

2020 Annual Report to the Legislative Assembly: Oregon County Road Funds

AUTHORIZED USE OF ALLOCATION TO COUNTIES
(ORS 366.774)

Association of Oregon Counties County Road Program

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Past reports can be found at [Oregoncounties.org - Reports & Surveys](https://oregoncounties.org/reports-surveys)

Data Source: Oregon Department of Transportation (ODOT), Oregon Local Road and Street Finance Questionnaire, 1999-2020

Summary: Annual Report to the Legislature on County Road Fund Expenditures
County Fiscal Year July 1, 2019, to June 30, 2020

January 5, 2021

The largest single source of revenue for Oregon county roads remains the State Highway Fund Apportionment, consisting mostly of taxes on motor fuels, taxes on heavy trucks, and driver and vehicle fees. 24 to 30 percent of the total State Highway Fund revenues are allocated to counties [ORS 366.739-752] in proportion to the number of vehicles registered in each county (ORS 366.764) and by the Special County Allotment, which distributes \$5.75 million annually to the smallest counties (ORS 366.772). From FY 2019 to FY 2020, the State Highway Fund Apportionment for counties, which makes up 49.4 percent of overall county road department revenues, decreased by \$19.5 million from \$316.7 million to \$296.2 million. This is primarily due to a significant decrease in traffic volumes and DMV transactions toward the end of the fiscal year caused by the COVID-19 pandemic.

Compared to the FY 2019 report, the FY 2020 report shows a decrease of 1.4 percent for federal revenue, from \$53.9 million to \$53.1 million, which contributes to a yearly average decline of 0.71 percent and an overall decline of 45.8 percent over the last decade in federal funding—a continuing trend of Oregon counties’ dramatic declines in U.S. Forest Service timber receipts and Secure Rural Schools Act funding.

The FY 2020 report compared to the previous year for counties shows an increase of \$29 million for total receipts, from \$583.9 million to \$612.9, or about 5.0 percent. The increase in total receipts was a product of additional local funding, primarily from bond and note proceeds and development fees that were needed to offset the decline in state funding. As transportation costs continue to rise faster than revenue, counties have prioritized a state of good repair focusing their limited resources to operate and maintain the current system, but with the addition of HB 2017 (2017) and other local revenue, some counties have modestly increased needed construction and expansion projects in recent years.

State Highway Funds are to be used by counties exclusively for the purposes stated in sections 3 and 3a, Article IX of the Oregon Constitution, and the statutes enacted pursuant thereto including ORS 366.514. The State Highway Fund is only one of many revenue sources in each County’s Road Fund, which also includes other local, state, and federal revenue sources, as shown in the attached table and charts. All the monies in the County Road Fund must be spent with the same restrictions as the State Highway Funds. County Road Fund expenditures are audited each year as required by law (ORS 366.774). ORS 294.100 holds county officials personally liable for the misappropriation of county funds.

ORS 366.774, which requires:

“Counties receiving moneys under ORS 366.762 to 366.768 shall report annually to the Legislative Assembly the expenditures of those moneys in each of the following areas:

- (a) Administration;*
- (b) Bicycle paths;*
- (c) Construction and expansion;*
- (d) Operations and maintenance;*
- (e) Other payments;*
- (f) Payments to other governments; and*
- (g) Repair and preservation.”*

The revenues in the County Road Funds support all expenditure areas presented for County Fiscal Year 2020 (7/1/19 - 6/30/20) are shown in the attached tables and charts.

Sincerely,

Brian Worley
County Road Program Director
Association of Oregon Counties

**2020 Annual Report to the Legislative Assembly
Authorized Use of Allocation to Counties (ORS 366.774)**

COUNTY ROAD FUNDS REVENUES
July 1, 2019, to June 30, 2020

LOCAL GOVERNMENT REVENUE

Property Taxes	\$14,072,020.45
County General Fund	\$55,020,294.79
Local Vehicle Registration & Gasoline Taxes	\$26,380,168.68
Interest Income	\$14,909,933.81
Development Fees	\$23,961,597.35
Other Local Receipts	\$50,993,448.42
Bond & Note Proceeds	\$23,851,880.38
	\$209,189,343.88

STATE GOVERNMENT REVENUE

State Highway Fund	\$296,210,891.14
ODOT Fund Exchange Program	\$19,948,283.46
Other State Funds	\$21,688,140.27
	\$337,847,314.87

FEDERAL GOVERNMENT REVENUE

US Forest Service Annual Distribution	\$29,467,028.44
Disaster Relief Funding	\$2,058,659.31
Other Federal	\$21,620,638.81
	\$53,146,326.56

