



Oregon

Kate Brown, Governor

Oregon Transportation Commission

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DATE: August 3, 2020
TO: Oregon Transportation Commission

FROM: Kristopher W. Strickler
Director

SUBJECT: *Agenda E –2024-2027 Statewide Transportation Improvement Program and Funding Overview*

Requested Action:

Receive a briefing on programs and funding in the Statewide Transportation Improvement Program and provide feedback and direction.

Background:

Through the end of the year ODOT will be working with the Commission on allocating state and federal funds in the Statewide Transportation Improvement Program (STIP) to further Oregon's goals. This discussion started in July with acceptance of the Commission's [2020 Investment Strategy](#), which laid out the gap between need and available funding and explained current investment strategies. Over the next four months the Commission will determine how to allocate discretionary funding across the six program categories set in July:

- Fix-It
- Enhance Highway
- Safety
- Local Government
- Non-Highway
- Other Functions

The STIP is made up of federal funds, which come in a number of program categories, as well as State Highway Fund resources in three primary categories: match for federal funds, projects allocated funding by name in HB 2017, and programs allocated funding in HB 2017. While some federal dollars are allocated to specific programs, the Commission has significant flexibility to use federal funding to address priority investments; this includes directing federal funds to transit programs and off-road bicycle and pedestrian trails that are not eligible for highway funding under the Oregon Constitution. On the other hand, the Commission has almost no discretion to direct State Highway Fund dollars to programs, as state law dictates the projects or programs to which these resources must be directed. However, even in programs where funding levels are set by Congress or the Legislature, the

Commission generally has some level of authority to determine how to distribute the funding among recipients and can also provide guidance that directs funding to priority investments.

Local Government Programs

The Commission has traditionally funded a wide variety of local government programs that differ by funding source, eligibility, program requirements and project selection processes. Some of these—such as the Congestion Mitigation and Air Quality Improvement Program (CMAQ) or funds for metropolitan planning organizations—are required under federal law. Others—such as Surface Transportation Program (STP) funding for cities and counties and the Local Bridge Program-- have been created by the Commission through agreement with the Association of Oregon Counties and League of Oregon Cities. Still others—such as Transportation and Growth Management and the Immediate Opportunity Fund—have been created by the Commission to fund specific types of projects.

Non-Highway Programs

The Commission has funded programs for non-highway modes out of Federal Highway Administration (FHWA) funds—both those specifically directed to non-highway programs as well as flexible funds that can be used for these purposes—as well as State Highway Fund dollars directed to bicycle/pedestrian programs. Some programs are required under state law, including Safe Routes to School, and the 1% set-aside for bicycle/pedestrian projects, while others are required under federal law, such as Recreational Trails and the Transportation Alternatives Program. The Commission has traditionally transferred FHWA funds to public transportation investments in each STIP. Within the non-highway programs the Commission has significant discretion to direct funding to investment priorities, and the Commission also has the ability to redirect additional federal funds from other current uses to these programs. The non-highway programs funded in each STIP cycle typically shift based on investment priorities and changes in state and federal programs.

Input Requested

In order to develop initial funding scenarios for the Commission to consider, ODOT would like the Commission's feedback on a number of questions, including the following.

- What specific program investment areas are Commission priorities?
- What are the relative priorities among the funding categories?
- What changes would you make to the allocation of funding in the 2021-2024 STIP?