Programs	
Fund	Description
Surface Transportation Program (STBG) Funds – State allocation (includes STBG-TAP set-aside for state) (Formula)	The FAST Act converted the long-standing Surface Transportation Program into the Surface Transportation Block Grant Program acknowledging that this program has the most flexible eligibilities among all Federal-aid highway programs and aligning the program’s name with how FHWA has historically administered it. [FAST Act § 1109(a)]. The BIL/IIJA continues the Surface Transportation Block Grant program. The STBG promotes flexibility in state and local transportation decisions and provides flexible funding to best address State and local transportation needs.
Highway Safety Improvement Program (HSIP) (Formula)	The BIL continues the Highway Safety Improvement Program (HSIP) to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-state-owned public roads and roads on tribal lands. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads that focus on performance.
Rail-Highways Crossings (Sec. 130) (Formula)	The BIL continues the Railway-Highway Crossings program, which provides funds for safety improvements to reduce the number of fatalities, injuries, and crashes at public railway-highway grade crossings.
National Highway Freight Program (Formula)	The BIL establishes a new National Highway Freight Program to improve the efficient movement of freight on the National Highway Freight Network (NHFN) and support several freight related infrastructure improvement goals.
Congestion Mitigation Air Quality (CMAQ) Improvement Funds (Formula)	The BIL continues the CMAQ program to provide a flexible funding source to state and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance.
National Highway Performance Program (Formula)	The BIL continues National Highway Performance Program which provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a state's asset management plan for the NHS.
Carbon Reduction Program (Formula)	The BIL establishes the Carbon Reduction Program (CRP), which provides funds for projects designed to

	reduce transportation emissions, defined as carbon dioxide (CO ₂) emissions from on-road highway sources.
Promoting Resilience Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program (Formula)	The BIL established the new Promoting Resilience Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program. The program is intended to provide funding for planning, capital resilience improvements, capacity-building for community resilience, evacuation planning and preparation, and other related activities.
Less Common Federal Revenue Funding Programs⁴	
Fund	Description
Emergency Relief	The BIL continues the Emergency Relief program, which provides funds for emergency repairs and permanent repairs on federal-aid highways and roads, tribal transportation facilities, and roads on federal lands that the U.S. DOT Secretary finds have suffered severe damage as a result of natural disasters or catastrophic failure from an external cause.
Federal Lands Access Program	Provides funds for projects on Federal Lands Access Transportation Facilities that are located on or adjacent to, or that provide access to federal lands. Funding program is a competitive grant program.
State Recreational Trails Program	The BIL continues the optional set-aside of Surface Transportation Block Grant (STBG) program funding for Recreational Trails Program. Set aside amount is equal to the state portion of the Transportation Alternatives program. Program is at the discretion of the Governor to decide whether to continue State Recreational Trails Program.
Discretionary Federal Revenue Funding Programs	
Fund	Description
Existing Federal Miscellaneous Discretionary Grants (e.g., RAISE, NHFP – Discretionary, FAST Lane, INFRA, ITS, etc.)	Competitive discretionary grant programs with specific criteria for application and project eligibility. Discretionary grant programs cycles are driven by federal annual budget and transportation reauthorization. Funds from these discretionary grant programs are not guaranteed.
BIL/IIJA Federal Grant Program (e.g., PROTECT, National Infrastructure Project Assistance Program, Bridge Investment Program, Wildlife Crossings Program, Congestion Relief Program, Healthy Streets Program) ⁵	Competitive discretionary grant programs with specific criteria for application and project eligibility. These programs were created through the passage into law the Bipartisan Infrastructure Law (BIL) (also known as the Infrastructure Investment and Jobs Act). Discretionary grant programs cycles are driven by federal annual budget and federal rulemaking. These programs are currently only authorization through the

⁴ Not an exhaustive list of federal revenue programs.

⁵ The discretionary funding programs established through the passage of the Bipartisan Infrastructure Law are only authorized through federal fiscal year 2026. These discretionary programs may not exist, modified, or revised come the start of federal fiscal year 2027.

	end of BIL – federal fiscal year 2026. Funds from these discretionary grant programs are not guaranteed.
Rural Area Specific Federal Revenue Funding Programs	
Fund	Description
Clackamas County Surface Transportation Block Grant (STBG) Fund Exchange Allocation	Rural Surface Transportation Block Grant allocated and administered by ODOT. State funding with is provided to Clackamas County via agreement with AOC/LOC.
Multnomah County Surface Transportation Block Grant (STBG) Fund Exchange Allocation	Rural Surface Transportation Block Grant allocated and administered by ODOT to Multnomah County. State funding with is provided to Multnomah County via agreement with AOC/LOC. I
Washington County Surface Transportation Block Grant (STBG) Fund Exchange Allocation	Rural Surface Transportation Block Grant allocated and administered by ODOT to Washington County. State funding with is provided to Washington County via agreement with AOC/LOC
Planning Specific Federal Revenue Funding Programs	
Fund	Description
Metropolitan Planning (PL) Formula	The BIL/IIJA continues the Metropolitan Planning program. The Program establishes a cooperative, continuous, and comprehensive framework for transportation planning and making transportation investment decisions in metropolitan areas. Program oversight is a joint Federal Highway Administration/Federal Transit Administration responsibility.
Statewide and Non Metropolitan Planning (SPR) (FHWA/FTA) Formula	The BIL/IIJA continues the statewide and nonmetropolitan planning process, which establishes a cooperative, continuous, and comprehensive framework for making transportation investment decisions throughout the State. Oversight of this process is a joint responsibility of the Federal Highway Administration and the Federal Transit Administration.
MPO Specific Federal Revenue Programs (Sub-Allocations from Formula Funds above)	
Fund	Description
Surface Transportation Program (STBG) Funds – Urban	The Surface Transportation Block Grant (STBG) Program provides flexible funding that may be used by metropolitan planning organizations, and localities for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.
Transportation Alternatives (TA) - Urban	The FAST Act eliminates the MAP-21 Transportation Alternatives Program (TAP) and replaces it with a set-aside of Surface Transportation Block Grant (STBG) program funding for transportation alternatives (TA). These set-aside funds include all projects and activities that were previously eligible under TAP, encompassing a variety of smaller-scale transportation projects such

	as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, community improvements such as historic preservation and vegetation management, and environmental mitigation related to storm water and habitat connectivity.
Carbon Reduction Program (CRP)	Created through the Bipartisan Infrastructure Law, the federal aim of the new program is to reduce transportation emissions through the development of State carbon reduction strategies and fund projects designed to reduce transportation emissions. Ingrained in the surface transportation authorization as a formula program, states and large metropolitan areas receive a direct allocation of funds.

State Transportation Funding

In addition to federal revenue funding programs, Oregon raises revenues for transportation infrastructure, maintenance, operations, and other related activities. Managed and administered by ODOT, the state revenues are generated from a variety of sources, including taxes on the sale of gasoline, vehicle registration fees, and weight-mile fees on trucks. Additionally, new transportation revenue programs are in development by the state and are further described in the following section.

Table 4 provides a brief description of state revenue funding programs, including those which exist as well as those in development.

Table 4. State Revenue Funding Programs Descriptions

State Revenue Funding Programs	
Fund	Description
State Highway Trust Fund	<p>Oregon’s State Highway Trust Fund collects resources from three main sources:</p> <ul style="list-style-type: none"> • Taxes on motor fuels, including gas tax and diesel tax. • Taxes on heavy trucks, including the weight mile tax and truck registrations. • Driver and vehicle fees, including licenses and vehicle title and registration. <p>Under the Oregon Constitution, State Highway Fund fees and taxes must be spent on roads, including bikeways and walkways within the highway right of way. State funds can be used for both construction projects and the day-to-day maintenance and operations of the state’s roads. Formulas set in state statute distribute about 40 percent of State Highway Fund revenues (after deducting the costs of collecting the revenue) to cities and counties.</p>
House Bill (HB) 2017	<p>House Bill 2017 Transportation Funding Package passed by the 2017 Oregon Legislature created a number of new revenue sources for transportation.</p> <ul style="list-style-type: none"> • A 0.5 percent vehicle dealer privilege tax on new car sales to fund rebates for electric vehicles and provide ongoing funding for the multimodal Connect Oregon program.

	<ul style="list-style-type: none"> • A 0.1 percent employee payroll tax (\$1 for \$1,000 in payroll) to improve public transportation service in both rural and urban communities. • A \$15 tax on the sale of new bicycles with tires over 26 inches and cost at least \$200 will go to Connect Oregon for off-road bicycle and pedestrian paths that serve commuters.
Other State Funds	<p>ODOT also receives revenue from several other state sources, including:</p> <ul style="list-style-type: none"> • Lottery funds, including lottery bond proceeds directed to the Connect Oregon program. • Cigarette tax revenues dedicated to transit services for seniors and disabled people. • Custom license plate fees, dedicated to operating passenger rail. • General fund resources for senior and disabled transit and passenger rail service. • A variety of transportation-related permits and fees.
Pricing and Tolling Projects	<p>Oregon is establishing a toll program and expects to administer tolling that includes three projects in the 2027-2030 timeframe covered by this report. The I-205 Toll Project (point toll at Abernethy Bridge) and the Regional Mobility Pricing Projects (congestion pricing on I-5 and I-205) are currently being developed by Oregon. There will also be a toll at the I-5 Interstate Bridge as part of the Interstate Bridge Replacement program. This program is being developed by the states of Oregon and Washington. Revenue associated with these projects has not been determined.</p>

Pricing Programs – Tolling

Tolling is part of ODOT's long-term strategy to help pay for transportation improvements and provide faster, more efficient trips through the Portland metro area. The Oregon Toll Program consists of two toll projects in development: the I-205 Toll Project and the Regional Mobility Pricing Project. Toll revenues from the Oregon Toll Program projects will help fund transportation projects in the Portland metro area and maintain and improve our region’s multimodal transportation system. The Interstate Bridge Replacement Program is also proposing a bridge toll as a funding source and tool to improve corridor mobility.

The I-205 Toll Project will implement a point toll at the Abernethy Bridge, which spans the Willamette River between Oregon City and West Linn. Toll revenue will help repay a portion of the construction costs to make the I-205 Abernethy Bridge earthquake ready and support congestion management goals. Preliminary (level 1) Traffic and Revenue analysis has been conducted for this project and a Level 2 evaluation will be conducted in 2024. Prior to setting toll rates and bonding, an Investment Grade (level 3) Analysis will be completed in 2025.

The Regional Mobility Pricing Project (RMPP) will toll I-5 and I-205 in the Portland metro area to provide faster, more efficient trips and to help pay for transportation improvements. This toll project is studying tolls on I-5 between the Columbia River and the Boone Bridge in Wilsonville, and on I-205 from the Columbia River to where I-205 intersects with I-5 in Tualatin. Preliminary (level 1) Traffic and Revenue analysis will be conducted in 2024 for this project.

The Interstate Bridge Replacement (IBR) program is co-led by the Oregon and Washington Departments of Transportation. The program will replace the I-5 bridge over the Columbia River and North Portland Harbor Bridge with seismically sound bridges; enhance high capacity transit options across the Columbia River; and improve safety, traffic flow, and active transportation facilities. Tolls will generate revenue to help fund construction and facility operations and maintenance, as well as manage demand and improve mobility through the corridor. The Level 2 Traffic and Revenue analysis was completed in 2023 with work beginning on the Level 3 Traffic and Revenue analysis in 2024. Prior to setting toll rates and bonding, an Investment Grade (level 3) Analysis will be completed in 2025. Due to the bi-state nature of the IBR program and the role of two Transportation Commissions, toll rates and policies may be different from the other projects within the Oregon Toll Program.

Estimated Transportation Revenues

The combined estimated federal and state revenues available statewide for transportation is approximately \$3 billion dollars for federal fiscal years 2027 through 2030. A summary of estimated revenues by year is provided in Table 5.

Also included in Table 5 is an estimate of federal discretionary grant and congressional directed spending awards to the state of Oregon, by year.⁶ Recognizing BIL-IIJA created numerous federal discretionary programs which may not exist in the next surface transportation reauthorization, the method for estimating discretionary revenues for the region is based on two factors: 1) secured discretionary grants in the Portland metropolitan area between federal fiscal years 2021 through 2024; 2) a 25 percent reduction to account for assumed reductions in available discretionary grants upon the expiration of BIL-IIJA. This method acknowledges transportation partners in Oregon will continue to pursue available discretionary programs for funding and have a strong history of securing discretionary grants. The awards are an estimate and are not secured funding distributed to states by formulas set in statutes or rules. The estimates are not a guarantee of award.

