

## **Statewide Transportation Improvement Fund (STIF) Formula Program Guidance on STIF Plan Budget Development for the 2025-2027 Solicitation: Planning for the Possibility of STIF Revenue Collections Above Current Estimates**

**September 2024**

To receive funding allocations of Statewide Transportation Improvement Fund (STIF) formula revenue, Qualified Entities (QEs) must develop STIF Plans for approval by the Oregon Transportation Commission (OTC). STIF Plans are developed before STIF revenue is collected, and QEs must therefore create their STIF Plans without knowing the actual amount of STIF formula revenue that will be available in the upcoming STIF plan period. Once approved by OTC, a QE's STIF Plan sets a cap on the STIF formula funding that ODOT is permitted to disburse to that QE during the plan period (plan maximum). ODOT provides estimates of STIF revenue for QEs to use while creating their STIF Plans, and estimates are, by their nature, inherently subject to some level of uncertainty. Actual revenue may be more or less than ODOT's estimates.

We are instructing QEs to set their 2025-2027 plan maximums at an amount **not to exceed 120%** of their [August 2024 STIF Allocation Estimate](#). This will allow QEs to receive and spend funds collected above their allocation estimate, if any.

Please be aware that any STIF Plan that includes a plan maximum in excess the 120% threshold will be returned to the QE for correction before advancing to the Public Transportation Advisory Committee (PTAC) and the OTC.

QEs will continue to receive the amount of STIF revenue collected or their plan maximum, whichever is lower. ODOT does not guarantee that actual STIF formula revenue will equal or exceed ODOT's estimate in the upcoming biennium. QEs are also encouraged to plan together with sub-recipients and their Regional Transit Coordinator to avoid unrealized expectations about the amount of available STIF Formula funding in their plans.

QEs have discretion in how they plan for the possibility that STIF revenue will be greater than the current estimate. Some strategies include (1) creating 100% and 120% lists of STIF Plan projects, with the understanding that projects on the 120% list may not be funded if revenue is not available; or (2) including 20% above the current estimate in a program reserve/contingency task or tasks.

Additionally, we are pursuing an administrative rule change that will permit amendments to STIF Plans during even numbered years to amend (1) the amount of money carried forward from the prior biennia; or (2) the total funding sought in the STIF plan (the plan maximum). This rule change will be voted on by the OTC on October 10, 2024. If a QE's plan maximum is lower than actual STIF revenue, it may be amended. For more information, please review the STIF and STN Guidebook or consult with your RTC.