TOTAL ROAD FUNDS REVENUE

Local	\$209,189,343.88
State	\$337,847,314.87
Federal	\$53,146,326.56
	\$600,182,985.31

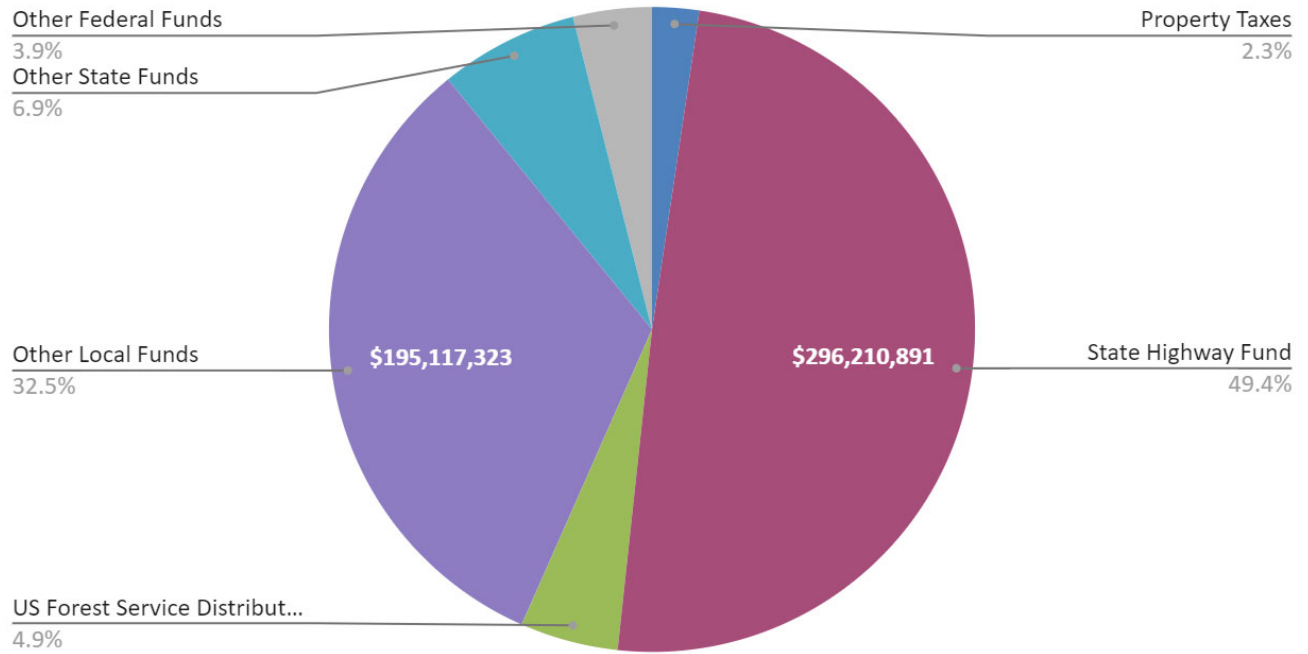
COUNTY ROAD FUNDS EXPENDITURES

July 1, 2019, to June 30, 2020

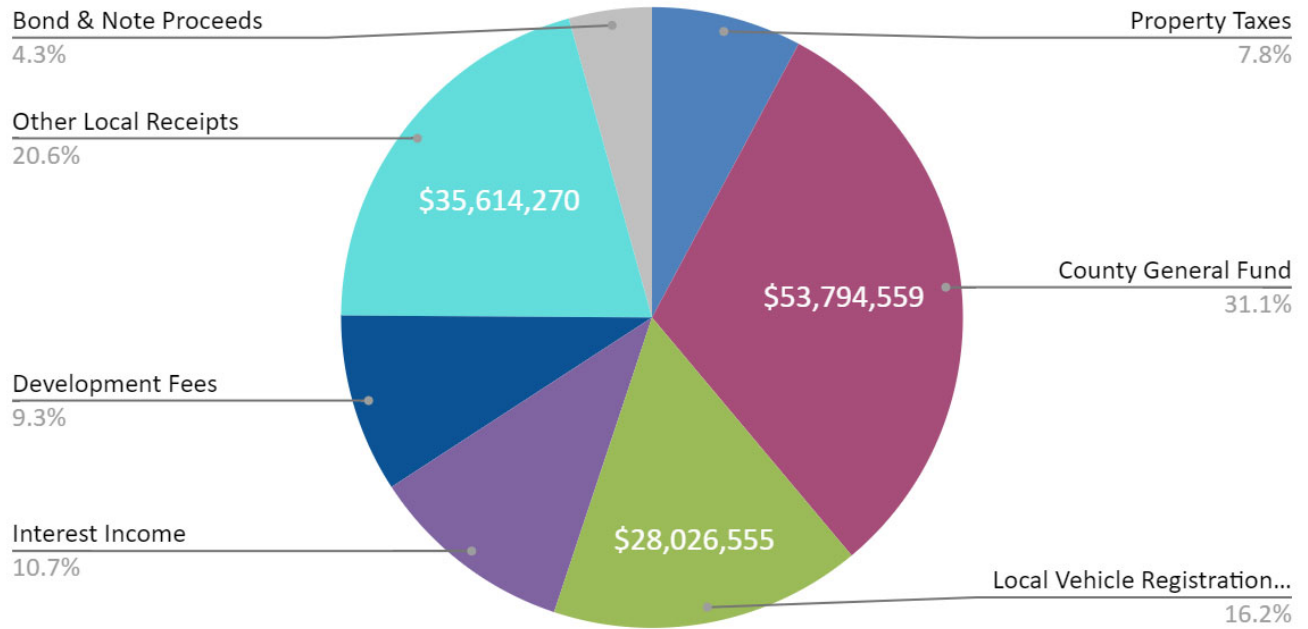
Construction & Expansion	\$154,600,224.62
Repair & Preservation	\$68,842,553.04
Operations & Maintenance	\$215,703,565.45
Bicycle Paths	\$13,051,188.32