Table 5. ODOT Revenue Forecast - Unallocated STIP Revenue, Federal Fiscal Years 2028-2030
(All revenues are in millions)

Program Type	2028	2029	2030	Total
Federal Formula Programs				
National Highway Performance Program (NHPP)	\$318.0	\$318.0	\$318.0	\$954.00
Surface Transportation Block Grant (STBG)	\$160.3	\$160.3	\$160.3	\$480.90
Highway Safety Improvement Program (HSIP)	\$46.1	\$46.1	\$46.1	\$138.30
Rail	\$2.7	\$2.7	\$2.7	\$8.10
Congestion Mitigation Air Quality	\$20.1	\$20.1	\$20.1	\$60.30
Planning (PL)	\$5.1	\$5.1	\$5.1	\$15.30
National Highway Freight Program (NHFP)	\$15.6	\$15.6	\$15.6	\$46.80
Carbon Reduction Program	\$14.2	\$14.2	\$14.2	\$42.60
Promoting Resilience Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program	\$16.2	\$16.2	\$16.2	\$48.60
Federal Formula Program Total	\$598.3	\$598.3	\$598.3	\$1,794.9
Federal Discretionary Grant Programs				

Existing and New Federal Discretionary Grants and Congressional Directed Spending (e.g., RAISE, NHFP – Discretionary, INFRA, PROTECT, National Infrastructure Project Assistance Program, Bridge Investment Program, Wildlife Crossings Program, Congestion Relief Program, Healthy Streets Program, etc.)	\$25.0	\$25.0	\$25.0	\$75.0
Federal Discretionary Grant Programs Total	\$25.0	\$25.0	\$25.0	\$75.0
State Programs				
<u>House Bill (HB) 2017</u>				
HB Safety	\$10.0	\$10.0	\$10.0	\$30.0
HB Bridge/Seismic	\$126.8	\$126.8	\$126.8	\$380.4
HB Preservation/Culvert	\$43.4	\$43.4	\$43.4	\$130.4
HB 2017 Apportionment	\$180.2	\$180.2	\$180.2	\$540.6
<u>Other Sources</u>				
State Funds ⁷	\$30.3	\$30.3	\$30.3	\$90.6
Other Apportionment	\$30.3	\$30.3	\$30.3	\$90.9

If less or additional revenues become available than had been forecasted, ODOT manages actual revenues through the STIP amendment process. Federal revenue authority is made available through and subject to the federal authorization, apportionment/appropriation, obligation authority and rescission processes, so actual amounts will vary year to year. State generated revenue is generated by the conditions associated with the collection of those revenues and subject to year-to-year fluctuations.

Step 2: Distribution of Revenues to Categorical Policy Areas (May 2023 – November 2023)

In May 2023, ODOT staff kicked off the development of the 2027-2030 STIP at the May Oregon Transportation Commission (OTC) meeting, prior to the adoption of the 2024-2027 STIP. As part of kicking off the discussion, the Commission made two early decisions to

⁷ A significant portion of the state highway fund is used for ODOT’s agency operations and as a result are not included as part of the revenue forecast of transportation funds estimated available for transportation projects and programs.

shape the revenue forecast of the ODOT administered funds, as well as shape the categories in which forecasted revenues will get allocated to.

The first decision by the Commission was to assume a 7.5% reduction in federal funding for federal fiscal years 2027 through 2030. This decision emerged from the absence of a federal authorization bill addressing federal fiscal years 2027 through 2030 and the highly uncertainty of federal revenues in four to seven years from today. By making this revenue assumption early in the development of the 2027-2030 STIP is to ensure ODOT does not over-commit resources, which could result in the cancelation of projects. However, feedback and public comment submitted to the Commission requested ODOT and the OTC reconsider this assumption spurred a deliberate discussion by the Commission. After some deliberation by the Oregon Transportation Commission members, the Commission moved forward with a revenue assumption to assume a 10% reduction in federal funding.

The Commission carried forward most of the same funding categories utilized since the 2021-2024 STIP. These are:

- **Fix-it** – provides funding for projects which maintain or fix the state highway system. As part of the development process, ODOT will seek direction from the OTC to continue with the current categories or modify program categories.
- **ADA Program** - funding for the update of ADA curb ramps statewide.
- **Safety** – projects that are focused on reducing fatal and serious injury crashes on Oregon’s roads
- **Public and Active Transportation** (formerly non-highway) – funds bicycle, pedestrian, public transportation and transportation options projects and programs
- **Local Programs** – provides direct funding to local governments and MPOs so they can fund priority projects
- **Other Functions** – provides funding for workforce development, planning and data collection and administrative programs using federal resources. In the 2027-20230 STIP, this includes funding for 82nd Avenue and State Bridge Inspection and Load rating.

ODOT staff returned to provide the Commission with a broad estimate the 2027-2030 STIP is expected to be a little under \$3 billion statewide.

The Oregon Transportation Commission (OTC), was briefed and about the 2027-2030 STIP, including an overview of available funding and proposals around how to spend unallocated amounts. As has been noted through those discussions, the 2027-2030 STIP provides less funding than previous cycles. In 2026 the federal Infrastructure Investment and Jobs Act (IIJA) expires, potentially ending new funding programs and reducing current funding levels. In addition, the Commission directed ODOT to allocate projected revenues to help cover operations and maintenance shortfalls, Americans with Disabilities Act (ADA) requirements, and bond repayments to meet the settlement agreement and infrastructure

delivery schedule for the Americans with Disabilities Act (ADA) program. The ADA program bonded GARVEE bonds during the 2024-2027 STIP cycle. These bond payments will be made with federal funding which in the past has been used for other investment areas and funding capacity is being borrowed from future years. The allocation in Tables 6, 8, and 9 reflect the allocation of projected revenues to address the different elements of the ADA program, but not all of those funds are available within the 2027-2030 timeframe as funding has been advanced to delivery ADA infrastructure sooner.

ODOT estimates that there will be \$70,571,951 of unallocated funds. ODOT staff recommended that these funds be directed in a way to support key outcomes adopted by the Commission; the outcomes highlighted as the primary lenses in the Oregon Transportation Plan are safety, equity, and climate. With this in mind, ODOT aims to take a strategic approach to outcomes with an evolution of the Great Streets Program — Great Streets 2.0. This next phase of an already established and successful approach will continue to look for project opportunities across the state (with funding from other programs), that can have expanded, and more impactful scopes of work focused on key outcomes and provide the highest benefit to the system and communities.

Table 6. Allocation to ODOT Funding Categories (Statewide) Combined for FFY 2028-2030

Category	Amounts
Fix-it	\$640.0
ADA Curb Ramps	\$625.0
Safety	\$177.4
Public and Active Transportation	\$192.8
Local Programs	\$461.9
Other Functions	\$387.6
TOTALS	\$2,484.7

Step 3: Distribution of Revenues to Funding Allocation Programs (November 2023 and Early 2024)

The topical policy areas are made up of individual funding allocation programs. After the OTC decision on the distribution of revenues to the topical policy areas, ODOT staff then distributed the forecasted revenues to the individual funding allocation programs within each topical policy area. The following are the funding allocation programs outlined in Table 7.

Table 7. Description of ODOT Funding Programs

<u>Fix-It Category</u>	
Fund/Program	Description
Fix-It Program - Bridge	The Fix-It Bridge program addresses state bridges and the maintenance and operations of bridges within ODOT control.
Fix-It Program – Highway Pavement Maintenance	This is the non-capacity enhancing operations and maintenance component to ODOT’s overall system preservation. The Highway Pavement Maintenance program addresses the maintenance, operations, and asset

	management needs of the interstate and state-owned network.
Fix-It Program – Culvert	The Culvert program addresses the rehab and replacements of roadway culverts.
Fix-It Program – Operations	The Operations program addresses the maintenance, operations, and asset management of operations equipment, such as traffic signals, ramp meters, variable message signs, and other communications equipment.
HB2017 – Bridges Designates a portion of HB2017 funding for Bridge Project	Allocates 70% of House Bill 2017 net revenue for bridge/seismic projects.
HB2017 – Pavement Preservation and Culvert Maintenance	Allocates 24% of House Bill 2017 net revenue for pavement and culvert projects.
PROTECT (Promoting Resilience Operations for Transformative, Efficient, and Cost-saving Transportation) Program - Projects	Funds for capital resilience improvements, capacity-building for community resilience, and other related activities.
<u>ADA Category</u>	
Fund/Program	Description
ADA Curb Ramps	Provides funding for the update of ADA curb ramps statewide.
ADA Push Buttons	Provides funding for the update of ADA push buttons statewide.
Garvee Bond Repayment (ADA)	The ADA program will be bonding GARVEE bonds during the 2024-2027 STIP cycle. These bond payments will be made with federal funding which in the past has been used for other investment areas.
<u>Safety Category</u>	
Fund/Program	Description
All Roads Transportation Safety (ARTS)	A data-driven, jurisdictionally blind safety program to address safety on all public roads.
Rail Crossing Safety	Funds highway grade crossing safety improvement projects to reduce the number of fatalities, injuries, and crashes at public railway-highway grade crossings.
HB2017 funding for Highway Safety	Allocates \$10 million per year for Safety improvements and projects. Allocation to projects is discretionary and for small scale, quick capital projects in enhance the safety for users.
<u>Public and Active Transportation Category</u>	
Fund/Program	Description
Off-System Bicycle/Pedestrian	Funds bicycle and pedestrian paths or trails outside of the highway right of way.
Safe Routes to School Education	Funds education and outreach efforts that improve, educate, or encourage children safely walking (by foot or mobility device) or biking to school.
Transportation Options	Funds ODOT’s Transportation Options program which supports efforts to improve travel choice for Oregonians

	and improve the efficiency with which people and goods move through the transportation system.
ODOT SRTS Infrastructure	Pedestrian and bicycle infrastructure projects which address the needs of students who walk and bike to school, specifically focused on the state-owned system.
Great Streets 2.0	Program is to address the need for a comprehensive funding program for ODOT roadways to improve walking, bicycling and transit access on arterials that also act as main streets through communities.
Rec Trails Program	Funds provided to Oregon State Parks for recreational trail projects.
Transit Elderly & Disabled	Public transportation funding for capital, purchased service and preventive maintenance projects that serve the mobility needs of people with disabilities and seniors.
Bicycle and Pedestrian	Funds bicycle and pedestrian facilities within the right-of-way of public roads, streets or highways open to motor vehicle traffic to meet the requirement for ODOT to spend 1% of State Highway Fund dollars on biking and walking enhancements.
HB2017 Safe Routes to Schools Program	Provides \$15 million per year for the Safe Routes to School Program. This program focuses on infrastructure on making sure safe walking and biking routes exist through investments in crossings, sidewalks and bike lanes, flashing beacons, and the like. ODOT administers a competitive infrastructure grant program.
Local Programs Category	
Fund/Program	Description
Surface Transportation Program to large MPOs	STBG Funds allocated to the three (3) Transportation Management Area agencies for program and projects.
Transportation Alternatives Program to large MPOs	TAP Funds allocated to the three (3) Transportation Management Area agencies for program and projects to address non-roadway needs.
MPO Planning	Funds allocated to the MPOs throughout the state to address federal transportation planning requirements.
Congestion Mitigation and Air Quality Improvements (CMAQ)	Funds allocated to MPOs and local agencies in eligible areas to address air quality issues throughout the state.
Local Bridge	Funding allocated to address locally owned bridge projects which are located on local facilities. ODOT's Bridge Section coordinates selection and funding of Federal Highway Bridge Program bridges through the Local Agency Bridge Selection Committee, a committee of city, county, and state representatives. Local agency bridges are prioritized using a Technical Ranking System and selected in categories of Large (30,000+ square feet of deck area), Small On-System, and Small Off-System.
STBG Allocation to Cities, MPOs & Counties	Funding allocated to local agencies via the Association of Counties/League of Cities agreement. Agencies receiving funding are non-TMA MPOs, Counties and Cities above 5,000 population and outside of MPOs.

