Statewide Transportation Improvement Fund and Statewide Transit Network Program Guidebook

An Overview of Requirements, Advice, and Resources

July 2026

Oregon Department of Transportation

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Oregon Department of Transportation

Section 1: Introduction

This Statewide Transportation Improvement Fund (STIF) Guidebook is intended to be a resource for STIF and Statewide Transit Network fund recipients, sub-recipients, their governing boards, advisory committees, and administrative staff. The STIF Guidebook is a summary of requirements and offers advice and resources to assist in managing the program.

The content in this guidebook is broken out by STIF program sections:

- Section 2: STIF Formula Fund
- Section 3: STIF Discretionary Fund
- Section 4: Statewide Transit Network Program

The individual sections contain specific information pertaining to each funding program. If a requirement is the same for more than one funding program, information about that requirement can be found in each relevant section. While the STIF Discretionary Fund and the Statewide Transit Network Program are implemented through one solicitation, the two programs address distinct ODOT priorities and differ as to project and applicant eligibility.

A list of definitions used in this document are contained in Appendix A. More information about the Oregon Administrative Rules and Federal Transit Administration Section 5311 rules guiding each program can be found in Appendix B. A "change log" describing key updates to this version of the guidebook can be found in Appendix C.

This guidebook reinforces the priorities and strategic outcomes outlined in the Strategic Action Plan (SAP), a guiding document prepared by the Oregon Department of Transportation (ODOT) and the Oregon Transportation Commission (OTC). The SAP has helped to shape the development of the policies underlying this guidebook.

1.1 Purpose of the STIF

The Statewide Transportation Improvement Fund (STIF) program was established in Section 122 of House Bill 2017[1] to provide a dedicated source of funding for improving, maintaining, and expanding public transportation for all users. Every two years, public transportation funding is made available to support access to jobs, education, healthcare and other valued destinations, relieve congestion, and reduce greenhouse gas emissions in Oregon.

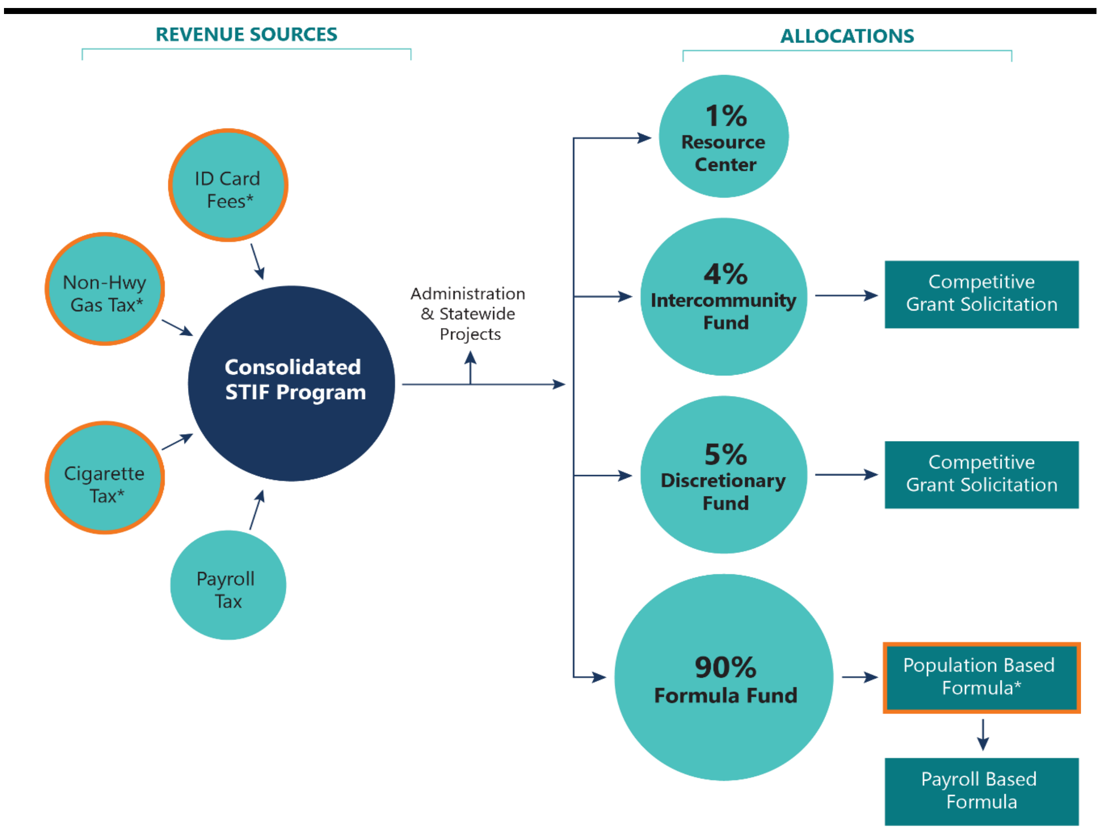
Funds may not be used for light rail capital expenses but may be used for light rail operations expenses.

Effective July 1, 2023, the STIF and Special Transportation Fund (STF) programs were consolidated and are now collectively known as the Statewide Transportation Improvement Fund.[2] Key components of the STF program have been preserved in rule, including the investment priorities. Figure 1-1 shows how the STF program was incorporated into STIF.

[1] House Bill 2017, also known as Keep Oregon Moving, was signed into law following the 2017 legislative session.

[2] Senate Bill 1601 was signed into law following the first 2020 special legislative session.

Figure 1-1. STIF Program Funding and ODOT Funds Distribution



The items circled in orange with asterisks have been incorporated from the Special Transportation Fund program.

1.2 STIF Program Funding

As shown in Figure 1-1, the STIF program is funded by a combination of ID card fees, non-highway gas tax, cigarette tax, and payroll tax dollars.[3]

After allocations to ODOT for program administration and Projects of Statewide Significance, STIF revenues are allocated across four programs (Table 1-1):

- 90 percent to the STIF Formula Fund
  - ODOT disburses Formula funds to mass transit districts, transportation districts, or counties without either a mass transit or transportation district, and to federally recognized tribes based on formula allocation.
- 5 percent to the STIF Discretionary Fund
  - ODOT awards Discretionary funds to Public Transportation Service Providers based on a competitive grant process.

- 4 percent to the STIF Intercommunity Discretionary Fund
  - ODOT awards Intercommunity funds to Public Transportation Service Providers through the Statewide Transit Network program to improve public transportation between two or more communities based on a competitive grant process.
- 1 percent to the Public Transportation Technical Resource Center
  - ODOT staff provide tools and technical resources to transit providers using these funds.

> **The goal of the Public Transportation Technical Resource Center is to assist public transportation providers in rural areas with training, planning, and information technology.**

[3] Former STF funding sources have been integrated into the STIF Formula program by allocating funds from ID card fees, the non-highway gas tax, and the cigarette tax to population-based formula funds that are utilized by recipients to provide transportation services for older adults and individuals with disabilities.

Table 1-1. STIF Program Comparison

Program Information	STIF Formula Fund	STIF Discretionary Fund	Statewide Transit Network Program
Program Overview	Funds used for public transportation purposes that expand, improve, and maintain public transportation services for current and future transit users.	Flexible fund source to [a] • Create new service routes. • Adopt enhanced forms of technology and data collection. • Maintain transit fleets in a state of good repair. • Advance the equity and sustainability of transportation.	Funds used to: • Improve public transportation between two or more communities. • Improve transit provider connections to strengthen the Statewide Transit Network.
Eligible Projects	• Operations • Mobility Management • Planning • Preventive Maintenance • Plan Contingency • Operations Reserve • Administration • Construction • Real Property Acquisition • Vehicle Acquisition, Overhaul, Rebuild • Other Capital Assets	• Vehicle Purchase • Equipment Purchase • Facility Purchase • Signs/Shelters Purchase • Planning • Project Administration • Operating • Preventive Maintenance • Mobility Management	• Vehicle Purchase • Equipment Purchase • Facility Purchase • Signs/Shelters Purchase • Planning • Project Administration • Operating • Preventive Maintenance • Mobility Management
Eligible Applicants	Only Qualified Entities may submit a STIF Plan. Sub-recipients, including Public Transportation Service Providers, nonprofits, and private for-profits are eligible to receive Formula funding by submitting project proposals to their Qualified Entity for consideration.	Public Transportation Service Providers	STIF Intercommunity – Public Transportation Service Providers FTA Section 5311(f) Intercity – Public Transportation Service Providers as well as non-profit and for-profit transportation providers
Application Type	STIF Plan	Online application form	Online application form
Funding Availability	Once a Qualified Entity's STIF Plan is approved by the Oregon Transportation Commission, and the Qualified Entity has entered into a STIF Plan agreement with ODOT, they will receive STIF Formula funds from ODOT at the	Grant awards are made every two years following an open competitive decision-making process.	Grant awards are made every two years following an open competitive decision-making process.

	start of each quarter.		
Match Requirements	None	20 percent for all project types (At ODOT's discretion, the match may be reduced to 10 percent if the project meets certain characteristics)	STIF Intercommunity – 20 percent for all project types (may be reduced to 10 percent if meets certain characteristics) FTA Section 5311(f) Intercity – 43.92 percent requirement for operations projects; 10.27 percent requirement for other project types

[a] Not generally a source of ongoing operations funding. However, for the 2027-2028 grant solicitation cycle, STIF Discretionary funds may be used for ongoing operations.

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Section 2

STIF Formula Funds

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Section 2: STIF Formula Fund

2.1 Program Purpose

STIF funds are intended to expand, improve, and maintain public transportation services for current and future transit users. STIF Formula funds may be used for public transportation purposes that support the effective planning, operation, and administration of public transportation programs. Population-based formula funds must be used to provide transit services for older adults and people with disabilities. The remaining funds, which are distributed based on the payroll formula, may be used for any eligible public transportation services.

2.2 Eligible Applicants

2.2.1 Qualified Entities

Only a Qualified Entity (QE) may submit a STIF Plan. Qualified Entities may use STIF Formula funding to directly provide the public transportation services described in their STIF Plans and may also distribute STIF Formula funding to eligible sub-recipients and contractors.

Qualified Entities are mass transit or transportation districts, counties in which no part of a mass transit or transportation district exists, federally recognized tribes, and intergovernmental entities that provide "public transportation services on behalf of" a county or a federally recognized tribe.[1]

View a map of Oregon's Qualified Entities.

2.2.2 Sub-Recipients and Contractors

Sub-recipients are eligible to receive STIF Formula funding through their Qualified Entity by submitting project proposals to the Qualified Entity's STIF Advisory Committee. Sub-recipients

[1] In 2026, the legislature passed SB 1544, which amends the definition of Qualified Entity to include intergovernmental entities that provide "public transportation services on behalf of" a county or a federally recognized tribe. ODOT is developing administrative rule changes to implement SB 1544 and expects those changes to be effective prior to the start of the 2027-2029 STIF Plan Period. Before an intergovernmental entity can receive STIF Formula funds, the proposed rules will require the original Qualified Entity's governing board to formally designate the intergovernmental entity to serve as the Qualified Entity.

may be Public Transportation Service Providers, which are defined in the STIF administrative rules to include cities, counties, special districts, intergovernmental entities, or any other political subdivision or municipal or public corporation that provides public transportation services. OAR 732-040-0005(31).

It is not required that an entity be a Public Transportation Service Provider, as defined by administrative rule, to be eligible to receive STIF Formula funding as a sub-recipient. Other potential sub-recipients include but are not limited to nonprofits, private for-profits, or public entities.

A Qualified Entity may also enter an agreement pass STIF funds to a "contractor." Contractors play a more limited role in the STIF program than sub-recipients and are subject to different oversight procedures than sub-recipients. To determine whether an entity should be classified as a sub-recipient or a contractor, a Qualified Entity must apply the test established by rule in OAR 732-042-0055(2):

> A person or entity that receives STIF Formula funds from the Qualified Entity is a contractor if the person or entity's relationship with the Qualified Entity possesses characteristics of a procurement relationship. Characteristics of a procurement relationship may include, but are not limited to, that the person or entity:
>
> (a) Provides the goods and services within normal business operations;
>
> (b) Provides similar goods or services to many different purchasers;
>
> (c) Normally operates in a competitive environment;
>
> (d) Provides goods or services that are ancillary to the implementation of the STIF program;
>
> (e) Is not subject to compliance requirements of a state program as a result of the agreement. However, similar requirements may apply for other reasons;
>
> (f) Is expected to deliver a limited service in conformity with the terms of its contract with the Recipient.

ODOT may review a Qualified Entity's determination that an entity is contractor. If ODOT concludes that the Qualified Entity has incorrectly classified an entity as contractor, it will require the Qualified Entity to change that determination and conduct a sub-recipient oversight review of the misclassified entity.

A Qualified Entity may wish to consult their Regional Transit Coordinator on the options for establishing sub-recipient or contractor relationships for projects identified in the STIF Plan.

2.3 Eligible Projects

The STIF Formula program has broad project eligibilities. Funds may be used to improve, expand, or maintain public transportation services. Eligible projects include, but are not limited to:

- Capital projects such as vehicles, construction or acquisition of facilities, and bicycle, pedestrian and shared mobility infrastructure with a physical or function relationship to public transit;
- Operations projects including fuel, other consumable goods, and wages;
- Vehicle or facility maintenance;
- Planning;
- Administration;
- Plan contingency and operations reserves;
- Planned carry forward projects

Bicycle and pedestrian projects with a physical or functional relationship to public transit may receive STIF Funding, provided they meet STIF Formula program eligibility requirements. For the purposes of this program, to have a "physical or functional relationship to transit" a bicycle project must be within a three-mile radius of a transit station or bus stop, and a pedestrian project must be within a half-mile radius. Pedestrian and bicycle improvements beyond these distances may be eligible for STIF funding by demonstrating that the improvement is within the distance that people will travel by foot or by bicycle to use a particular stop or station.

Client-only transportation services are generally not eligible to receive STIF Formula funding if the proposed use of the money is to pay for services that are not open to the general public. Client-only providers participating in a planned and coordinated community transportation program, however, could be eligible for STIF Formula funding. The coordinated transportation system, when viewed in the big picture, would be open to the general public and marketed to the public as "public transportation." The level of coordination and participation of client-only providers, and the amount of STIF Formula funds individual providers qualify for, would be associated with their levels of participation in the coordinated public transportation system. These types of projects will be evaluated on a case-by-case basis.

All applicants seeking funding for fixed-route transit services must have a process in place for creating and maintaining public General Transit Feed Specification data that describe the service.

STIF funds may not be used for light rail capital expenses. However, they may be used for light rail operations expenses. STIF Formula funds may not be used to supplant local funding sources currently directed to Public Transportation Service Providers. If a proposed project was previously funded by local dollars that are now being reallocated for non-transit purposes, this may result in denial of the funding request because it could be considered supplanting. A Qualified Entity with questions about whether a situation would be considered supplanting should be discussed with its Regional Transit Coordinator before submitting its STIF Plan.

> **Client-only transportation providers are both governmental and private agencies who offer transportation services to limited groups of individuals. Examples include a mental health department of a county that provides a limited transportation service to mental health clients, and a city agency operating a senior center with transportation services for seniors in the community. Nonprofit organizations and private businesses may also have client-only services. One example of this might be a social service agency offering transportation services to their clients only.**

Most STIF Plan projects directly fund the improvement, expansion, or maintenance of public transportation services. However, there are some defined project types that allow Qualified Entities and sub-recipients to set aside money for certain uses, including preparing for possible downturns in revenue, building flexibility for unanticipated costs, and saving for long-term capital projects.

Operations Reserve Projects set aside money to support the operations of services in the event of significant, unanticipated declines in revenue. These funds can only be transferred to operations projects or tasks to make up for revenue short falls. OAR 732-042-0015(4).

A STIF Plan can include one Operations Reserve Project for use directly by the Qualified Entity and one for each sub-recipient, or an Operations Reserve Project to be shared between the Qualified Entity and one or more sub-recipients. The amount of money that can be set aside for Operations Reserve is capped at 12.5% of the total funding that the Qualified Entity or sub-recipient has budgeted for operations, or, if the Qualified Entity shares an operations reserve project with its sub-recipient(s), it is capped at 12.5% of the total funding budgeted for operations in the STIF Plan.

Plan Contingency Projects set aside money for costs that were not foreseen by the Qualified Entity at the time the STIF Plan was submitted to the Oregon Transportation Commission for approval. These funds can be transferred to any other project or task within the Plan to account for unanticipated increases that may arise during the Plan Period. OAR 732-042-0015(5).

There is no limit to the number of Plan Contingency Projects that can be included in a STIF Plan, but the amount of money that can be set aside for Plan Contingency is capped at 15% of the total money that the Qualified Entity expects to spend during the STIF Plan Period. That means it is 15% the total funding in the Plan, except for any money set aside in Operations Reserve Projects and Planned Carry Forward Projects.

Planned Carry Forward Projects set aside money for use in a future STIF Plan Period. They are limited to long-term capital projects that cannot be funded during a single funding cycle and bond payments on the acquisition of a Capital Asset. OAR 732-042-0015(6).

The Qualified Entity must specify its intention to use a portion of its funds in a future biennium when completing its STIF Plan. In addition, the Qualified Entity must specify the deadline by which it intends to use the prior STIF Plan period funds in its STIF Plan and must spend them before that date, unless it receives permission from ODOT to extend the deadline.

