

PTD's STIF Formula Q & A through January '24

Q1) It is not fair to count the Reserve amount towards the amount of funds we get in the 23-25 biennium.

A1) PTD disburses STIF formula funds towards OTC approved plans. The plans delineate specific projects. PTD Reserves funds for a Qualifying Entity (QE) when the allocated STIF formula funds for a given biennium start exceeding the approved OTC "plan maximum". This "plan maximum" is denoted as "*STIF Revenue Totals for Plan Period*" in the STIF Plan Summary section of the plan document submitted by the QE. Assuming the QE has an OTC approved plan in the following biennium, then PTD will distribute the Reserve funds in the new biennium. Since PTD distributes funds towards OTC approved plans, and the Reserve accumulated because they were more fund allocated than the QE's approved plan for the previous biennium, the Reserve funds are counted towards the QE's new plan maximum.

Q2) Why are we are not getting the STF funds we budgeted for the 23-25 biennium?

A2) With the consolidation of the STF and STIF programs effective July 1, 2023, PTD no longer distributes STF funds. For the first three quarters of the 23-25 biennium PTD has distributed 1/8th of the revised September 2022 population-based formula funds estimate. PTD intends to continue doing this each quarter for the remainder of the biennium. For an individual QE, the population-based distributions received may be greater or lower than what the QE budgeted.

Q3) Why are we are not getting the total amount of STIF funds that shows in our "plan" (OPTIS or OTC approved)

A3) After setting aside a portion of the payroll revenue received for specific purposes, towards the beginning of each quarter PTD distributes the STIF formula funds using the cash available. In September '22 PTD did suggest QEs plan for 120% of their estimated STIF formula revenues. Many QEs subsequently did plan substantially larger expenditures than PTD's estimated revenues. In late December 2023 PTD provided updated estimates of STIF formula revenues via a govdelivery email. That updated estimate is included in the late January 2024 govdelivery email also. On the aggregate, the estimate total amount of STIF funds to be distributed has not changed greatly. For those QEs that did plan more expenditure than the September 2022 estimated revenue, that means there is a strong chance that they will end up receiving less funds than their planned expenditures.

Q4) The amount of STF funds we are receiving isn't enough to cover the planned expenditures of all the projects denoted in the plan as serving older and disabled persons.

A4) PTD plans to distribute population-based funds equal to the September '22 estimate for FY24 and FY25. The QE determined which specific projects were serving older and disabled persons. For many QEs, the expenditures planned for projects they denoted as serving older and disabled persons exceeds the population-based distribute they will receive in the 23-25 biennium. To fully fund those particular projects, these QE will likely need to use some payroll-based funds.

Q5) Why is PTD asking the PTSPs to portray their cash position every quarter in SPR project reports?

A5) Please refer to the PTD Nov '23 guidance available at this link.

https://www.oregon.gov/odot/RPTD/RPTD%20Document%20Library/STIF_Fund_Cash_Flow_Updated_Guidance-November_2023.pdf

To further elaborate, PTD's goals relative to PTSPs reporting their cash position remain the following:

1. Avoid having a third periodic report,
2. Be able to see how much cash (unspent STIF formula funds) each PTSPs has each quarter. These numbers are included with the QEs' to provide transparency of the total amount STIF funds throughout the State that have been distributed, but have not yet been spent,
3. Be able to verify that STIF funds are being allocated to specific projects denoted as serving the elderly and disabled,
4. Keep it simple.

Q6) If all revenues come in as expected, ODOT will fund the entire FY24-25 STIF plan, right?

A6) The answer depends on three factors:

1. Whether the QE planned expenditures exceeding the estimated revenues. At least one QE planned expenditures equal to the estimated revenues. In that case, if all revenues come in as expected, then PTD will likely disburse enough funds to cover their entire FY24-25 STIF plan. For the QEs that planned expenditures exceeding the estimated revenues, the answer will likely be no.
2. The size of the Reserve payment PTD made to the QE in July. If the Reserve payment was equal to or greater than the amount planned expenditures exceeded estimated revenues, then the QE's plan will likely be fully funded.
3. PTD updates each QE's estimated revenues when it receives updated revenues from the ODOT Economist. OAR specifies PTD must provide this information at the end of each December.