Immediate Opportunity Fund	Provides funding to construct and improve streets and roads to serve site-specific economic development projects. Managed in cooperation with the Oregon Business Development Department.
Transportation Growth Management (TGM)	The Transportation Growth Management (TGM) program is to support community efforts to expand transportation choices. By linking land use and transportation planning, TGM works with local governments to create vibrant, livable places in which people can walk, bike, take transit or drive where they want to go. The TGM Program awards grants on an annual basis. TGM grants are for planning work leading to local policy decisions. TGM typically awards between \$2 and \$2.5 million per cycle. Projects are selected on a competitive basis within each of the five ODOT regions. The regional allocation – funds available for projects - is based on a formula that considers the number of cities and the population within a region. Grants generally have two-years for projects to be negotiated and completed. Award amounts range between \$75,000 and \$250,000.
Other Functions Category	
Fund/Program	Description
State Planning and Research (SPR)	Funding for statewide planning and research as part of federal requirements.
Workforce Development and On Job Training	Funds allocated to the ODOT Office of Civil Rights.
Indirect Cost Allocation Plan (ICAP)	Funds allocated to recoup overhead costs as approved by FHWA
Carbon Reduction - State	Funds for projects designed to reduce transportation emissions, defined as carbon dioxide (CO2) emissions from on-road highway sources
PROTECT Planning	Planning activities to support the PROTECT program
Local Climate Planning	Planning activities to assist local governments for meeting the transportation planning rule
Maintenance & Operations Federalization	Funds for federalization of eligible ODOT maintenance and operational activities
82 nd Avenue	These funds are dedicated to bringing 82 nd Avenue to a state of good repair and to meet basic safety standards as part of the jurisdictional transfer from ODOT to the City of Portland.
State Bridge Inspection/Load Rating	Program which is federally required for bridge inspections and load rating work throughout the state.

Table 8. Revenue Allocation Amounts to ODOT Funding Programs (Statewide), Combined for FFY 2028-2030

Category
Fix-it

Bridge & Seismic	\$380.4
Preservation	\$130.4
Operations	\$76.0
Culverts	Mixed with preservation
PROTECT	\$53.2
ADA Curb Ramps	
Garvee Bond Repayment (ADA)	\$310.0
ADA Curb Ramps	\$245.0
ADA Push Button	\$70.0
Safety	
All Roads Transportation Safety	\$146.1
Rail Crossing Safety	\$9.0
HB2017 Safety	\$22.3
Public and Active Transportation	
Off-System Bicycle and Pedestrian	\$31.3
Safe Routes to School Education	\$4.0
Transportation Options	\$7.5
Great Streets	\$70.5
Transportation Alternatives Program – Recreational Trails	\$4.5
Transit Elderly and Disabled	\$5.0
Bicycle-Pedestrian 1%	\$25.0
HB2017 Safe Routes to School Infrastructure	\$45.0
Local Programs	
Surface Transportation Program to Large MPOs	\$131.7
Transportation Alternatives Program	\$20.2
MPO Planning	\$19.3
Congestion Mitigation and Air Quality	\$60.5
Local Bridge	\$94.5
Surface Transportation Program Allocation to Cities/Counties/Small MPO	\$105.0
Transportation and Growth Management	\$15.0
Carbon Reduction – TMA	\$15.5
Other Functions	
State Planning and Research	\$85.2
Workforce Development/On the Job Training	\$5.0
Indirect Cost Allocation Plan (ICAP)	\$118.4
Carbon Reduction – State	\$44.8
PROTECT Planning	\$1.0
Local Climate Planning	\$4.0
Maintenance & Operations Federalization	\$75.0
82 nd Avenue	\$30.0
State Bridge Inspection/Load Rating	\$24.0

Step 4: Estimates of Funding Allocation Program Revenues to ODOT Region 1 and the Portland Metro MPO Area (Winter 2024 – Early 2025)

Estimates of each ODOT funding allocation program that could be available to the areas encompassed by ODOT Region 1 and for the Metro Metropolitan Planning Area were created, other than for services provided by ODOT as a statewide program. These estimates were made to provide context for MPO areas to understand potential levels of ODOT investment in their area transportation systems so that they could consider strategy of all investments in meeting the areas priority needs, and then communicating those strategies and priorities to ODOT staff and the allocation processes decision making structure.

The key for Table 9 summarizes the methods used to develop a forecast or estimate of the revenues that could flow to transportation projects or services. The ODOT Region 1 allocations and estimates were made based on historic trends from those programs, where available. The historical allocations were calculated to find the estimated percentage of how much of the funding program total was allocated to projects with ODOT Region 1. With funding programs which are new and previous allocation a rough estimated range was identified based on the funding program rules.

Recognizing ODOT Region 1 encompasses areas outside the Portland metropolitan region, a reduced level of funding was estimated for funding coming to the Metro metropolitan planning area within ODOT Region 1. The specific method used for this amount is summarized in the key to Table 10.

These estimates are not to be interpreted as a commitment of an allocation of funds, but only an estimate to provide MPO areas the ability to understand the scale of funding available within programs to inform the development of the MTIP to pursue and advocate to ODOT or the Oregon Transportation Commission on local/regional priorities.

In the Portland metropolitan area, the following estimates were developed for the ODOT funding allocation programs.

Table 9. ODOT Funding Program Amounts, Federal Fiscal Years 2027-2030

Funding Program	Statewide Amount	ODOT Region 1 Estimated Amount	Metro MPA Estimated Amount
Fix-it			
Bridge & Seismic	\$380.4	\$133.1*	\$106.4/
Preservation	\$130.4	\$19.6*	\$15.7/
Operations	\$76.0	\$21.4*	\$17.12/
Culverts	Mixed with preservation		
PROTECT	\$53.2	\$9.1^	\$3.3+
Sub-Total	\$640.0	\$183.2	\$142.5
ADA Curb Ramps			
Garvee Bond Repayment (ADA)	\$310.0	N/A	N/A
ADA Curb Ramps	\$245.0	\$122.5*	\$98.0&
ADA Push Button	\$70.0	\$32.9*	\$26.3/
Sub-Total	\$625.0	\$155.4	\$124.3
Safety			
All Roads Transportation Safety	\$146.1	\$43.8*	\$35.0/

Rail Crossing Safety	\$9.0	\$4.4*	\$3.5/
HB2017 Safety	\$22.3	\$5.8*	\$4.6/
Sub-Total	\$177.4	\$54.0	\$43.2
Public & Active Transportation			
Community Paths Program (Off-System Bicycle and Pedestrian)	\$31.3	\$13.0^	\$11.5^
Safe Routes to School Education	\$4.0	\$1.6^	\$1.48^
Transportation Options	\$7.5	\$0.8^	\$0.8^
Great Streets 2.0	\$70.5	\$31.7^	\$26.1^
Transportation Alternatives Program – Recreational Trails	\$4.5	\$2.0*	\$1.7^
Transit Elderly and Disabled	\$5.0	\$1.7*	\$1.4/
Bicycle-Pedestrian 1%	\$25.0	\$6.0#	\$4.8/
HB2017 Safe Routes to School Infrastructure	\$45.0	\$7.2^	\$5.7/
Sub-Total	\$192.8	\$64.0	\$53.48
ODOT Directed Funding Total	\$1,635.2	\$456.6	\$363.48
Federal Discretionary (FHWA programs only)			
Federal Discretionary Grants and Congressional Directed Spending	N/A	\$75.0*	\$60.0/
Sub-Total	N/A	\$75.0	\$60.0
Local Programs			
Surface Transportation Program to Large MPOs	\$131.7		
Transportation Alternatives Program	\$20.2		
MPO Planning	\$19.3	**	**
Congestion Mitigation and Air Quality	\$60.5		
Carbon Reduction TMA	\$15.5		
Sub-Total Local to MPO	\$247.2		
Local Bridge	\$94.5	\$33.1*	\$26.5/
Surface Transportation Program Allocation to cities, counties (non MPO areas), and small MPOs	\$105.0	\$6.2	N/A
Transportation and Growth Management	\$15.0	\$3.0*	\$2.5/
Sub-Total Local to City/County	\$214.5	\$42.3	\$29.0
Local Program Sub-Total	\$461.7	\$42.3	\$29.0
Other Functions			
State Planning and Research	\$85.2	\$11.0*	N/A
Workforce Development/On the Job Training	\$5.0	N/A	N/A
Indirect Cost Allocation Plan (ICAP)	\$118.4	N/A	N/A
Carbon Reduction – State	\$44.8	\$20.2^	\$16.6^
PROTECT Planning	\$1.0	N/A	N/A
Local Climate Planning	\$4.0	\$1.8^	\$1.5^
Maintenance & Operations Federalization	\$75.0	N/A	N/A
82 nd Avenue	\$30.0	\$30.0#	\$30.0#
State Bridge Inspection/Load Rating	\$24.0	\$10.8^	\$8.9^
Other Functions Sub-Total	\$387.4	\$73.8	\$57.0
Total (not including federal discretionary funding)	\$2484.3	\$572.7	\$449.5

Carbon Reduction TMA	\$15.5		
Sub-Total Local to MPO	\$247.2		
Local Bridge	\$94.5	\$33.1*	\$26.5/
Surface Transportation Program Allocation to cities, counties (non MPO areas), and small MPOs	\$105.0	\$6.2	N/A
Transportation and Growth Management	\$15.0	\$3.0*	\$2.5/
Sub-Total Local to City/County	\$214.5	\$42.3	\$29.0
Local Program Sub-Total	\$461.7	\$42.3	\$29.0
Other Functions			
State Planning and Research	\$85.2	\$11.0*	N/A
Workforce Development/On the Job Training	\$5.0	N/A	N/A
Indirect Cost Allocation Plan (ICAP)	\$118.4	N/A	N/A
Carbon Reduction - State	\$44.8	\$20.2^	\$16.6^
PROTECT Planning	\$1.0	N/A	N/A
Local Climate Planning	\$4.0	\$1.8^	\$1.5^
Maintenance & Operations Federalization	\$75.0	N/A	N/A
82 nd Avenue	\$30.0	\$30.0#	\$30.0#
State Bridge Inspection/Load Rating	\$24.0	\$10.8^	\$8.9^
Other Functions Sub-Total	\$387.4	\$73.8	\$57.0
Total (not including federal discretionary funding)	\$2484.3	\$572.7	\$449.5

Key for Determining MPO Area Estimates

Forecast Amount to ODOT Region 1	
TBD	Not yet defined how ODOT Region sub-allocation or project allocations will be made.
^	Allocated through competitive, discretionary, or mandated statewide process. Forecast 37% of funds come to Metro region based on % of state population unless otherwise noted.
*	Estimate based on historic allocation performance % or direct awards in last STIP cycle.
#	Actual ODOT Region sub-allocation target.
@	Estimate based on percentage of statewide long-range funding forecast
Forecast Amount to Metro area portion of ODOT Region 1	
/	Metro area forecast based on estimate of 80% of Region 1 funding allocated to Metro area projects. Typically used unless historical allocations or program purpose or direction indicates a different percentage more appropriate.
^	Allocated through competitive, discretionary, or mandated statewide process. Forecast 37% of funds come to Metro region based on % of state population unless otherwise noted.
~	Reflects actual amount awarded in federal fiscal years 2025-2027 from the funding program in the Portland metropolitan region.
+	Assumes a lower amount than 37% due to typical locations of PROTECT projects being outside the Portland metropolitan region.
&	Assumes a larger percentage of the ADA funds allocated for the 2027-2030 STIP will be spent in Region 1 due to the distribution of ramps across the state and where the outstanding work will remain.
**	Denotes revenues are depicted and included in the metropolitan planning organization portion of the 2027-2030 MTIP revenue forecast.

TRANSIT AGENCY REVENUE FORECASTS

The revenue forecast and funding allocation process for transit funding for TriMet and SMART is completed in three phases:

- Estimation of the transit agency revenues (Fall of the previous year – Spring the following year),
- Forecasted distribution of estimated transit agency revenues to transit agency budget programs (Winter – Spring), and
- Adoption of final annual budget (Spring – Summer of each year for the subsequent fiscal year).

This revenue forecast documents the first two steps of this process. TriMet and SMART provide a description of the third step with the MPO annually in conjunction with their budget process.

A revenue forecast for transit funding takes place annually as part of the agency’s budget process, which differs from the three-year funding cycle allocation undertaken by Metro and ODOT for the allocation of federal, state, and regionally significant local revenues. The transit agencies revenue forecast uses the annual budget process to inform the development of the transit portion of the revenue forecast of the 2027-2030 MTIP.