> **Qualified Entities should consult with their Regional Transit Coordinator when preparing a STIF Plan to help identify and prioritize projects. Regional Transit Coordinators are great resources for long-term project guidance.**

2.4 STIF Formula Plan Contents

This section describes the requirements for STIF Formula Plans. The STIF Plan is an electronic form created by ODOT, and it serves as the mechanism for accessing STIF Formula funds. Each Qualified Entity shall adopt a written STIF Plan to establish a list of projects for public transportation located within the Qualified Entity's area of responsibility. STIF Plan requirements are listed in Oregon Administrative Rule OAR 732-042-0015. The STIF Plan application may be accessed through the Statewide Transportation Improvement Fund (STIF) Formula Fund tab on ODOT's Public Transportation Funding Opportunities webpage.

The STIF Plan plays a central role in the STIF Formula Program. It describes how STIF Formula funds will be spent and therefore establishes how Qualified Entities may or may not use STIF Formula funds. Once approved by the Oregon Transportation Commission, the total amount of funding requested in the STIF Plan establishes a Qualified Entity's STIF Plan Maximum, which is the cap on the amount of funding that ODOT is authorized to distribute to Qualified Entity while the Plan is in effect. (See Section 2.7.3 "STIF Plan Maximum and Reserve Payments"). In addition, a Qualified Entity must include any funding it received pursuant to a prior STIF Plan in a project budget in order to spend it as part of its current Plan. (See Section 2.7.4 "Management of Prior STIF Plan Period Funds").

A STIF Plan must cover at least a biennium, but it may cover up to two biennia subject to Oregon

Transportation Commission approval. A Qualified Entity that is considering creating a STIF Plan to cover two biennia is encouraged to consult with its Regional Transit Coordinator. The STIF Plan period is the effective date specified in a Commission-approved STIF Plan through the end date of the STIF Plan.

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. This may be addressed by reviewing and summarizing the contents of a recent existing conditions analysis from a local plan, such as a regional transportation plan, transit development plan, transit master plan, or transportation system plan. If the Qualified Entity is Mass Transit or Transportation District, its STIF Plan must consider public transportation services outside of its district boundaries.

Qualified Entities are encouraged to work with their Regional Transit Coordinator to identify and address potential issues early in the STIF Plan development process. Qualified Entities are also encouraged to schedule a pre-application review meeting with their Regional Transit Coordinator in advance of the STIF Plan submittal deadline. Flexibility for resolving issues or submitting outstanding information in a STIF Plan will be handled on a case-by-case basis.

2.4.1 Project Requirements

A STIF Plan must include at least one project, which in turn must include at least one task, a description of the proposed project(s) and task(s), and total funding sought in the STIF Plan. This section provides a brief overview of key STIF Plan requirements. More details can be found in the STIF Plan Application Instructions, which are updated each funding cycle, and in OAR 732-042-0015.

2.4.1.1 Project Descriptions, Budgets, and Outcomes

Qualified Entities are required to provide a narrative description for every project included in a STIF Plan and every task included in each project. In addition, each task must be assigned to a category. ODOT has updated the categories and definitions that are used to describe each task within the STIF Plan. Those definitions can be found in Appendix A ("Definitions").

Each Project within the Plan must also include a budget that is broken down by fund source and the fiscal year in which the Qualified Entity intends to spend the funding. If a Project is part of a larger multi-phase Project, the description must have a phasing plan including a schedule and budget with known and potential funding sources identified. The Qualified Entity must also assign any applicable outcome measures to delineate the anticipated benefits of the project.

Since on-the-ground Plans may evolve and have new elements added or removed, it is recommended that Qualified Entities broadly describe the proposed projects and/or tasks. Additionally, a STIF Plan may include funding for Plan Contingency, which may be transferred to any other task or project in the Plan for costs that were not anticipated at the time the STIF Plan was adopted.

2.4.1.2 Fund Allocations

Every project within a STIF Plan is required to include an estimate of the percentage of the budget that will be spent on the following funding priorities:

- Increase the frequency of bus service to communities with a high percentage of low-income households;
- Expand bus routes and bus services to serve communities with a high percentage of low-income households;
- Reduce fares for public transportation in communities with a high percentage of low-income households;
- Result in procurement of buses that are powered by natural gas or electricity for use in areas with a population of 200,000 or more;
- Improve the frequency and reliability of service connections between communities inside and outside of the Qualified Entity's service area;
- Increase the coordination between Public Transportation Service Providers to reduce fragmentation in the provision of public transportation service;
- Provide student transit services for students in grades 9 through 12;
- Provide services for older adults and people with disabilities
- Provide support for the operation of existing services.[2]

Three of the above priorities relate to services for "communities with a high percentage of low-income households." "Community with a high percentage of low-income households" means

[2] The Oregon Transportation Commission added this priority to the program rules in January 2026.

either:

(a) A group of people living in geographic proximity to each other who have a higher percentage of low-income households than the state average; or

(b) A group of people sharing a common characteristic, such as enrollment in Medicaid, the Supplemental Nutrition Assistance Program (SNAP), or another income-eligible program, who have a higher percentage of low-income households than the state average, regardless of where any person within the group is located.[3]

Qualified Entities must use this definition for determining whether a project advances funding priorities related to services benefiting communities with a high percentage of low-income households.

2.4.1.3 Local Plan Compliance

Only projects that appear in a local plan may be included in a STIF Plan. Qualified Entities are required to identify the local plan(s) or policy(ies) from which each project is derived as well as the board, council, commission, or other Governing Body that approved the local plan or policy. Local plans used to support projects listed in a STIF Plan may include, but are not limited to comprehensive plans, transportation system plans, bicycle and pedestrian plans, recreational trail plans, Safe Routes to School action plans, coordinated public transit human services transportation plans, and transit development plans.

These plans should be current and must be developed, approved, and adopted by the Governing Body of a Qualified Entity, Public Transportation Service Provider, or metropolitan planning organization and include, at a minimum:

- A planning horizon of at least four years;
- An existing and future conditions analysis that includes:
    - Current and forecast population and demographics, including locations of people who are often transit dependent, including low-income households, individuals aged 65 or older, youth, and individuals who are racially and ethnically diverse;
    - Locations of existing housing; employment centers; medical, social, and human services centers; major destinations; and other locations with needs for public transportation services and programs;
    - Inventories of current public transportation services located within, adjacent to, or

[3] OAR 732-040-0005(11). Prior to 2027-2029 STIF Plan Period, each Qualified Entity was responsible for defining the term “community with a high percentage of low-income households” in its STIF Plan. However, in January 2026, the Oregon Transportation Commission approved a rule change that established a statewide definition for the term.

with the reasonable potential to connect to the local or regional public transportation services, as applicable;

- Prioritized lists of public transportation improvements and capital projects; and
- Identified opportunities to coordinate public transportation services within and outside the county, district, or tribal area and with other agencies and areas to improve efficiency and effectiveness of service and reduce gaps in service.

All the required local plan components do not need to appear in a single local plan document if they are incorporated by reference. For example, a provider could have a transit development plan that includes all of the local plan elements except for a prioritized list of capital projects but references the need for such a list to be developed. If the transit development plan references a separate capital improvement plan that includes the prioritized list of capital projects, then those plans, in combination, would be interpreted by ODOT as compliance with the local plan requirement. ODOT's regional transit coordinators can help identify and evaluate local plan(s) for STIF rule compliance.

A Cherriots rider enters an accessible bus.

2.4.1.4 STIF Plan Projects and the Oregon Public Transportation Plan

Qualified Entities are required to identify how each STIF Plan project is consistent with Oregon Public Transportation Plan[4] goals, policies, and implementation plans and are encouraged to review and consider these goals prior to selecting projects that will be included in their STIF Plan.

[4] The Oregon Public Transportation Plan was adopted by the Oregon Transportation Commission in September 2018 and provides overarching policy guidance for public transportation in Oregon.

The Oregon Public Transportation Plan contains ten statewide public transportation goals:

- **Goal 1: Mobility – Public Transportation User Experience**
  - People of all ages, abilities, and income levels move reliably and conveniently between destinations using an affordable, well-coordinated public transportation system. People in Oregon routinely use public transportation to meet their daily needs.

Kayak Public Transit bus arriving at the station.

- **Goal 2: Accessibility and Connectivity – Getting from Here to There**
  - People experience user-friendly and convenient public transportation connections to and between services and travel modes in urban, suburban, rural, regional, and interstate areas.
- **Goal 3: Community Livability and Economic Vitality**
  - Public transportation promotes community livability and economic vitality by efficiently and effectively moving people of all ages to and from homes, jobs, businesses, schools and colleges, and other destinations in urban, suburban, and rural areas.
- **Goal 4: Equity**
  - Public transportation provides affordable, safe, efficient, and equitable transportation to jobs, services, and key destinations, improving quality of life for all Oregonians.
- **Goal 5: Health**
  - Public transportation fosters improved health of Oregonians by promoting clean air, enhancing connections between people, enabling access to services such as health care and goods such as groceries, and by giving people opportunities to integrate physical activity into everyday life through walking and bicycling to and from public transportation.
- **Goal 6: Safety and Security**
  - Public transportation trips are safe; riders feel safe and secure during their travel. Public transportation contributes to the resilience of Oregon communities.
- **Goal 7: Environmental Sustainability**
  - Public transportation contributes to a healthy environment and climate by moving more

people with efficient, low-emission vehicles, reducing greenhouse gases and other pollutants.

- **Goal 8: Land Use**
  - Public transportation is a tool that supports Oregon's state and local land use goals and policies. Agencies collaborate to ensure public transportation helps shape great Oregon communities providing efficient and effective travel options in urban, suburban, and rural areas.
- **Goal 9: Funding and Strategic Investment**
  - Strategic investment in public transportation supports the overall transportation system, the economy, and Oregonians' quality of life. Sustainable and reliable funding enables public transportation services and infrastructure to meet public needs.
- **Goal 10: Communication, Collaboration, and Coordination**
  - Public and private transportation providers and all levels of government within the state and across state boundaries work collaboratively and foster partnerships that make public transportation seamless regardless of jurisdiction.

The Oregon Public Transportation Plan Local Practitioners Guide is designed to support transit providers in using and implementing the Oregon Public Transportation Plan, and it contains more information about how transit providers throughout the state are successfully implementing policies reflected in the Plan.

2.4.2 Services for Older Adults and Individuals with Disabilities

Each Qualified Entity must budget the total amount of its STIF Population formula fund allocation for the STIF Plan Period to project(s) that provide public transportation services for older adults and individuals with disabilities. The Qualified Entity's STIF Plan must identify which of its projects support services for older adults and individuals with disabilities and describe how STIF Formula funds will be used to provide those services. The funding threshold that a Qualified Entity must meet for these projects is determined based on the allocation estimate described in Section 2.5.2. A Qualified Entity may fund services for older adults and individuals with disabilities above the level of its population formula fund allocation using payroll formula funds.

2.4.3 Student Transportation Requirement

On an annual basis, each Qualified Entity must allocate at least one percent of its estimated STIF Formula fund disbursement to project(s) supporting student transportation, if practicable. OAR 732-042-0015(3)(j). The Qualified Entity's STIF Plan must identify which of its projects support student transportation and describe how the STIF Formula funds will be used to provide student transit services for students in grades 9 through 12. A Qualified Entity must meet the student transportation requirement unless it is not practicable to meet the requirement. ODOT considers meeting the student transportation requirement to be practicable when public transit services within the Qualified Entity's area of responsibility can be feasibly and efficiently used by students in grades 9 through 12. If a Qualified Entity determines that it is not practicable to identify such a project or to allocate funding for this purpose, it must specify in its STIF Plan the reason(s) for this determination.

In addition to the requirements discussed in this Section, there are other STIF Plan requirements, including verification that the Plan was developed in accordance with the procedures described in Section 2.5 of this guidebook. For more information about STIF Plan development, please review OAR 732-042-0015 and consult with your Regional Transit Coordinator.

2.5 STIF Plan Development & Review

This section describes the process through which STIF Plans are developed by Qualified Entities and the steps required before their approval by the Oregon Transportation Commission. Projects included in the STIF Plan must be reviewed by the Qualified Entity's STIF Advisory Committee, and the STIF Plan must then be approved by the Qualified Entity's Governing Body before it is submitted to ODOT. STIF Plans must also be signed by a person with the authority to enter into legally binding agreements on behalf of the Qualified Entity. A charter or resolution typically specifies who has authority to enter into legally binding agreements.

ODOT Public Transportation Division staff review each submitted STIF Plan for completeness before facilitating review by ODOT's Public Transportation Advisory Committee and the Oregon Transportation Commission. Upon Commission approval, the Qualified Entity must enter a STIF Plan agreement with ODOT before ODOT may distribute STIF formula funds to the Qualified Entity.

2.5.1 Major Steps in STIF Plan Development and Review

The major steps in a Qualified Entity's development of a STIF Plan are in Figure 2-1. The major steps from ODOT's receipt of a STIF Plan to Oregon Transportation Commission approval are in Figure 2-2. This timeline should be used as a guide only as the order of events may vary depending on local process.

Figure 2-1. STIF Plan Application Timeline

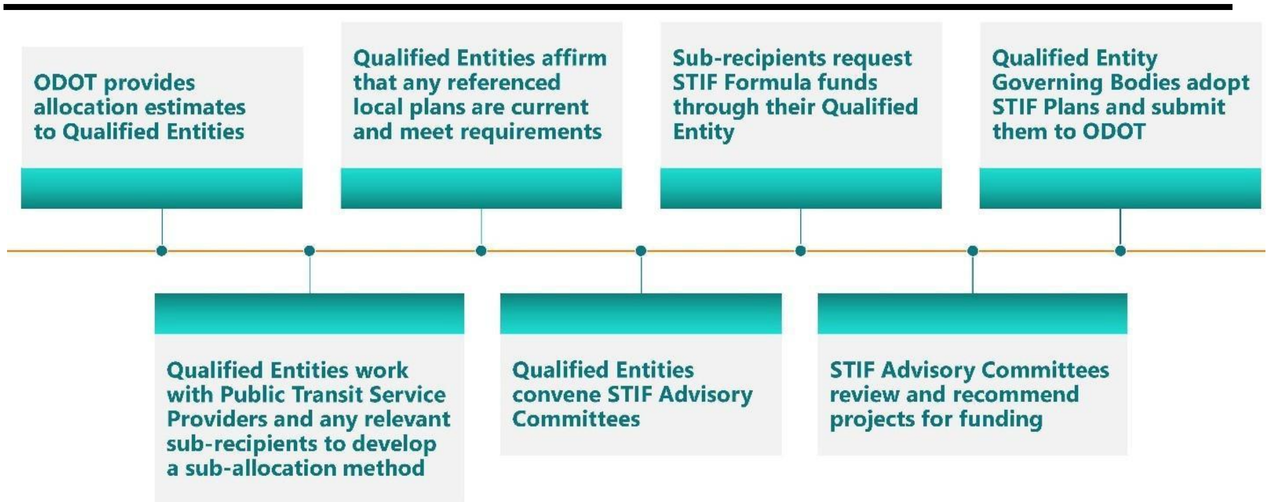
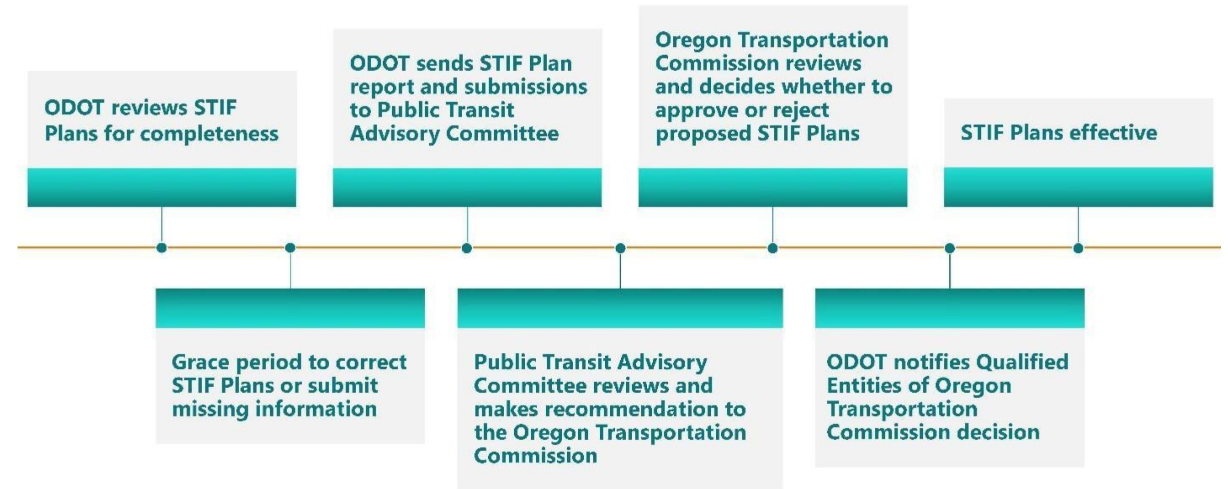


Figure 2-2. STIF Plan Approval Timeline



2.5.2 Allocation Estimates

ODOT updates the STIF Formula fund allocation estimate annually. This estimate is a forecast of the funding that is likely to be available to Qualified Entities each fiscal year of the funding period. STIF is a relatively new program, and as such, there is a limited amount of historic data to drive the calculation. As more data is collected, the forecast will become more accurate. Forecasts for the STIF allocation incorporate the previous year's payroll tax shares and the annual Portland State University population estimates.