Administration	\$90,013,245.52
Payments to Other Governments	\$55,337,579.08
Other Payment (Bond & Note Payments)	\$22,257,884.07
	\$619,806,240.10

*All revenues and expenditures include county road districts.

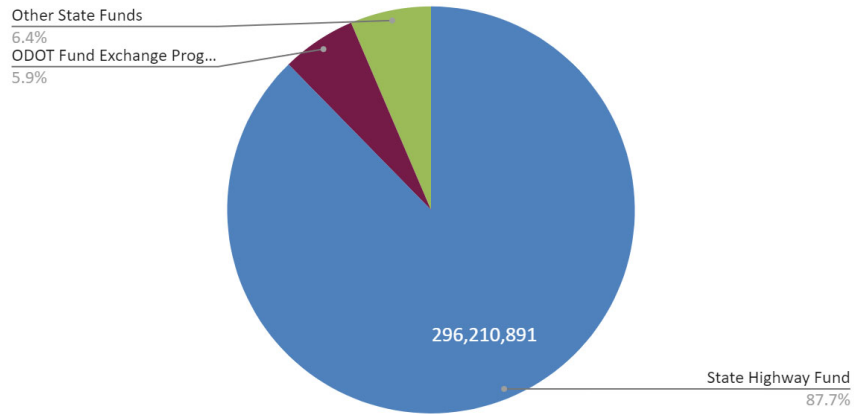
Oregon County Road Revenue by Source FY 2020



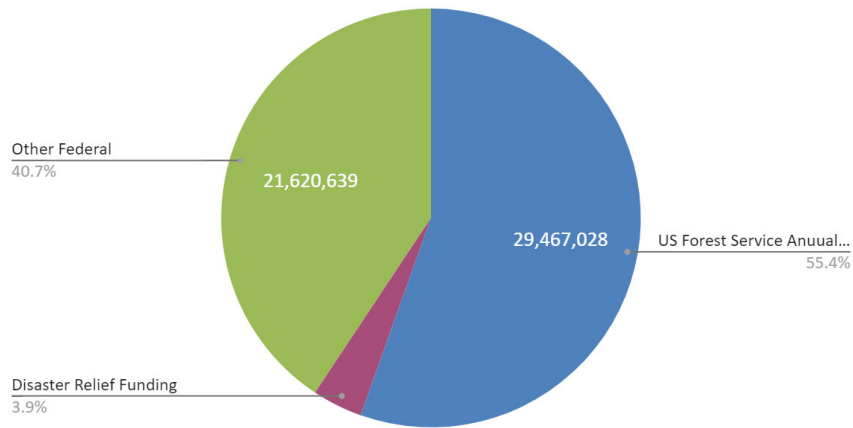
County Road Funds by Local Government Revenue Source FY 2020