SOUTH METRO AREA REGIONAL TRANSIT (SMART) REVENUE FORECAST

Step 1: SMART Revenue Forecasting (Fall – Spring – Annually)

As part of SMART’s annual budget process, a revenue and expenditure forecast are developed. This MTIP reports on SMART’s revenue forecast for the relevant MTIP years of 2024 through 2027. Base assumptions to developing the forecast are based on historical trends and updated with actual appropriations and limitations. SMART begins with a baseline by averaging the most recent 3-year revenues. Anticipated levels of funding are then forecasted from the baseline with an expected increase of 1%-8%. The forecast will be adjusted if changes to revenues or current cost structures change significantly. SMART collaborates with TriMet and C-TRAN to determine shares of the Urbanized Area Formula Funds from the Federal Transit Administration as they become available.

Non-Federal Operating Revenues

- **Payroll Tax:** SMART’s predominant source of ongoing funding is the local payroll tax levied on businesses performing work in Wilsonville assessed on gross payroll and/or self-employment earnings. The payroll tax on local businesses covers employment within city limits and in 2008 the tax rate was raised to its current level of .5 percent (.005). Transit tax funds are used to pay for SMART operations and to leverage funding from federal and state grants. Payroll tax amounts collected

by the City typically increases year to year, as companies increase their payroll through wage adjustments and as the economy grows with new businesses relocating to the City.

- **Passenger Fares:** A small component of local funding includes charges for services, such as fare box and transit pass sale revenue. SMART’s commitment to diversity, equity and inclusion is augmented by offering fare free service on nearly all routes. Currently, SMART charges fares for the regional Route 1X that travels between Salem and Wilsonville and a regional Dial-a-Ride program that provides door-to-door medical trips for Wilsonville residents to the greater metro area.
- **Other Revenues:** SMART recognizes a small percentage of other income received by way of investment and donations. These monies are outside of the traditional structure of revenues and may be reinvested or reallocated.
- **Statewide Transportation Improvement Fund (STIF):** With the passage of House Bill 2017, the Oregon Legislature made a significant investment in transportation to help advance the things that Oregonians value—a vibrant economy, strong communities, high quality of life, a clean environment, and safe, healthy people. SMART is part of that investment, connecting many regional communities through coordination with numerous transportation partners. STIF funds enable SMART to leverage federal funding for capital purchases and expand regional transit connectivity. SMART seeks plan approval from Wilsonville’s City Council and Clackamas and Washington County Advisory Committees before submitting to TriMet’s STIF Advisory Committee for regional approval. The plan is then packaged, reviewed by ODOT, and approved by the Oregon Transportation Commission.

Federal Grants

- Funding is apportioned on the basis of legislative formulas. For areas with populations of 200,000 and more such as the Portland-Vancouver urbanized area, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density. These funds are sub-allocated by agreement within the urbanized area between TriMet, C-Tran, and SMART; the three transit agencies that serve the metropolitan area.
- **Section 5307 Urbanized Area Formula Program:** Eligible activities include: planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement, overhaul and rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, communications, and computer hardware and software. In addition, associated transit improvements and certain expenses associated with mobility management programs are eligible under the program. All preventive maintenance and some Americans with Disabilities Act complementary

paratransit service costs are considered capital costs. Urbanized areas of 200,000 or more may not use funds for operating assistance.

- Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities Program:** Formula funding for the purpose of operating assistance in meeting transportation needs of the elderly and persons with disabilities. FTA Section 5310 Elderly and Disabled Capital program funds are funds to be used to make purchases of capital equipment or construction of small facilities. SMART receives a small amount of funds as a “direct recipient” of FTA monies.
- Section 5339 Bus & Bus Facilities Formula Grant Program:** Provides funding to states and transit agencies through a statutory formula to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities. In addition to the formula allocation, this program includes two discretionary components: The Bus and Bus Facilities Discretionary Program and the Low or No Emissions Bus Discretionary Program. The Bus and Bus Facility Discretionary program funds are distributed through a competitive process by the FTA. These funds can be used only for the purchase of rolling stock or the construction of transit facilities that support transit bus operations. The Low or No Emissions Bus Discretionary program provides for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities. These funds are allocated through a highly competitive process. Future awards are dependent on the specific process outlined by the FTA and the strength of other project proposals competing against SMART’s requests for funding. SMART has had a successful track record in securing these and other FTA grant funds for replacement buses.

Table 10. SMART Revenue Forecast, Federal Fiscal Years 2027-2030

Revenues	FY 2027	FY 2028	FY 2029	FY 2030	FYs 2027-30 Total
Passenger Fares	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000
Payroll Taxes	\$6,150,000	\$6,200,000	\$6,250,000	\$6,300,000	\$24,900,000
Federal Formula Grants*	\$806,000	\$854,000	\$905,000	\$959,000	\$3,524,000
STIF	\$2,500,000	\$2,700,000	\$2,900,000	\$3,100,000	\$11,200,000
Other Funding	-	-	-	-	-
Total	\$9,476,000	\$9,774,000	\$10,075,000	\$10,379,000	\$39,704,000

*Federal Formula Grants include federal funding revenues listed in more detail below.

Table 11. Federal Grants to SMART Forecast, Federal Fiscal Years 2027-2030 (From the SMART Programming of Projects)

Funding Source	FY 2025	FFY 2027	FFY 2028	FFY 2029	FFY 2030
----------------	---------	----------	----------	----------	----------

Section 5307 Urbanized Area Formula	\$630,000	\$708,000	\$750,000	\$795,000	\$843,000
Section 5310 Enhanced Mobility of Seniors & Individuals w/Disabilities	\$31,000	\$35,000	\$37,000	\$39,000	\$41,000
Section 5339 Bus & Bus Facilities	\$56,000	\$63,000	\$67,000	\$71,000	\$75,000
Other Federal Discretionary Funding Awards	-	TBD – will be programmed if applications for funding are awarded at the discretion of the Federal Transit Administration or other federal agency.			

Step 2: SMART – Distribution of Revenues to Major Budget Categories (Winter – Spring – Annually)

SMART has two main categories of activities in its budget process that are assigned forecasted revenues; operations and capital.

All plans and concepts that SMART utilizes are derived from goals of the Wilsonville City Council, SMART’s governing board. Department goals are then used, along with community participation, to create a Transit Master Plan (TMP). The TMP is the primary guiding document that recommends project implementation. Included in the TMP is the Statewide Transportation Improvement Fund (STIF) Plan which, in general, is allocated for route expansion and regional connectivity. These plans allow SMART staff to forecast the apportionment of funding to specific capital projects and operational expansions.

SMART relies on ODOT’s Transit Asset Management Group Plan (TAM) in determining funding for current and future maintenance of transit assets, such as rolling stock, infrastructure, equipment, and facilities. SMART uses the TAM in coordination with the TMP to forecast the funding needed for assets in correlation to future projects.

Operations

Total day-to-day Operating Requirements for all activities required to operate the system (including other post- employment benefits) and Debt Service (if applicable). Sub-categories, especially categories that are typically assigned federal grant program revenues, include:

- Bus Preventive Maintenance
Description: Labor and materials/services used for on-going maintenance of the SMART Bus fleet. This budget category typically utilizes Section 5307 Urbanized Area Formula Program revenues and local payroll tax revenue sources.
- Bus Purchase

Description: Purchase of buses for fixed route service. This budget category utilizes federal Section 5339(a) Grants for Buses & Bus Facilities Formula Program revenues, Statewide Transportation Improvement Fund revenues, and local payroll tax revenues.

- Services for Seniors and People with Disabilities

To fund mobility management activities and purchase of travel training services for services focused on the elderly and persons with disabilities. This budget category utilizes federal Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities Program revenues.

Capital Improvement Program

Purchase and installation of bus shelters and passenger amenities at bus stops. It may also include construction of administrative and maintenance facilities to support the transit system. This budget category typically utilizes Section 5307 Urbanized Area Formula Program revenues and local payroll tax revenue sources.

Step 3: Adoption of Annual Budget (Spring – early Summer – Annually)

Each year SMART shares with the MPO the proposed budget for the upcoming fiscal year. This takes place at the regular committee meeting of TPAC. The presentation includes the budget themes and categories. It also includes the federal programming of projects. Further information is provided on the budget process and timeline. The MPO has the opportunity to comment on the budget, request information regarding how the proposed budget reflects regional transportation planning priorities and vote on including proposed federal transit fund programming is to be included in the MTIP.

In conjunction with the annual budget process, SMART publishes the federally required “Program of Projects,” showing how federal grant funding for the upcoming fiscal year will be proposed for inclusion in the current Metropolitan Transportation Improvement Program. This proposed programming will have the most current forecast of available funds and may include new programming or be an update to existing programming of the federal grant funds. An opportunity for public comment on the Program of Projects is also provided as a part of this process.

The SMART budget process includes a minimum of two public Budget Committee meetings. The City’s Budget Committee consists of the five city councilors and five citizens at large. The citizens are appointed by the governing body and serve three-year terms. Once the budget is approved by the committee it is then sent to City Council for final adoption. City Council adopts the budget prior to July 1.

TRIMET – REVENUE FORECAST

Step 1: Developing the Revenue Forecast (Fall – Spring – Annually)

As part of TriMet’s annual budget process, a 10-year revenue and expenditure forecast are developed. This MTIP forecast utilizes the 10-year budget forecast and reports on the relevant MTIP years of 2027 through 2030. TriMet has six categories of revenues: passenger fares, payroll taxes, Statewide Transportation Improvement Funds, other funding, operating grants (federal and non-federal), and capital improvement grants (federal).

A brief description of each of the six categories of revenues are provided below.

1. Passenger fares: funds from the sale of passes and individual fares. Fare collection revenue is forecasted to grow at varying rates from 10.4% in 2027 to 6.1% in 2030. A fare increase goes into effect in January 2024, but no additional increases are currently forecast after that.
2. Payroll taxes: revenues from a tax on the wages paid by an employer and the net earnings from self-employment for services performed within the TriMet District boundary. The current rate is 0.8037% and increases by 0.01% annually to 0.8237% by 2026. Employer tax revenues during this time are expected to increase due to economic recovery.
3. Statewide Transportation Improvement Fund (STIF): STIF funds are collected from the State of Oregon and passed through initially to Qualified Entities (QEs), such as TriMet, to support planning, deployment, operation, and administration of Public Transit Service Provider’s (PTSPs) transportation programs in the state. STIF funds can also be used for light rail operating expenses.

STIF is primarily funded through a tax on employees (one-tenth of 1%) and effective July 1, 2023, with the merger of the Special Transportation Fund Program (STF), includes revenues derived from ID cards, non-highway gas and cigarette taxes. The tax rate is set by the Oregon Legislature.
4. Other Funding: Approximately 18% of other funding is sourced from revenue streams that have equal expenditures to TriMet and no net gain to the agency (Intergovernmental Agreements or funding exchanges). The remaining 82% of this revenue stream is mostly comprised of transit advertising, cost per ride reimbursements for Oregon Department of Human Services, City of Portland reimbursement for Streetcar personnel, Energy Tax Credit Sales revenues, and other smaller, miscellaneous revenues.
5. Operating Grants: Federal, State, and local sources that are described below, funds many of TriMet’s operating projects.

Federal Operating Grants can include:

- **FTA Section 5307 Urbanized Area Formula Program:** This funding is apportioned based on legislative formulas and comes to areas with populations of 200,000 and more, such as the Portland-Vancouver urbanized area (UZA). These formula funds are based on several factors, including bus & fixed guideway revenue vehicle miles, passenger miles, operating costs, population, and population density measures. These funds are then sub-allocated by agreement (“split letter”) between TriMet, C-Tran (in Washington state) and SMART based on an agreed-upon methodology.

While this funding can be used on various public transportation capital and planning projects, TriMet historically uses these funds for Bus and Rail Preventive Maintenance.

- **Section 5337 State of Good Repair (SGR) Grant Program (High Intensity Motorbus/HIMB and High Intensity Fixed Guideway/HIFG):** This funding is also apportioned to our urbanized area (UZA) with a population of 200,000 or more, based on legislative formulas. Funds are allocated to the UZAs for high-intensity fixed-guideway systems are based on fixed-guideway vehicle revenue miles and directional route miles reported to the National Transit Database (NTD) and what the UZA would have received in the FY 2011 fixed-guideway modernization formula using the current definition of fixed guideway. High-intensity motorbus funds are allocated to UZAs based on high-intensity vehicle revenue miles and directional route miles reported to the NTD. Only HIMB funds are sub-allocated between two transit agencies, TriMet and C-Tran, as TriMet is the only operator of rail services currently for HIFG funding.

