



Statewide Transportation Improvement Fund

Oregon Administrative Rules

Prepared by Oregon Department of Transportation
June 25, 2018



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Topics

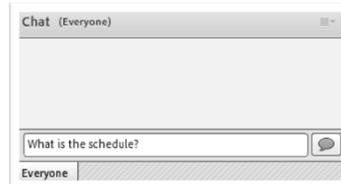
- Rules Overview
- General
 - Fund Purpose and Use
 - Distribution
 - Eligibility
 - Advisory Committees
 - Reporting
- Formula Fund
 - Funding Cycle and Calculations
 - Planning
 - Sub-allocation Method
 - Decision-making
 - Reporting and Accountability
- Discretionary Fund and Intercommunity Fund
 - Eligibility
 - Match Rate
 - Investment Priorities
 - Project Selection



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How to Ask Questions

- Use the chat feature to ask questions during the presentation
- If attending a group workshop, submit your questions in writing to your RTC
- Unanswered questions will be recorded and addressed within two weeks
- STIF FAQs will be updated with new questions



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REQUIREMENTS
Statute and Oregon
Administrative Rules

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STIF Oregon Administrative Rule Organization

OARs are listed by Chapter, Division and Section, such as 732-040-0000, where

- STIF is included in Chapter 732
- STIF Divisions include:
 - 040 General
 - 042 Formula Fund
 - 044 Discretionary Funds
- Sections are four digits starting with 0000 and increasing by increments of 5
- OAR citations will be included throughout



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General Rules (Ch. 732, Div. 40)

00. Purpose of rule
05. Definitions
10. Purpose and use of STIF
15. Audit and compliance review
20. Accounting requirements
25. Reporting requirements
30. Advisory Committees
35. Advisory Committee composition
40. Qualified Entity management and joint management of funds
45. Withholding funds
50. Appeal procedures



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General Rules – Key Elements

- Purpose and use
- Fund distributions
- Fund eligibility
- Advisory Committees, composition
- Reporting requirements



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Purpose and Use of STIF

732-040-0010

- Finance investments and improvements in public transportation, except light rail capital
- Primarily for improvements and expansions in first funding cycle
- Planning, operation, and administration of STIF-funded public transportation, including, but not limited to:
 - Creating new systems and services with origins, destinations or stops in Oregon
 - Maintaining systems and services
 - Developing Local Plans or STIF Plans
- Local match for state and federal public transportation projects



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Purpose and Use of STIF—Areas of Emphasis

732-042-0015

- **Increased frequency** of bus service schedules in communities with a high percentage of Low-Income Households
- **Expansion of bus routes** and bus services to reach communities with a high percentage of Low-Income Households
- **Programs to reduce fares** for public transportation in communities with a high percentage of Low-Income Households
- Procurement of **buses powered by natural gas, electricity or other low or no emission propulsion** in areas with populations >200,000



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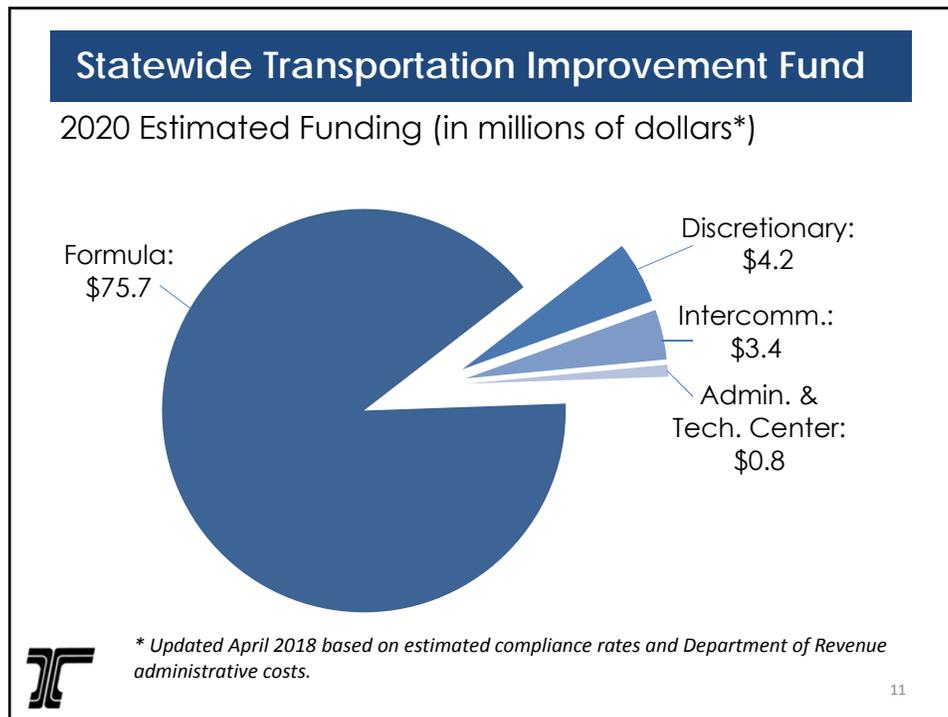
Purpose and Use of STIF—Areas of Emphasis