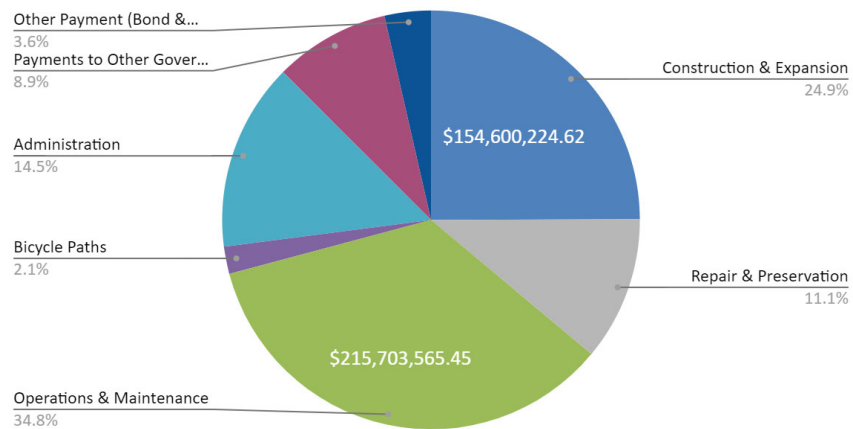
County Road Fund by State Revenue Source FY 2020



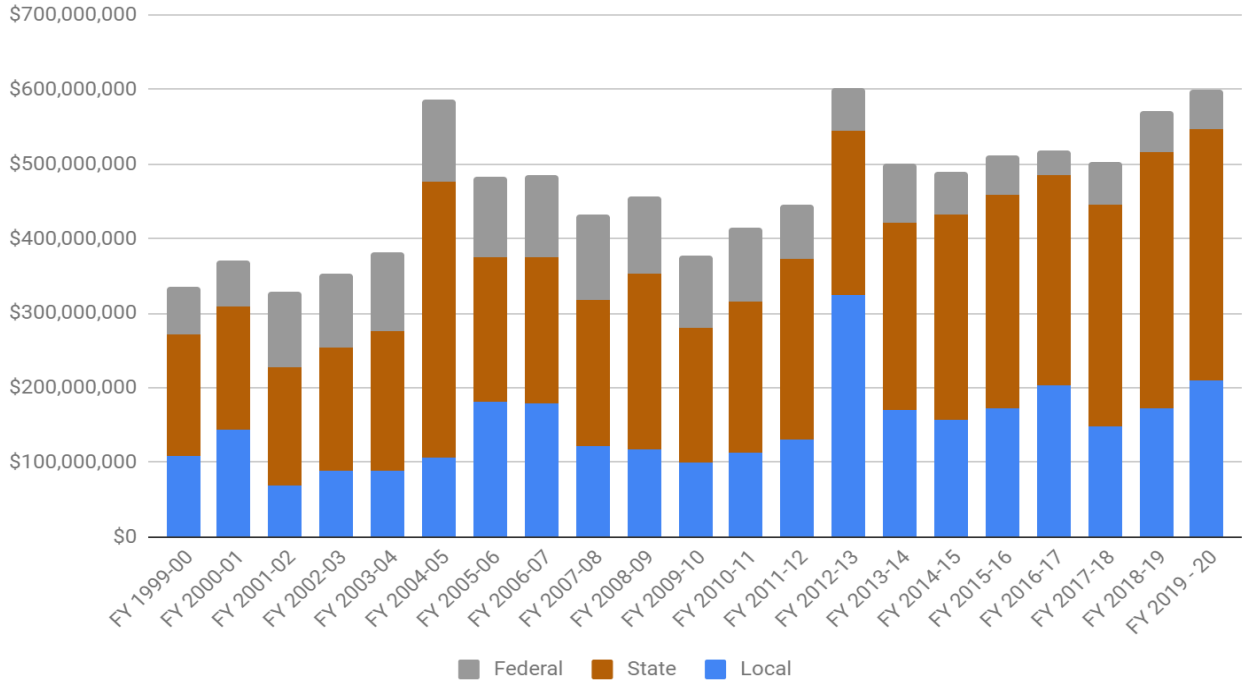
County Road Funds by Federal Revenue Source FY 2020