This funding program provides capital assistance for maintenance, replacement, and rehabilitation projects of existing high-intensity fixed guideway and high-intensity motorbus systems to help transit agencies maintain assets in a state of good repair. SGR funds are also eligible for developing and implementing Transit Asset Management (TAM) plans. TriMet historically uses these funds for Bus and Rail Preventive Maintenance.

- **Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities Program:** Formula funding is to improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding the transportation mobility operations available. These funds are allocated to the UZA based on factors, other than NTD, including census data for older adults and people with disability populations. These funds are then sub-allocated between TriMet, C-Tran and SMART.

TriMet passes through the majority of these funds to a Subrecipient, Ride Connection, a non-profit organization, to provide these services.

- **Surface Transportation Block Grant and Congestion Mitigation Air Quality Programs:** Surface Transportation Block Grant (STBG) funds may be used for a wide range of projects to preserve and improve the conditions and performance of surface transportation, including highway, transit, intercity bus, bicycle, and pedestrian projects. Congestion Mitigation Air Quality (CMAQ) funds may be used for capital expenditures that demonstrate a reduction of air pollutant emissions therefore providing an air quality benefit.

TriMet historically receives both of these program funds indirectly from Metro, as committed in prior or current agreements. Every year those funds are available to TriMet, TriMet requests those funds be transferred from the Federal Highway Administration (FHWA) to the Federal Transit Administration (FTA) where funds are managed under FTA's Section 5307 Program.

TriMet typically uses these funds for either Bus and Rail Preventive Maintenance or Debt Service payments for Capital Grant Revenue Bonds that were taken out to pay for large capital projects.

Non-Federal Grants can include revenues from local and state sources, such as ODOT 5310 funds, City of Wilsonville Westside Express Service (WES) operating assistance and other local contributions.⁸ These small contributions account for a limited amount of revenue in TriMet's overall annual budget.

6. Capital Grants: TriMet has many capital projects accounted for under its Capital Improvement Program (CIP) that are funded by Federal, State, and local sources, such as:
 - a. Capital Improvement Grants (CIG): The Federal Transit Administration provides funding through a multi-year competitive process for transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. Federal transit law requires transit agencies seeking CIG funding to complete a series of steps over several years to be eligible for funding. The discretionary grant program requires completion of certain project phases depending on the project type and CIG being pursued (New Starts, Core Capacity or Small Starts). At this time, there are multiple projects planning to seek CIG funds during this timeframe, but no new

⁸ TriMet considers pass through funds from ODOT, such as the FTA 5310 funding, as non-operating revenues because they are passed through the state.

capital improvement grants have been secured for receipt within the 2027-2030 time period, so they are not yet included in the forecast.

b. **Section 5339(a) Grants for Buses & Bus Facilities Formula Program:**

Funding to states and transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. These funds are allocated to our UZA based on bus revenue vehicle miles, passenger miles, and operating costs reported to NTD as well as population and population density measures. These funds are then sub-allocated between TriMet, C-Tran and SMART.

TriMet historically uses these funds to purchase fixed route vehicles.

c. FTA, USDOT and EPA Discretionary funds:

- i. The Section 5339 Program includes two discretionary components: the Bus and Bus Facilities Discretionary Program and the Low or No Emissions Bus Discretionary Program. TriMet historically submits applications to help fund several of our non-CIG projects, such as Merlo Garage, Columbia Operations Facility, Articulated Buses, or LIFT vehicles. TriMet has been successful in receiving 5339 discretionary grants in the past under both programs.
- ii. There are several new discretionary programs under the Infrastructure Investment and Jobs Act and Inflation Reduction Act. TriMet is seeking these discretionary funds to support the fleet transition, Climate Action Plan, state of good repair and ridership recovery efforts. Those potential discretionary grants are not included in the forecast since they have not yet been awarded.

Table 12. Summary of TriMet Forecasted Revenues, Fiscal Years 2027 – 2030

Revenues (Millions of \$)	FY 2027	FY 2028	FY 2029	FY 2030	Total
Passenger Fares	\$77.0	\$81.9	\$86.9	\$92.2	\$338.0
Payroll Taxes	\$596.5	\$626.2	\$657.3	\$690.0	\$2,570.1
STIF	\$70.5	\$73.2	\$76.0	\$78.9	\$298.5
Other Funding	\$35.9	\$36.9	\$38.0	\$39.1	\$149.9
Operating Grants*	\$170.8	\$176.7	\$149.5	\$139.6	\$636.7
Capital Improvement Grants**	No forecast - to be determined on award of grants				
Total	\$950.7	\$994.9	\$1,007.7	\$1,039.8	\$3,993.2

*Operating Grants include federal, state, and local funding. Federal revenues are listed in more detail below.

** At this time, there are no new capital improvement funds secured during the 2027-2030 time period.

Table 13. Federal Grants to TriMet, Federal Fiscal Years 2024-2027 (Part of Operating and Capital Grants element of Table 12, in millions)

Funding Source	FFY 2027	FFY 2028	FFY 2029	FFY 2030	Total
Section 5307 Urbanized Area Formula	\$59.6	\$61.4	\$63.3	\$65.2	\$249.5
Section 5337 State of Good Repair	\$46.6	\$48.5	\$50.4	\$52.4	\$197.9
Section 5310 Enhanced Mobility of Seniors & Individuals w/Disabilities	\$2.3	\$2.3	\$2.4	\$2.5	\$9.5
Section 5339(a) Bus & Bus Facilities	\$3.5	\$3.6	\$3.8	\$3.9	\$14.8
Sub-Total	\$112	\$115.8	\$119.9	\$124	\$471.7
STBG and/or CMAQ⁹	\$21.7	\$17.3	\$17.3	\$17.2	\$73.5
Other Federal Discretionary Funding Awards	TBD – revenues will be programmed if applications for funding are awarded at the discretion of the Federal Transit Administration or other federal agency.				
Total	\$133.7	\$133.1	\$137.2	\$141.2	\$545.2

⁹ Revenues reflected as part of metropolitan planning organization revenue forecast (within the Metro Regional Flexible Fund section).

Step 2: TriMet – Distribution of Revenues to Major Budget Categories (Winter – Spring – Annually)

TriMet has four major categories of activities in its budget process that are assigned forecasted revenues; (1) operations, (2) capital improvement program, (3) pass through and special payments, and (4) contingency and ending fund balance.

1. **Operations:** Day-to-day activities required to operate the systems, including other post-employment benefits and debt service payments.
 - **Bus & Rail Preventive Maintenance:** Labor and materials/services used for on-going maintenance of TriMet's Bus and Rail fleets. This budget category typically utilizes Section 5307 Urbanized Area Formula Program revenues, Section 5337 State of Good Repair Program revenues and STBG or CMAQ funds.
 - **Vehicle Purchases:** Purchase of buses for fixed route service. This budget category utilizes Section 5339(a) Buses & Bus Facilities Formula Program revenues or Section 5339(c) Low or No Emission Bus Competitive Program revenues, when awarded. All fixed route fleet purchases will be zero-emissions moving forward.
 - **Paratransit and E&D services:** The majority of TriMet's direct Section 5310 funds are allocated to a private non-profit organization to provide transportation services for seniors and individuals with disabilities.
2. **Capital Improvement Program:** TriMet typically seeks Federal Transit Administration (FTA) CIG and other discretionary programs funding for large capital projects. A current example is the MAX Red Line Extension & Reliability Improvement Project that was authorized the full FTA CIG funding in FY2022. At this time, there are multiple projects planning to seek CIG funds during this timeframe, but no new capital improvement grants have been secured for receipt within the 2027-2030 time period. However, if funds are awarded, they will be added to the MTIP through the amendment process.
3. **Pass Through and Special Payments:** As a Qualified Entity and acting as a pass-through agent, TriMet receives State funds that are required to be passed through to other governmental agencies and qualified Subrecipients, such as funding from Statewide Transportation Improvement Fund (STIF) Program.

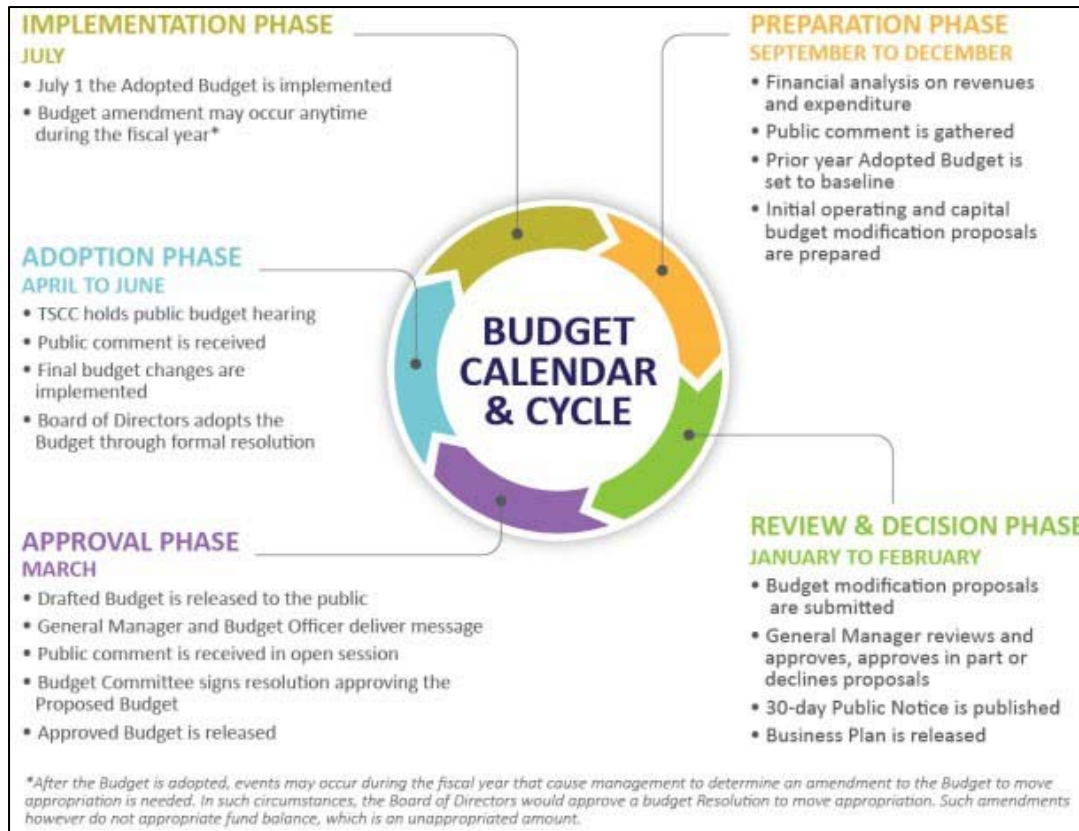
TriMet also receives Federal CMAQ and/or STBG funds indirectly from Metro, later transferred to FTA under the Section 5307 Program, which is typically used for TriMet's Bus & Rail Preventive Maintenance. These Federal funds are later exchanged with Metro for TriMet's General funds.
4. **Contingency and Ending Fund Balance:** Contingency is an appropriated amount of a minimum of 3% of operating requirements and is adjusted for risks and those activities unknown at the time of budget adoption.

Ending Fund Balance is unappropriated and not available for spending in the budget fiscal year. Fund balance includes restricted revenues such as bond proceeds, funds required to be spent after the budget year, including future debt service payments. Unrestricted fund balance contains between 2.0 and 2.5 months operating reserves as required by the TriMet Board of Directors.

Step 3: Adoption of Annual Budget (Spring – Summer – Annually)

The development, adoption, and implementation of the TriMet budget has five phases as summarized in Figure 1 below.

Figure 1. TriMet Annual Budget Development Cycle



The TriMet budget process is guided by the agency’s Vision, Mission and Values, the annually updated Business Plan with a 5-year horizon, Financial Policies, and a budget process that complies with budget law. The current TriMet budget and a description of the budget process for the next fiscal year is available at <https://trimet.org/budget/>.

