

**ODOT Statewide Transportation Improvement Fund
Responses to Questions from July 12 STIF Rules Webinar and Regional Workshops**

Updated: Aug. 15, 2018

Questions from webinar and workshops

Applicant and Project Eligibility

Can Public Transportation Service Providers use the first round of Formula funds to match an existing FTA §5310 program award for vehicles to be purchased before June 30, 2019?

Yes.

Does the requirement for vehicles to be electric or compressed natural gas apply to vehicles purchased for communities outside the urban growth boundary with over 200,000 population?

The statute and rules require ODOT to report on the amount of Formula Fund allocations expended on procuring buses that are powered by natural gas or electricity in areas with populations of 200,000 or more. Neither statute nor rules specify that the 200,000 population be associated with an urban growth boundary or urban growth area.

Are Cities eligible to receive Formula funds if they do not currently provide public transportation service?

Yes, a city that has a Local Plan that identifies public transportation needs, meets Local Plan requirements as defined by OAR 732-040-0005(18), and is able to meet all of the STIF requirements may be defined as a Public Transportation Service Provider. Such a city should Coordinate with their Qualified Entity (as defined in OAR 732-040-0005(10)) to determine sub-allocation methods, plans and programs to develop efficient and seamless public transportation services and to reduce gaps in services.

If a Public Transportation Service Provider expanded service in June 2018 and STIF became effective July 1, 2018, would ODOT consider this “expansion” or “maintenance” of service?

Technically, this would be maintaining an existing service and the applicant would be required to explain why they are proposing to maintain an existing service.

Is there a cap on the administrative costs STIF will fund?

No.

Would a campus bus service that provides service to the public be eligible for STIF Funds?

If the Project is proposed by a Qualified Entity or a Public Transportation Service Provider and the schedule is advertised as public, then yes, the service would be eligible for STIF funding.

Will Qualified Entities collect fees on funds passed through to Public Transportation Service Providers?

It is up to the discretion of the Qualified Entity in coordination with their Public Transportation Service Provider(s).

Can STIF funds be set aside in reserve for future plans?

Yes, if as part of an approved STIF Plan.

Would a new fare ordinance need to be adopted before a Public Transportation Service Provider can apply to fund a fare ordinance in a STIF Plan?

No, assuming the Public Transportation Service Provider has a policy of periodically reviewing and updating its fares, it could apply for funding to conduct a fare review and update.

Are Public Transportation Service Providers required to implement projects in order of priority according to the STIF Plan?

No, Public Transportation Service Providers are not required to implement projects in priority order. The prioritization of projects in a STIF Plan, in combination with the requirement that STIF Plan submittals include projected expenditures by fiscal year, informs the Qualified Entities' Advisory Committee and community the planned implementation schedule at a high level.

How do the Formula Fund sub-allocation rules facilitate the funding of projects that cross jurisdictional boundaries?

The sub-allocation rules, OAR 732-042-0010(3)(d)-(h), require Qualified Entities to work collaboratively with Public Transportation Service Providers and potential Public Transportation Service Providers within their area of responsibility (defined term, see OAR 732-040-0005(5)). There is no requirement to sub-allocate outside of a Qualified Entity's area of responsibility.

Direction to work collaboratively to address public transportation needs that cross Qualified Entity's area of responsibility is found in the seven reporting areas of emphasis/criteria that were established by the legislature. Of particular relevance, STIF Plans are required to identify anticipated benefits and discrete measurable outcomes associated with each Project with specified reference to whether the project (see OAR 732-042-0015(3)(c)(E)-(F):

- Improves the frequency and reliability of service connections between communities inside and outside of the Qualified Entity's service area
- Fosters Coordination between Public Transportation Service Providers to reduce fragmentation in the provision of transportation services

There are numerous ways to work across jurisdictional boundaries to address these areas of emphasis, such as a neighboring Qualified Entity prioritizing a Project that would fund operations improvements by a Public Transportation Service Provider located in a different Qualified Entity's area of responsibility.

Do STIF projects need to satisfy all seven criteria?