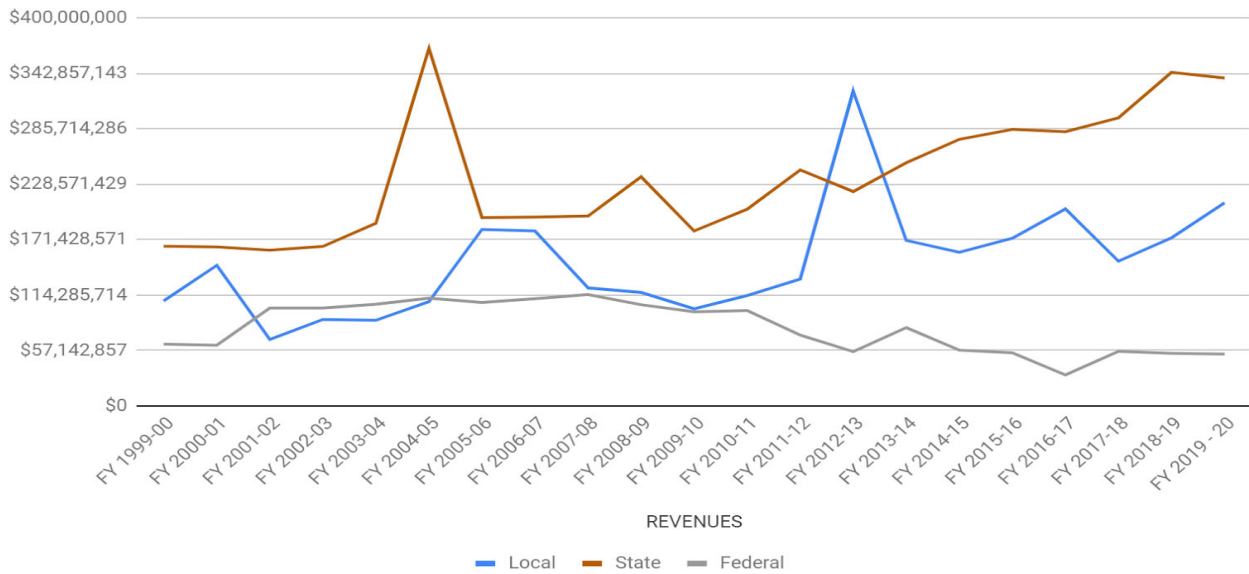
Oregon County Road Expenditures by Type FY 2020



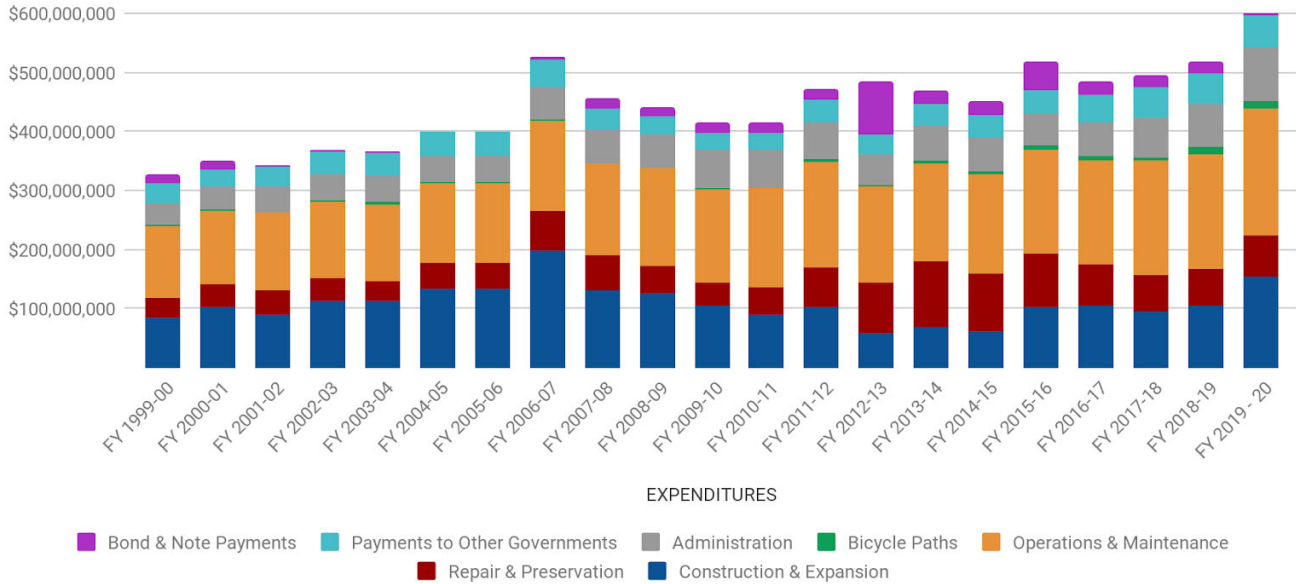
Oregon County Road Funds Revenue History