Coordination of the TriMet Budget, Program of Projects and the MTIP

Each year TriMet shares with the MPO the proposed budget for the upcoming fiscal year. This takes place at the regular committee meetings of TPAC and JPACT. The presentation includes the budget themes and categories and the federal programming of projects. Further information is provided on the budget process and timeline. The MPO has the

opportunity to comment on the budget, request information regarding how the proposed budget reflects regional transportation planning priorities and vote on including proposed federal transit fund programming is to be included in the MTIP.

In conjunction with the annual budget process, TriMet publishes the federally required “Program of Projects” or POP, reporting how FTA grant funds for the upcoming fiscal year, will be proposed for inclusion in the current Metropolitan Transportation Improvement Program. The proposed programming will have the most current forecast of available, upcoming FTA funds and may reference additional FTA funds that have been awarded since last POP.

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

So, hello. We’re Metro – nice to meet you.

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

Stay in touch with news, stories and things to do.
oregonmetro.gov/news

Follow oregonmetro



Metro Council President

Lynn Peterson

Metro Councilors

Ashton Simpson, District 1

Christine Lewis, District 2

Gerritt Rosenthal, District 3

Juan Carlos González District 4

Mary Nolan, District 5

Duncan Hwang, District 6

Auditor

Brian Evans

600 NE Grand Ave.
Portland, OR 97232-2736
503-797-1700

Appendix III
Fiscal Constraint

Oregon Department of Transportation Capital Investment Plan





Oregon

Tina Kotek, Governor

Oregon Transportation Commission

Office of the Director, MS 11

355 Capitol St NE

Salem, OR 97301-3871

DATE: January 15, 2026

TO: Oregon Transportation Commission

Lisa Sumption

FROM: Lisa Sumption
Interim Director

PRESENTED BY: Policy, Data and Analysis Division Administrator Amanda Pietz and Interim
Delivery and Operations Division Administrator Tova Peltz

SUBJECT: **Agenda Item I** – Capital Investment Plan Update

Requested Action:

Receive an update on the development of the Capital Investment Plan and review the 2026 timeline.

Background:

The Capital Investment Plan will identify planned investments over a 10-year period that the Agency anticipates funding, as well as a limited list of investments of interest, which may be ripe for future grant opportunities, local leverage, or development. Investment ideas will be pulled from adopted plans and studies, asset and data systems, or Area Commission on Transportation (ACT) lists and screened through selection criteria.

The first iteration of the Capital Investment Plan will be developed by the end of 2026 and cover the years 2027-2036. The first four years of the Plan will be the 2027-2030 STIP. The Capital Investment Plan will be updated annually thereafter. The STIP will shift from a three-year update cycle to a one-year update cycle starting in 2029. Projects in the Capital Investment Plan will be categorized into general timeframes based on urgency, readiness, degree of uncertainty and available funding. The size and complexity of projects (e.g. major projects vs. routine paving projects) will necessitate different processes for assessing these factors.

The Oregon Transportation Commission will oversee the overall process from the development of the Capital Investment Plan through STIP programming. They will establish the goals/outcomes for screening projects, annually review and finalize the Capital Investment Plan, and approve each STIP update.

In October 2025, the Oregon Transportation Commission adopted goal weights that will be used to screen and prioritize investments. These goal weights were adopted following engagement with Area Commissions on Transportation, ODOT modal advisory committees, and others throughout the state. The adopted goals and weights are Safety (38%), State of Good Repair/Stewardship (27%), Mobility and Accessibility (15%), Sustainability and Climate (10%), and Equity (10%). Only investments that advance those outcomes will move forward to be considered for incorporation into the Plan. The final

investment list will need to meet state and federal obligation minimums, consider cost responsibility, and balance investments across modes and within urban and rural areas.

Beginning in January 2026, Area Commissions on Transportation (ACTs) will begin developing lists of potential investments that will be screened using the adopted goals and associated metrics. The ACTs will identify their top three to five transportation needs or projects and up to 10 additional investments of interest. These will largely be derived from major investments under consideration by ODOT based on data, plans, and studies. The ACT lists along with other ODOT-identified investments will be screened to help prioritize investments in the Capital Investment Plan that best advance the outcomes set by the OTC.

ODOT staff are working to understand potential available funding and needed sequencing for the Capital Investment Plan, recognizing the uncertainty of both state and federal funding.

Work is underway to engage external partners on the screening criteria and to refine the project delivery improvements that began in 2025.

By early fall 2026, the first Capital Investment Plan will be released for public involvement and tribal consultation. The plan will be brought to the Oregon Transportation Commission in December 2026 for approval.

Next Steps:

Screening of investment ideas will begin in mid-2026. The Capital Investment Plan will straddle the old portfolio development process, where Statewide Transportation Improvement Program (STIP) projects have been selected through calendar year 2027. Several of those projects are in design phases, and construction phases will need to be added into the Capital Investment Plan in future years based on project readiness and Plan alignment. The initial Capital Investment Plan is expected at the end of 2026, covering years 2027 – 2036. The Plan will be updated annually with one year added at a time.

Upcoming design actions for the Capital Investment Plan include the following:

Action	Timing
The CIP will include ‘key decision points’ or ‘phase gates’ in the project development process. Projects will make it into the CIP after being screened through technical, merit-based criteria and then through policy/outcome criteria set by the OTC. Once in the CIP, projects will be further developed and assessed for readiness. Only when readiness criteria are met does a project move forward for funding. Readiness evaluation will include cost-risk analyses, value engineering	Work Teams to develop the following have been initiated: 1. Refinement of metrics and criteria for project scoring (Summer 2025) 2. Region and asset management project selection guidance (Fall 2025) 3. Cost estimating toolkit (Fall 2025) 4. Database and tracking tools (January 2026)

<p>study, constructability workshops, utility relocation strategy, etc.</p>	
<p>As part of CIP, STIP moves from a three-year cycle to a one-year cycle. Upcoming STIP cycle was set to go from 2027-2030.</p>	<p>The next STIP will be for 2027-2030, finalized in mid-2026. Within the STIP, CIP principles and risk-based assessments were used to make project decisions and to do more project phasing. The next STIP will be updated one year earlier than planned (2029) and annually thereafter, with the CIP directing the STIP.</p>
<p>The CIP will include investments planned over the next 10 years. Investments that are more conceptual will have a broad cost range, which will be refined through project development, prior to programming. This will enable scheduling of investments based on risk early in the planning process and with opportunity to readjust timing and sequencing over time as projects are developed.</p>	<p>By end of year 2026 and annually thereafter.</p>

Outcomes:

This is an informational update on the development of the Capital Investment Plan. The team will continue to pursue the steps outlined in the above timeline, with the next update to the OTC planned for May 2026.

Building the Capital Investment Plan

Amanda Pietz, Policy, Data, and Analysis Division Administrator
Tova Peltz, Delivery and Operations Interim Division Administrator
January 22, 2026

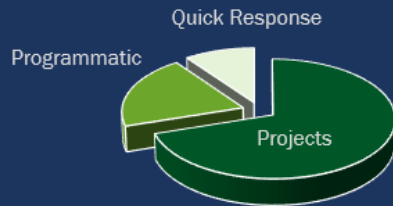
ODOT Capital Investment Plan

Total Need

Investments of interest
(aspirational)

Planned Investments

(fiscally constrained)



- Projects: Preservation, enhance, bike-ped, etc
- Programmatic / Lump Sum: O&M, transit, safety, etc.
- Quick Response: Safety, emergency management, etc.

Benefits of Transitioning to CIP:

- Ability to see ODOT's comprehensive investments
- Focusing on investments that advance desired outcomes
- Increased transparency on how an idea becomes a project
- More accurate project cost estimates
- Better portfolio management from planning through construction

Major Work Efforts To Date

Accomplished:

- ✓ Learned from other states on what works and doesn't
- ✓ Identified processes to create the first CIP
- ✓ Established outcomes to screen and prioritize investments
- ✓ Modified how we do the Statewide Transportation Improvement Program (STIP) today and in the future

Underway:

- Developing cost-risk analysis and estimating tools and processes
- Forecasting potential available funding over the CIP horizon
- Collaboration with ACTs on investment needs

Screening and Prioritizing Investments

- ACT Engagement

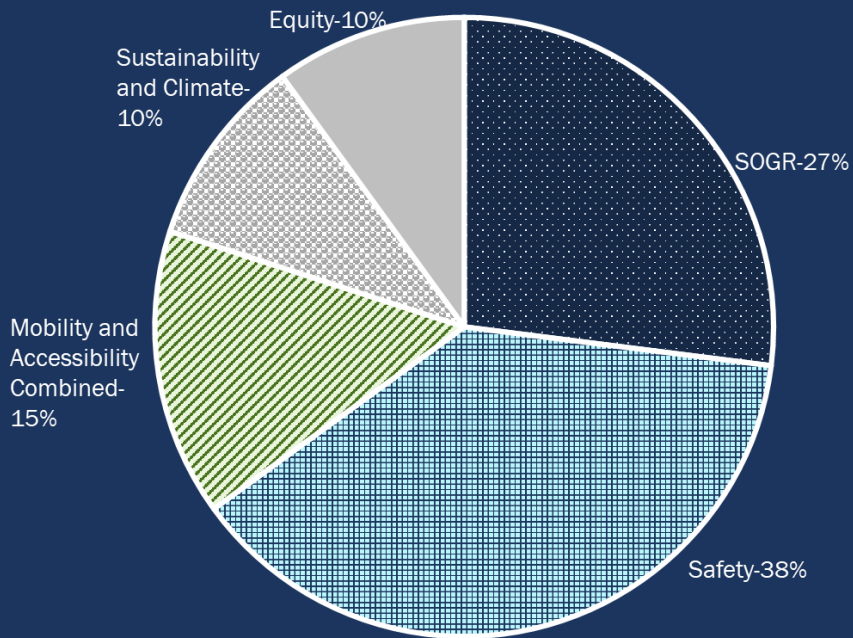
- Informed priorities set by OTC
- Asking to identify investments of interest



Instructions to ACTs

- From those needs/opportunities under consideration, the ACT will identify the top 3-5 of highest interest to the ACT based on:
 - Reasonableness: an engineering solution is possible and affordable
 - Urgency: there is an immediate and clear need for the investment
 - Regional and statewide benefit(s): the investment would have clear benefits that are evident within the ACT and beyond
 - Alignment with OTC investment priorities: investment ties directly to the outcomes (e.g. safety, state of good repair, etc.)
- Identify other needs and investments of interest on the state system (no more than 10), using same considerations

Screening and Prioritizing Investments



OTC-Established Priorities

In process: Developing Draft Indicators

Goal	Indicators
Safety	Hotspots
	Crash Reduction Factor
	Systemic Risk Factors
Stewardship	Pavement Condition Improvement
	Bridge Condition Improvement
	Other Asset Improvement
Climate and Sustainability	Reduce Greenhouse Gas Emissions
	Reduce Air Pollution

Goal	Indicators
Mobility	Travel Time Reliability
	Freight Bottleneck
	Transit Travel Time Reliability
	Access to Transit
	Critical Bike Ped Connection
Equity	Bike Ped Improvement
	Benefits to Transportation-Disadvantaged Communities

Other CIP Work Efforts Underway:

Asset Management

- Consistent guidance and methodology for asset management that includes approach for generating prioritized project/investment lists
- Roles and responsibilities for Asset Managers
- Roles and responsibilities for Funding Program Managers
- Align technical evaluation criteria with policy and/or performance evaluation criteria

Cost Estimating

- Cost estimating expectations for concepts/projects at key points from CIP selection to final design
- Cost estimating tools and guidance to bring consistency at those key points in the development process
- Communications and implementation plan

Looking to 2026: Developing the First CIP



Winter 2026: Establish potential funding ranges over CIP timeframe



Ongoing: Report on funding needs



January 2026: Release draft STIP



Winter and Spring 2026: Identify potential investments from ACTs, ODOT Regions and Programs



Spring 2026: Update OTC on development of processes and tools



Late Spring 2026: OTC finalize 2027-2030 STIP



Summer 2026: Screen through technical and policy criteria

Looking to 2026: Developing the First CIP



Summer 2026: Update OTC on screening process



OTC



Late Summer/Early Fall 2026: Review, harmonize and iterate list (includes ACT engagement)



Fall 2026: Release draft for review, including public involvement, OTC and tribal consultation



Ongoing: Establish project delivery and portfolio management processes within CIP and to the STIP



Ongoing: Internal communications, engagement and roll-out



December 2026: Finalize first CIP, sharing with the OTC



Transitioning to a New STIP Process (CIP to STIP)

**What's different about
the 27-30 STIP:**

- Programming only 2027 phases
- Not programming PE, RW, UR and CN phases all at once
- Annual updates to add subsequent phases and future projects
- Project reviews and stage-gates before programming subsequent phases



Questions?