No. Statute requires a minimum of 1 percent of the Formula Fund allocation to be expended on student transit for grades 9-12 each year, when practicable. Otherwise, there is no strict requirement in statute. However, the requirement that Qualified Entities report on the amount of Formula Funds allocated to

each of these seven criteria/areas of emphasis is an expression of legislative intent for the expenditure of Formula Funds.

Can a project qualify for STIF funding if it satisfies STIF criteria but does not appear in a Local Plan?

Under certain circumstances. Per OAR 732-042-0015(3), a Qualified Entity shall include in its STIF Plan only Projects which appear in a Local Plan. Qualified Entities eligible for no more than the minimum STIF Formula Fund allocation under OAR 732-042-0010(2) or Rural Public Transportation Service Providers that are unable to meet the Local Plan requirements during the first Formula Fund solicitation cycle may use a portion of their first STIF Formula Fund allocation or sub-allocation to improve public transportation services if they have a current approved Coordinated Human Services Public Transportation Plan and if they also use a portion of the first allocation or sub-allocation to develop a Local Plan that is consistent with STIF Local Plan requirements.

Consult with your Regional Transit Coordinator who can help you assess whether a particular Project might be part of a Local Plan.

Is Buy America required for capital procurement?

Buy America is required for a capital procurement only if the federal funds are expended in addition to STIF moneys. Buy America is not required if only STIF funds are used.

Could a Qualified Entity that has a fiscal policy of charging a specific Admin rate to all programs under its management use this policy as the justification for a STIF Plan project that supports a staff member assigned to transit facilitation within its area of responsibility?

Yes.

If a project does not use all funds, can excess funds be transferred to another project within a STIF Plan?

Yes. The Qualified Entity must continue to report progress by project through the STIF Plan period. As part of the next STIF Plan submittal, the Qualified Entity must specify how Formula funds were actually allocated across the seven areas of emphasis/criteria, so reporting will need to reflect those shifts in actual expenditures. Additional guidance on how to address this scenario will be developed by ODOT.

What level of specificity is required in Local Plans to qualify a project? i.e. “electric fleet” vs. “capital fleet”

It is not necessary for a Local Plan to specify the propulsion method for vehicles for the Public Transportation Service Provider to submit a request to fund a bus with electric propulsion.

If a Local Plan has a stated planning horizon for less than four years but the plan can cover a longer timeframe, can the governing body pass a resolution to extend the planning horizon and make it satisfy STIF Plan requirements?

This may be an acceptable approach depending on the specific content of the Local Plan. Consult with your Regional Transit Coordinator for review of your local circumstances.

Advisory Committees

Are all Advisory Committee meetings required to have a public comment period on the agenda? No. However, best public involvement practices generally include an option for public comment at public meetings. This may be in the form of allowing a limited amount of time for public comments or it may be accepting written public comments to be summarized by staff and provided to the advisory committee. ODOT will develop public involvement and advisory committee best practices resources. This document is anticipated to be posted on the STIF web page in early August.

Will ODOT provide a template for Advisory Committee bylaws?

Yes, ODOT is developing a template and will make that available on the STIF web page in late July/early August 2018.

Can a Qualified Entity use members of an existing committee such as STF for the STIF Advisory Committee?

Yes. Please see OARs 732-040-0030 and 732-040-0035 for more information on Advisory Committee composition.

What are the expectations for including Public Transportation Service Providers that are out of a Qualified Entity's district on advisory committees?

Qualified Entities are required to include at least one Public Transportation Service Provider or non-profit entity which provides public transportation services on its Advisory Committee. Separately, a Qualified Entity that is a Mass Transit or Transportation District is required to include Advisory Committee members from the district's area of responsibility, both within and outside district boundaries.

If Advisory Committee participation is challenging, what is the minimum quorum Qualified Entities may use in Advisory Committee bylaws?

ODOT does not require a minimum quorum. Each Qualified Entity should determine as part of the committee procedures section of the bylaws a definition for a quorum for committee action.

Should Qualified Entities ask legal counsel to review Advisory Committee bylaws?

That is up to the discretion of the Qualified Entity. A Qualified Entity's regional transit coordinator may provide technical assistance review of the bylaws, if requested by the Qualified Entity. However, RTC review does not constitute a legal opinion.

