



Statewide Transportation Improvement Fund Overview of Draft Rules

Improving public transportation for Oregonians

With the passage of House Bill 2017, Keep Oregon Moving, the Oregon Legislature made a significant investment in transportation to help advance the things that Oregonians value—a vibrant economy with good jobs, strong communities with high quality of life, a clean environment, and safe, healthy people. A centerpiece of Keep Oregon Moving is the [Statewide Transportation Improvement Fund \(STIF\)](#). This fund provides a new dedicated source of funding to expand public transportation service in Oregon communities.

Public comment sought on draft rules

Over the past six months, the Oregon Department of Transportation (ODOT) worked with a [Rules Advisory Committee](#) to develop draft rules to guide the use and implementation of the fund. The committee's process included opportunities for public input through listening sessions and online surveys. This input was incorporated into the draft language to amend Oregon Administrative Rules Chapter 732, Divisions 40, 42, and 44 that will be considered by the Oregon Transportation Commission (OTC) in 2018.

Review the complete content of the draft rules and provide comment to the ODOT Rules Coordinator:

bit.ly/FundDraftRules

Participate in rulemaking

Public comment on the draft rules is invited during the rulemaking process. For a copy of the draft rules, current rulemaking schedule, and to comment, go to: bit.ly/FundDraftRules

Rulemaking schedule

The rulemaking schedule, below, is current as of April 5, 2018. Please visit the ODOT Rulemaking website as the process proceeds to confirm the schedule.

- **March 28, 2018**
Notice filed with Oregon Secretary of State
- **April 1 through April 21, 2018**
Public comment period
- **April 17, 4-6 p.m.**
Public hearing at ODOT Region 2 Campus
885 Airport Rd SE, Building X
- **June 22, 2018**
Oregon Transportation Commission meeting to consider draft rules
- **July 1, 2018**
Rules go into effect, pending OTC action

STIF program areas in rulemaking:

Formula Fund

Ninety percent (90%) of the 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

Five percent (5%) of the STIF will be awarded to eligible public transportation service providers based on a competitive grant process.

Intercommunity Discretionary Fund

Four percent (4%) of the STIF will be used to improve public transportation between two or more communities based on a competitive grant process.

Key elements of draft Formula Fund rules

These rules establish ([Chapter 732, Division 40](#)) the procedures and requirements for the administration of the STIF Formula, Discretionary and Intercommunity Discretionary fund rules to improve public transportation service in Oregon. The content of Division 40 pertains to all three funds.

Purpose and use of funds

STIF resources may be used for public transportation purposes that support the effective planning, deployment, operation, and administration of STIF-funded public transportation programs. These uses include, but are not limited to, creating new transit systems and services, maintaining or continuing systems and services, creating plans to improve service, and to meet match requirements for state or federal funds used to provide public transportation services. In 2018, the Oregon Legislature clarified that these funds also may be used for light rail operations expenses.

Advisory Committees

[Advisory Committees](#) are required to assist Qualified Entities in carrying out the purposes of the STIF including advising on the projects to be funded by STIF moneys. Qualified Entities are defined in the draft rule as a county in which no part of a mass transit district or transportation district exists, a mass transit district, a transportation district or an Indian Tribe. A Qualified Entity may use an existing advisory committee, combine committees, or join with another Qualified

Entity to may appoint a joint advisory committee as long as the committee meets the STIF requirements established in rule. Each advisory committee must include diverse interests, perspectives, geography and reflect the population demographics of the area. Members will need to be knowledgeable about the public transportation needs of residents or employees in the area.

Additional general rule content

The general rules include requirements pertaining to audits and compliance review, accounting, reporting, Qualified Entity management and joint management of STIF moneys, circumstances under which ODOT may withhold payment, and appeal procedures.

Key elements of draft Formula Fund rules

Purpose

These rules ([Chapter 732, Division 42](#)) establish procedures and requirements necessary for the administration of the STIF Formula Fund.

Formula Fund calculation and disbursement

This draft describes the process, schedule, and requirements for ODOT to estimate the STIF [Formula Fund disbursements](#) to Qualified Entities, Qualified Entity calculation of sub-allocation estimates, ODOT distribution of Formula Funds, and related requirements.

Formula funding application process

Public Transportation Service Providers may apply for formula funds through Qualified Entities.