732-042-0015

- **Improve the frequency and reliability of service connections between communities** inside and outside of the Qualified Entity's service area
- Coordination between Public Transportation Service Providers to **reduce fragmentation in the provision of transportation services**
- Programs to **provide student transit services** for students in grades 9 through 12



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Fund Eligibility

732-040-0005

- **Qualified Entities (QEs)** are eligible to receive and distribute Formula funds. QEs are:
 - Mass Transit Districts, Transportation Districts, Counties without these districts, and Indian Tribes
- **Public Transportation Service Providers (PTSPs)** are eligible to receive Formula funds through QEs and may apply directly for Discretionary funds. PTSPs are:
 - QEs or cities, counties, Special Districts, Intergovernmental Entities, or other political subdivisions or Public Corporations that **provide public transportation services**

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Fund Eligibility

040-0005

- **Public Corporation:** an independent entity formed by legislative action, serves a public purpose, and is under exclusive public management or control
- **Public Transportation Services:** any form of passenger transportation, either publicly or privately owned, which provides service to the general public on a regular and continuing basis (not including charter, sightseeing, or exclusive school bus service)
- **Client-only** transportation providers are generally not eligible to receive STIF funds if the proposed uses are services not open to the general public



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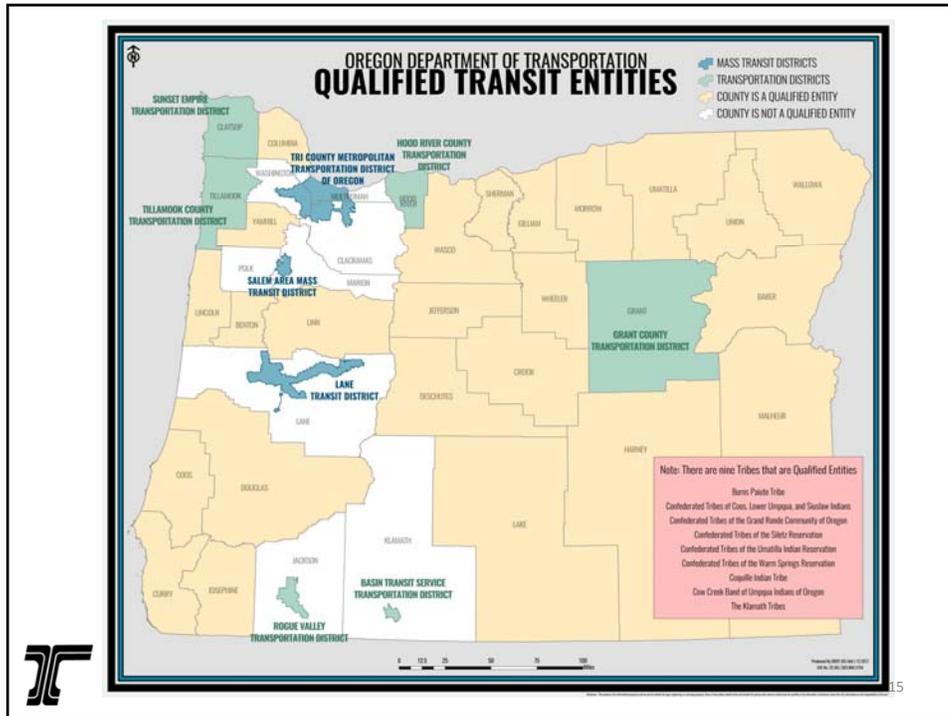
Fund Eligibility