High Percentage Low-Income

Can a Qualified Entity define a high percentage of Low-income households as any community where Low-income Households exceed the state average?

Yes. See page 21 of the [Formula Fund Guidance and Application Instructions](#) document for more guidance on defining a high percentage of low-income households

How is mitigation to low-income passengers different than mitigation to low-income households?

OAR 732-040-0025 requires an annual report on “any actions taken by any Public Transportation Service Provider located within the area of A Qualified Entity to mitigate the impact of the STIF tax on passengers who reside in low-income communities.” The report must explain how it defines and identifies passengers in low-income communities.

Whereas the STIF Plan contents require a summary of expenditures that fund the “implementation of programs to reduce fares for public transportation in communities with a high percentage of low-income households.”

Both of these requirements are taken directly from statute and ask Public Transportation Service Providers to capture slightly different information. The report on mitigation of impacts of fares on passengers that reside in low-income communities is specifically focused on the passengers in low-income communities; whereas the fare programs funding allocation specifies communities with high-percentage of low-income households.

Qualified Entities and Public Transportation Service Providers are encouraged to determine early in the planning process how they will define “high percentage” and how they will mitigate the impacts of the tax on low-income passengers in order to address both of these requirements.

See page 21 of the [Formula Fund Guidance and Application Instructions](#) document for additional guidance on options and tools for addressing these requirements. Public Transportation Service Providers are encouraged to consult with their regional transit coordinators to work through the unique circumstances of each area.

If low income households are already receiving service, how can Public Transportation Service Providers differentiate expanded service that results from STIF?

There are a wide range of ways to improve or expand service, such as more frequent service, expanded hours or days of service, more frequent stops, and improved amenities, to name a few.

Student Transit

Do educational programs for high school students satisfy the student transit service criteria? While the legislative intent is around improving or expanding student public transit, an educational program that provides information to help students better access public transportation services would seem to help satisfy that intent, particularly if part of a coordinated approach to both expand service and better inform students of that service.

How do Public Transportation Service Providers provide transit service to students in grades 9 through 12 without violating FTA Certificates and Assurances?

This response is still under development.

Can a transit route that directly services a high school along with a surrounding neighborhood satisfy the student transit service criteria?

Yes. This service should improve or expand student transit for grades 9-12. If this is an existing service, it could be improved or expanded through a variety of methods, such as increasing frequency of service or expanding service hours to better meet student needs for after school activities. See page 21 of the [Formula Fund Guidance and Instructions](#) document for additional information.

How can a Public Transportation Service Provider satisfy the student transit service criteria if student travel needs are already met?

If a Qualified Entity does not propose to expend 1 percent per year to improve student transit, the Qualified Entity must provide the rationale explaining why it isn't practicable to do so. Practicable is a defined term in OAR 732-0040-0005(20). However, it is unlikely that all student transit needs are being met. See page 21 of the [Formula Fund Guidance and Instructions](#) document for additional information.

Procurement

Will ODOT provide a STIF vendor template for Public Transportation Service Providers to use when contracting with vendors for STIF projects?

ODOT is unlikely to provide a STIF vendor template for Public Transportation Service Providers to use when contracting with vendors for STIF projects because Public Transportation Service Providers are required to follow their own procurement policies and procedures, unless the Public Transportation Service Provider is co-mingling federal funds. In those instances, ODOT will assist Public Transportation Service Providers with ensuring the appropriate federal requirements are met.

How is a “vendor” or “contractor” different than a “sub-recipient”?

A sub-recipient is a Public Transportation Service Provider or Qualified Entity that has an agreement and is receiving funds from another Qualified Entity or Public Transportation Service Provider. Only entities that meet the definition of a Qualified Entity or Public Transportation Service Provider may be a sub-recipient. Therefore, a non-profit or private for-profit transit provider could only receive STIF funds if they are a contractor or vendor to a Qualified Entity or Public Transportation Service Provider. The practical difference is the process and mechanism (typically an agreement for sub-recipients and contract for vendors) used to memorialize the scope, budget and schedule.

Must vehicles purchased with STIF moneys be purchased off the state price agreement? Are there any other requirements when purchasing vehicles?