Two or more Qualified Entities may jointly manage STIF moneys dispersed to them if they enter into a written agreement described in the rule. [A map of Qualified Entities](#) is available on the STIF website. Qualified Entities will distribute funds to subrecipients [as described in the draft rule](#).

Public Transportation Service Providers are defined as a Qualified Entity or a city, county, special district, intergovernmental

entity or any other political subdivision or municipal or public corporation that provides public transportation services.

STIF Plan contents

STIF Plans will be used as the application for formula funds. They must be written to span at least one biennium and up to two biennia, subject to OTC approval. [A STIF Plan](#) must address the transportation needs of people residing in or traveling into and out of the Qualified Entity's

area of responsibility. It must include descriptions of proposed projects, summary of planned and previous STIF Formula Fund expenditures, anticipated benefits, Advisory Committee information, accountability methods, as well as other requirements.

Advisory Committee review of proposed Formula Fund projects

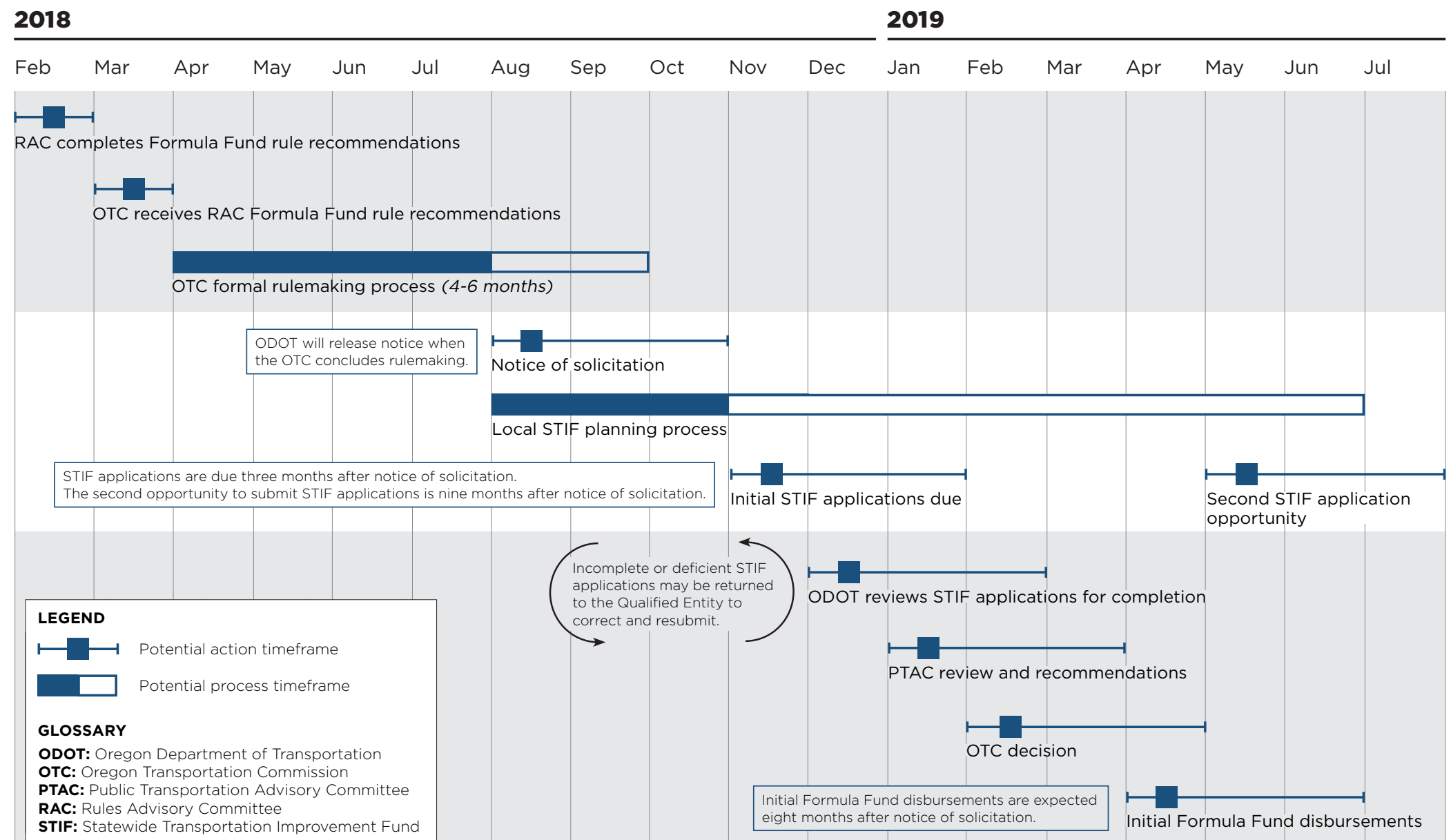
[Advisory Committees](#) are required to review Public Transportation Service Providers'