Oregon

Tina Kotek, Governor

Oregon Transportation Commission
Office of the Director, MS 11
355 Capitol St NE
Salem, OR 97301-3871

DATE: April 27, 2026

TO: Oregon Transportation Commission

Lisa Sumption

FROM: Lisa Sumption
Interim Director

SUBJECT: **Agenda Item M – Capital Investment Plan Update**

PRESENTED BY: Policy, Data and Analysis Division Administrator Amanda Pietz and Delivery and Operations Division Administrator Tova Peltz

Requested Action: Informational Update

Receive an update on the development of the Capital Investment Plan and review the 2026 timeline.

Background:

The Capital Investment Plan (CIP) will identify planned investments over a 10-year period that the Agency anticipates funding, as well as a limited list of investments of interest that may be ripe for future grant opportunities, local leverage, or development. Investment ideas will be pulled from plans and studies, asset and data systems, or Area Commission on Transportation (ACT) lists and screened through selection criteria. The first iteration of the Capital Investment Plan will be developed by the end of 2026 and cover the years 2027-2036. The first four years of the Plan will be the 2027-2030 Statewide Transportation Improvement Program (STIP). The Capital Investment Plan will be updated annually thereafter.

The Oregon Transportation Commission will oversee the overall process from the development of the Capital Investment Plan through STIP programming. They will establish the goals/outcomes for screening projects, annually review and finalize the Capital Investment Plan, and approve each STIP update.

In October 2025, the Oregon Transportation Commission adopted goal weights that will be used to screen and prioritize investments. These goal weights were adopted following engagement with Area Commissions on Transportation, ODOT modal advisory committees, and other stakeholders throughout the state. The adopted goals and weights are Safety (38%), State of Good Repair/Stewardship (27%), Mobility and Accessibility (15%), Sustainability and Climate (10%), and Equity (10%). Only investments that advance those outcomes will move forward to be considered for incorporation into the Plan. The final investment list will need to meet state and federal obligation minimums, consider cost responsibility, and balance investments across modes and within urban and rural areas.

Area Commissions on Transportation are finalizing candidate investment lists in April 2026. The ACTs will identify their top three to five transportation needs or projects, and up to 10 additional investments of interest. These will largely be derived from major investments under consideration by ODOT based on data, plans, and studies. The ACT lists, along with other ODOT-identified investments, will be screened to help prioritize investments in the Capital Investment Plan that best advance the outcomes set by the OTC. ODOT Regions and Asset Managers are currently compiling their candidate investments and will submit by June 3rd, 2026.

Following project identification, projects will be screened and scored using scoring criteria that reflects the OTC-approved goal weights and utilizes a data-driven process for advancing projects that successfully align with OTC goals. ODOT has developed supplementary tools for capturing candidate project information and understanding magnitude of cost for candidate investments. Lastly, a selection committee of internal partners, including the League of Oregon Cities (LOC) and Association of Oregon Counties (AOC), will review tiers of scored projects and recommend a draft list to the OTC in fall of 2026.

ODOT staff have developed a communications plan and are working to implement tools and communications tactics that effectively communicate CIP fundamentals and update key partners on CIP progress.

By early fall 2026, the first Capital Investment Plan will be released for public involvement. The plan will be brought to the Oregon Transportation Commission in December 2026 for approval.

Previous Commission Action and Discussion:

The OTC received an update on and reviewed the 2026 timeline for the Capital Investment Plan at the January 2026 meeting.

Outcomes:

This is an informational update on the development of the Capital Investment Plan. The team will continue to pursue the steps outlined in the above timeline, with the next update to the OTC planned for August 2026.

Attachments:

- Attachment 01 – Capital Investment Plan ACT Submissions

Capital Investment Plan

Progress and Updates

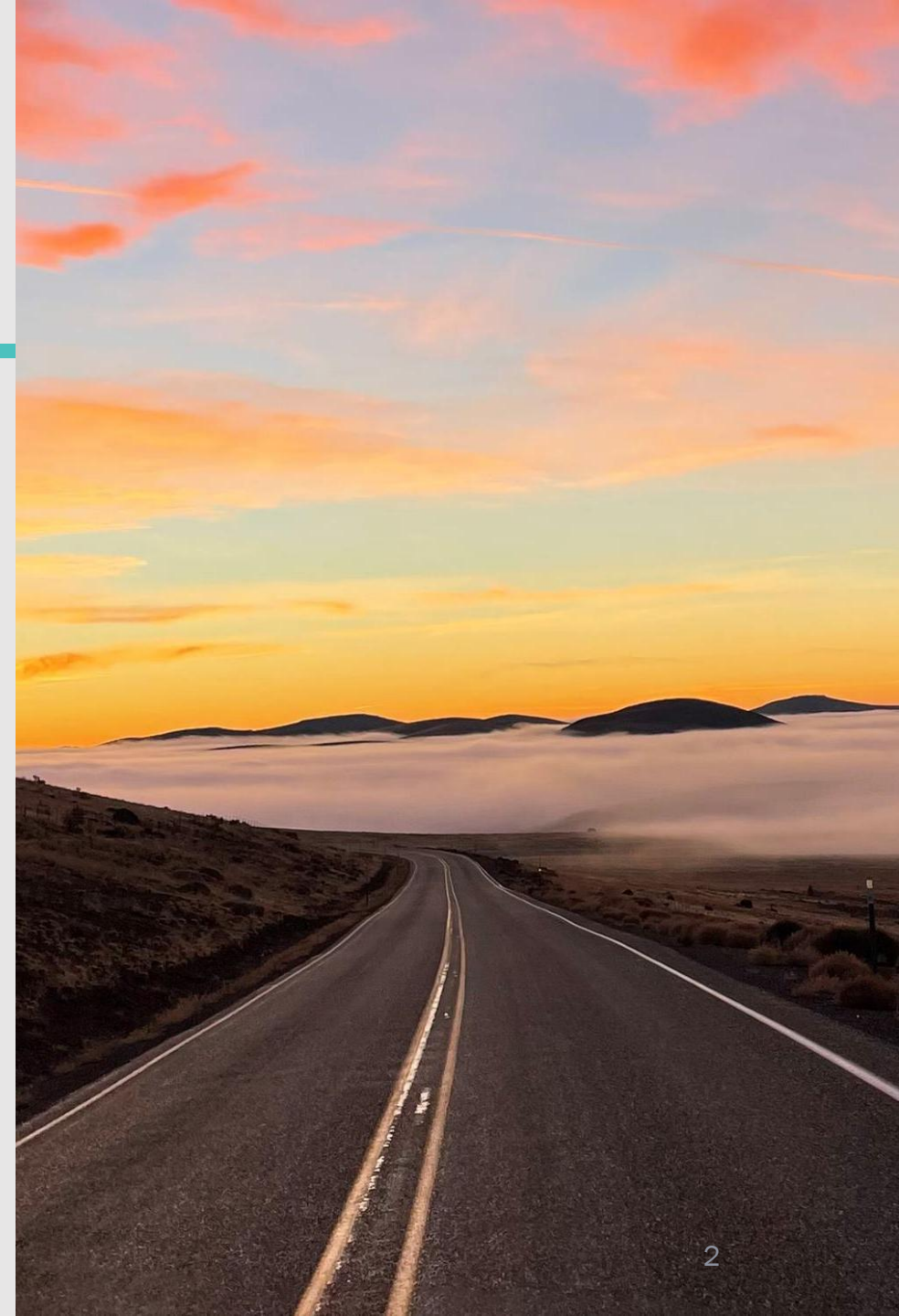
Amanda Pietz, Policy, Data, and Analysis Division Administrator
Tova Peltz, Delivery and Operations Interim Division Administrator
May 7, 2026

Introduction

Capital Investment Plan: ODOT's 10-year plan to develop capital projects.

Key Benefits:

- Close the gap between long-range policies and short-term budget decisions
- Make investment decisions to advance specific and prioritized outcomes
- More accurate project cost estimates
- Better portfolio management from planning through construction



HOW WILL THE CIP BE DEVELOPED?

Estimate Funding



Over CIP timeframe estimate total expected:

- Federal funds
- State funds

ID Investment Ideas



From:

- Asset Data
- Plans and Studies
- Area Commission on Transportation Lists

Screen through Criteria



Technical:

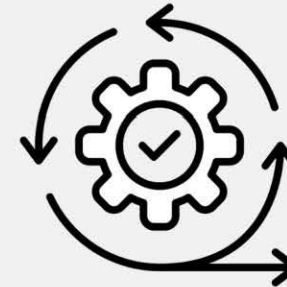
Screen for quality projects considering needs, feasibility, impact, strategy, merit and long-term operations and maintenance unique to each type of project (e.g. bridge vs bike)



Policy:

Weight goals to screen for projects that advance specific outcomes such as safety, state of good repair, etc. and achieve co-benefits

Review and Finalize List



Harmonize/Iterate:

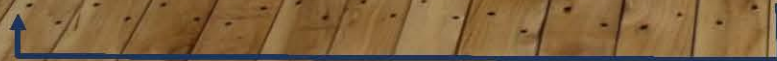
- Consider balance for urban and rural, people and freight, and multimodal investments, etc.
- Combine and leverage
- Consider risks

Sequence Projects



Determine broad timing based on:

- Understanding of risks
- Readiness
- Urgency
- Available funding



Major Work Efforts to Date

Recently Accomplished:

- ✓ Identified processes to create the first CIP
- ✓ OTC established goal weights
 - ✓ Developed scoring criteria
- ✓ Collected project candidates from ACTs
- ✓ Developed tools to support CIP candidate projects

Underway:

- Collecting candidate projects from ODOT Regions & Asset Managers
- Forecasting potential available funding over CIP horizon
- Developing and executing communications plan
- Establishing processes for selection committee review and recommendations

Identifying Investment Ideas

Area Commission on Transportation Lists

- 3-5 investment ideas
- 10 additional investments of interest

Top investment ideas from each ACT

Ideas from ODOT Regions (10 each) and Programs (20 each)

likely
overlap

Candidate
Investments

Plans and Studies

- Local Transportation Safety Plans
- Statewide modal and topic plans
- Metropolitan Planning Organization Regional Transportation Plan (RTP)
- ODOT Facility Plans & Studies
- Maintenance needs
- ODOT data sources
- OTC Goal Outcomes

Asset Data/Management Systems

- Fix It Routes
- Asset Management Systems
- Transportation Asset Management Plans
- Maintenance needs
- Safety data

Prioritize
using criteria
and weights



Review
rankings and
harmonize

Capital Investment Plan

Area Commission on Transportation

Candidate Project Identification

Per ACT Guidance document:

- ODOT staff shared heat maps and facilitate discussion on significant potential investments needs/opportunities for years 5-10 of the CIP
- Identify top 3-5 needs and investments of highest interest to the ACT, considering:
 - **Reasonableness:** An engineering solution is possible and affordable
 - **Urgency:** There is an immediate and clear need for the investment
 - **Regional and statewide benefit(s):** The investment would have clear benefits evident within the ACT and beyond
 - **Alignment with OTC investment priorities:** Investment ties directly to the outcomes (safety, state of good repair, etc.)
- Identify up to 10 other needs and investments of interest on the state system (same considerations)
- Submit to OTC in April/May 2026

Area Commission on Transportation

Example – Central Oregon ACT (COACT)

Name	Description	Urgency (select from drop down and describe)		Regional Significance (describe)	OTC Priorities (select from drop down and describe)		Other Information
US 97/OR 361 Intersection Improvement	Install intersection safety improvement from the US 97 High Bridge to Madras Safety Study	High	One of the highest crash locations in the US 97 High Bridge to Madras Safety Study	US 97 is a critical north-south route in Central Oregon, and the location has a history of fatal and serious injury crashes	Safety	Project will reduce history of fatal and serious injury crashes	Has been before the MAC and has had planning completed.
Intersection of Powell Butte Hwy and Hwy 126	Install a roundabout to improve connectivity and reduce crashes at the intersection of Powell Butte Hwy and Hwy 126. This solution also can reduce the likelihood of crashes	High	This intersection is a known safety and congestion concern on OR 126, which serves as a primary east-west route through Crook County. This improvement will address conflict points and improve traffic flow	Improvements at this intersection benefit local commuters, freight and ag traffic and regional travel through Central and Eastern Oregon	Safety	This project directly advances safety and mobility outcomes by reducing crash risk, improving intersection performance and enhancing reliability on a state highway	Project is supported by ODOT and Crook County TSP

