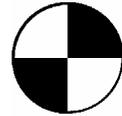




Highway Division

Project Delivery Leadership Team

Operational Notice



NUMBER PD- 11	SUPERSEDES N/A	EFFECTIVE DATE August 1, 2002	CANCELLATION DATE March 1, 2005
SUBJECT Annual Funding Adjustments		ISSUING BODY Project Delivery Leadership Team (PDLT)	

PURPOSE: To articulate steps used in addressing federal and state fiscal funding allocation adjustments, which may be needed in order to fully utilize the federal limitation in the delivery of the *Statewide Transportation Improvement Program (STIP)*.

BACKGROUND: Per 23 CFR Part 450, Federal Highway Administration and Federal Transit Administration, the State of Oregon is “*required to develop a statewide transportation improvement program*” which is to be “*financially constrained by year and include sufficient financial information to demonstrate which projects are to be implemented using current revenues...*” Each year ODOT receives a state fund amount, as well as a federal allocation with federal limitation. This total amount is then distributed to regions and program areas based upon the Oregon Transportation Commission (OTC) approved annual *STIP* programmed levels. The distribution of this annual element of funds is managed through the *Financial Plan (FP)*. Through the course of the year, projects are designed and constructed. Funds and limitations used are captured on the FP. At times, project elements are not delivered as originally programmed (more costly, slipped to a later year, cost reduction, etc.) causing a financial impact. When these changes occur, project delivery decisions are required to re-establish the overall statewide balance between funds available and the need to use the annual state and federal amount.

STIP project management is a responsibility of the Region and Program Managers. Delivery of STIP projects as programmed assures funds are obligated within the year designated by the OTC. When this does not occur, it is necessary to make changes in project scopes, budgets, or schedules to maximize the use of available statewide funds.

PROCESS: The Program and Funding Services Manager, or designee, and each region’s FP Coordinator are responsible for monitoring the implementation of the FP. They are also responsible for communicating the FP status to the Region and Program Area Managers and updating the FP on a monthly basis. If actual and estimated cumulative obligations are projected to be more than 10% over or under the targeted annual allocation, a strategy must be developed to rebalance. Additionally, any excess carry-over monies must be identified for an approved project (or projects).

Region Managers and Program Managers are responsible for developing strategies to balance their programs, which may include sharing their allocations and limitation as needed to maximize the available funds to deliver STIP projects throughout the state. If, on January 1st and/or May 1st, a region or program has exceeded the 10% threshold stated above, strategies will be reviewed by the Standing Committee on Finance (SCOF). The Highway Finance Office

(HFO) will identify those regions/programs, request their strategies and forward them to the SCOF. Within 30 days, the SCOF will approve the strategies or provide an alternative solution(s).

The state's funding picture may change at any time due to unforeseen reasons. The SCOF will communicate issues and possible strategies with the impacted FP Coordinators, Region Managers and Program Managers where time allows prior to implementing any rebalancing decisions. However, the SCOF may need to make quick decisions in order to rebalance the FP.

CANCELLED