No. However, ODOT encourages purchasing vehicles off of the state price agreement. See OAR 732-042-0040 for Formula Fund Capital Asset Requirements and OAR 732-044-0050 for discretionary fund Capital Asset Requirements. If federal funds are co-mingled with STIF funds, then federal procurement requirements must be followed.

Formula Fund Calculation, Allocation, and Disbursement

Will 90 percent of STIF taxes collected in each Qualified Entity area of responsibility return to that area as Formula Funds?

ODOT will calculate the proportionate share for each Qualified Entity by dividing the amount of the wages paid by employers located within the boundary of the Qualified Entity's area of responsibility, by the total amount of the wages paid by employers statewide. ODOT will use the final wage data collected by the Oregon Employment Department for the prior Calendar Year, which is the most recent data available.

ODOT will exclude from the calculation of proportionate shares any Qualified Entity that is entitled to a minimum distribution. Those Qualified Entities will receive \$25,000 each quarter.

For all other Qualified Entities, each fiscal quarter, ODOT will take the product of the amount of the transit payroll tax revenue collected in the preceding fiscal quarter, as reduced by minimum distributions, multiplied by each Qualified Entity's proportionate share.

What are the Department of Revenue's administrative/collections costs?

The Department of Revenue has estimated it will cost \$5.76M for FY2019 and \$3M per year for FY2020-2021. The cost for the first year includes start-up costs, which will be collected off the top from the first quarter. The remaining costs will be assessed over each quarter. This is a preliminary cost estimate that could change depending on the number of tax remittals submitted in paper rather than electronic format. The estimate will be updated every six months in June and December as part of the semi-annual ODOT State Revenue Forecast.

Where are excess STIF funds held in reserve?

STIF funds will be held in a separate governmental fund that is yet to be established at Treasury. Each sub-program will have a fund detail code, so we can keep track of the accrual of each fund separately.

ODOT will disburse STIF Formula funds up to the amount specified in a STIF Plan approved by the OTC. If that threshold is reached, ODOT will cease disbursements and the value of that excess will be detailed in the allocation estimate for the next STIF Formula Fund cycle.

Are unspent Formula funds carried over to the next application cycle?

Yes, upon approval of a STIF Plan that accounts for those funds for the next funding cycle.

To what extent is the proportionate sub-allocation of Formula funds a requirement?

Per [OAR 732-042-0010\(3\)\(a\)](#), 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 Formula Fund moneys to Public Transportation Service Providers. The STIF Plan requires Qualified Entities to specify the process used to arrive at the sub-allocation methods as well as the actual method.

To the extent possible, using the best available data, the sub-allocation method used by Qualified Entities must be proportionate to the amount of employee payroll tax revenue generated within the geographic territory of each Public Transportation Service Provider.

The Qualified Entity's sub-allocation estimate shall be a starting point for the Qualified Entity's STIF Plan and funding prioritization process. The sub-allocation is not an entitlement to the Public Transportation Service Provider and decision criteria may affect the prioritization of projects.

See [the Formula Fund Sub-Allocation Guidance document, dated April 9, 2018](#) posted on the STIF web page for additional details.

Will Oregon Department of Revenue or ODOT provide initial sub-allocation proportions?

The [Formula Fund allocation estimate](#) was developed by ODOT using data provided by the Employment Department in partnership with the Department of Revenue. See the STIF webpage for the current estimate. <https://www.oregon.gov/ODOT/RPTD/Pages/STIF.aspx>

If a Tribe decides not to use its STIF funding, can the funds be redistributed to other Tribal governments?

No. The OAR 732-042-0030 specifies that a Qualified Entity's Formula Funds be redistributed to other Qualified Entities if a Qualified Entity withdraws from STIF Formula Fund eligibility, fails to submit a STIF Plan for two consecutive funding cycles, or has its STIF Plan rejected by the Oregon Transportation Commission for two funding cycles. However, it may be possible for two Tribal governments to enter into a joint management agreement that would specify how both Tribal governments' STIF Formula Fund disbursements would be expended. Please contact your Regional Transit Coordinator for additional discussion.

When Qualified Entities engage with Public Transportation Service Providers as part of the STIF Plan process, is the process any different for Tribes?