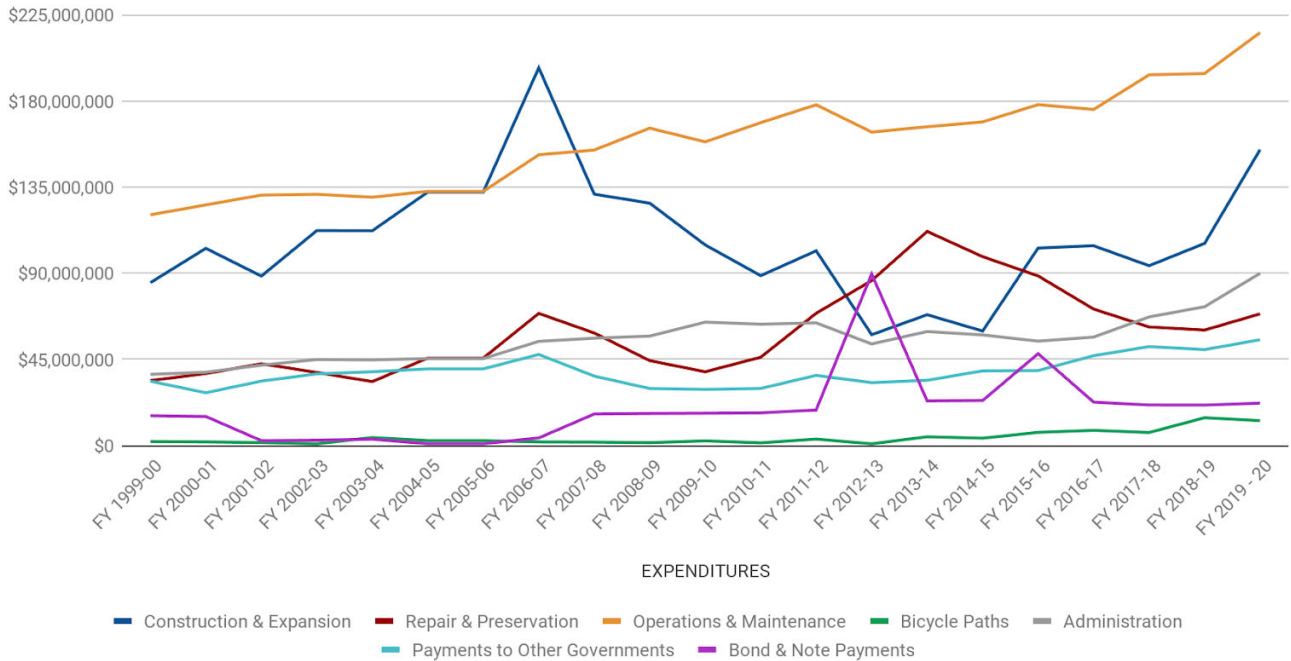
Oregon County Road Funds Revenue History



Oregon County Road Funds Expenditure History



Oregon County Road Funds Expenditure History



Attachment A: Detailed Items Required for ORS 366.774 Report to the Legislature

2020 LOCAL ROAD AND STREET QUESTIONNAIRE - RECEIPTS

A. RECEIPTS FROM LOCAL SOURCES

1. Special Assessments

A.1.a: Permanent property Tax or Assessment	\$13,877,568
A.1.b; Limited Duration Property Tax or Assessment	\$194,452
A.1.c: Traffic impact fees or system development charges	\$10,589,897
A.1.d: Transportation Utility Fees	\$0
A.1.e: Local Improvement Districts (or similar)	\$479,185
A.1.f: Urban Renewal District	\$12,605,644

2 General Fund and Non-Dedicated City/County Fund Transfer

A.2: General Fund and Non-Dedicated City/County Fund Transfers	\$55,020,295
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3. Local Option Road User Fees

A.3.a Net Fuel Tax	\$6,997,317
A.3.b: Motor Vehicle Registration fees	\$19,382,852

4. Other Local Receipts

A.4.a: Interest income	\$14,909,934
A.4.b: Traffic fines	\$2,654
a.4.c: Parking meters and fines	\$0
A.4.d: Permits and land use fees	\$2,459,499
A.4.e: Sales of Surplus Land & Equipment and Rentals	\$2,380,239
A.4.f: Hotel/Motel taxes	\$1,291,420
A.4.g: Franchise fees	\$375,317
A.4.h: Other	\$33,314,631