2.5.3 Sub-Allocation Method

Qualified Entities are required to work collaboratively with Public Transportation Service Providers and other potential sub-recipients, as relevant, to develop a method for sub-allocating STIF payroll-based formula funds. If a Qualified Entity and its sub-recipients work collaboratively, they have the flexibility to develop any factors they choose to formulate their sub-allocation method. A collaborative process should allow Public Transportation Service Providers and other potential sub-recipients to influence the outcome of the process used to develop the sub-allocation method. Although no specific process is required, examples of a collaborative process could include a process where sub-allocation factors are developed through consensus or majority vote, and there should be evidence that input from Public Transportation Service Providers and sub-recipient was considered and influenced decision making process. Failure of a Qualified Entity to engage in a collaborative process with Public Transportation Service Providers and other potential sub-recipients may result in the rejection of a STIF Plan.

If a Qualified Entity and Public Transportation Providers are unable to collaboratively develop factors to formulate a suballocation method, the sub-allocation method used must be based on the proportionate the amount of employee payroll tax revenue generated within the geographic territory of each Public Transportation Service Provider. ODOT will provide data that a Qualified Entity can use to develop a payroll tax based sub-allocation method if they were not able to do so through a collaborative process.

For Qualified Entities that are the only Public Transportation Service Provider within their area of responsibility—and when no other potential Public Transportation Service Provider has expressed interest in applying for STIF Formula funding — the Qualified Entity may describe these conditions and state that there are no options or reasons to sub-allocate funding in the STIF Plan.

An autumn ride on the Corvallis Transit System.

Because Qualified Entities that are mass transit districts or public transportation districts are responsible for distributing STIF Formula funds outside of their district boundaries (but within the remainder of the county or counties), ODOT's Qualified Entity allocation estimate includes in-district and out-of-district revenue estimates by county.

The sub-allocation method is not an entitlement to the Public Transportation Service Providers, and decision criteria may affect the prioritization of projects for award.

2.5.4 STIF Advisory Committees

2.5.4.1 Overview

STIF Advisory Committees are responsible for recommending to Qualifying Entities which projects to approve or reject, and how those projects should be prioritized. The Qualified Entity's STIF Advisory Committee plays a crucial role in the STIF Plan development process and helps to ensure transparency and accountability at the local level.

Sub-recipients seeking STIF Formula funding through a Qualified Entity are required to submit their proposed projects to the Qualified Entity's STIF Advisory Committee for review and approval. Qualified Entities must consult with their STIF Advisory Committees as they decide which projects they will include in their STIF Plans. STIF Advisory Committees are responsible for recommending to Qualifying Entities which projects to approve or reject and how projects should be prioritized. Qualified Entities should appoint an Advisory Committee at the beginning of the STIF Plan development process, and should thoroughly review OARs 732-040-0030, 732-040-0035, and 732-040-0040 to ensure that all Advisory Committee requirements are met.

2.5.4.2 Requirements and Composition

A Qualified Entity may use an existing advisory committee, combine committees, or join with another Qualified Entity to appoint a joint advisory committee as long as it meets the STIF Advisory Committee requirements established in rule. OAR 732-040-0030 contains more details about this process.

Qualified Entities are required to appoint an Advisory Committee consisting of members who are knowledgeable about the public transportation needs of residents or employees located within or traveling to and/or from its area of responsibility. Members must represent the diverse interests, perspectives, geography, and the population demographics of the area. Advisory Committee composition requirements vary depending on the type of Qualified Entity as noted in OAR 732-040-0035.

A Qualified Entity's Governing Body or Advisory Committee may also appoint a work group to provide additional input on STIF Formula fund projects. A work group may or may not be composed of members of the Qualified Entity's Advisory Committee. Input from the work group should be considered and documented in the Qualified Entity's Advisory Committee's meeting minutes in the completion of its duties as described in OAR 732-040-0030(1).

2.5.4.3 Advisory Committee Bylaws

The Qualified Entity should ensure that the Advisory Committee is guided by written bylaws that include:

- The Advisory Committee's name and purpose;
- The number of Advisory Committee members;
- Advisory Committee membership criteria;
- The appointment process for members;
- The terms of office for members;
- The Advisory Committee's meeting schedule;
- Advisory Committee procedures and member duties, including procedures to provide public notice of meetings, to foster public engagement, and to comply with Oregon public meeting and public records laws;
- The Advisory Committee's process to review sub-recipient proposals and the decision-making criteria provided in OAR 732-042-0020(5); and

2.5.4.4 Advisory Committee Project Review

It is the Advisory Committee's responsibility to approve or reject project proposals and to recommend project prioritization to the Qualified Entity's Governing Body. All proposed projects must be submitted to the Advisory Committee and must include the contents described in OAR 732-042-0015(3).

For projects using payroll-based formula funds, an Advisory Committee must consider the extent to which the project advances the considerations in the sub-allocation method, including any factors that a Qualified Entity and sub-recipients developed if they reached an agreement to create a suballocation method. For more information on suballocation, see Section 2.5.3. For projects using population-based formula funds, the Advisory committee must consider the extent the project advances the considerations adopted by the Qualified Entity when determining how to distribute population funds, as described in OAR 732-040-0010(7)(a).

The Advisory Committee may also consider the following criteria when reviewing project proposals:

- Whether the project would:
  - Increase the frequency of bus service to communities with a high percentage of low-income households;
  - Expand bus routes and bus services to serve communities with a high percentage of low-income households;
  - Reduce fares for public transportation in communities with a high percentage of low-income households;
  - Result in procurement of buses that are powered by natural gas or electricity for use in areas with a population of 200,000 or more;
  - Improve the frequency and reliability of service connections between communities inside and outside of the Qualified Entity's service area;
  - Increase the coordination between Public Transportation Service Providers to reduce fragmentation in the provision of public transportation service;
  - Provide student transit services for students in grades 9 through 12;
  - Provide services for older adults and people with disabilities
  - Provide support for the operation of existing services.
- Whether the project would maintain an existing service;
- The extent to which the project goals meet public transportation needs and are a responsible use of public funds;
- The extent to which the project might benefit or burden historically- or currently-marginalized communities both now and in the long term;
- The extent to which the Project would improve first- and last-mile connections to public transit and support multimodal integration;
- The extent to which the Project achieves geographic equity; and
- Other factors to be determined by the Advisory Committee.

The Advisory Committee may also propose changes to the policies or practices of the Qualified Entity's Governing Body if necessary to ensure that a STIF Formula fund recipient or sub-recipient has applied those funds in accordance with and for the purposes described in the project proposal, and a project proposal submitted by a sub-recipient does not fragment the provision of public transportation services.

2.5.5 Governing Body Adoption

The Qualified Entity's Governing Body reviews the STIF Advisory Committee's recommendations and makes the final decisions about the projects to include in the STIF Plan. After reviewing the Advisory Committee's recommendation, the Governing Body may choose to do one of the following:

- Accept the Advisory Committee's recommendation to approve or reject a project proposal and the Advisory Committee's recommended prioritized list of projects;
- Return the recommendation to the Advisory Committee for modifications; or
- Modify the Advisory Committee's recommendation before submitting the STIF Plan to ODOT, without first returning it to the Advisory Committee.

If the Governing Body modifies the Advisory Committee's recommendation, it must inform any affected recipient or sub-recipient of all modifications and explain such changes.

The STIF Plan must include documentation that the Governing Body approved the STIF Plan prior to its submittal to ODOT. If STIF Formula funds will be jointly managed by two or more Qualified Entities, documentation demonstrating each Governing Body's commitment to joint management must be submitted as part of the STIF Plan application.

2.5.6 STIF Plan Review and Approval

After a Qualified Entity's Governing Body has adopted its STIF Plan, it is required to submit the Plan for completeness review by ODOT, recommendation for Oregon Transportation Commission approval by the Public Transportation Advisory Committee, and decision by the Oregon Transportation Commission. After STIF Plans are submitted, ODOT facilitates each step of this process.

2.5.6.1 Completeness Review

ODOT reviews every STIF Plan submitted by a Qualified Entity for completeness and may ask the Qualified Entity to supply missing information or to provide clarification about the meaning or intent of any portion of the STIF Plan. During this review, ODOT will determine whether STIF Plans include the information required for Oregon Transportation Commission approval and will work with Qualified Entities to make any needed corrections. ODOT staff, including Regional Transit Coordinators, will be available to provide technical support during the completeness review process.

2.5.6.2 Public Transportation Advisory Committee Review

The Public Transportation Advisory Committee (PTAC) is responsible for reviewing submitted STIF

Plans and determining whether to recommend approval or rejection of all or a portion of each submitted Plan to the Oregon Transportation Commission. If PTAC recommends rejecting all or part of a STIF Plan, it will provide a written explanation to the Qualified Entity of the reasons for the rejection recommendation. A Qualified Entity that receives a rejection recommendation will have the opportunity to provide additional information and a revised STIF Plan for further review.

2.5.6.3 Oregon Transportation Commission Review

Oregon Transportation Commission has the authority to decide whether to approve or reject all or a portion of each submitted STIF Plan. When making its decision, the Commission must consider the recommendation provided to it by the Public Transportation Advisory Committee.

If the Oregon Transportation Commission rejects a proposed STIF Plan or a portion of a STIF Plan, the Commission must document the reasons for the rejection and ODOT will provide the reasons to the Qualified Entity in writing.

Per OAR 732-042-0025, possible reasons for Oregon Transportation Commission rejection include, but are not limited to, any of the following:

- The Qualified Entity did not establish a STIF Advisory Committee or established a committee inconsistent with membership requirements in rule;
- The Qualified Entity failed to confer with its STIF Advisory Committee;
- The STIF Plan is incomplete or does not adequately explain how the Qualified Entity will accomplish the goals of the projects in the STIF Plan, including recipient accountability methods, sub-recipient accountability methods, or remediation strategies, if applicable;
- The STIF Plan does not contain the sections and elements listed in rule; and
- The Qualified Entity failed to expend STIF Formula funds in a manner that substantially complies with a previously approved STIF Plan.

A Qualified Entity may file an appeal as described in OAR 732-040-0050 if its STIF Plan is rejected by the Oregon Transportation Commission.

2.5.7 STIF Plan Agreement

After the Oregon Transportation Commission has approved a Qualified Entity's STIF Plan, ODOT will enter into a STIF Plan agreement with the Qualified Entity. OAR 732-042-0010(1). The STIF Plan agreement will govern the terms under which STIF funds will be disbursed and contain a remedy provision governing corrective actions for violations of STIF program statutes, rules, and any other the terms of the agreement. An executed STIF Plan agreement is required for ODOT to distribute STIF formula funds to the Qualified Entity. OAR 732-042-00010(2).

2.5.8 STIF Plan Amendments

After approval by the Commission, Qualified Entities may amend their STIF Plans for two purposes:

- To adjust the amount of prior STIF Plan period funds they carried forward for use in their current STIF Plans.
- To adjust the amount of their STIF Plan Maximums for the STIF Plan Period.

OAR 732-042-0045.

Amendments may not (1) add projects or tasks to a Plan; or (2) alter project or task descriptions other than adjusting their budgets, as well as updating outcome measures and expenditure criteria associated with a task or project for which the QE has adjusted the budget.

To be effective, STIF Plan Amendments require approval by a Qualified Entity's Governing Body, recommendation by PTAC, and approval by the Oregon Transportation Commission. Unlike initial STIF Plans, STIF Advisory Committee review is not required for an amendment.

During the 2027-2029 STIF Plan Period, the final date that an amendment may be submitted will be April 1, 2028. ODOT will provide more information about STIF Plan amendment timelines during the fall of 2027.

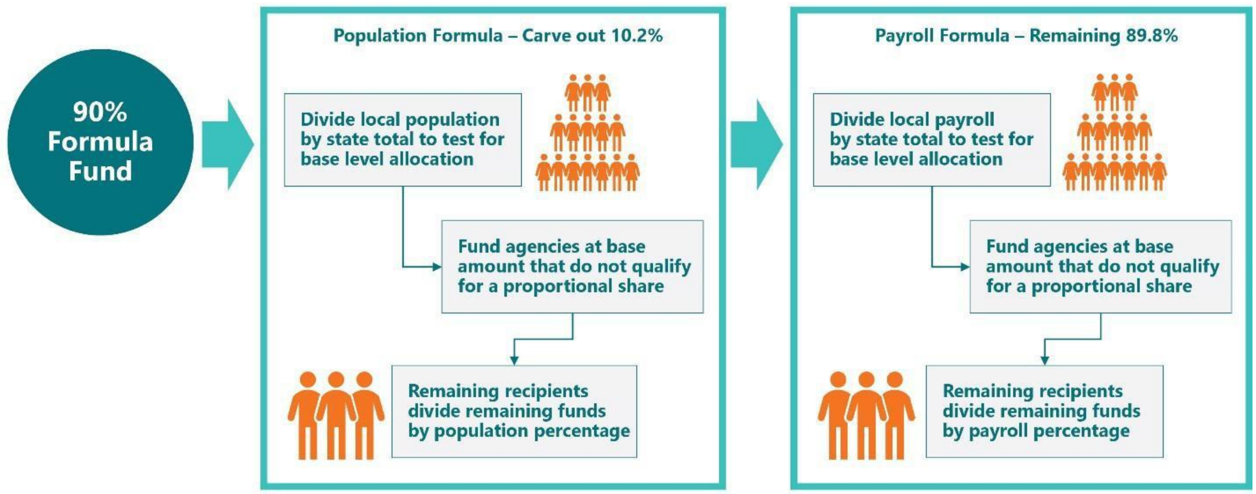
2.6 STIF Formula Funding Distribution

This section describes processes for distribution and management of STIF Formula Funds.

2.6.1 Funding Apportionment

STIF Formula funds are first disbursed using a population-based formula. This portion of the funds must be spent on transit services for older adults and individuals with disabilities. A Qualified Entity's STIF Plan may include more funding for transit services for older adults and individuals with disabilities than the portion of its STIF Formula funding disbursed using the population-based formula, but that will not alter the Qualified Entity share of population-based formula funding. The remaining funds will be disbursed using a payroll-based formula and may be spent on any eligible transit services. This process is shown in Figure 2-3.

Figure 2-3. STIF Formula Funding Apportionment



STIF Formula fund moneys are first distributed by population. To do this:

- ODOT staff will divide the local population by the state total to determine the base allocation recipients. The base allocation is referred to as the "indexed minimum" in the STIF rules. OAR 732-042-0010(3).
- Qualified Entities will receive the base allocation unless they are entitled to a larger amount based on their population.
- After the base allocations have been distributed, ODOT staff will divide the remaining funds by population percentage to determine the amount that the remaining agencies should receive.

All remaining STIF Formula fund moneys are then distributed by payroll tax collected. To do this:

- ODOT staff will divide the amount of local payroll tax collected by the state total to determine the base allocation recipients.
- Qualified Entities will receive the base allocation unless they are entitled to a larger amount based on payroll tax collected in their area.
- After the base allocations have been distributed, ODOT staff will divide the remaining funds by payroll percentage to determine the amount that the remaining agencies should receive.

Two or more Qualified Entities may jointly manage the STIF Formula funds disbursed to them. OAR 732-040-0040 contains additional details pertaining to joint management of funds.

2.6.2 Funding Disbursement Schedule

Disbursements occur quarterly, contingent on Oregon Transportation Commission approval of the

Qualified Entities' STIF Plans and execution of a STIF Plan agreement with ODOT. Table 2-1 shows how STIF Formula funds are disbursed.

Disbursements to Qualified Entities happen at the beginning of each quarter. Qualified Entities submit a STIF Plan Report (SPR) at the end of each quarter which provides more details about how they spent the funds. If a Qualified Entity fails to meet its reporting requirements, ODOT may take corrective actions, which may include holding back funding disbursements until the Qualified Entity is back in compliance.

Starting in the 2027-29 biennium, the SPR is due to ODOT no later than 60 days after the end of each quarter. Through the remainder of the 2025-27 biennium, the 45-day deadline will remain in place. Quarters are defined as January through March, April through June, July through September, and October through December.

Table 2-1. STIF Formula Fund Disbursement Schedule (Standard)

Action/Report	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Disbursement to Qualified Entities	January 15	April 15	July 15	October 15
Qualified Entity STIF Plan reporting period	January through March	April through June	July through September	October through December
Qualified Entity STIF Plan reports due to ODOT	May 30	August 29	November 29	February 29

Oregon Department of Transportation

2.6.3 STIF Plan Maximum and Reserve Payments

The total amount of the funding sought in the STIF Plan is the sum of the funding requested by the Qualified Entity for all the projects (including all sub-recipient projects) in the STIF Plan. When that amount is approved by the Oregon Transportation Commission, it creates a cap on the amount of funding that ODOT is allowed to disburse to the Qualified Entity over the course of the STIF Plan Period. This is referred to as the "**STIF Plan Maximum**." OAR 732-040-0010(6)(c).

