

# **Statewide Transportation Improvement Fund**

## **Frequently Asked Questions**

**Updated Feb. 20, 2018**

The Statewide Transportation Improvement Fund (STIF) provides a new dedicated source of funding to expand public transportation throughout Oregon. This document was developed to help answer frequently asked questions about the administrative rules and programs ODOT is developing to implement STIF under House Bill (HB) 2017. Questions and responses will be updated periodically to reflect the most recent information available.

### **STIF Overview**

#### **What is the Statewide Transportation Improvement Fund?**

Section 122 of House Bill 2017 known as "Keep Oregon Moving," passed into law in 2017, is a historic investment in Oregon's transportation system. The bill established a new dedicated source of funding for expanding public transportation service to increase travel options, improve job access, relieve congestion and reduce greenhouse gas emissions around Oregon.

#### **What is the funding source for STIF?**

The STIF is funded from revenue generated from a new payroll tax of one-tenth of one percent on wages paid to employees in Oregon. The average employee will contribute less than \$1 per week to generate \$115 million per year for better public transportation.

#### **How may the STIF be used?**

The fund may be used for:

- Improvements in all types of public transportation service, except light rail
- Planning, deployment, operation, and administration of STIF projects
- Local match for federal transit funds

#### **When does funding become available?**

The Oregon Department of Revenue is scheduled to begin assessing the tax on or after July 1, 2018. ODOT expects to disburse the first Formula Funds by April 1, 2019 and the first grant agreements for the Discretionary and Intercommunity Discretionary funds by July 1, 2019. The schedule is dependent upon when the Oregon Transportation Commission finalizes the administrative rules in 2018.

### **How will funds be distributed?**

STIF will be allocated across four funds:

- **Formula Fund**  
90 percent of STIF will be distributed to qualified entities based on taxes paid within their geographic area, with a minimum amount of \$100,000 per year to each qualified entity.
- **Discretionary Fund**  
5 percent of the fund will be awarded to eligible public transportation providers based on a competitive grant process.
- **Intercommunity Discretionary Fund**  
4 percent of the fund will be awarded to eligible public transportation providers to improve public transportation between two or more cities based on a competitive grant process.
- **One percent of funds will establish a statewide public transportation technical resource center at ODOT to assist public transportation providers in rural areas with training, planning, and information technology. A portion of this amount will fund ODOT's administrative costs to implement STIF programs.**

### **What is the definition of a qualified entity?**

Qualified entities include mass transit districts, transportation districts, counties without a mass transit district or transportation district, and federally-recognized Indian tribes.

### **Are qualified entities the same as Special Transportation Fund agencies?**

Yes, the definition refers to the same list of agencies.

### **What is the definition of a public transportation service provider?**

Public transportation service providers are qualified entities, cities, counties, special districts, intergovernmental entities or any other political subdivisions or municipal or public corporations that provide public transportation services.

### **Are non-profit public transportation service providers eligible to receive STIF funds?**

Non-profit entities that provide public transportation services may provide public transportation services as a vendor to either a Qualified Entity or Public Transportation Service Provider.

### **How do STIF requirements ensure low-income households benefit from public transportation improvements?**

To receive Formula funds, recipients must specify in plans the amount of moneys from the percentage distribution that would be allocated to improve services to low-income households.

## **Formula Funds**

### **How will STIF Formula Fund disbursements to Qualified Entities be calculated?**

The Department of Revenue will collect employee payroll taxes from Oregon State employers. Each qualified entity will receive a proportionate share of the employee payroll tax paid within their area, with a minimum annual amount of at least \$100,000. ODOT will develop a formula that calculates each Qualified Entities' share of the STIF Formula Fund revenues using data from the Employment Department's Employment and Wages by Industry (QCEW) report, which reports payroll data by employer worksite location.

If there is more than one mass transit district or transportation district in a single county, the moneys will be distributed to the larger district. The larger district will be responsible for distributing the moneys to the public transportation service providers following the decision-making processes established by state law and program rules that will be adopted by the Oregon Transportation Commission.

### **What are the eligibility requirements for receiving the formula funds?**

Qualified entities are eligible to receive a portion of the 90 percent distribution, if they prepare a plan for improving service that has been reviewed by a local advisory committee and approved by the OTC.

### **Can multiple qualified entities apply for and manage 90 percent formula funds jointly?**

Yes. Two or more Qualified Entities may jointly manage their 90 percent formula fund if there is an agreement between the entities and they identify a lead entity.

### **What are the requirements for forming an advisory committee in order for a qualified entity to receive 90 percent formula funds?**

Advisory committee requirements such as composition, decision criteria, and committee process for reviewing proposed projects will be developed by OTC rule. Advisory committees will review and recommend which projects to fund and include in STIF public transportation plans.

### **What must be included in the STIF public transportation plan for a qualified entity to receive formula funds?**

Potential recipients of formula funds would be required to develop a STIF service improvement plan in coordination with nearby providers and local agencies. Projects to be funded by STIF Formula monies would need to be derived from local plans. Existing plans could be used as a base for STIF Plans if they meet the local plan requirements specified in the rules.

At a minimum, each STIF plan must specify for each proposed project the amount of moneys from the percentage distribution that would be allocated to fund each of the following:

- Increased service frequency and expansion of bus routes in communities with a high percentage of low-income households;
- Procurement of buses powered by natural gas or electricity for use in areas with populations of 200,000 or more;
- Reduced fares in communities with a high percentage of low-income households;
- Improved frequency and reliability of service connections inside and outside of the qualified entities service area; and
- Coordination between public transportation service providers to reduce fragmentation of services.

The specific plan requirements are being developed through the rule-making process. Current draft rules are found in the STIF Rulemaking Document Library located at the bottom of the STIF webpage. Final requirements will be defined by the OTC rule.

### **Can my Special Transportation Fund advisory committee serve as my STIF formula advisory committee?**

While the current draft rule states that any standing advisory committee may serve as the STIF formula advisory committee, the draft rule indicates certain perspectives and protocols must be included. Final requirements will be defined by the OTC rule.

### **What are the reporting requirements for qualified entities receiving 90 percent formula funds?**

At a minimum, qualified entities would be required to provide a summary of any plans and project proposals recommended for approval by an advisory committee, anticipated outcomes such as number of rides or miles of service added, and describe how service improvements benefit low income households, reduce fragmentation in service, and increase the frequency and reliability of service between communities inside and outside of a qualified entities' service area.

Qualified entities that receive a proportionate share of the 90 percent distribution also will be required to submit a report detailing actions taken to mitigate impacts of the new payroll tax on low-income passengers, adopted annual budgets for the upcoming fiscal year, and the results of any audits. Quarterly progress reports including expenditures and outcomes would be required to monitor progress on approved STIF plans.

## **STIF Eligibility and Match**

### **Can transit services be provided to seniors and individuals with disabilities using STIF?**

Yes, there is nothing in the law that precludes enhancing public transportation services to seniors and individuals with disabilities using STIF. The upcoming rule-making process will

clarify planning requirements, local decision-making processes, and decision-making criteria.

**Will a local match be required for any of the STIF programs?**

The state law is silent on local match requirements. A rules advisory committee is considering whether to require local match to receive STIF Discretionary funds and the OTC will make the final decision.

**Contact and Questions**

**Who should I contact if I have questions about the STIF?**

Send your questions to Karyn Criswell, ODOT STIF implementation project manager via email at [karyn.c.criswell@odot.state.or.us](mailto:karyn.c.criswell@odot.state.or.us).