

Statewide Transportation Improvement Fund
Guidance for Determining Whether Expenditures are
Substantially Compliant and Consistent with STIF Plan
FINAL, May 8, 2019

Introduction

The Statewide Transportation Improvement Fund (STIF) is intended to finance investments and improvements in public transportation in Oregon. The legislative priorities articulated in HB 2017 include an emphasis on improving public transportation for low-income households, procuring buses with low or no emission (particularly in areas with populations over 200,000), improving public transportation within and between communities, and improving public transportation for high school students. This significant new source of state funding also includes additional expectations for state oversight and accountability.

Under OAR 732-042-0025(5)(e) the Oregon Transportation Commission may reject a STIF Plan for Formula Funding if the "...Qualified Entity failed to expend STIF Formula funds in a manner that substantially complied with a prior approved STIF Plan."

The Oregon Department of Transportation (ODOT) is providing this document in support of our STIF administrative and fiduciary oversight role. It includes guidance on the types of expenditures that ODOT will consider as consistent and/or inconsistent with an approved STIF Plan at the project level. It also includes a summary of all the actions that will be reviewed to determine whether expenditures are substantially compliant with STIF Plans.

Because this is the first biennium implementing STIF, it is likely that there are actions that ODOT has not yet considered when developing this document. This document will be updated over time to reflect ODOT determinations on actions not yet considered. **Qualified Entities (QEs) are required to get prior approval from ODOT to shift funds between projects and/or between tasks within a project.**

In the event that a recipient determines a given project is not meeting its goals or estimated outcomes, the recipient should consider whether to modify activities and expenditures consistent with the allowances contained herein or suspend the task or project until it can be revisited during the next STIF Plan period. STIF Plans cannot be amended and any unused funds will be carried forward for the QEs use during the next STIF Plan period.

The funds that are disbursed to QEs will be based on the actual taxes collected within the time period. This amount may be more or less than the forecasted values published in December 2018. The maximum total amount ODOT will disburse to a recipient will not exceed their approved STIF plan maximum. Any taxes collected in excess of the STIF plan maximum will be available to the QE at the next plan period.

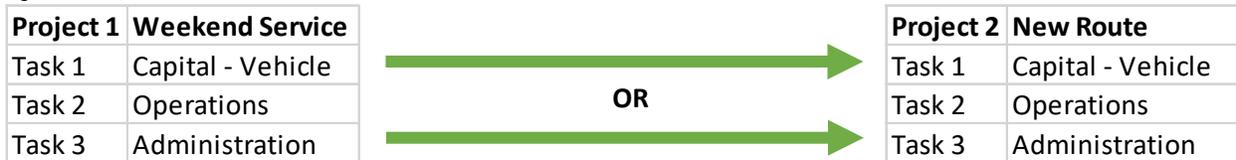
A. Consistent Spending

The following is a list of actions and types of expenditures that ODOT considers consistent with an approved STIF Plan at the project expenditure level. Examples are included along with some limited additional information that must be provided to ODOT in the applicable STIF Periodic Report (SPR).

1. Shifting budget on same types of activities across projects
 - e.g. unused vehicle purchase funds from Project 1 to Project 2 for vehicle purchases, see figure 1

- Types of activities include – Capital Purchases, Program Reserves, Operations, Planning, and Administration
- Original project must be carried out to level planned prior to transferring unused funds
 - Explain rationale for shifting funding
- Note changes to fuel type for vehicles
 - Explain rationale for shifting budget to a higher emission vehicle from a low or no emission vehicle for PTSPs in areas with populations greater than 200,000
- Total expenditures can't exceed budget of both projects combined
- ODOT pre-approval required

Figure 1.



2. Shifting budget within same project

- e.g. Project 4 Task 1 has unused funds, reallocate to Project 4 Task 3, see figure 2
- Tasks must be completed to the level planned prior to transferring unused funds
 - Explanation with needing to shift required
- Total expenditures can't exceed project budget total
- ODOT pre-approval required

Figure 2.