OAR 732-040-0005(5) defines the area of responsibility for each Qualified Entity. All Qualified Entities are responsible for collaborating with Public Transportation Service Providers located within their area of responsibility. For a Qualified Entity that is an Indian Tribe, its area of responsibility is the geographic area on which its Tribal Enterprises are located.

Accountability and Reporting

Will STIF reporting be done in the Oregon Public Transportation Information System? Is there a separate quarterly report?

Yes, reporting will be done through OPTIS. It remains to be determined whether supplemental documentation will be required due to OPTIS limitations. ODOT will be providing reporting training as we get closer to STIF Plan approvals.

If two or more Qualified Entities are jointly managing STIF funds, who is responsible for the budget and reporting?

Under OAR 732-042-0035, each Qualified Entity is required to prepare a quarterly progress report. In addition, Qualified Entities engaged in joint management of STIF funds are required to have a joint management agreement that specifies the roles and responsibilities of each agency. ODOT recommends that this agreement specify reporting roles and responsibilities if there is a desire to have one entity compile and submit the reports on behalf of the other entities. More detail will be provided by ODOT as we develop the reporting requirement details.

Will audit requirements apply to non-profit vendors who may not be subject to audit requirements of other Public Transportation Service Providers?

ODOT is currently developing additional guidance pertaining to audit requirements and will include content on requirements and best practices for Public Transportation Service Provider oversight of non-profit and private for-profit vendors. This guidance will be posted on the STIF web page in August.

Can Public Transportation Service Providers use their adopted budgets in STIF Plans, or is a separate STIF budget required?

STIF Plans do not require adopted Public Transportation Service Provider budgets. They require estimated Project expenditures that group expenditures into five fund types. See page 45 of the [Formula Fund Guidance and Instructions](#) document for more details.

Will low income ridership reporting metrics be added to OPTIS?

Yes, ODOT has identified a number of required outcome measures for certain capital and operations task categories. For low-income households, providers will be required to specify the number of low-income households with access to transit for operations projects (see p. 48 of [Formula Fund Guidance and Instructions](#) document for additional details). Our intent is to update OPTIS to enable reporting directly in OPTIS. However, depending on OPTIS limits, we may specify a supplemental report be uploaded to OPTIS. ODOT will provide additional guidance and training on reporting requirements as they are developed.

What data does ODOT expect Qualified Entities to report? This may require Qualified Entities update their reporting software.

In general, Qualified Entities will need to specify likely outcomes and benefits associated with each Project in its STIF Plan. The Qualified Entity will then need to provide quarterly reports on its progress in delivering those outcomes. Additional details about Qualified Entity reporting requirements are located in OAR 732-040-0015 Audit and Compliance Review Requirements, 732-040-0025 Qualified Entity Reporting Requirements, OAR 732-042-0035 Formula Fund Reporting Requirements, and pages 46-51 of the [Formula Fund Guidance and Instructions](#) document, which covers the outcome measures portion of STIF Plan projects.

Discretionary Funds

Will applications for Discretionary funds also become the agreement?

No. Grant agreements will be developed for all discretionary grant awards.

Do Public Transportation Service Providers need to request an Advisory Committee review their application before submitting to ODOT?

No. Public Transportation Service Providers will submit discretionary grant applications directly to ODOT. ODOT will then provide the applications to the relevant Qualified Entity for review by their Advisory Committee.

Miscellaneous

Will the STIF Plan application cycle follow the fiscal year after the initial implementation?

Yes, the STIF Formula funding cycle will be aligned with ODOT's other biennial solicitations.

What is the definition of "community"? Can it mean a "portion of a community"?

Community is not a defined term in either statute or rule.

Can multiple people access and work in the STIF Plan Template simultaneously?

Yes, as long as they have the same entry link. Whoever starts the application should select "save" at the bottom of the form. This will generate an option to copy the form link. This link may be sent to others. However, if people are working in the same area, this will cause a conflict as Cognito only updates after a user selects "save." If one user makes changes and the other user attempts to make changes after it has been saved it will show a conflict or overwrite content that was previously saved. Therefore, ODOT recommends that only one person at a time add or edit content in a single section.