040-0005

- **Non-profit public transportation service providers are not eligible to receive “pass-through” funds**
- Non-profit and for-profit public transportation providers can provide public transportation services **as a vendor** to either a QE or PTSP
- A QE or PTSP would need to propose a project, receive funds, procure the contractor, provide contract oversight, and manage the project



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Advisory Committees

732-040-0030

- Each QE shall appoint an Advisory Committee to **advise and recommend to the QE** on:
 - Prioritization of Formula projects
 - Whether to fund Discretionary projects
 - Opportunities to coordinate STIF projects with other transportation programs to improve service delivery and reduce gaps in service
 - Policies to ensure:
 - PTSPs are expending funds consistent with approved projects
 - PTSP projects don't fragment service

Advisory Committee Bylaws

732-040-0030

The QE is responsible for committee bylaws:

- Purpose, number of members, membership criteria and terms of office
- Meeting schedule, procedures, and duties
- Fostering public involvement and compliance with Oregon public meeting and records laws
- **Process to review Project proposals** for all STIF programs using criteria identified in these rules
- **Definition of high percentage of Low-income Households** for the Committee's evaluation of proposed Projects



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Advisory Committees

732-040-0030

- Two or more QEs may appoint a joint advisory committee
 - Requires written agreement
 - Each QE remains independently responsible for implementation unless there is a broader agreement for joint management of funds
- Copies of bylaws, meeting minutes and meeting notices must be published by the QE and available for public review



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Advisory Committee Composition

732-040-0035

- Minimum size based on QE type
- Represent diverse interests, perspectives, geography, and area population demographics.
- Appointees must
 - Be knowledgeable about public transportation needs
 - Represent one or more of the constituencies listed in rule
- Minimum composition—low-income, seniors and/or people with disabilities, and public transit provider



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Reporting Requirements

732-040-0025

- QEs that receive STIF moneys shall submit the following to ODOT:
 - Annual report on actions taken by PTSPs to mitigate impacts of the STIF tax on low-income passengers
 - Adopted annual budget for upcoming Fiscal Year
 - Results of any relevant financial audits of QE and PTSPs
- ODOT may withhold future distributions of STIF moneys from a QE that fails to submit reports



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Withholding of Funds

732-040-0045

- ODOT may withhold payment of STIF moneys in certain conditions:
 - Failure to use STIF funds in accordance with laws, rules or terms of the STIF Plan or agreement
 - Failure to submit required reporting
 - Any unresolved audit finding related to the accounting for STIF moneys
 - Any unresolved compliance review finding related to the use of STIF moneys
- A QE may appeal the ODOT's decision to withhold Formula Fund moneys as described in 732-040-0050



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Other General Rules to Review

- Audit and Compliance Review (040-0015)
- Accounting Requirements (040-0020)
- Qualified Entity Management and Joint Management of Funds (040-0040)
- Appeal Procedures (040-0050)



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Formula Fund (Ch. 732, Div. 42)

- 00. Purpose
- 05. Formula Fund cycle
- 10. Formula Fund calculation and disbursement
- 15. STIF Plan contents
- 20. Advisory Committee review of proposed projects
- 25. Commission approval of STIF Plan
- 30. QE failure to apply or withdrawal from Formula Fund
- 35. Reporting requirements
- 40. Capital asset requirements