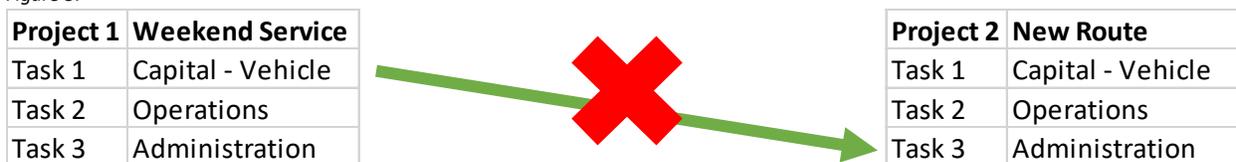
- Projects at close of a STIF Plan period where deliverables have not been completed can roll over to the next STIF Plan period
 - Explanation for unfinished projects required
- Carry forward and unspent funds can roll over to the next STIF Plan period
 - Explanation for carrying funding forward to the next STIF Plan period
- Program reserve spending
 - Narrative must be provided on the activities that program reserves are spent on and which existing plan projects and tasks were supplemented with program reserve funds
- Debt payments made on projects and tasks specifically outlined in STIF Plan
- Delays in project spending within STIF Plan period
 - Ensure that at least 1% of total expenditures support transportation for students in grades 9-12 each fiscal year, unless it was previously determined by the Oregon Transportation Commission during the STIF Plan approval process that it would be impracticable to do so
- Shifting budget between QEs and their subrecipient PTSPs and shifting between individual PTSPs
 - Concurrence of both providers in writing required prior to transfer

B. Inconsistent Spending

The following is a list of actions and types of expenditures that ODOT would consider spending inconsistent with an approved STIF Plan at the project expenditure level.

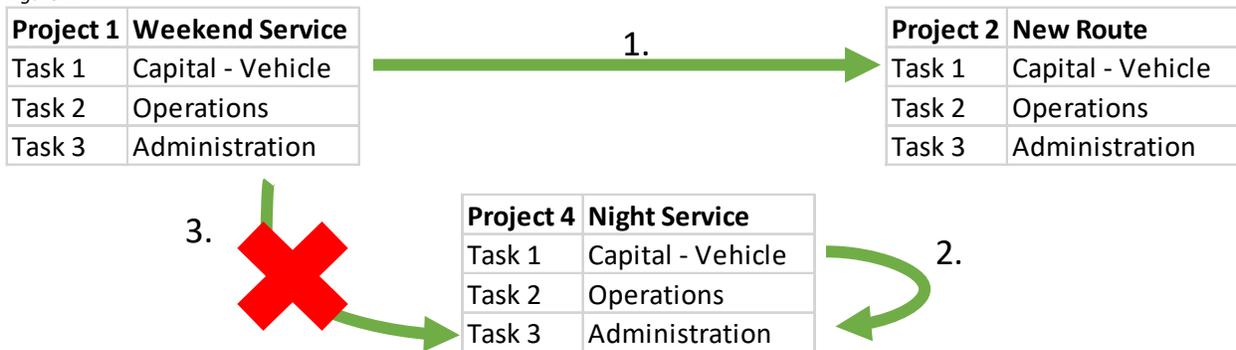
1. Going over budget
 - Overall STIF Plan budget may not be exceeded
 - Projects and tasks may go over budget if supplemented by other planned projects and tasks, as appropriate with the consistent spending section
2. Shifting budget between both activity type and project
 - e.g. unused vehicle funds from Project 1 may not go to operations in Project 2, see figure 3

Figure 3.



3. Both shifting budget within tasks and between projects
 - Shifting budget on same types of activities across projects (Consistent Spending A.1) or shifting budget within same project (Consistent Spending A.2), **but not both**
 - e.g. Project 4 shifted budget from Task 1 to Task 3, it cannot receive additional funds from other projects, nor can it transfer budget to other projects, see figure 4
 - e.g. Project 1 shifted unused budget to Project 2, it cannot shift budget between its own tasks

Figure 4.



4. Debt payments made to projects and tasks that did not specifically describe use of debt financing in the STIF plan

C. Failure to complete one or more of the following actions may result in a determination of STIF Plan non-compliance

1. At least 1% of expenditures spent supporting transportation for students in grades 9-12 in each fiscal year (FY), unless approved plan determines it is not practicable for a FY
2. At least one project that benefits low-income households over the STIF Plan period
3. All reports are complete and on time over the STIF Plan period
4. Provide documentation that supports STIF Plan expenditures (see Reimbursement Request Expense Documentation Requirements Summary Sheet)