*2 of top 5 priority investments by COACT

Screen Projects

Candidate Project Entry Form

- Tool to process candidate investments within ODOT's data management systems
 - ODOT Regions complete form for ACT submissions
- Developed with disciplines across ODOT
- Facilitates project scoring and magnitude of cost



The screenshot shows the 'DEV - Candidate Investment Entry' interface. At the top, there is a navigation bar with the Oregon Department of Transportation logo, a 'Return to Main Dashboard' button, a 'Finalize & Submit CIP Project' button, an 'EMAIL SUPPORT' button, a 'RESOURCES' button, and a 'RETURN TO PRIDE MENU' button. Below this, there are two main steps: 'STEP 1 - Add New CIP Project' with a 'CANDIDATE INVESTMENT FORM' button, and 'STEP 2 - If you require changes to your Candidate Investment Form, edit below.' with a 'SAVE' button. The main content area is titled 'DEV - Draft Candidate Investment Form' and contains a table of projects. A 'Details' sidebar is open on the right, showing fields for 'Data', 'Project Name', and 'Problem / Opportunity / Issue (Description & Need)'. The table has the following data:

CIP Number	Project Name	Describe Problem, Opportunity, Issue and Need	Creator
2025_00031	Test 12345		scott.chaikley@odot.oregon.gov
2025_00029	Test Project Core Team	build a bridge.	cliff.hunter-gammon@odot.oregon.gov
2025_00023	Test Project #23		julie.k.tippets@odot.oregon.gov

Screen Projects

Project Scoring

Goal	Indicators
Safety 38%	Fatal and serious injury crash history
	Fatal and serious injury crash risk
	Safety improvement
Stewardship / State of Good Repair (SOGR) 27%	Pavement Condition Improvement
	Bridge Condition Improvement
	Other Asset Improvement
	Addressing a Critical Seismic Issue
	Addressing a Critical Resilience Issue

Goal	Indicators
Mobility 15%	Traffic Flow (travel time and travel time reliability)
	Transit Timeliness
	Critical Bike or Ped Connection
Climate and Sustainability 10%	Reduces Greenhouse Gas Emissions
	Reduces Air Pollution
Equity 10%	Benefits Transportation-Disadvantaged Populations

Compiling Initial Results

- Results will be shown by tiers: high, medium and low
 - Overall
 - By outcome area; e.g. *safety, mobility, state of good repair (pavement and bridge)*
- Cost is considered as part of final selection
 - Rough order of magnitude cost (*based on 0-15% design*)
 - Considers risk, timeline, inflation, standard drawings
 - Costs will be refined later, after inclusion in the CIP and before funding is programmed in the STIP



Creating the Draft Project List

- Selection committee will be formed
 - Including reps from Association of Oregon Counties (AOC)/League of Oregon Cities (LOC) and ODOT management
- Selection Committee will review rankings and harmonize
 - Considerations:
 - Project cost and available funds
 - Funding obligation minimums
 - Performance measures
 - Urban and rural
 - People and freight movement



CIP Communications Plan

Objectives:



Develop understanding of the new Capital Investment Plan for ODOT staff and key external partners.



Create awareness around the transition from STIP to CIP.



Build buy-in with interested parties.

CIP Communications Tools and Tactics

Objectives implemented via tools and tactics

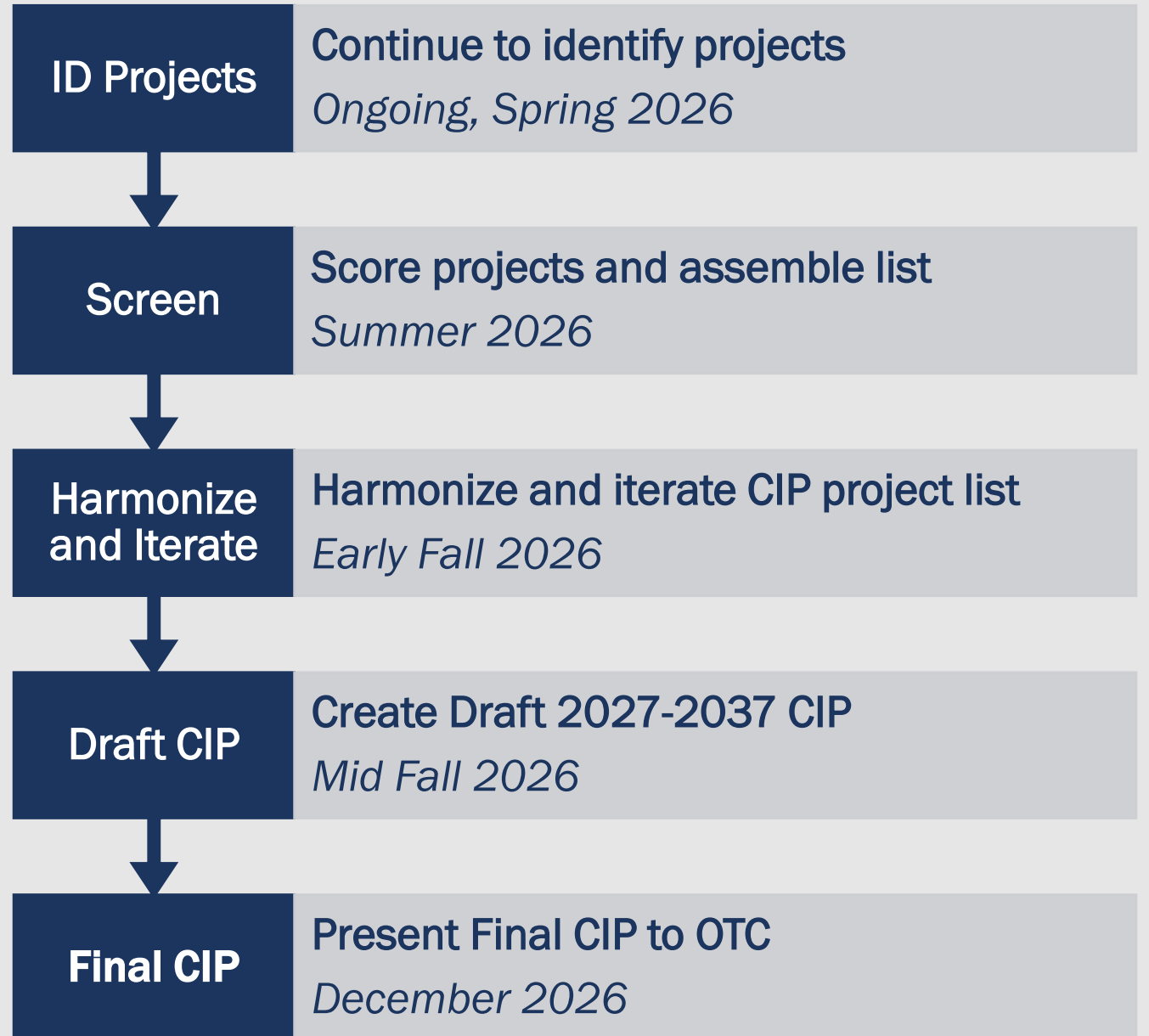
Websites: External and internal, includes CIP videos, FAQs, etc.

Briefings: OTC, ACTs, AOC/LOC, Governor's office, Legislative Committees, Tribes, MPOs, ODOT advisory committees, ACEC

Webinars and Trainings: ODOT Staff attend One Hour One Topic, Trainings, Inside ODOT

Public Comment on CIP Project Lists: After OTC review

Next Steps for CIP Implementation



Questions?



ACT Name: Region 1 ACT

Top Priority Investments									
Name	Description	Urgency <small>(select from drop down and describe)</small>		Regional Significance <small>(describe)</small>	OTC Priorities <small>(select from drop down and describe)</small>		Local Leverage	Other Information	
Rose Quarter	Auxiliary lanes to improve safety and mobility. Also includes highway covers.	High	Project costs continue to rise from inflationary pressure. Legislation directed ODOT to undertake and complete project in 2017.	Named project in HB 2017, funded with state and federal dollars. In Metro's RTP with broad partner support, supporting the goal of a Thriving Economy.	State of Good Repair Safety Accessibility/Mobility Equity	Improves freeway operations and I-5 state of good repair through central city. Improves safety, mobility by reconnecting neighborhood		Phase 1A under construction. Active conversations with OTC and community groups about how to invest next tranche of funding. Additional funds needed for future phases.	
TV Highway investments in support of Transit Project	ODOT funding could be used for highway components of enhanced transit project on OR-8, such as sidewalks, safe crossings, signal upgrades, paving and intersection reconfigurations, lowering the cost of the transit investment	High	TriMet has entered the Project Development phase and is currently working to define project components, costs and funding sources.	Included in Metro's RTP, supporting the goals of a Mobility Options, Safe System, Equitable Transportation and Climate Action/Resilience.	Accessibility/Mobility Equity Climate Safety State of Good Repair	Funds can improve operations, safety and asset conditions for all users on OR-8, advancing multiple OTP goals by making it safer for active transportation and transit users in a corridor with multiple underserved populations.	TriMet, Metro, Washington County and the cities of Forest Grove, Cornelius, Hillsboro and Beaverton are contributing toward development and implementation.	TriMet is targeting 2030 for completion of transit project. Committed investments in 2031-36 timeframe can complement that effort and continue safety and mobility investments into OR-8.	
Sunrise Corridor Phase 2	Pursue Phase 2 of converting OR 212/224 into expressway from SE 122nd to 172nd Aves & JT old highway segments	Medium	Planned job and housing development in the area needs improved transportation capacity to be successful.	Included in Metro's RTP as consistent with the Final Environmental Impact Statement (FEIS)/Record of Decision (ROD). NEPA re-evaluation and RTP amendment would be required for any other design. Supports the RTP goals of a Thriving Economy and Mobility Options.	Safety Accessibility/Mobility	Improves access to fast-growing communities as well as key freight hubs/industrial land. Addresses SPIS sites and congestion on 212 and 224.	\$12.5M granted by JPACT to advance corridor plans, on top of \$4M from legislature	Project will likely be developed in phases, one or more of which could be delivered in 2031-36 timeframe, if NEPA re-evaluation, RTP amendment if necessary and design work are completed.	
HCRH State Trail Completion	Finish connecting State Trail with final segment between Mitchell Point Tunnell and City of Hood River	High	Reconnection was directed by federal law in 1986 -- one final segment remains before completion.	Will create a world class bike and pedestrian route through the Columbia River Gorge, benefitting tourism, mobility, climate, equity in Hood River and Multnomah counties.	Accessibility/Mobility Climate	Provides bike/ped alternative to I-84 and HCRH, addressing OTP climate goal and helps address congestion at recreation and tourism destinations.			
Arterial Highway Safety	Implementations of recently completed corridor investment strategies on OR 99E and US 30BY and/or Road Safety Audits (RSAs) including TV Hwy/Powell/Others	High	Addressing safety priority locations can help reduce serious and fatal crashes as soon as possible.	Supports the RTP goal of a Safe System and can also advance Equitable Transportation and Climate Action and Resilience by making it safer to walk, roll and use transit.	Safety Equity Climate	Explicitly addresses OTP goal of eliminating fatalities and serious injuries. Some investments will address disproportionate safety risks for underserved communities and some could improve use of active transportation and transit options		Specific investments are identified in the plans cited. ARTS funding is dedicated to SPIS locations, this funding would be in addition.	

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

So, hello. We’re Metro – nice to meet you.

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

Stay in touch with news, stories, and things to do.

oregonmetro.gov/news

Follow oregonmetro



Metro Councilors

Ashton Simpson, District 1

Christine Lewis, District 2

Gerritt Rosenthal, District 3

Juan Carlos González, District 4

Mary Nolan, District 5

Duncan Hwang, Acting Council President, District 6

Auditor

Brian Evans

600 NE Grand Ave.

Portland, OR 97232-2736

503-797-1700