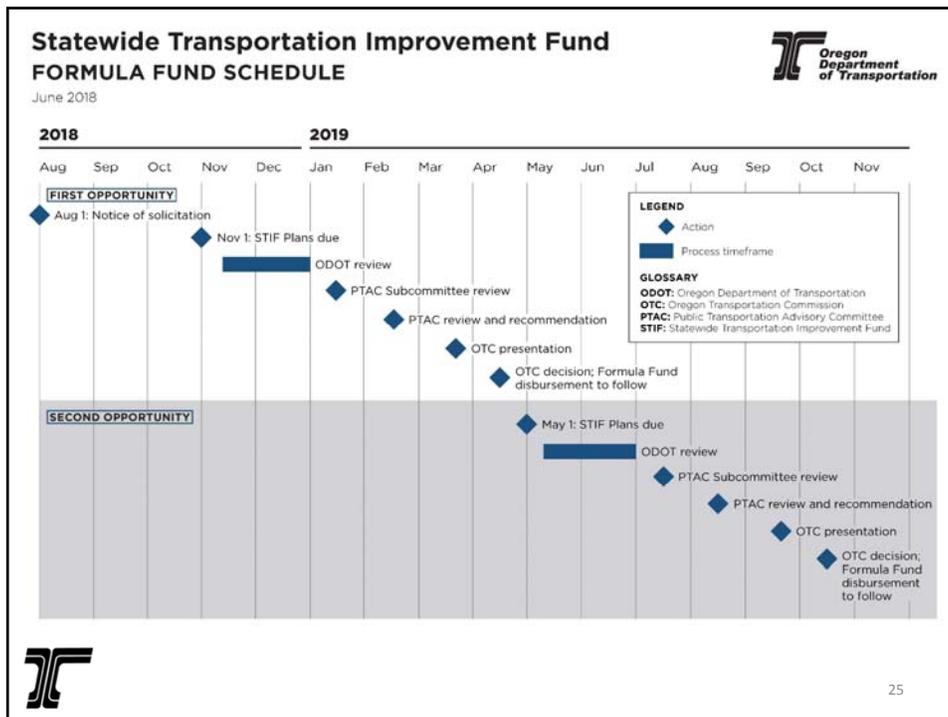
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Formula Fund Rules – Key Elements

- Funding Cycle and Calculations
- Planning
- Sub-allocation Method
- Decision-making
- Reporting and Accountability



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Formula Fund Calculation Method

732-042-0010

\$194.5 million in Formula Funds anticipated to be available in the biennium ending June 30, 2021

- Available funds affected by payer compliance rate, assumed to be 75% and improving each quarter
- Oregon Dept. of Revenue deducts collection and admin. costs
- 90% of STIF funds allocated to Formula Fund

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Formula Fund Calculation Method

732-042-0010

- QE payroll shares calculated using most current annual payroll data from Oregon Employment Department, with adjustments to ensure each QE receives \$100,000 minimum per year
- As the revenues are collected, ODOT multiplies the net total of Formula Fund by QE payroll shares
- QEs may start spending against the STIF Formula Fund as of July 1, 2018, entirely at their own risk.
- Upon approval of a STIF Plan, QE may reimburse itself for STIF expenses for an approved project



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STIF Plan Contents

732-042-0015

- Qualified Entities must submit a STIF Plan to ODOT to receive Formula funds
- STIF Plans function as application and agreement
- Projects to be funded by STIF Formula funds must be derived from local plans
- Existing local plans may be used to inform STIF Plans if they meet the local plan requirements specified in rule
- Examples: transit development plan, transportation system plan, coordinated plan, regional transportation plan



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Local Plan Definition Summary

732-040-0005

Local Plan: a local or regional public transportation plan, which may include adopted policies developed and approved by the Governing Body of a QE, PTSP or Metropolitan Planning Organization

Examples:

- Coordinated Plans
- Transportation System Plans
- Transit Development Plans
- Transit Master Plans



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Local Plan Definition Summary

732-040-0005

- A planning horizon of at least four years
- An existing and future conditions analysis
 - Current and forecast population and demographics
 - Locations of existing housing, jobs, services, destinations
 - Inventories of nearby transit services with connection potential
- Prioritized lists of transit improvements and capital projects
- Identified opportunities to Coordinate public transportation services with other agencies



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STIF Plan Contents

732-042-0015

A STIF Plan prepared by the QE must:

- Include at least one biennium this funding cycle, but future cycles could be 1 – 2 biennia
- Consider the QE's "Area of Responsibility"
- Define and identify communities with a high percentage of Low-income households
- Describe the sub-allocation **method** for Formula funds and the **process** for developing the method



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Sub-allocation Method

732-042-0010

- QEs must develop a method for sub-allocating Formula funds to Public Transportation Service Providers within their area of responsibility
- The method must be developed in coordination with PTSPs

“**Coordination**”: meet and develop sub-allocation methods, plans, programs, and schedules with other PTSPs with the intent of developing efficient and seamless public transportation services and reducing gaps in service



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Sub-allocation Method

732-042-0010

- To the extent possible, using the best available data, each sub-allocation must be proportionate to the employee payroll tax generated in each PTSP area
- The sub-allocation amount is a starting point for project decision-making, not an entitlement
- Decision criteria may affect prioritization of projects for award



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STIF Plan Contents

732-042-0015

A STIF Plan includes:

- Project descriptions
- A summary of planned and prior expenditures by QE and PTSPs
- The amount of funding allocated to the seven areas of emphasis/criteria
- Advisory Committee information
- QE and PTSP accountability methods
- Record of Governing Body adoption of STIF Plan
- Remediation strategies if QE failed to comply with approved STIF Plan in the past two years



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STIF Plan Contents – Projects

732-042-0015

Projects in the STIF Plan must include:

- Project name, description, funding level, and budget
- Description of how the project will **improve/expand** or maintain existing service
- Amount of funding and anticipated benefits and measureable outcomes specific to seven criteria
- Local Plan(s) from which the project was derived
- Consistent with Oregon Public Transportation Plan
- Minimum of 1 percent must be spent on student transit for grades 9-12, to extent practicable



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Advisory Committee Review of Projects

732-042-0020

- PTSPs submit project proposals to the QE's Advisory Committee (AC) for review
- AC reviews projects per bylaws, including public meetings
- AC recommends priority of approved projects, considering the following:
 - Does the Project address the seven criteria
 - Does the Project maintain an existing service
 - Do the Project goals meet public transportation needs
 - Are projects a responsible use of public funds
 - Other factors to be determined by the QE or AC such as geographic equity



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Decision-Making and Commission Approval

732-042-0025

Advisory Committee
Governing Body
Public Transportation Advisory Committee
Oregon Transportation Commission

- Advisory Committee reviews and advises Qualified Entity governing body on project prioritization
- Governing body of QE approves STIF Plan
- ODOT reviews STIF Plan for completeness
- PTAC reviews and recommends STIF Plans to OTC
- OTC decides whether to accept PTAC's recommendation



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Reasons for Commission Rejection

732-042-0025

Some reasons OTC may reject a STIF Plan include:

- QE failed to establish or confer with an Advisory Committee** or the committee did not meet rule requirements
- STIF Plan is incomplete** or does not adequately explain how to accomplish Project goals, including accountability methods
- STIF Plan does not contain the sections and elements listed in OAR 732-042-0015(1), (2) and (3)
- QE failed to expend STIF Formula funds** in compliance with a prior approved STIF Plan



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Reporting and Accountability

- STIF Plans must include quantifiable estimated service outcomes
- QEs will submit quarterly progress reports on expenditures and actual outcomes
- There are minimum required measures for certain project types, such as number of rides and miles of service for operations projects
- QEs must submit budgets, financial audits and undergo periodic compliance reviews by ODOT using an independent third-party consultant



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Reporting Requirements

732-042-0035

- In addition to General reporting requirements specified in 732-040-0025
- QEs must submit quarterly progress reports on expenditures and outcomes
- ODOT will reconcile disbursements against expenditures
- Excess funds may be carried forward by QE



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Discretionary STIF Funds (Ch. 732, Div. 44)

- 00. Purpose
- 05. Project eligibility and match
- 10. Solicitation and application submission periods
- 15. Application requirements
- 20. Recipient qualifications
- 25. Advisory committee review
- 30. Project selection
- 35. Agreements
- 40. Reporting requirements
- 45. Withholding or repayment of funds
- 50. Capital asset requirements



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Discretionary Solicitation Schedule