5. Receipts from Other Local Governments

A.5.a: From Cities	\$4,899,940
A.5.b: From Counties	\$1,391,352
A.5.c: Other	\$4,878,396

6. Proceeds from Sale of Bonds and Notes

A.6.a: Bonds	\$23,851,880
A.6.b: Notes	\$0

B. 1. PRIVATE CONTRIBUTIONS	\$286,871
C. 1. RECEIPTS FROM STATE GOVERNMENT	
C.1.a: State Highway Fund Apportionment	\$292,259,170
C.1.b: Special County Allotment	\$3,951,721
C.1.c: State Highway Fund Exchange Program	\$19,948,283
C.1.d: ODOT Issued Permit Fees	\$825,192
C.1.e: Other State Highway Fund Grants	\$11,309,500
C.1.f: State Forestry	\$2,719,672
C.1.g: Other State Funds	\$6,833,777
D. 1. Receipts from Federal Government	
D.1.a: US Forest Service Annual Distribution	\$29,467,028
D.1.b: USFS and O&C Title II	\$1,170,213
D.1.c: 5% Distribution of BLM Land Sales	\$86,884
D.1.d: BLM Mineral Leases	\$79,262
D.1.e: U.S. Taylor Grazing Apportionment	\$5,182
D.1.f: Federal Flood Control	\$14,841
D.1.g: Housing and Urban Development	\$0
D.1.h: Economic Development Administration	\$0
D.1.i: Federal Receipts for FHWA Grants	\$8,046,353
D.1.j: Other Federal Fund Receipts	\$12,217,904
2. Federal Receipts for Federally Declared Emergency Events:	
D.2.a: FEMA - Public Assistance	\$2,058,659
D.2.b; FHWA - Emergency Relief	\$0
E. 1. RECEIPTS FOR NON-JURISDICTION ROAD/STREET WORK	\$12,763,610
E.1.a: Non-road and street work	
E.1.b: Work for other jurisdictions	
TOTAL RECEIPTS	\$1,213,129,580
BEGINNING BALANCE(S)	\$781,758,471
TOTAL FUNDS AVAILABLE	\$1,994,888,052

2019 LOCAL ROAD AND STREET QUESTIONNAIRE - DISBURSEMENTS

A. LOCAL DISBURSEMENTS

1. Capital Projects - Construction, Expansion and Preservation

A.1.a; Right-of-way	7,238,612
A.1.b: Project engineering	40,627,596

A.1.c: Construction	
A.1.c.1: New Facilities	5,295,319
A.1.c.2: Capacity Improvements	75,367,885
A.1.c.3: Bicycle and Pedestrian Paths	13,051,188
A.1.c.4: System Preservation	68,842,553
A.1.c.4: System Enhancement	26,070,813
2. Operations and Maintenance	
A.2.a: General maintenance of condition	176,479,775
A.2.b: Safety and traffic maintenance	24,468,101
A.2.c: Snow and ice removal	5,518,033
A.2.d; Extraordinary maintenance	7,915,437
A.2.e: Federally declared emergency events	1,322,218
A.3: Administration and General Engineering	90,013,246
A.4: Match Payments for Local Agency Projects	7,518,099
B. DEBT SERVICE ON LOCAL OBLIGATIONS	
1. Bonds	
B.1.a: Interest	4,435,058
B.1.b: Redemption	6,442,045
2. Notes	
B.2.a: Interest	3,493,600
B.2.b: Redemption	7,887,182
C. 1. PAYMENTS TO OTHER JURISDICTIONS FOR WORK ON THEIR ROADS/STREETS	
C.1.a: To counties	5,609,413
C.1.b: To cities	40,939,758
C.1.c: To other local agencies	1,269,169
C.1.d: To state for state highway projects	1,140
D. 1. EXPENDITURES THAT ARE REIMBURSED FOR WORK DONE ON OTHERS' ROADS/STREETS	
D.1.a: Non-road and street work	11,268,982
D.1.b: Work reimbursed by another agency for their road/street work	3,859,564
TOTAL DISBURSEMENTS	634,934,787
ENDING BALANCE(S)	759,765,447
TOTAL FUNDS ACCOUNTED FOR	1,394,700,234

Attachment B: County Road Funds Revenue and Expenditure History (FY 2010 – 2020)

