



Statewide Transportation Improvement Fund Frequently Asked Questions

Published August 17, 2017

This document answers questions about the Statewide Transportation Improvement Fund (STIF) and the programs being developed to implement it under House Bill (HB) 2017. It will be periodically updated to address ongoing questions received by ODOT.

STIF Overview

What is the Statewide Transportation Improvement Fund?

Section 122 of HB 2017, passed into law in 2017, establishes a new dedicated source of funding for expanding public transportation service in Oregon.

What is the funding source for STIF?

Revenue will be generated from a payroll tax of one-tenth of one percent on wages paid to employees in Oregon. Proceeds from the payroll tax will be deposited into the STIF.

When does funding become available?

The Department of Revenue will begin collecting revenues on or after July 1, 2018. ODOT will execute the first grant agreements for the 90 percent formula allocation by January 1, 2019 and for the five percent discretionary and four percent intercity discretionary funds by July 1, 2019.

How will STIF funding be distributed?

The funds will be distributed as follows:

- Ninety percent by formula to qualified entities;
- Five percent to public transportation service providers based on a competitive grant program adopted by Oregon Transportation Commission (OTC) rule;
- Four percent to public transportation service providers to improve public transportation between two or more communities based on a competitive grant program adopted by OTC rule; and
- One percent to ODOT to establish a statewide public transportation technical resource center to assist public transportation providers in rural areas with training, planning, and information technology.

Many of the STIF distribution details will be determined over the next year during the rule-making process.

What is the definition of a qualified entity?

Qualified entities include mass transit districts, transportation districts, counties without a mass transit district or transportation district, and federally-recognized Indian tribes.

Are qualified entities the same as Special Transportation Fund agencies?

Yes, the definition refers to the same list of agencies.

What is the definition of a public transportation service provider?

Public transportation service providers are qualified entities, cities, counties, special districts, intergovernmental entities or any other political subdivisions or municipal or public corporations that provide public transportation services.

Formula Funds

What is the formula for allocating the 90 percent formula funds to qualified entities?

Under HB 2017, each qualified entity will receive a proportionate share of the tax paid within the public transportation provider's service area, with a minimum annual amount of at least \$100,000. If there is more than one mass transit district or transportation district in a single county, the moneys will be distributed to the larger district. The larger district will be responsible for distributing the moneys to the smaller entities following the decision-making processes established by HB 2017 and program rules that will be adopted by the OTC in the next 9 to 15 months.

What are the eligibility requirements for receiving the 90 percent formula funds?

Qualified entities are eligible to receive a portion of the 90 percent distribution, if they prepare a plan for improving service that has been approved by a local advisory committee. The plan must be reviewed and approved by the OTC.

What are the requirements for forming an advisory committee in order for a qualified entity to receive 90 percent formula funds?

Qualified entities must form an advisory committee to review and determine which projects to fund and include in the entities' plan. Additional advisory committee requirements such as composition, decision criteria, and committee process for reviewing proposed projects will be developed by OTC rule.

What must be included in the public transportation plan in order for a qualified entity to receive 90 percent formula funds?

At a minimum, each plan must specify for each proposed project the amount of moneys from the percentage distribution that would be allocated to fund one or more of the following:

- Increased service frequency and expansion of bus routes in communities with a high percentage of low-income households;
- Procurement of buses powered by natural gas or electricity for use in areas with populations of 200,000 or more;
- Reduced fares in communities with a high percentage of low-income households;

- Improved frequency and reliability of service connections inside and outside of the qualified entities service area; and
- Coordination between public transportation service providers to reduce fragmentation of services.

The plan is required to be approved by a local advisory committee and if the qualified entity received funding the previous fiscal year, the amount of that funding that was used for the purposes identified in the bullets above.

Can my STF advisory committee serve as my STIF 90 percent formula advisory committee?

Unknown at this time. The requirements for committee composition will be developed by OTC rule.

What are the reporting requirements for qualified entities receiving 90 percent formula funds?

At a minimum, qualified entities will be required to provide a summary of any plans and project proposals approved by an advisory committee and describe how the previous year's distribution was allocated to projects for the purposes just described.

Qualified entities that receive a proportionate share of the 90 percent distribution will also be required to submit the following documentation to ODOT 30 days prior to the end of each fiscal year:

- a report detailing actions taken to mitigate impacts of the new payroll tax on low-income passengers,
- an adopted annual budget for the upcoming fiscal year, and
- the results of any audits.

STIF Eligibility and Match

Can transit services be provided to seniors and individuals with disabilities using STIF?

Yes, there is nothing in HB 2017 that precludes enhancing public transportation services to seniors and individuals with disabilities using STIF. The upcoming rule-making process will clarify planning requirements, local decision-making processes, and decision-making criteria.

Will a local match be required for any of the STIF programs?

HB 2017 is silent on local match requirements.

Contact and Questions

Who should I contact if I have questions about the STIF?

Send your questions to Karyn Criswell, ODOT STIF implementation project manager via email at karyn.c.criswell@odot.state.or.us.