October 2018	Solicitation notice issued
February 2019	Applications due
April 2019	ACT comments and Advisory Committee recommendations due
May 2019	Selection committee review
June 2019	PTAC review
July 2019	OTC presentation
August 2019	OTC award decision
October 1, 2019	Agreements effective



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Discretionary and Intercommunity Discretionary Fund Rules – Key Elements

1. Eligibility – providers and projects
2. Match rate
3. Investment priorities
4. Project selection



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Eligibility

- All Public Transportation Service Providers may apply directly to ODOT
- Both discretionary funds are a statewide competitive process
- **Discretionary Fund:** All types of projects are eligible, except ongoing operations
- **Intercommunity Discretionary Fund:** All types of projects are eligible



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Match Rate

- 20% match, with exceptions
- 10% match accepted for projects that:
 - Serve rural communities (<50,000 people)
 - Fill a gap in the statewide transit network
 - Serve an area outside of a transit boundary
 - Provide statewide benefit



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Investment Priorities

The rules recommend investment priorities:

- Improve service to low-income households
- Improve coordination between providers and reduce service gaps
- Be consistent with the Oregon Public Transportation Plan
- Invest in projects that have a sustainable operations funding plan that doesn't rely on state discretionary funding



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Project Selection Process

- Public Transportation Service Providers submit projects to ODOT
- Advisory Committees recommend to fund or not fund, may prioritize
- Areas Commissions on Transportation may comment
- PTAC recommends funding awards
- OTC awards funds



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Additional STIF Resources

The following documents are located on the STIF Website:
www.oregon.gov/ODOT/RPTD/Pages/STIF.aspx

- [Adopted STIF Rules](#) are located on right navigation bar
- [STIF Rules Overview Fact sheet](#), located on right navigation bar
- A [flow chart illustrating the STIF Plan process](#) is located on the right navigation bar
- A [map of the Qualified Entities](#) is located in the document Library
- [Formula Fund allocation estimate](#), which shows potential funding amounts for QEs, is located in the document library
- [Formula Fund sub-allocation Guidance](#) is located in the document library
- Responses to [Frequently Asked Questions](#) is located on right navigation bar, and will be updated 1-2 weeks after today's webinar and workshops



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Next Steps

- The STIF Formula Fund solicitation notice will be issued no later than Aug. 1, 2018. Notice will include:
 - Hyperlink to online STIF Plan Template for QEs
 - Formula Fund Guidance and Application Instructions
 - Hyperlink to online STIF Project Applications that QEs may ask PTSP's to use to submit Project applications for Advisory Committee review
- Webinar on how to complete the STIF Plan Template will be scheduled for August
- Additional webinars may be scheduled on key topics, such as determining high percentage low income households, depending on need. Request trainings through your RTC.



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Questions?

Contact ODOT Regional Transit Coordinators

Region 1 Clackamas, Hood River, Multnomah, Washington	Jason Kelly, Regional Transit Coordinator Office 503-731-3320 Cell 503-798-2373 Jason.D.KELLY@odot.state.or.us
Region 2A Clatsop, Columbia, Marion, Polk, Tillamook, Yamhill	Arla Miller, Regional Transit Coordinator Office 503-986-3312 Cell 503-949-5415 Arla.Miller@odot.state.or.us
Region 2B Benton, Lane, Lincoln, Linn	Mark Bernard, Regional Transit Coordinator Office 503-986-3283 Cell 503-798-1935 Mark.Bernard@odot.state.or.us
Region 3 Coos, Curry, Douglas, Jackson, Josephine	Jennifer Boardman, Regional Transit Coordinator Office 541-774-6371 Cell 971-701-5049 Jennifer.BOARDMAN@odot.state.or.us
Region 4 Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake, Sherman, Wasco, Wheeler	Theresa Conley, Regional Transit Coordinator Office 541-388-6250 Cell 541-514-7995 Theresa.L.CONLEY@odot.state.or.us
Region 5 Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, Wallowa	Frank Thomas, Regional Transit Coordinator Office (541) 963-1362 Cell (503) 856-2757 Frank.THOMAS@odot.state.or.us



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