A Qualified Entity will not always receive the total amount of funding that ODOT is authorized to distribute under the Qualified Entity's STIF Plan Maximum. A Qualified Entity may receive less funding than its STIF Plan Maximum if its allocation of the Statewide Transportation Improvement Fund, as determined under the population and payroll formulas, is less than its Plan Maximum.

For example, if a Qualified Entity's STIF Plan Maximum is $1,000,000 for the 2027-2029 biennium, but its allocation of the total Statewide Transportation Improvement Fund, based on the payroll and population formulas, is $900,000, then the Qualified Entity will receive $900,000 in STIF Formula funding during the 2027-2029 biennium.

If a Qualified Entity's allocation of STIF funding, as determined under the population and payroll formulas, exceeds its STIF Plan Maximum, ODOT cannot distribute any funds above the amount of the STIF Plan Maximum during the current STIF Plan Period, unless the Qualified Entity amends its STIF Plan as described in Section 2.5.9 to increase its STIF Plan Maximum, allowing it to receive the funds under its current STIF Plan. OAR 732-042-0010(6)(f). Instead, ODOT will stop disbursing STIF Formula Funds to the Qualified Entity and will hold the amount over the STIF Plan Maximum for distribution in the next STIF Plan Period.

The Qualified Entity will receive this after its next STIF Plan is approved, as part of its first quarterly disbursement under its new STIF Plan. The distribution of the funding that ODOT has held for the Qualified Entity is referred to as a "**Reserve Payment.**" Importantly, Qualified Entities should be aware that reserve payments will count against their STIF Plan Maximums for the biennium in which the reserve payments are received.

For example, if the Qualified Entity's STIF Plan Maximum is $1,000,000 for the 2027-2029 biennium, but its allocation of the total Statewide Transportation Improvement Fund, based on the payroll and population formulas, is $1,100,000, then the Qualified Entity will receive

$1,000,000 in STIF Formula funds during the 2027-2029 biennium, and $100,000 will be held by ODOT for distribution as a reserve payment at the beginning of the 2027-2029 biennium, unless the Qualified Entity amends its Plan. The Qualified Entity should be aware that the $100,000 distributed at the start of the 2027-2029 biennium will count against its Plan Maximum for that biennium.

2.6.4 Management of Prior STIF Plan Period Funding

Qualified Entities are required to carry forward any STIF formula fund moneys that they received during a prior STIF Plan period but did not spend. This can be done either by amending a STIF Plan or incorporating the funds into a future Plan. Put another way, a Qualified Entity must make sure its project budgets include any "old" STIF money that it received from ODOT but did not spend in the prior biennium. It can do this either by amending its current STIF Plan to add the funds or by waiting until it develops its next STIF Plan period and including the money in its new Plan. More information about the amendment process can be found in Section 2.5.9 ("STIF Plan Amendments").

If a Qualified Entity includes projects includes funds that were part of a Planned Carry Forward Project, the Qualified Entity should budget those funds as "prior STIF Plan period funds" in its current STIF Plan. For example, if a Qualified Entity chose to set aside $100,000 in its 2025-2027 STIF Plan to pay for an anticipated expense during the 2027-2029 biennium, it should describe that expense as a task within its 2025-2027 STIF Plan and include the $100,000 as "prior STIF Plan Period funds" in the "Expenditure Estimates" table for that task. See Section 2.4 for more information about Planned Carry Forward Projects.

2.6.5 Budget Revisions

The STIF Guidance for Determining Whether Expenditures are Substantially Compliant and Consistent with STIF Plan outlines what modifications may be made to activities and expenditures from the STIF Plan. An example of an allowable modification would be moving funding from one task that has been categorized as "operations" to a task categorized as "operations" in a different Project. Qualified Entities are required to get prior approval from ODOT via email to shift funds between projects and/or between tasks within a project. This email should be sent to the Qualified Entity's Regional Transit Coordinator.

2.6.6 Redistribution of Funds

Qualified Entities that do not have an approved STIF Plan are ineligible to receive quarterly distributions. ODOT will allocate but not distribute STIF Formula Fund moneys for which a Qualified Entity is eligible for a period of one biennium.

If a Qualified Entity does not submit a STIF Plan for two consecutive biennia, ODOT will release any STIF Formula fund moneys accumulated for the Qualified Entity to the STIF Formula fund generally for redistribution to other Qualified Entities.

If a Qualified Entity submits a STIF Plan by the deadline, but the STIF Plan is rejected by the Oregon Transportation Commission for two consecutive biennia, and neither rejection is overcome by an appeal or reconsideration, ODOT will release any STIF Formula fund moneys accumulated for the Qualified Entity to the STIF Formula fund generally for redistribution to other Qualified Entities.

2.7 Compliance

This section discusses the STIF formula compliance, including compliance monitoring and reporting requirements.

2.7.1 ODOT Monitoring of Qualified Entities

Under OAR 732-040-0015, all STIF recipients are subject to periodic on-site compliance reviews by ODOT. The purpose of this review is to ensure that recipients have appropriate and adequate internal controls and management procedures to meet the terms and conditions of agreements governing the disbursement of STIF Formula funds. OAR 732-040-0015(3) contains more information about topics that may be covered in this overview.

STIF Plan Agreements govern corrective actions in the event of noncompliance with STIF program statutes, rules, or other terms of the STIF Plan agreement. Starting in the 2027-2029 STIF Plan Period, the remedy provision of the STIF Plan agreement will reflect an approach focused on bringing a Qualified Entity into compliance, with escalating corrective actions that must be proportional to the severity of the noncompliance. Potential corrective actions include but are not limited to additional training, increased reporting requirements, as well as full or partial withholding or recovery of funding distributions. Prior to withholding or recovering funding for a violation, ODOT will issue a notice providing the Qualified Entity with an opportunity to correct the violation within a specified time.

2.7.2 Qualified Entity Oversight of Sub-Recipients

Qualified Entities are responsible for monitoring the performance and compliance of its Sub-Recipients. In January 2026, the Oregon Transportation Commission adopted OAR 732-042-0050, which establishes uniform standard for Qualified Entity oversight of sub-recipients. That new rule will take effect on July 1, 2027, timed with the start of the 2027-2029 biennium. The purpose of Qualified Entity oversight of sub-recipients is to ensure that sub-recipients have appropriate and adequate internal controls and management procedures that apply to the use of STIF Formula Fund moneys.

Under the new rule, a Qualified Entity must conduct a compliance review of each Sub-Recipient at least every three years. It may conduct more frequent reviews, or adjust the scope of a review, based on a risk assessment of a sub-recipient or a Project. Reviews can be conducted either directly by the Qualified Entity or by its agent, and they may take place on site or remotely.

Compliance reviews may consider the following topic:

- Program management;
- Financial management;

- Operations management;
- Procurement, use and maintenance of equipment;
- Records retention;
- Compliance with state and federal civil rights laws;
- Compliance with FTA drug and alcohol regulations; and
- Compliance with the ADA.

When conducting a compliance review, a Qualified Entity must follow the procedures in the Qualified Entity-Subrecipient Oversight Guide. An updated version of this document will be released prior to July 1, 2027.

OAR 732-042-0050 is intended to limit duplicative compliance reviews of sub-recipients. A Qualified Entity's may not review any topics for which the sub-recipient is currently under review by another agency. In addition, if, within the prior fiscal year, another entity has (1) conducted a review or financial audit of a topic in the Qualified Entity's compliance review, (2) used procedures that substantially conform to those described in Qualified Entity-Subrecipient Oversight Guide, (3) issued a report finding sub-recipient to be in compliance, and (4) the sub-recipient has provided a copy of the report to the Qualified Entity, then no further review of the topic is allowed. However, there is an exception if the Qualified Entity receives permission from ODOT to conduct an additional review because the previous review was deficient.

In the event of a dispute concerning the oversight process between a Qualified Entity and a sub-recipient, either party may request mediation by the Agency. In such cases the determination of the Agency may be binding on all parties at their request. If the parties request a binding determination, the Agency shall mediate the dispute. If the parties request a nonbinding determination, the Agency may agree to mediate the dispute at its discretion.

Qualified Entities must ensure that their contracts and agreements with sub-recipients include provisions requiring their sub-recipients to provide ODOT with access to all data and records related to STIF funding. All documents related to sub-recipient performance are part of the official fiscal record and must be retained, whether by the Qualified Entity or the sub-recipient, for three years following the final funding disbursement under the Qualified Entity's STIF Plan or the disposition of a relevant capital asset. Documentation pertaining to sub-recipient performance is subject to review by ODOT during a Qualified Entity's periodic on-site compliance review and must be available upon request.

For more information about Qualified Entity oversight of Formula fund sub-recipients, see the STIF Formula QE-Subrecipient Oversight Compliance Guide on the Reporting and Technical Resources page of the STIF website.

2.7.3 Qualified Entity Oversight of Contractors

As discussed in Section 2.3.2, not every entity that receives STIF formula funds from a Qualified Entity is considered a sub-recipient. After applying the test in OAR 732-042-0055, a Qualified Entity may determine that an entity should be classified as a "contractor." In that circumstance, the Qualified Entity is responsible for ensuring that a contractor's use of STIF funds conforms with all relevant rules, statutes, and the terms of its agreement with the contractor, but it is not required to conduct a compliance review as described in Section 2.7.2.

ODOT may review a Qualified Entity's determination that an entity is a contractor during its compliance review of the Qualified Entity. If ODOT concludes that the entity has been misclassified it will require the Qualified Entity to change its classification of the entity and to conduct a compliance review. ODOT may also issue a compliance finding and exercise remedies under the STIF Plan agreement if necessary.

The Qualified Entity's agreement with a contractor must include provisions requiring their contractor permit the Qualified Entity, Agency, the Secretary of State of the State of Oregon, or their authorized representatives, upon reasonable notice, access to all data and records relating to STIF moneys received and to inspect the Projects financed with STIF moneys including, but not limited to, the financial records, physical premises and capital assets used to deliver public transportation services.

2.7.4 Applicability of the Americans with Disabilities Act and Other Transportation-Related Laws

STIF Formula fund recipients and their sub-recipients are responsible for complying with the Americans with Disabilities Act. The Americans with Disabilities Act is a federal civil rights law requiring that transportation services that are provided by both public and private entities to the public be available to people with disabilities. Applicability of the Americans with Disabilities Act varies according to the type of service, the type of vehicle, the type of provider offering the service, and other variables.

Federally recognized tribal governments are not required by federal law to comply with the Americans with Disabilities Act. Therefore, STIF statute does not compel compliance and tribal governments can follow state or local (tribal) procurement policy for vehicle purchases. As good practice, however, tribal governments are encouraged to share proposed purchases with their Regional Transit Coordinator for review before issuing a purchase order.

2.7.5 Environmental Compliance

Recipients are responsible for:

- Complying with all applicable local, state, and federal environmental rules and regulations;
- Coordinating with ODOT and the Federal Transit Administration (FTA) for projects subject to the National Environmental Policy Act (NEPA)

The requirements of the National Environmental Policy Act (NEPA) and other applicable federal laws (e.g., the Endangered Species Act, the Clean Water Act, and the National Historic Preservation Act) apply to projects involving federal funding. This includes projects where STIF is being used as a match to a federal grant or where a STIF-funded project will use federal funds in the future (e.g., purchasing a property with STIF funds and using federal funds to construct a transit use in the future or using STIF funds to equipment that will be installed as part of a separate, federally-funded project). Projects funded solely with state and/or local funds are not subject to the requirements of NEPA. All applicants are responsible for coordinating with ODOT prior to incurring any costs or conducting any project-related activities to confirm NEPA applicability and specific documentation requirements. If NEPA requirements apply, the recipient is responsible for submitting all documentation required to comply with the environmental review process to ODOT for approval by the Federal Transit Administration (FTA).

> **You must contact your Regional Transit Coordinator for any project that is using federal funds or which will use federal funds in the future.**

2.7.6 Reporting Requirements

This Section summarizes reporting requirements for the STIF Formula program. These include quarterly, annual, and biannual reports.

2.7.6.1 Quarterly Reports

Qualified Entities must prepare a STIF Plan Report that contains information on project progress, outcomes, and expenditures. This report is completed in the Oregon Public Transit Information System (OPTIS) and must be submitted to ODOT each quarter. Qualified Entities will use these quarterly reports to confirm that funds disbursed using the population-based formula outlined in OAR 732-042-0010(2)(a) have been used to support transit services for seniors and people with disabilities.

The Oregon Public Transit Information System, or OPTIS, is a web-based software that the Public Transit Division uses to manage grants. This system automates and standardizes many transactions and serves as the Division's system of record. For more information about how to use OPTIS and request individualized training, please visit the OPTIS webpage.

2.7.6.2 Annual Reports

All STIF Formula fund recipients and sub-recipients must submit the following items to ODOT on an annual basis to fulfill requirements outlined in OAR 732-040-0025:

- Low-income impact mitigation report
- Qualified Entity's adopted annual budget for the upcoming fiscal year
- Results of any relevant financial audits of the Qualified Entity or any sub-recipient located within the area of the Qualified Entity.

2.7.6.3 Low-Income Impact Mitigation Reporting

Per OAR 732-040-0025(1), each Qualified Entity receiving STIF Formula funds is required to submit an Annual STIF Low- Income Tax Mitigation Report, detailing any actions taken by Public Transportation Service Providers located within the area of that Qualified Entity to mitigate the impact of the STIF tax on passengers who reside in low-income communities.

Transportation Service Provider receiving STIF Formula funds must complete a low-income impact mitigation form and return it to the appropriate Qualified Entity.

It is the Qualified Entity's responsibility to complete a low-income impact mitigation cover letter and bundle it along with all low-income impact mitigation forms received from Public Transportation Service Providers (including Public Transportation Service Providers receiving STIF Discretionary funds) for submittal to ODOT. The Qualified Entity will coordinate with Public Transportation Service Providers to ensure that the form is complete and the annual requirement is fulfilled. Qualified Entities must submit these documents to ODOT no later than 45 days after the end of each fiscal year in which the Qualified Entity receives STIF Formula funds. This information should be submitted as an attachment to the quarter four and quarter eight STIF Plan Report.

> **Under STIF, "low-income household" is defined as a household the total income of which does not exceed 200 percent of the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).**

2.7.6.4 Annual Budget

The Qualified Entity's adopted annual budget for the upcoming fiscal year must be submitted no later than 30 days after adoption.

This should be sent to ODOT via email at ODOTPTDReporting@odot.oregon.gov. The Qualified Entity should copy its Regional Transit Coordinator on this email.

2.7.6.5 Financial Audits

The results of any relevant financial audits of the Qualified Entity or any sub-recipient located within the area of the Qualified Entity, as required by a local, state, or federal oversight agency for the purposes of statewide reporting should be sent to ODOT on an annual basis, 30 days after the auditee receives each report.

This includes but is not limited to the following:

1. The state financial report required under ORS 291.040
2. The results of any comprehensive review completed by the Federal Transit Administration or ODOT
3. Any information submitted by the Qualified Entity as part of the requirements of a statewide audit in accordance with the federal Single Audit Act of 1984 (31 U.S.C. 7501 to 7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104-156)

Qualified Entities and sub-recipients are also required to conduct an annual audit specific to STIF moneys received, using the STIF Agreed-Upon Audit Procedures form that is made available on the ODOT website. The Agreed-Upon Procedures form is often completed as a supplement to the transit provider's Single Audit, and it is due either 30 days after the auditee receives the auditor's final report, or nine months after the end of the audit period, whichever is earlier. Both audits and STIF Agreed-Upon Audit Procedures should be submitted to ODOTPTDReporting@odot.oregon.gov .

2.7.6.6 Reporting Interest

Interest accrued on STIF funds is reported annually. The interest report is due 60 days after the end of the fiscal year in which it was earned. OAR 732-040-0020(2).

Interest from STIF Formula funds can be spent in the same STIF Plan cycle that it is earned, or it may be carried forward to a future STIF Plan in the same manner as prior STIF Plan period funds. Like disbursements, STIF Interest that is spent in the same STIF Plan cycle that it is earned can be spent only on approved STIF Plan projects and must be reported to ODOT. Reporting the spending of STIF interest is accomplished through the STIF Plan Report in the Oregon Public Transit Information System. The narrative section at the project level is the appropriate place to note where STIF interest was used, as this can explain potential budget overages to the project.

2.7.6.7 Unused Project Funds Report

The STIF Program rule changes approved by the Oregon Transportation Commission in January 2026 created a new reporting requirement. If a Qualified Entity does not spend 10% or more of the funds budgeted in its STIF Plan, excluding any funding set aside for Operations Reserves, Plan Contingency, or Planned Carry Forward Projects, then the Qualified Entity must provide ODOT with a written explanation of the reason that the funds were not spent. OAR 732-042-0035(4).

The Unused Project Funds Report is due 90 days after the Qualified Entity receives a STIF Plan reconciliation notice from ODOT. The notice will be sent 120 days after the end of the STIF Plan period, and it will provide the amount of Prior STIF Plan Period funds that the Qualified Entity has available based on ODOT's funding distribution records and the Qualified Entity's reported expenditures.