proposed projects and make a funding recommendation to the Qualified Entity's governing body based on the criteria established by this rule. Advisory Committees are required to hold public meetings and conduct themselves consistent with bylaws established by the governing body.

Decision-making for Formula Funds

The Advisory Committee of a Qualified Entity will make a

FORMULA FUND INITIAL IMPLEMENTATION SCHEDULE



recommendation to its governing body or board based on its review of the proposed projects' contents according to the criteria in the draft rule. That body will submit STIF Plans to ODOT. ODOT staff will review STIF Plans for completeness and refer each complete STIF Plan to the Public Transportation Advisory Committee (PTAC) for review. PTAC will decide whether to recommend STIF plans to the OTC. If PTAC decides it will not advance all or a portion of a STIF Plan, the Qualified Entity will have 30 days to complete revisions. The OTC will decide whether to accept or deny PTAC's recommended STIF Plans. A schedule and flow chart for this decision-making process is located on page 2 of this fact sheet.

Other Formula Fund rules

In addition to the key elements described above, Division 42 includes rules about the Formula Fund cycle, reporting requirements, and capital asset requirements.

Key elements of draft Intercommunity Fund and Discretionary Fund rules

Purposes

These rules ([Chapter 732, Division 44](#)) establish the procedures and requirements necessary for the administration of the Discretionary Fund and Intercommunity Discretionary Fund. The purpose of the Discretionary Fund is to provide a flexible funding source to improve public transportation in Oregon. All project types are eligible for funding, except ongoing operations.

The Intercommunity Discretionary Fund is for improving connections between communities and other key destinations important for a connected statewide transit network. Projects eligible to receive grants under the Intercommunity Discretionary Fund include but are not limited to: capital projects such as vehicles, facilities, equipment and technology as well as mobility management, planning, research and operations. As a competitive funding source, ongoing operations projects are subject to risk of not receiving continuous funding. Public transportation service providers may apply to ODOT directly for these funds.

Match

Discretionary Fund applicants are required to demonstrate the ability to provide a match of at least 20 percent of the total project's cost. There are a few exceptions that merit a 10 percent match, such as if the project will predominantly serve or provide access to and from rural communities. Rural communities for this purpose are described as communities outside of urban areas with populations of 50,000 or less. Details on match requirements can be found in the [draft rule](#).

Advisory Committee review

ODOT will provide a copy of the application to the Qualified Entity associated with the application, as appropriate. Qualified Entity [Advisory Committees](#) shall provide a written recommendation to the Qualified Entity's governing body stating whether the OTC should award funding. Committees have the option of submitting a prioritized list of projects. Each Qualified Entity shall submit the recommendation of its advisory committee to ODOT.

Project selection

The draft rules include a list of [OTC investment priorities](#). The OTC may refine its investment priorities with input from PTAC. PTAC will make a funding recommendation to the OTC considering input from Qualified Entity Advisory Committees and Area Commissions on Transportation. OTC will determine whether to accept or reject grant applications for discretionary funding.

Other funding rules

In addition to the key elements described above, the draft Discretionary Fund rules address the solicitation and application submission periods, application requirements, recipient qualifications, grant agreement contents, reporting requirements, withholding or repaying of funds, and capital asset requirements.

Contact information

For more information about STIF, please reach STIF Project Manager Karyn Criswell by phone at 503-856-6172 or via email at Karyn.C.CRISWELL@odot.state.or.us

Find additional information about STIF and sign up for email updates at: <http://www.oregon.gov/ODOT/RPTD/Pages/STIF.aspx>

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