Local Roads and Streets Expenditure History FY 2010 - 2020

EXPENDITURES	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Construction & Expansion	\$88,788,983	\$101,759,224	\$57,957,395	\$68,393,232	\$59,872,299
Repair & Preservation	\$46,203,899	\$69,163,057	\$86,219,379	\$111,878,212	\$98,704,263
Operations & Maintenance	\$168,673,938	\$178,024,571	\$163,773,589	\$166,540,991	\$169,065,039
Bicycle Paths	\$1,523,211	\$3,435,670	\$1,010,089	\$4,646,691	\$3,925,262
Administration	\$63,446,989	\$64,130,718	\$53,130,314	\$59,623,636	\$57,831,892
Payments to Other Governments	\$29,877,415	\$36,717,904	\$32,912,217	\$34,140,872	\$39,091,460
Bond & Note Payments	\$17,127,776	\$18,649,912	\$89,665,908	\$23,387,913	\$23,591,705
Total	\$415,642,211	\$471,881,056	\$484,668,893	\$468,611,547	\$452,081,920

EXPENDITURES	FY 2015-16	FY 2016-17	FY 2017-2018	FY 2018-2019	FY 2019 - 2020
Construction & Expansion	\$103,230,406	\$104,410,970	\$93,973,212	\$105,623,293	154,600,225
Repair & Preservation	\$88,653,746	\$71,330,995	\$62,002,322	\$60,371,287	68,842,553
Operations & Maintenance	\$178,104,457	\$175,557,234	\$193,669,249	\$194,348,452	215,703,565
Bicycle Paths	\$6,953,983	\$8,011,919	\$6,871,418	\$14,607,782	13,051,188
Administration	\$54,599,066	\$56,720,970	\$67,233,020	\$72,564,464	90,013,246
Payments to Other Governments	\$39,251,369	\$46,993,085	\$51,736,003	\$50,169,348	55,337,579
Bond & Note Payments	\$48,052,596	\$22,761,965	\$21,269,571	\$21,207,202	22,257,884
Total	\$518,845,623	\$485,787,138	\$496,754,795	\$518,891,827	\$619,806,240

Local Roads and Streets Revenue History FY 2010 - 2020

REVENUES	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Local	\$113,554,263	\$130,483,663	\$324,244,671	\$170,394,924	\$158,132,209
State	\$202,500,481	\$243,037,334	\$220,850,632	\$250,524,148	\$274,659,381
Federal	\$98,102,794	\$72,665,582	\$55,764,938	\$80,366,863	\$57,154,552
Total	\$414,157,538	\$446,186,580	\$600,860,241	\$501,285,935	\$489,946,142

REVENUES	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019- 20
Local	\$172,642,529	\$202,865,164	\$149,010,060	\$173,060,059	\$209,189,344
State	\$284,927,301	\$282,532,925	\$296,790,120	\$343,844,513	\$337,847,315
Federal	\$54,496,449	\$31,604,376	\$56,019,762	\$53,901,684	\$53,146,327
Total	\$512,066,279	\$517,002,465	\$501,819,942	\$570,806,256	\$600,182,986

Attachment C: Roadway Work Activity Definitions

CONSTRUCTION & EXPANSION (also known as Modernization)

These are the major construction projects to improve the safety and/or capacity of the roadway. The engineering, environmental and right-of-way costs are included in this category. Typical projects include:

1. New and replacement bridges.
2. A new roadway.
3. Reconstruction of an existing roadway.
4. New lanes on a roadway.
5. Widening lanes of a roadway.
6. New curbs and sidewalks.
7. New traffic signals.
8. Intersection improvements.

REPAIR & PRESERVATION

Work necessary to restore damaged roadways and to return existing pavement to its original strength. Typical projects include:

1. Thick pavement overlays.
2. Asphalt recycling overlays.
3. Chip seals.
4. Major bridge rehabilitations.
5. Major storm damage repairs from winds, floods and slides.

OPERATIONS & MAINTENANCE

The day-to-day work necessary to maintain the condition of the roadway and to provide needed operational services. Typical types of work are:

1. Chuckhole repairs.
2. Grading gravel roads.
3. Shoulder grading.
4. Roadside ditching.
5. Sidewalk repairs.
6. Culvert cleaning and replacement.
7. Storm drain system maintenance.
8. Shoulder Mowing.
9. Brush removal for sight distance.
10. Noxious weed control in rights-of-way.
11. Signs.
12. Roadway striping.
13. Street lighting.
14. Signal Maintenance.
15. Guard rail repairs.
16. Bridge cleaning and maintenance.
17. Snow and ice removal.
18. Engineering and surveying for road status activities (i.e. vacating roads).
19. Coordination with land-use development activities.
20. Permit issuing (i.e. road approaches, utilities in rights-of-way).