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Section 3

STIF Discretionary Fund

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Section 3: STIF Discretionary Fund

3.1 Program Purpose

The STIF Discretionary Fund is a flexible fund source that aims to expand or improve public transportation services by supporting projects that create new service routes, adopt enhanced forms of technology and data collection, maintain transit fleets in a state of good repair, and advance the equity and sustainability of transportation in the state. STIF Discretionary funds are not generally a source of ongoing operations funding, except during the 2027-2028 solicitation cycle.

Goals of the STIF Discretionary Fund are to fund projects that appear in a local plan or that meet one or more of the following characteristics:

- Improvement of public transportation service to low-income households
- Improved coordination between Public Transportation Service Providers and reduced fragmentation of public transportation services
- Consistency with Oregon Public Transportation Plan goals, policies, and implementation plans, including:
    - Integrated public transportation planning where affected communities planned or partnered to develop proposed Projects
    - Technological innovations that improve efficiencies and promote a seamless and easy to use Statewide Transit Network
    - Advancement of state greenhouse gas emission reduction goals

- Support or improvement of a useful and well-connected Statewide Transit Network

- Operations Projects that do not substantially rely on discretionary state funding beyond a pilot phase
- Geographic equity or an ability to leverage other funds (these factors apply when all other priorities are held equal)

3.2 Eligible Applicants

3.2.1 Public Transportation Service Providers

Public Transportation Service Providers, as defined in OAR 732-040-0005(31), are eligible applicants. For STIF Funding, this includes mass transit districts, transportation districts, federally recognized tribes, or a city, county, special district, intergovernmental entity, or any other political subdivision or municipal or public corporation that provides public transportation services. OAR 732-040-0005 contains additional definitions. Ineligible applicants include nonprofit transit providers and for-profit transit providers.

3.2.2 Sub-Recipients

A recipient of STIF Discretionary funds may contract with other Public Transportation Service Providers and for-profit and nonprofit transportation service providers to implement project deliverables. Recipients using only STIF Discretionary funds to fund a project may apply their local processes for procurement of services. Recipients using federal funds to complete the proposed project, including as match, must follow the applicable federal procurement requirements.

3.2.3 Grant Recipient Requirements and Qualifications

Under OAR 732-044-0020, potential recipients of STIF Discretionary funds are required to meet, or demonstrate the capacity to meet, the following qualifications as applicable to the type of project being funded:

- Be an entity eligible to enter into agreements;
- Have the legal, managerial, and operational capacity to perform the project within the agreed schedule;
- Not be debarred or suspended from receiving federal grants;
- Maintain compliance with federal, state, and local laws and regulations including, but not limited to, those pertaining to passenger transportation, civil rights, labor, insurance, safety, and health, as applicable;
- Comply with applicable laws, Oregon Administrative Rules, and policies of the applicable grant fund;

- Ensure proper use of STIF funds; and
- Perform the project in a safe, prudent, and timely manner.

In addition, a recipient may require additional eligibility qualifications of sub-recipients or contractors. A recipient is required to confirm the eligibility of a sub-recipient prior to entering into an agreement with and distributing STIF funds to the sub-recipient. Recipients are also required to ensure that sub-recipients maintain eligibility throughout the project period of activities funded with STIF Discretionary funds.

3.3 Eligible Projects

Projects eligible for funding under the STIF Discretionary fund include but are not limited to capital projects such as vehicles, facilities, equipment, and technology; and mobility management, planning, and research. Bicycle and pedestrian projects with a physical or functional relationship to public transit are also eligible to receive STIF funding, provided they meet STIF Discretionary program eligibility requirements. For the purposes of this program, to have a "physical or functional relationship to transit" a bicycle project must be within a three-mile radius of a transit station or bus stop, and a pedestrian project must be within a half-mile radius. Pedestrian and bicycle improvements beyond these distances may be eligible for STIF funding by demonstrating that the improvement is within the distance that people will travel by foot or by bicycle to use a particular stop or station. Pilot operations projects may be considered for funding if the application includes a feasible financial plan for ongoing operations beyond the initial pilot period, per OAR 732-044-0005.

To be eligible, a project must meet at least one of the following requirements described in OAR 732-044-0005(3): (1) The Project appears in a local plan, as defined in OAR 732-040-0005(17); (2) The Project will fill a significant gap in the Statewide Transit Network; or (3) The Project will provide statewide benefits to multiple Public Transportation Service Providers.

STIF funds may not be used for light rail capital expenses. However, they may be used for light rail operations expenses.

All applicants seeking funding for fixed route transit services must have a process in place for creating and maintaining public General Transit Feed Specification data that describe the service.

Incomplete pilot projects initiated with STIF Discretionary funds in a previous biennium may be eligible, but these projects will not receive preference over other eligible projects. STIF Discretionary funds are not an eligible source of funding for ongoing operations, except for the 2027-28 cycle.

Oregon Department of Transportation

3.4 Grant Awards and Application Procedure

3.4.1 STIF and the Oregon Public Transportation Plan

State discretionary grant programs provide an opportunity for ODOT to encourage and support projects that meet local needs while aligning with state public transportation priorities. This approach ensures that both state and local priorities are addressed through competitive grant awards.

The Oregon Public Transportation Plan, adopted by the Oregon Transportation Commission in 2018, provides overarching policy guidance for public transportation in Oregon.

The Oregon Public Transportation Plan contains 10 state public transportation goals. All ODOT discretionary grant programs incorporate these goals into the selection process. ODOT has developed selection criteria that reflect these goals, ensuring project selected by evaluators statewide priorities.

3.4.2 Funding Availability

ODOT will award funds at its discretion. Fund availability could decrease or increase because of a changes in STIF revenues. Because this is a competitive grant program, project rankings will be used to determine which projects may be funded.

3.4.3 Match Requirements[5]

STIF Discretionary fund applicants must demonstrate their ability to provide at least 20 percent of the project's total costs. If sufficient funds are available and any of the following characteristics are true, the 20 percent match may be reduced to 10 percent during the project selection process:

- The project will predominantly serve or provide access to and from rural communities (communities outside of urbanized areas with populations of fewer than 50,000 people);
- The project will serve an area located outside of a Public Transportation Service Provider's geographic jurisdiction;
- The project will fill a significant gap in the Statewide Transit Network; or

[5] OAR 732-044-0005(4).

- The project will provide statewide benefits to multiple Public Transportation Service Providers. The applicant should identify the benefits to areas outside the jurisdiction where the project will be located.

Eligible project match sources may include federal funds and certain state funds (for example, STIF Formula funds) intended for public transportation purposes, local funds, private contributions, and in-kind labor or contributions. Match contributions, including capital assets such as property, should only be used once as match on a single project and may not be used again as a match. Farebox revenues are not eligible as match.

3.4.4 Application Procedure

Applications will be solicited every two years. Applicants must apply for consideration using an online application form. ODOT may ask applicants to supply missing information or to provide clarification about the meaning or intent of any portion of an application. Failure to provide the requested information may result in rejection of the application. A rejected application may be resubmitted in a future solicitation cycle.

Qualified Entity and Area Commission on Transportation reviews should consider the extent to which each project meets the project selection criteria established by the Oregon Transportation Commission (Table 3-1).

Table 3-1. Discretionary Solicitation Selection Criteria Framework

Focus Areas	Selection Criteria
Community Benefits *OPTP goals:* • Communication, Collaboration, and Coordination • Mobility and Public Transportation User Experience • Community Health • Community Livability and Economic Vitality • Accessibility and Connectivity	• **Project achieves the purpose of the fund source, addresses important community needs, and will deliver a significant benefit to the community** • Improves coordination between public transportation providers. OAR 732-044-0030(1)(b) • Provides integrated planning where affected communities will plan or partner to develop public transportation project(s). OAR 732-044-0030(1)(c)(A) • Implements technological innovations that improve efficiencies and support a seamless, easy-to-use Statewide Transit Network. OAR 732-044-0030(1)(c)(B) • Supports positive health outcomes. OAR 732-044-0030(1)(c) • Has the potential to result in increased use and participation in active transportation, including public transportation. OAR 732-044-0030(1)(c) • Improves or maintains service between geographically separated communities. OAR 732-044-0030(1)(c)(D) • Improves local connections and infrastructure at interregional transit hubs or develops service improvements and approaches that can be replicated statewide. OAR 732-044-0030(1)(c)
Access *OPTP goal:* • Equity	• **Project planning and implementation incorporates meaningful involvement of disadvantaged communities in decision-making. Project sustains or improves access to transportation for disadvantaged communities** • Improves public transportation service to low-income households. OAR 732-044-0030(1)(a) • Improves or expands service to vulnerable or transportation-disadvantaged populations (e.g., seniors and people with disabilities). OAR 732-044-0030(1)(c)
Climate Benefits *OPTP goals:* • Environmental Sustainability	• **Project advances state goals for reducing greenhouse gas emissions by maintaining or increasing transit ridership, deploying low- or no-emission vehicles, or using low carbon materials or carbon-efficient design** • Reduces greenhouse gas emissions in or through public transportation systems. OAR 732-044-0030(1)(c)(C)

Safety *OPTP goals:* • Safety and Security	• **Project enhances safety of vulnerable road users and transit riders** • Protects fleet condition and ensures vehicles are maintained in a state of good repair. OAR 732-044-0030(1)(c)
Readiness to Proceed *OPTP goals:* • Funding and Strategic Investment	• **Project is well planned and has a high likelihood of succeeding** • Project does not substantially rely on discretionary state funding beyond the pilot phase. OAR 732-044-0030(1)(d) Note: For STIF-D only
Infrastructure and multimodal connectivity *OPTP goals:* • Mobility – Public Transportation User Experience • Accessibility and Connectivity • Community Livability and Economic Vitality • Communication, Collaboration, and Coordination	• **Project improves condition of transit-related infrastructure that supports multimodal connectivity of the public transportation system.** • Support or improvement of a useful and well-connected Statewide Transit Network. OAR 732-044-0030(1)(c)(D) • Elimination of first- and last-mile barriers to public transportation. OAR 732-044-0030(1)(c)(E) • Improving or maintaining connections to and between services and travel modes. OAR 732-044-0030(1)(c)(F)

OPTP = Oregon Public Transportation Plan
STIF-D = STIF Discretionary fund

STN = Statewide Transit Network Program

The major steps in the project application and selection process are as follows:

1. Applicants submit an initial application to ODOT staff who will provide feedback on application eligibility, completeness and clarity.
2. ODOT forwards eligible applications to relevant Area Commissions on Transportation for review and comment and to Qualified Entities for review, recommendation, and, potentially, project prioritization following consultation with their STIF Advisory Committees.
    - Qualified Entities, with STIF Advisory Committee guidance, review and recommend whether each project should be awarded funding. Qualified Entities may recommend a prioritized list of projects for their Qualified Entity’s geographic area of responsibility.
    - Advisory Committee reviews should be conducted in compliance with Committee bylaws.

- Qualified Entity reviews should consider the extent to which each project meets the project selection criteria established by the Oregon Transportation Commission in OAR 732-044-0030.

3. Applicants address ODOT staff feedback and submit final grant applications to ODOT.
4. ODOT reviews final applications for eligibility, completeness and clarity.
5. An ODOT Project Selection Committee reviews applications, Qualified Entity recommendations, and Area Commission on Transportation comments and provides a ranked list of project applications recommended for funding to the Public Transportation Advisory Committee.
6. The Public Transportation Advisory Committee considers the ODOT Project Selection Committee's ranked list of projects, Qualified Entity recommendations, and Area Commission on Transportation comments and provides a rank-ordered funding recommendation to the Oregon Transportation Commission.
7. The Oregon Transportation Commission reviews and decides which projects will be awarded funds.
8. ODOT posts the Oregon Transportation Commission's funding awards on the ODOT Public Transportation Division website and notifies applicants via email of the posting.

3.4.5 Appeals Process

Applicants with projects not recommended for funding may appeal the funding decision. ODOT will follow the appeals process as identified in the State Management Plan.

The appeals process described in this guidebook will be available following the Oregon Transportation Commission's final decision on grant awards. Where necessary, ODOT will return to the Commission for approval of any amended funding recommendation resulting from an appeal.

3.5 Program Management and Compliance

3.5.1 Overview

STIF Discretionary fund recipients are subject to periodic on-site compliance reviews by ODOT.[6] Recipients must have policies and procedures in place to address project implementation such as program management; financial management; operations management; procurement, use, and maintenance of equipment; records retention; compliance with state and federal civil rights laws; compliance with the Americans with Disabilities Act; and compliance with reporting requirements.[7]

STIF recipients must be prepared to produce a description of the methods, policies, and procedures that will be used to ensure compliance with these rules. Additional information can be found on the Compliance Review webpage.

3.5.2 Applicability of Americans with Disabilities Act and Other Transportation-Related Laws

STIF Discretionary fund recipients and their sub-recipients are responsible for complying with the Americans with Disabilities Act. The Americans with Disabilities Act is a federal civil rights law requiring that transportation services that are provided by both public and private entities to the public be available to people with disabilities. Applicability of the Americans with Disabilities Act varies according to the type of service, the type of vehicle, the type of provider offering the service, and other variables.

Federally recognized tribal governments are not required by federal law to comply with the Americans with Disabilities Act. Therefore, STIF statute does not compel compliance and tribal governments can follow state or local (tribal) procurement policy for vehicle purchases. As good practice, however, tribal governments are encouraged to share proposed purchases with their Regional Transit Coordinator for review before issuing a purchase order.

3.5.3 Low-Income Reporting

Each Qualified Entity receiving STIF funds is required to submit an Annual STIF Low-Income Tax Mitigation Report, detailing any actions taken by Public Transportation Service Providers located

[6] OAR 732-040-0015

[7] OAR 732-040-0015(3)

within the area of that Qualified Entity to mitigate the impact of the STIF tax on passengers who reside in low-income communities.[8]

Public Transportation Service Providers are responsible for submitting an annual low-income mitigation form to the appropriate Qualified Entity. The Qualified Entity will coordinate with Public

Transportation Service Providers to ensure that ODOT receives this report. Qualified Entities must submit these documents to ODOT no later than 45 days after the end of each fiscal year in which the Qualified Entity receives STIF funds. STIF recipients must be prepared to produce a description

of the methods, policies, and procedures that will be used to ensure compliance with these rules

3.5.4 Environmental Compliance

- Complying with all applicable local, state, and federal environmental rules and regulations;
- Coordinating with ODOT and the Federal Transit Administration (FTA) for projects subject to the National Environmental Policy Act (NEPA)

The requirements of the National Environmental Policy Act (NEPA) and other applicable federal laws (e.g., the Endangered Species Act, the Clean Water Act, and the National Historic Preservation Act) apply to projects involving federal funding. This includes projects where STIF is being used as a match to a federal grant or where a STIF-funded project will use federal funds in the future (e.g., purchasing a property with STIF funds and using federal funds to construct a transit use in the future or using STIF funds to equipment that will be installed as part of a separate, federally-funded project). Projects funded solely with state and/or local funds are not subject to the requirements of NEPA. All applicants are responsible for coordinating with ODOT prior to incurring any costs or conducting any project-related activities to confirm NEPA applicability and specific documentation requirements. If NEPA requirements apply, the recipient is responsible for submitting all documentation required to comply with the environmental review process to ODOT for approval by the Federal Transit Administration (FTA).

> **You must contact your Regional Transit Coordinator for any project that is using federal funds or which will use federal funds in the future.**

[8] OAR 732-040-0025(1)

3.5.4.1 Capital Assets

Grant recipients should understand the unique reporting, environmental review, and documentation processes associated with the purchase of capital assets. The requirements vary based on the source of funding, project type, and applicable local, state, and federal regulations. It is the grant recipient's responsibility to understand and comply with all applicable requirements.

OAR 732-044-0050 specifies the capital asset requirements for recipients of STIF Discretionary funds.

To be eligible to receive STIF Discretionary funds to acquire vehicles, an applicant must demonstrate in their grant application that the recipient or sub-recipient who will acquire the capital asset(s) has committed to continually use the vehicle for the approved purpose for the useful life of the asset(s). However, capital asset inventory reporting is still required if the capital asset is in use for public transportation.

Rider waits to enter the La Grande Trolley

To be eligible to receive STIF Discretionary funds for a real property capital asset (for example, a transit facility, bus barn, maintenance facility, land, or administration building), an applicant must demonstrate in their grant application one or more of the following, depending on asset type:

- Recipient or sub-recipient ownership of the property upon which the capital asset will be located
- Recipient or sub-recipient possession of an executed lease agreement for the property location where the capital asset

  will be located, and that will be in place for the useful life of the capital asset
- Recipient or sub-recipient possession of an executed lien on the property upon which the capital asset will be located, for the useful life of the capital asset
- In the case of a project that will utilize property owned by a local city, county, or government, an executed intergovernmental agreement with the property owner guaranteeing ongoing use for the duration of the useful life of the capital asset
- In the case of a project to purchase land, an option to purchase the land identified in the project

3.5.5 Reporting Requirements

STIF Discretionary fund recipients must satisfy state reporting requirements. Grant recipients are required to report project progress and expenditures throughout the funding period. Funds will be disbursed on a quarterly basis upon submittal of satisfactory progress reports and expenditure documentation.

All recipients should be prepared to fulfill the following general reporting requirements:

- Quarterly reports completed in ODOT's Oregon Public Transit Information System (OPTIS), detailing project progress, outcomes, and expenditures by the recipient and its sub-recipient(s). Starting with grants effective on or after July 1, 2027, the quarterly report is due no later than 60 days following the end of each quarter. The fourth quarter report in each fiscal year may be preliminary, pending adjustment based on the recipient's financial audit. The STIF webpage contains additional guidance on project reporting.
- Recipients must maintain all financial records for at least six years after ODOT disperses the final payment under a grant agreement. Recipients must maintain all records relating to capital assets for three years after the disposition of a grant-funded asset as noted in

  OAR 732-040-0020.
- Documentation on reimbursement requests submitted in Oregon Public Transit Information System as outlined in the Supporting Documents Checklist. ODOT may require additional documentation and deliverables beyond those indicated in an application, as appropriate to the project.
- Recipients must submit copies of sub-recipient agreements to ODOT within 30 days of fully executing the sub-recipient agreement as noted in OAR 732-044-0035(4).
- Recipients that have acquired, purchased, or leased capital assets using STIF Discretionary funds must provide ODOT with a capital asset inventory. The inventory must include the following information as noted in OAR 732-044-0050:
  - Purchase date and price
  - STIF and other funds used for the purchase
  - Authorized use and operator
  - Asset description as follows:
    - **Vehicles:** make, model, quantity, size, number of securement stations, seats with and without securement stations deployed, fuel system, mileage, and condition
    - **Improvements to real property (facilities, buildings, shelters):** location, current disposition, condition, and status

- **Equipment:** make, model, quantity, and condition

The capital asset inventory must be updated at regular intervals as specified by ODOT. Reporting is required if the capital asset is in use for public transportation, regardless of the expected useful life of the asset.

3.5.6 Annual Reports

All STIF Discretionary fund recipients and sub-recipients must submit the following items to ODOT on an annual basis to fulfill requirements outlined in OAR 732-040-0025.

- Low-income impact mitigation report,
- Qualified Entity's adopted annual budget for the upcoming fiscal year, and
- Results of any relevant financial audits of the Qualified Entity or any sub-recipient located within the area of the Qualified Entity

3.5.7 Annual Budget

The Qualified Entity's adopted annual budget for the upcoming fiscal year must be submitted no later than 30 days after adoption.

This can be sent to ODOT via email at ODOTPTDReporting@odot.oregon.gov with a CC to the appropriate Regional Transit Coordinator.

3.5.8 Financial Audits

The results of any relevant financial audits of the Qualified Entity or any sub-recipient located within the area of the Qualified Entity, as required by a local, state or federal oversight agency for the purposes of statewide reporting should be sent to ODOT on an annual basis.

A LinkLane bus stopped at a crosswalk.

This includes but is not limited to the following:

- The state financial report required under ORS 291.040,
- The results of any comprehensive review completed by the Federal Transit Administration or ODOT, and
- Any information submitted by the Qualified Entity as part of the requirements of a statewide audit in accordance with the federal Single Audit Act of 1984 (31 U.S.C. 7501 to 7507), as amended by the Single Audit Act Amendments of 1996 (P.L.

104-156).

Qualified Entities and sub-recipients are also required to conduct an annual audit specific to STIF moneys received, using the STIF Agreed-Upon Audit Procedures form that is made available on the ODOT website. The Agreed-Upon Procedures form is often completed as a supplement to the transit provider’s Single Audit, and it is due either 30 days after the auditee receives the auditor’s final report, or nine months after the end if the transit auditee’s audit period, whichever is earlier.

Both audits and STIF Agreed-Upon Audit Procedures should be submitted to ODOTPTDReporting@odot.oregon.gov .

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Section 4

Statewide Transit Network Program

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Section 4: Statewide Transit Network Program

4.1 Program Purpose

The Statewide Transit Network Program currently utilizes two fund sources: STIF Intercommunity Discretionary (STIF Intercommunity) and Federal Transit Administration Section 5311(f) Intercity funds (FTA 5311(f)). While each funding source has different project eligibility requirements, there is significant overlap between the two programs.

The purpose of the Statewide Transit Network Program is to support projects that enhance Oregon's statewide fixed route bus network by investing in key transit hubs, closing gaps between two or more communities, improving collaboration and coordination between agencies that results in functional benefits, or other activities that improve the function of the overall intercity bus network and serve the interests of more than one transportation service provider.

Goals of the Statewide Transit Network Program are to:

- Increase strategic intercity connections
- Improve coordination between public transportation services
- Enhance ease of use of the Statewide Transit Network
- Improve infrastructure at inter-regional transit hub

4.2 Eligible Applicants

4.2.1 Public Transportation Service Providers and Other Providers of Transportation Services

Public Transportation Service Providers[9] are eligible to apply for STIF Intercommunity funds. For the purposes of STIF Funding, these include mass transit districts, transportation districts, federally recognized tribes, or a city, county, special district, intergovernmental entity, or any other political subdivision or municipal or public corporation that provides public transportation services.

Bus pulling away from a stop in Eugene, Oregon.

Nonprofit transit providers and for-profit transit providers are not eligible to apply for STIF Intercommunity funds.

FTA 5311(f) has broader applicant eligibility than STIF. Along with the types of entities eligible for STIF Intercommunity funds, FTA 5311(f) funds may be sought by nonprofit organizations and private for-profit entities that provide public transportation services. Applicants must meet all eligibility requirements of FTA Section 5311.

4.2.2 Sub-Recipients

Fund recipients may contract with other Public Transportation Service Providers, for-profits, and nonprofits to implement project deliverables. Recipients using only STIF Intercommunity funds for a project may apply their local processes for procurement of services. Recipients using FTA 5311(f) funds to complete the proposed project, including as match, must follow the applicable federal procurement requirements.

9 OAR 732-040-0005(31)

4.2.3 Grant Recipient Requirements and Qualifications

Potential recipients of Statewide Transit Network Program funding are required to meet, or demonstrate the capacity to meet, the following qualifications as applicable to the type of project being funded:[10]

- Be an entity eligible to enter into agreements
- Have the legal, managerial, and operational capacity to perform the project within the agreed schedule
- Not be debarred or suspended from receiving federal grants
- Maintain compliance with federal, state, and local laws and regulations including, but not limited to, those pertaining to passenger transportation, civil rights, labor, insurance, safety, and health, as applicable
- Comply with applicable laws, OARs, and the policies of the applicable grant fund
- Ensure proper use of STIF Intercommunity and FTA 5311(f) funds
- Perform the project in a safe, prudent, and timely manner

In addition, a recipient of STIF Intercommunity funds may contract with a sub-recipient and may require additional eligibility qualifications of sub-recipients or contractors. A recipient is required to confirm the eligibility of a sub-recipient prior to distributing STIF funds to them and entering into an agreement with them. Recipients are also required to ensure that sub-recipients maintain eligibility throughout the project period of activities funded with STIF funds.

4.3 Eligible Projects

Projects eligible for funding under the Statewide Transit Network program include, but are not limited to, capital projects such as vehicles, facilities, equipment, and technology; as well as mobility management, planning, research, and pilot and ongoing operations projects. Projects must support services connecting two or more geographically distinct communities.

Ongoing operations projects funded with Statewide Transit Network funds are subject to risk of not receiving funding in future solicitations because Statewide Transit Network Program grant awards are made every two years following an open competitive decision-making process.

To be eligible, a project must meet at least one of the following requirements described in OAR 732-044-0005(3): (1) The Project appears in a local plan, as defined in OAR 732-040-0005(17); (2)

[10] OAR 732-044-0020 and FTA circular 9040.1 H

The Project will fill a significant gap in the Statewide Transit Network; or (3) The Project will provide statewide benefits to multiple Public Transportation Service Providers.

STIF funds may not be used for light rail capital expenses. However, they may be used for light rail operations expenses.

Projects eligible for Federal Transit Administration Section 5311(f) funds need to demonstrate that they support a public transportation service that:

- Covers longer distances (20 or more miles) or closes a significant gap in the Statewide Transit Network
- Makes infrequent stops, and is not designed primarily to serve commuters
- Has the capacity to carry passenger luggage
- Makes meaningful connections to the larger intercity and Statewide Transit Network, including passenger rail, where possible

Commuter service is not eligible for 5311(f) funding.

All applicants seeking funding for fixed route transit services must have a process in place for creating and maintaining public General Transit Feed Specification data that describe the service.

4.4 Grant Awards and Application Procedure

4.4.1 STIF and the Oregon Public Transportation Plan

State discretionary grant programs provide an opportunity for ODOT to encourage and support projects that meet local needs while aligning with state public transportation priorities. This approach ensures that both state and local priorities are addressed through competitive

grant awards.

The Oregon Public Transportation Plan adopted by the Oregon Transportation Commission in 2018, provides overarching policy guidance for public transportation in Oregon. The Oregon Public Transportation Plan contains 10 state public transportation goals. All ODOT discretionary grant programs incorporate these goals into the selection process. ODOT has developed selection criteria that reflect these goals, ensuring projects selected by evaluators advances statewide priorities.

4.4.2 Funding Availability

ODOT will award funds at its discretion. It is possible that estimates of fund availability could decrease or increase as a result of a loss or gain in projected STIF tax revenue or FTA funding. Because this is a competitive grant program, project rankings will be used to determine which projects may be funded when the STIF fund allocations are finalized.

4.4.3 Match Requirements

STIF Discretionary fund applicants must demonstrate their ability to provide at least 20 percent of the project's total costs. If sufficient funds are available and any of the following characteristics are true, the 20 percent match may be reduced to 10 percent during the project selection process:

- The project will predominantly serve or provide access to and from rural communities (communities outside of urbanized areas with populations of fewer than 50,000 people);
- The project will serve an area located outside of a Public Transportation Service Provider's geographic jurisdiction;
- The project will fill a significant gap in the Statewide Transit Network; or
- The project will provide statewide benefits to multiple Public Transportation Service Providers. The applicant should identify the benefits to areas outside the jurisdiction where the project will be located. [11]

Eligible project match sources may include federal funds and certain state funds (for example, STIF Formula funds) intended for public transportation purposes, local funds, private contributions, and in-kind labor or contributions. Match contributions, including capital assets such as property, should only be used once as match on a single project and may not be used again as a match. Farebox revenues are not eligible as match.

Applicants seeking Federal Transit Administration Section 5311(f) Intercity funds must meet the following match requirements:

- 43.92 percent match of the net cost for operations projects
- 10.27 percent match of the net cost for capital projects and project administration

As defined by ODOT, the net operating deficit to be used as the basis for grant reimbursement is the applicant's operating expenses minus farebox revenue. ODOT defines farebox revenue as money paid by the passenger to the transit provider. Farebox includes fares reimbursed by another provider or through a subsidized ticket program, and sales of tickets and passes.

Farebox revenue does not include ticket revenue collected from passengers to be remitted to other public transportation providers for travel on other public transportation services.

Applicants may use non-farebox service revenue as match such as freight and interlined ticket sale

[11] OAR 732-044-0005(4).

commissions.

4.4.4 Application Procedure

The major steps in the project selection process are as follows:

1. Applicants submit an initial application to ODOT staff who will provide feedback on application eligibility, completeness and clarity.
2. ODOT forwards eligible applications to relevant Area Commissions on Transportation for review and comment and to Qualified Entities for review, recommendation, and, potentially, project prioritization following consultation with their STIF Advisory Committees.
    - Qualified Entities, with STIF Advisory Committee guidance, review and recommend whether each project should be awarded funding. Qualified Entities may recommend a prioritized list of projects for their Qualified Entity's geographic area of responsibility.
    - Advisory Committee reviews should be conducted in compliance with Committee bylaws.
    - Qualified Entity reviews should consider the extent to which each project meets the project selection criteria established by the Oregon Transportation Commission in OAR 732-044-0030.
3. Applicants address ODOT staff feedback and submit final grant applications to ODOT.
4. ODOT reviews final applications for eligibility, completeness and clarity.
5. An ODOT Project Selection Committee reviews applications, Qualified Entity recommendations, and Area Commission on Transportation comments and provides a ranked list of project applications recommended for funding to the Public Transportation Advisory Committee.
6. The Public Transportation Advisory Committee considers the ODOT Project Selection Committee's ranked list of projects, Qualified Entity recommendations, and Area Commission on Transportation comments and provides a rank-ordered funding recommendation to the Oregon Transportation Commission.
7. The Oregon Transportation Commission reviews and decides which projects will be awarded funds.
8. ODOT posts the Oregon Transportation Commission's funding awards on the ODOT Public Transportation Division website and notifies applicants via email of the posting.

Table 4-1. Discretionary Solicitation Selection Criteria Framework

Focus Areas	Selection Criteria
Community Benefits *OPTP goals:* • Communication, Collaboration, and Coordination • Mobility and Public Transportation User Experience • Community Health • Community Livability and Economic Vitality • Accessibility and Connectivity	• **Project achieves the purpose of the fund source, addresses important community needs, and will deliver a significant benefit to the community.** • Improves coordination between public transportation providers. OAR 732-044-0030(1)(b) • Provides integrated planning where affected communities will plan or partner to develop public transportation project(s). OAR 732-044-0030(1)(c)(A) • Implements technological innovations that improve efficiencies and support a seamless, easy-to-use Statewide Transit Network. OAR 732-044-0030(1)(c)(B) • Supports positive health outcomes. OAR 732-044-0030(1)(c) • Has the potential to result in increased use and participation in active transportation, including public transportation. OAR 732-044-0030(1)(c) • Improves or maintains service between geographically separated communities. OAR 732-044-0030(1)(c)(D) • Improves local connections and infrastructure at interregional transit hubs or develops service improvements and approaches that can be replicated statewide. OAR 732-044-0030(1)(c)
Equity *OPTP goal:* • Equity	• **Project planning and implementation incorporates meaningful involvement of disadvantaged communities in decision-making. Project sustains or improves access to transportation for disadvantaged communities** • Improves public transportation service to low-income households. OAR 732-044-0030(1)(a) • Improves or expands service to vulnerable or transportation-disadvantaged populations (e.g., seniors and people with disabilities). OAR 732-044-0030(1)(c)
Climate Benefits *OPTP goals:* • Environmental Sustainability	• **Project advances state goals for reducing greenhouse gas emissions by maintaining or increasing transit ridership, deploying low- or no-emission vehicles, or using low carbon materials or carbon-efficient design** • Reduces greenhouse gas emissions in or through public transportation systems. OAR 732-044-0030(1)(c)(C)
Safety *OPTP goals:*	• **Project enhances safety of vulnerable road users and transit riders** • Protects fleet condition and ensures vehicles are maintained in

• Safety and Security	a state of good repair. OAR 732-044-0030(1)(c)
Readiness to Proceed *OPTP goals:* • Funding and Strategic Investment	• **Project is well planned and has a high likelihood of succeeding** • Project does not substantially rely on discretionary state funding beyond the pilot phase. OAR 732-044-0030(1)(d) Note: For STIF-D only
Infrastructure and multimodal connectivity *OPTP goals:* • Mobility – Public Transportation User Experience • Accessibility and Connectivity • Community Livability and Economic Vitality • Communication, Collaboration, and Coordination	• **Project improves condition of transit-related infrastructure that supports multimodal connectivity of the public transportation system.** • Support or improvement of a useful and well-connected Statewide Transit Network. OAR 732-044-0030(1)(c)(D) • Elimination of first- and last-mile barriers to public transportation. OAR 732-044-0030(1)(c)(E) • Improving or maintaining connections to and between services and travel modes. OAR 732-044-0030(1)(c)(F)

OPTP = Oregon Public Transportation Plan
STIF-D = STIF Discretionary Fund

STN = Statewide Transit Network Program

4.4.5 Appeals Process

Applicants with projects not recommended for funding may appeal the funding decision. ODOT will follow the appeals process as identified in the State Management Plan.

The appeals process described in this document will be available following the Oregon Transportation Commission's final decision on grant awards. Where necessary, ODOT will

return to the Commission for approval of any amended funding recommendation resulting from an appeal.

4.5 Program Management and Compliance

4.5.1 Overview

Under OAR 732-040-0015, all STIF recipients are subject to periodic on-site compliance reviews by ODOT. Under OAR 732-040-0015(3), recipients must have policies and procedures in place to address project implementation such as program management; financial management; operations management; procurement, use, and maintenance of equipment; records retention; compliance with state and federal civil rights laws; and compliance with the Americans with Disabilities Act.

STIF recipients must be prepared to produce a description of the methods, policies, and procedures that will be used to ensure compliance with these rules. Additional information can be found on the Compliance Review webpage.

4.5.2 Applicability of Americans with Disabilities Act and Other Transportation-Related Laws

STIF Intercommunity fund recipients and their sub-recipients are responsible for complying with the Americans with Disabilities Act. The Americans with Disabilities Act is a federal civil rights law requiring that transportation services that are provided by both public and private entities to the public be available to people with disabilities. Applicability of the Americans with Disabilities Act varies according to the type of service, the type of vehicle, the type of provider offering the service, and other variables.

Federally recognized tribal governments are not required by federal law to comply with the Americans with Disabilities Act. Therefore, STIF statute does not compel compliance and tribal governments can follow state or local (tribal) procurement policy for vehicle purchases. As good practice, however, tribal governments are encouraged to share proposed purchases with their Regional Transit Coordinator for review before issuing a purchase order.

4.5.3 Low-Income Reporting

Per OAR 732-040-0025(1), each Qualified Entity receiving STIF funds is required to submit an Annual STIF Low-Income Tax Mitigation Report, detailing any actions taken by Public Transportation Service Providers located within the area of that Qualified Entity to mitigate the impact of the STIF tax on passengers who reside in low-income communities.

Public Transportation Service Providers are responsible for submitting an annual low-income mitigation form to the appropriate Qualified Entity. The Qualified Entity will coordinate with Public Transportation Service Providers to ensure that ODOT receives this report. Qualified Entities must submit these documents to ODOT no later than 45 days after the end of each fiscal year in which the Qualified Entity receives STIF funds.

4.5.4 Environmental Compliance

Recipients are responsible for:

- Complying with all applicable local, state, and federal environmental rules and regulations;
- Coordinating with ODOT and the Federal Transit Administration (FTA) for projects subject to the National Environmental Policy Act (NEPA)

The requirements of the National Environmental Policy Act (NEPA) and other applicable federal laws (e.g., the Endangered Species Act, the Clean Water Act, and the National Historic Preservation Act) apply to projects involving federal funding. This includes projects where STIF is being used as a match to a federal grant or where a STIF-funded project will use federal funds in the future (e.g., purchasing a property with STIF funds and using federal funds to construct a transit use in the future or using STIF funds to equipment that will be installed as part of a separate, federally-funded project). Projects funded solely with state and/or local funds are not subject to the requirements of NEPA. All applicants are responsible for coordinating with ODOT prior to incurring any costs or conducting any project-related activities to confirm NEPA applicability and specific documentation requirements. If NEPA requirements apply, the recipient is responsible for submitting all documentation required to comply with the environmental review process to ODOT for approval by the Federal Transit Administration (FTA).

> **You must contact your Regional Transit Coordinator for any project that is using federal funds or which will use federal funds in the future.**

4.5.5 Capital Assets

Grant recipients should understand the unique reporting, environmental review, and documentation processes associated with the purchase of capital assets. The requirements vary based on the source of funding, project type, and applicable local, state, and federal regulations. It is the grant recipient's responsibility to understand and comply with all applicable requirements.

OAR 732-044-0050 specifies the capital asset requirements for recipients of STIF discretionary funds.

To be eligible to receive Statewide Transit Network funds to acquire vehicles, an applicant must demonstrate in their grant application that the recipient or sub-recipient who will acquire the capital asset(s) has committed to continually use the vehicle for the approved purpose for the useful life of the asset(s). However, capital asset inventory reporting is still required as long as the capital asset is in use for public transportation.

To be eligible to receive Statewide Transit Network funds for a real property capital asset (for example, a transit facility, bus barn, maintenance facility, land, or administration building), an applicant must demonstrate in their grant application one or more of the following, depending on asset type:

- Recipient or sub-recipient ownership of the property upon which the capital asset will be located
- Recipient or sub-recipient possession of an executed lease agreement for the property location where the capital asset will be located, and that will be in place for the useful life of the capital asset
- Recipient or sub-recipient possession of an executed lien on the property upon which the capital asset will be located, for the useful life of the capital asset
- In the case of a project that will utilize property owned by a local city, county, or government, an executed intergovernmental agreement with the property owner guaranteeing ongoing use for the duration of the useful life of the capital asset
- In the case of a project to purchase land, an option to purchase the land identified in the project.

4.5.6 Reporting Requirements

Grant recipients are required to report project progress and expenditures throughout the funding period. All grant recipients should be prepared to fulfill the following general reporting requirements. Additionally, grant recipients who receive FTA 5311(f) grants must satisfy both State and Federal Transit Administration reporting and eligibility requirements.

- Quarterly reports completed in ODOT's Oregon Public Transit Information System, detailing project progress, outcomes, and expenditures by the recipient and its sub-recipient(s). Starting with grants effective on or after July 1, 2027, the quarterly report is due no later than 60 days following the end of each quarter. The fourth quarter report in each fiscal year may be preliminary, pending adjustment based on the recipient's financial audit. The STIF webpage contains the Statewide Transit Network Reporting Guidance and other guidance materials on project reporting.
- Recipients must maintain all financial records for at least three years after ODOT disperses the final payment under a grant agreement. Recipients must maintain all records relating to capital assets for three years after the disposition of a grant-funded asset as noted in

  OAR 732-040-0020.
- Documentation on reimbursement requests submitted in Oregon Public Transit Information System as outlined in the Supporting Documents Checklist.
- ODOT may require additional documentation and deliverables beyond those indicated in an application, as appropriate to the project.
- Recipients must submit copies of sub-recipient agreements to ODOT within 30 days of fully executing the sub-recipient agreement as noted in OAR 732-044-0035(4).
- Recipients that have acquired, purchased, or leased capital assets using STIF funds must provide ODOT with a capital asset inventory. The inventory must include the following information as noted in OAR 732-044-0050:
  - Purchase date and price
  - STIF and other funds used for the purchase
  - Authorized use and operator
  - Asset description as follows:
    - **Vehicles**: make, model, quantity, size, number of securement stations, seats with and without securement stations deployed, fuel system, mileage, and condition
    - **Improvements to real property (facilities, buildings, shelters)**: location, current disposition, condition, and status
    - **Equipment**: make, model, quantity, and condition

The capital asset inventory must be updated at regular intervals as specified by ODOT Reporting is required as long as the capital asset is in use for public transportation, regardless of the expected useful life of the asset.

4.5.7 Annual Reports

All STIF fund recipients and sub-recipients must submit the following items to ODOT on an annual basis to fulfill requirements outlined in OAR 732-040-0025:

- Low-income impact mitigation report
- Qualified Entity's adopted annual budget for the upcoming fiscal year
- Results of any relevant financial audits of the Qualified Entity or any sub-recipient located within the area of the Qualified Entity

Transit rider with an assistive device poses with art in front of a trolley.

4.5.8 Annual Budget

The Qualified Entity's adopted annual budget for the upcoming fiscal year must be submitted no later than 30 days after adoption.

This can be sent to ODOT via email at ODOTPTDReporting@odot.oregon.gov.

4.5.9 Financial Audits

The results of any relevant financial audits of the Qualified Entity or any sub-recipient located within the area of the Qualified Entity, as required by a local, state or federal oversight agency for the purposes of statewide reporting including, should be sent to ODOT on an annual basis.

This includes but is not limited to the following:

- The state financial report required under ORS 291.040
- The results of any comprehensive review completed by the Federal Transit Administration or ODOT
- Any information submitted by the Qualified Entity as part of the requirements of a statewide audit in accordance with the federal Single Audit Act of 1984 (31 U.S.C. 7501 to 7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104-156).

Qualified Entities and sub-recipients are also required to conduct an annual audit specific to STIF moneys received, using the STIF Agreed-Upon Audit Procedures form that is made available on the ODOT website. The Agreed-Upon Procedures form is often completed as a supplement to the transit provider's Single Audit, and it is due either 30 days after the auditee receives the auditor’s final report, or nine months after the end if the transit auditee’s audit period, whichever is earlier.

Both audits and STIF Agreed-Upon Audit Procedures should be submitted to ODOTPTDReporting@odot.oregon.gov .

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Appendix

Statewide Transportation Improvement Program Guidebook

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Appendix A: Definitions

Program Definitions

- **Advisory Committee** – either a committee formed by a Qualified Entity to assist the Qualified Entity in carrying out the purposes of the Statewide Transportation Improvement Fund (STIF) Formula fund and the Advisory Committee requirements specified in Oregon Revised Statutes (ORS) 184.761(1) or a joint committee formed by two or more Qualified Entities for the same purposes, pursuant to ORS 184.761(5).
- **Americans with Disabilities Act** – section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 as amended by the Americans with Disabilities Act Amendments Act of 2008.
- **Area of Responsibility** – the geographic area for which each Qualified Entity is responsible to provide STIF Formula Fund moneys.
- **Biennium** – a two-year period which runs from July 1 of an odd-numbered year to June 30 of the next odd-numbered year.
- **Capital Asset** – real property or tangible items purchased or leased with STIF moneys, including without limitation vehicles and structures, with a purchase price of $5,000 or more and a useful life of at least one year.
- **Client-Only Project** – a project where the underlying transportation service is offered to a limited group of people and not made available to the general public (e.g. a hotel airport shuttle).
- **Community with a high percentage of low-income households** – either:
    - A group of people living in geographic proximity to each other who have a higher percentage of low-income households than the state average; or
    - A group of people sharing a common characteristic, such as enrollment in Medicaid, the Supplemental Nutrition Assistance Program (SNAP), or another income-eligible program, who have a higher percentage of low-income households than the state average, regardless of where any person within the group is located.
- **Contractor** – an entity that designated as a Contractor by application of the test in OAR 723-042-0055(2).

- **Discretionary fund** – up to five percent of STIF funds to be disbursed to Public Transportation Service Providers, which includes Qualified Entities, through a competitive grant funding process, pursuant to ORS184.758(1)(b).
- **Fiscal Year** – the Oregon Department of Transportation (ODOT)'s fiscal year, which begins on July 1 and ends on June 30.
- **Federal Transit Administration Section 5311(f)** – the federal funding program with a focus on longer distance, non-commute transit service connecting communities with infrequent stops and, where possible, meaningful connections to the larger transit network.
- **Governing Body** – the decision-making body or board of a Qualified Entity.
- **Federally recognized tribe** – a federally recognized tribe in Oregon that has members residing on a reservation or in tribal trust lands in Oregon.
- **Indexed Minimum** – the smallest amount to be distributed under the Population-Based Formula and Payroll-Based Formula to any one Qualified Entity. This amount is tied to the minimum distribution of the STIF Formula program in the 2023-2025 Biennium, adjusted biennially by the rate of growth in the overall STIF Fund.
- **Intercommunity fund** – up to four percent of STIF funds to be disbursed to Public Transportation Providers through a competitive grant funding process, pursuant to ORS 184.758(2)(c).
- **Intergovernmental Entity** – entities organized under ORS 190.010.
- **Local Plan** – a local or regional public transportation plan(s), which may include adopted policy(ies) that is developed and approved by the Governing Body of a Qualified Entity, Public Transportation Service Provider, or Metropolitan Planning Organization. Local plans include, but are not limited to, coordinated public transit human services transportation plans, transportation system plans, transit development plans, and transit master plans.
- **Low-income Household** – a household the total income of which does not exceed 200 percent of the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2) for the 48 contiguous states and the District of Columbia.
- **Mass Transit District** – a district organized under ORS 267.010 to 267.390.
- **Operations Reserve Project Funds** – STIF Formula fund moneys set aside to be transferred to any operations Project in the STIF Plan in the event of significant, unexpected declines in transit operations revenue.
- **Ongoing Operations Project** – a public transportation project that was funded partially or

entirely with STIF funds during the immediate prior biennium. Expansion or increase in frequency of a public transportation service project or program is not considered "ongoing."

- **Oregon Transportation Commission (Commission)** – established under ORS 184.612.
- **Payroll-Based Formula** – the portion of STIF Formula funds disbursed per ORS 184.758(5).
- **Physical or Functional Relationship to Transit** – a bicycle project within a three-mile radius of a transit station or bus stop, or a pedestrian project within a half-mile radius. A project beyond these distances also has a physical or functional relationship to transit it is demonstrated that the improvement is within the distance that people will travel by foot or by bicycle to use a particular stop or station.
- **Plan Contingency Project Funds** – STIF Formula fund moneys set aside to be used for Project costs that were not foreseen at the time the Qualified Entity submitted a STIF Plan to the Commission for approval.
- **Planned Carry Forward Project Funds** – STIF Formula fund moneys set aside for capital improvements that cannot be funded in a single STIF Formula Fund funding cycle or for bond payments on the acquisition of a Capital Asset. A Qualified Entity must specify in its STIF Plan the reason for the Planned Carry Forward Project and the deadline by which the Qualified Entity intends to expend all Planned Carry Forward Project funds. The Qualified Entity may not carry forward Planned Carry Forward Project funds beyond the deadline without Agency approval.
- **Population-Based Formula** – the portion of STIF Formula funds disbursed per ORS 184.758(3).
- **Prior STIF Plan Period Funds** – STIF Formula Funding that Qualified Entity received from ODOT during a prior biennium but spends during a subsequent biennium.
- **Project** – a public transportation improvement or maintenance activity or group of activities eligible for STIF funds and a plan or proposal for which is included in a STIF Plan or in a grant application to a Qualified Entity or ODOT. Examples of project types include, but are not limited to, discrete activities, such as purchasing transit vehicles, planning, or operations; and groups of activities for a particular geographic area or new service, such as a new route that includes purchase of a transit vehicle, and maintenance and operations on the new route.
- **Public Corporation** – an independent legal entity that was formed by legislative action, serves a public purpose, and is under exclusive public management or control.
- **Public Transportation Advisory Committee** – the ODOT Public Transportation Advisory Committee established by the Oregon Transportation Commission in 2000. The Public Transportation Advisory Committee reviews and offers a recommendation to the

Commission on whether to approve STIF Formula Plans and STIF Discretionary and Intercommunity applications.

- **Public Transportation Service Provider** – 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 per ORS 184.752(1)
- **Public Transportation Services** – any form of passenger transportation by car, bus, or other conveyance, either publicly or privately owned, which provides service to the general public (not including charter, sightseeing, or exclusive school bus service) on a regular and continuing basis. Such transportation may include services designed to meet the needs of a specific user group, including for older adults and individuals with disabilities, for purposes such as health care, shopping, education, employment, public services, personal business, or recreation. Public Transportation Services must be designed and advertised as

  shared-ride service. (Per OAR 732-040-0005(32).)
- **Qualified Entity** – a county in which no part of a mass transit district or transportation district exists, a mass transit district, a transportation district or a federally recognized tribe per ORS 184.752(2). Beginning in the 2027-2029 biennium, Qualified Entities will also include intergovernmental entities that provide public transportation services on behalf of a county or federally recognized tribe.
- **Reserve Payment** – a payment that will be made to a Qualified Entity at the beginning of the biennium, along with its first quarterly disbursement of STIF Formula funds if the Qualified Entity's allocation of STIF Formula funds exceeded its STIF Plan Maximum in the previous biennium.
- **Recipient** – a Qualified Entity that has a STIF Plan approved by the Commission and enters into an agreement with the Agency or a Public Transportation Service Provider that enters into an agreement directly with the Agency to receive STIF funds.
- **Shared-Ride Service** – a service where neither the operator nor any passenger may refuse to permit additional passengers that are otherwise complying with the operator's rules and policies.
- **Special District** – a service district organized under ORS 451.010(1)(h).
- **Statewide Transit Network Program** – an ODOT program with an emphasis on investments that improve the Oregon Statewide Transit Network. Funding is from the STIF Intercommunity fund, Federal Transit Administration Section 5311(f), and other fund sources, as available.
- **STIF Formula Fund** – up to 90 percent of the STIF funds to be disbursed to Qualified Entities conditioned upon the Oregon Transportation Commission's approval of a STIF Plan, pursuant

to ORS 184.758(2)(a).

- **Statewide Transportation Improvement Fund** (STIF) – the fund established under ORS 184.751.
- **STIF Plan** – a public transportation improvement plan that is approved by a Governing Body and submitted to ODOT for review and approval by the Oregon Transportation Commission in order for the Qualified Entity to receive a share of the STIF Formula fund.
- **STIF Plan Maximum** – the total amount of funding sought in a Qualified Entity's Commission-approved STIF Plan. It does not include any Prior STIF Plan Period funds. A Qualified Entity's STIF Plan Maximum is the total amount of STIF Formula Fund moneys that the Agency is authorized to disburse to the Qualified Entity during the STIF Plan Period.
- **STIF Plan Period** – the effective date of a Commission approved STIF Plan through the end date of the Plan.
- **Student Transit Services** – Public Transportation Services within the Qualified Entity's area of responsibility that can feasibly and efficiently be used by students in grades 9 through 12.
- **Sub-recipient** – any entity, including but not limited to a Public Transportation Service Provider, that has entered into an agreement with a Recipient in order to complete one or more tasks specified in the agreement between the Agency and the Recipient. A sub-recipient does not include an entity or person that a Recipient has identified as a contractor.
- **Supplanting Funds** – the use of STIF Funding for a proposed project, which was previously funded by local dollars, when those local dollars are now being reallocated for non-transit purposes.
- **Support Facility** – a facility where activities supporting the operation of public transportation services occur, but where passengers do not board or exit vehicles, such as a bus barn, maintenance facility, or administration building.
- **Transit Facility** – a facility or location where passengers board and exit vehicles, such as a bus stop, station, transit center, mobility hub, or park and ride.
- **Transportation District** – a district organized under ORS 267.510 to 267.650.
- **Unused Project Funds** – are STIF Formula Fund moneys that a Qualified Entity included in the budget for a Project during a STIF Plan Period but did not spend during that STIF Plan Period. Unused Project funds do not include Planned Carry Forward Project funds, Plan Contingency Project funds or Operations Reserve Project funds. For STIF Plans with an effective date prior to July 1, 2027, Unused Project funds also do not include any STIF Formula Fund moneys budgeted for a task categorized in the Plan as a "Program Reserve/Contingency" and any STIF Formula Fund moneys budgeted for a Project described

in the STIF Plan as a "Project using planned carry forward funding" that a Qualified Entity did not spend during the STIF Plan Period in which they were disbursed.

- **Work Group** – a subcommittee formed by a Qualified Entity's Governing Body or Advisory Committee for the purpose of providing additional input on STIF Formula fund projects.

Task Category Definitions

These definitions are used to determine which category should be assigned to each task included in a STIF Formula Plan.

Non-capital Task Categories

- **Administration** – Activities that support the accomplishment or oversight of a Project(s) within the STIF Plan or the management or oversight of funding received pursuant to the STIF Plan. Expenses for administration are those that support completion of a Project(s) in the Plan but which do not meet the definition of another task category.

  Examples of administration expenses may include but are not limited to: administrative staff salaries; overhead expenses; marketing expenses; insurance premiums and payments to a self-insurance reserve; office supplies; office equipment; telecommunications; facilities and equipment rental; costs for coordination of transit services. Administration expenses may also include costs such as those associated with reporting on STIF Plan expenses and outcomes; audits of STIF moneys received; and other STIF program compliance requirements.

- **Mobility Management** – Short-range planning, management activities, and projects for improving coordination among public transportation and other transportation service providers. Mobility management includes access to transportation services that are focused on connecting individuals with the transit options that best meet their needs, including activity related to the functionality of passenger-facing software and applications that assist with trip-planning and connectivity within or across transit systems.

- **Operations** – Activities directly related to system operations. Examples of operating expenses include but are Operations expenses include expenses associated with free or reduced fare programs.

- **Transit Adjacent Operations** – Activities directly associated with system operations for bicycle or pedestrian projects with a physical or functional relationship to public transit.

- **Planning** – Planning is one or more of the following:
  - Developing transportation plans and programs;
  - Planning, engineer, design, and evaluate a public transportation project; and

- Conducting technical studies relating to public transportation.

Examples of planning tasks include the following:

- Studies related to management, planning, operations, capital requirements, and economic feasibility;
- Evaluating previously financed projects;
- Peer reviews and exchanges of technical data, information, assistance, and related activities in support of planning and environmental analyses among metropolitan planning organizations and other transportation planners; and
- Other similar and related activities preliminary to and in preparation for constructing, acquiring, or improving the operation of facilities and equipment.

- **Vehicle Preventative Maintenance** – Maintenance activities related to vehicles. These include activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost-effective manner, up to and including the current state of the art for maintaining such an asset.
- **Non-Vehicle Preventative Maintenance** – Maintenance activities related to assets other than vehicles, including real property. These include activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost-effective manner, up to and including the current state of the art for maintaining such an asset.
- **Operations Reserve** – STIF Formula Fund moneys that may be transferred to any operations Project in the STIF Plan in the event of significant, unexpected declines in transit operations revenue.
- **Plan Contingency** – STIF Formula Fund moneys that may be used for Project costs that were not foreseen at the time the Qualified Entity submitted a STIF Plan to the Commission for approval.

Capital Task Categories

- **Construction** – All activities associated with the completion, expansion, or improvement of a building, structure, or other real property. Construction includes costs associated with the supplies, materials, labor, and services necessary for all phases of a construction project, except for those preliminary activities meeting the definition of "planning," such as engineering and design.
  - ***Construction-Support Facility*** – Any task that meets the definition of "construction" associated with a structure meeting the definition of "support facility."

   - ***Construction-Transit Facility*** – Any task that meets the definition of "construction" associated with a structure that meets the definition of "transit facility." A construction task related to a structure that meets the definition of both "support facility" and "transit facility" should be categorized as a "*construction-transit facility*" task.
   - ***Construction-Transit Adjacent Projects*** – Any task that meets the definition of construction associated with a bicycle or pedestrian project with a physical or functional relationship to public transit.
- **Real Property Acquisition** – All activities associated with the purchase or lease of any interest in real property, except for preliminary activities meeting the definition of "planning."
   - ***Real Property Acquisition-Land*** – Any task that meets the definition of real property acquisition associated with land.
   - ***Real Property Acquisition*-Support Facility** – Any task that meets the definition of real property acquisition associated with a structure that meets the definition of support facility.
   - ***Real Property Acquisition-Transit Facility*** – Any task that meets the definition of real property acquisition associated with a structure that meets the definition of transit facility." A real property acquisition task related to a structure that meets the definition of both "support facility" and "transit facility" should be categorized as a "*real property acquisition-transit facility*" task.
   - ***Real Property Acquisition-Transit Adjacent Facility*** – Any task that meets the definition of real property acquisition associated with a bicycle or pedestrian project with a physical or functional relationship to public transit.
- **Vehicle Acquisition** – The acquisition of capital buses or other transit vehicles for the purpose of expanding, replacing, leasing fleet assets. Vehicle acquisitions may cover a wide range of vehicle types for public transportation use, such as standard 40-ft buses, 35-ft buses, 30-ft buses, articulated buses, commuter or suburban buses, intercity buses, trolley buses, double-deck buses, vans, and dual-mode buses. Related capital maintenance items and spare parts associated with these vehicles are also included.
   - ***Vehicle Acquisition-Expansion*** – A task that meets the definition of vehicle acquisition to increase the overall fleet size.
   - ***Vehicle Acquisition-Replacement*** – A task that meets the definition of vehicle acquisition to replace existing fleet vehicles that have reached the end of their useful life.
   - ***Vehicle Acquisition-Lease*** – A task that meets the definition of vehicle acquisition to lease fleet assets.

- **Vehicle Overhaul** – Systematic replacement or upgrade of revenue and non-revenue systems, the useful life of which is less than the useful life of the entire vehicle, in a programmed manner. Overhaul is performed as a planned or concentrated activity and is intended to retain the original useful life. Compare with "Rebuild."

- **Vehicle Rebuild** – An activity associated with rolling stock that occurs at or near the end of a unit of rolling stock's useful life and results in an extended useful life for the unit of rolling stock consistent with the extent of the rebuilding. Compare with "Overhaul."

- **Other Capital Asset Acquisition** – The purchase or lease of a tangible item, other than real property or rolling stock, with a purchase price of $5,000 or more and a useful life of at least one year.

Oregon Department of Transportation

Appendix B: STIF Oregon Administrative Rules and FTA 5311(f) Guidance

STIF General Information

The rules in Chapter 732, Divisions 40, 42, and 44 establish the procedures and requirements for the administration of the Statewide Transportation Improvement Fund (STIF) to improve public transportation service in Oregon. This resource provides information on definitions, the purpose and use of STIF, audit and compliance review requirements, Qualified Entity reporting requirements, Advisory Committees, Advisory Committee composition, Qualified Entity management and joint management of STIF funds, withholding funds, appeal procedures, and the creation of new mass transit districts or transportation districts.

STIF Formula Fund

The rules in Chapter 732, Division 42 establish procedures and requirements necessary for the administration of the STIF Formula fund, pursuant to Oregon Revised Statutes (ORS) 184.758(1)(a). This resource provides information on the STIF Formula fund cycle and calculation and disbursement, STIF Plan contents, Advisory Committee review of proposed projects, Commission approval of the STIF Plan, Qualified Entity failure to apply or withdrawal from the STIF Formula fund, reporting requirements, and capital asset requirements.

STIF Discretionary Fund

The rules in Chapter 732, Division 44 provide information on project eligibility and match, solicitation and application submission periods, application requirements, recipient qualifications, Advisory Committee review of projects under these programs, project selection, agreements, reporting requirements, withholding or repayment of funds, and capital asset requirements.

FTA 5311(f)

Chapter VIII in FTA Circular 9040.1G provides information on the FTA's Intercity Bus Program as well as information on project eligibility and match, application requirements, recipient qualifications, reporting requirements, obligation of funds, and capital asset requirements.

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Appendix C: Change Log

This change log sets out key changes to the guidebook that were made as part of the July 2026 update. These changes reflect updates to STIF statutes, STIF program rules, policy changes, and clarifications

Section 1: Introduction

- Table 1-1, “STIF Formula: Eligible Projects”: Updated to reflect changes to task categories.
- Table 1-1, “Funding Availability”: Updated to reflect OAR 732-042-0010(1)(b), requiring that QE and ODOT execute a grant agreement before STIF formula funds will be distributed to the QE.

Section 2: STIF Formula Fund

- Section numbering has been updated throughout Section 2.
- Former Section 2.2, “How to Access STIF Formula Funds” eliminated, incorporated into Section 2.4, “STIF Formula Plan Contents.”
- Section 2.2.1, “Qualified Entities,” Updated to reflect change to the QE definition resulting for SB 1544 to include certain intergovernmental entities.
- Section 2.2.1, “Qualified Entities: Map of QEs moved to this section.
- Section 2.2.2, Section title changed to “Sub-Recipients and Contractors.”
- Section 2.2.2, “Sub-Recipients and Contractors,” PTPS rule number updated, OAR 732-040-0031.
- Section 2.2.2, “Sub-Recipients and Contractors,” Description of OAR 732-042-0055, test used to determine whether to designate of entities as “contractors.”

- Section 2.3, “Eligible Projects,” Edited list of “eligible projects” to match updated STIF Plan task categories.
- Section 2.3, “Eligible Projects,” Edited to add description “Operations Reserve, “Plan Contingency,” and Planned Carry Forward” Projects. Reflects OAR 732-042-0015(4), (5), & (6).
- Section 2.4, Title changed “to “STIF Formula Plan.”
- Section 2.4.1, “Project Requirements,” New Section “Project Requirements, describing basic information required for STIF Plan Projects.
- Section 2.4.1.1, New Section “Project Descriptions, Budgets, and Outcomes.”
- Section 2.4.1.2, New Section “Fund Allocations,” describe requirement to providing allocations for funding priorities, including new expenditure allocation requirement for projects that “provide support for the operation of existing services.”
- Section 2.4.1.2, “Fund Allocations,” Provides new definition of “communities with a high percentage of low-income households.”
- Section 2.4.1.3, “Local Plan Compliance,” section moved for clarity.
- Section 2.4.1.4, “STIF Plan Projects and the Oregon Public Transportation Plan,” section moved for clarity.
- Section 2.4.2, “Services for Older Adults and Individuals with Disabilities,” new section to emphasize statutory STIF Plan requirement to program all STIF population formula funding to projects for older adults and individuals with disabilities.
- Section 2.4.3, “Student Transportation Requirement,” section moved for clarity.
- Section 2.4, “STIF Formula Plan,” added “pop-out” box referencing additional STIF Plan requirements and referencing OAR 732-042-0015.
- Section 2.5, renamed “STIF Plan Development & Review.”
- Section 2.5.1 “Major Steps in STIF Plan Development and Review,” moved for clarity.

- Section 2.5.2, “Allocation Estimates” moved from “Program Management” to “STIF Plan Development and Review.” Estimates are released prior to submission of STIF Plans and are a part of the “STIF Plan Application Timeline” included in Section 2.5.

- Section 2.5.3, “Sub-Allocation Method,” edited to reflect requirements in updated rule, OAR 732-042-0010(7), moved to reflect its place chronologically.

- Section 2.5.4.3, “Advisory Committee Bylaws,” strikes requirement to include a definition of “community with a high percentage of low-income households” OAR 732-040-0005(11).

- Section 2.5.4.4, “Advisory Committee Project Review,” updated to reflect rule changes OAR 732-042-0020(5), requiring Advisory Committee to consider factors collaboratively developed during sub-allocation.

- Section 2.5.4.4, “Advisory Committee Project Review,” updated to reflect that advisory committee “may consider” factors enumerated in rule, OAR 732-042-0020(6).

- Section 2.5.4.4, “Advisory Committee Project Review,” updated to add “The extent to which the Project would improve first- and last-mile connections to public transit and support multimodal integration” to the list of enumerated factors that advisory committees may consider.

- Section 2.5.5, new section “Governing Body Adoption” moved information about this process into its own section. Formerly part of the “Advisory Committee Project Review” Section.

- Section 2.5.6, new section, “STIF Plan Review and Approval,” organizes review and approval steps.

- Section 2.5.6.1, new section “Completeness Review,” describes ODOT’s STIF Plan review process.

- Section 2.5.6.2, new section “Public Transportation Advisory Committee Review,” describes PTAC’s role in STIF Plan review process.

- Section 2.5.6.3, new section, “Oregon Transportation Commission Review,” describes process for OTC review, reasons for rejection moved into this section.

- Section 2.5.7, new section, “STIF Plan Agreements,” describes requirement in OAR 732-042-0010(1)(b), that QE and ODOT execute a grant agreement before STIF formula funds will be distributed to the QE.
- Section 2.5.8, “STIF Plan Amendments,” updated to include permanent rule, OAR 732-042-0045, and information relevant to 2027-29 biennium.
- Section 2.6, renamed “STIF Formula Funding Distribution,” “Compliance” separated into separate section 2.7.
- Section 2.6.2, “Funding Disbursement Schedule,” edited to reflect requirement that QE and ODOT execute a grant agreement before funds will be disbursed to QE, OAR 732-042-0010(1)(b).
- Section 2.6.2, Funding Disbursement Schedule,” updated to reflect change to 60-day deadline for SPR.
- Section 2.6.3, “STIF Plan Maximum and Reserve Payments,” edited to reflect rule changes describing this process. OAR 732-042-0010(6).
- Section 2.6.4, “Management of Prior STIF Plan Period Funding,” Edited to reflect updated rule, OAR 732-042-0010(9), including new terminology.
- Section 2.6.5, Section title changes to “Budget Revisions,” edited to remove reference to “program reserve,” which no longer exists as a category in the STIF Plan.
- Section 2.6.6, “Redistribution of Funds,” moved to end of section for clarity.
- Section 2.7, “Compliance,” separated into new section.
- Section 2.7.1, “ODOT Monitoring of Qualified Entities,” updated to include discussion of imposition of corrective actions pursuant to STIF Plan agreements.
- Section 2.7.2, “Qualified Entity Monitoring of Sub-Recipients,” this section was rewritten to reflect OAR 732-042-0050, a new rule that will take effect on July 1, 2027.
- Section 2.7.3, “Qualified Entity Oversight of Contractors,” new section that reflects the requirements of OAR 732-042-0055.

- Section 2.7.4, “Applicability with the American Disabilities Act and Other Transportation-Related Laws,” edits for clarity.

- Section 2.7.5, “Environmental Compliance,” updated to conform to ODOT procedures for environmental review.

- Section 2.7.6.5, “Financial Audits,” updated to reflect rule change establishing a deadline for AUP documentation, OAR 732-040-0015.

- Section 2.7.6.6, “Reporting Interest,” Updated to reflect change to OAR 732-40-0020(2), establishing a deadline for the annual interest report.

- Section 2.7.6.7, “Unused Project Funds Report,” new section describing the requirements of OAR 732-042-0035(3), which creates a new reporting requiring under certain circumstances.

Section 3: STIF Discretionary Fund

- Section 3.1, “Program Purpose,” updated to note that STIF Discretionary funds may be used for ongoing operations during the 2027-2028 solicitation cycle.

- Section 3.3, “Eligible Projects,” edited to reflect eligibility requirements in OAR 732-044-0005(3).

- Section 3.3, “Program Purpose,” updated to note that STIF Discretionary funds may be used for ongoing operations during the 2027-2028 solicitation cycle.

- Table 3-1, “Discretionary Solicitation Selection Criteria Framework, updated to remove project weighting and add selection criteria for ‘infrastructure and multimodal connectivity.”

- Section 3.4.3, “Match Requirements,” updated to clarify that 20% is the default match rate for STIF Discretionary.

- Section 3.4.4, “Application Procedure,” description of application process updated to reflect procedures for current solicitation cycle.

- Section 3.4.5, “Appeals Process,” link to State Management Plan updated.

- Section 3.5.2, “Applicability with the American Disabilities Act and Other Transportation-Related Laws,” edits for clarity.

- Section 3.5.4, “, “Environmental Compliance,” updated to conform to ODOT procedures for environmental review.

- Section 3.5.5., “Reporting Requirements,” Updated to reflect change to 60-day quarterly reporting deadline.

- Section 3.5.8, “Financial Audits,” updated to reflect rule change establishing a deadline for AUP documentation, OAR 732-040-0015.

Section 4: Statewide Transit Network Program

- Section 4.3, “Eligible Projects,” edited to include 5311(f) eligibility restriction for commuter services.

- Section 4.4.3, “Match Requirements,” updated to clarify that 20% is the default match rate for STIF Intercommunity.

- Section 4.4.3, “Match Requirements,” 5311(f) match requirements updated to reflect current standards.

- Section 4.4.4, “Application Procedure,” description of application process updated to reflect procedures for current solicitation cycle.

- Table 4-1, “Discretionary Solicitation Selection Criteria Framework,” updated to remove project weighting, and add criteria for “infrastructure and multimodal connectivity.”

- Section 4.4.5, “Appeals Process,” link to State Management Plan updated.

- Section 4.5.2, “Applicability with the American Disabilities Act and Other Transportation-Related Laws,” edits for clarity.

- Section 4.5.4, “Environmental Compliance,” updated to conform to ODOT procedures for environmental review.

- Section 4.5.6, “Reporting Requirements,” Updated to reflect change to 60-day quarterly reporting deadline.

- Section 4.5.9, “Financial Audits,” updated to reflect rule change establishing a deadline for AUP documentation, OAR 732-040-0015.