



Oregon

Kate Brown, Governor

Oregon Transportation Commission

Office of the Director, MS 11

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DATE: July 2, 2015
TO: Oregon Transportation Commission

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FROM: Matthew L. Garrett
Director

SUBJECT: **Agenda D** – 2018-2021 STIP Funding Allocation Recommendation

Requested Action:

Request approval of the funding allocations for the 2018-2021 Statewide Transportation Improvement Program (STIP).

Background:

Beginning in February, 2015, the Oregon Transportation Commission (OTC) engaged in discussions on potential funding scenarios for the 2018-2021 STIP. In the first discussion, the Commission discussed nine scenarios with the range based on whether to assume flat federal funding or a 10 or 20 percent federal reduction with different percentages that might go to Fix-It and Enhance. Both the OTC and the Area Commission on Transportation (ACT) chairs who participated in the February discussion recognized the priority of maintaining and preserving the existing system. The majority of the ACT chairs also recognized that with less Enhance funding, streamlining the project selection process should also be considered.

The OTC then spent additional commission meetings discussing the remaining alternatives. One of the key decisions was whether to dedicate all funding beyond the required non-highway set asides (which is anticipated to be \$57 million for 2019-2021) to Fix-It, or allocate approximately 12 percent of the funds to Enhance, or approximately \$106 million over three years.

April OTC Meeting

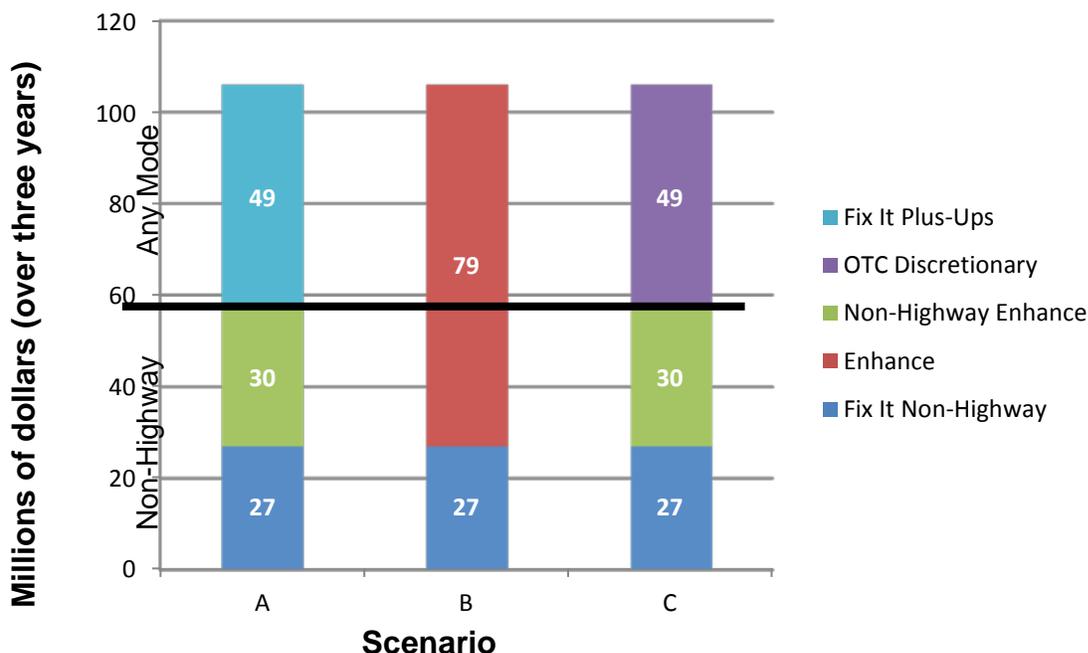
At its April meeting, the OTC gave ODOT feedback on a number of points providing assumptions going into the next discussion.

- Most of the funding available for Fix-It and Enhance will go into the Fix-It programs to preserve the state transportation system.
- With the emphasis on Fix-It, assuming a 10 percent federal reduction to mitigate risk is reasonable because it would be much easier to defer Fix-It projects to a later date if the need to do so arose.

- Up to \$106 million over three years—12.5 percent of available funds— will be provided for Enhance or similar programs. Of this, approximately \$57 million must be spent on non-highway projects (bicycle, pedestrian, transit, transportation options) to meet federal and state requirements.
- ACTs should play a role in project selection under any Enhance-type program.

May OTC Meeting

At the May OTC meeting, ODOT developed three funding scenarios based on direction from the Commission. The OTC focused discussion around Scenarios A and C. The Commission direction was to reframe the proposed OTC Discretionary funds to be region selected projects, allowing both Fix-It projects and Enhance-type projects to be selected depending on region needs.



July OTC Meeting

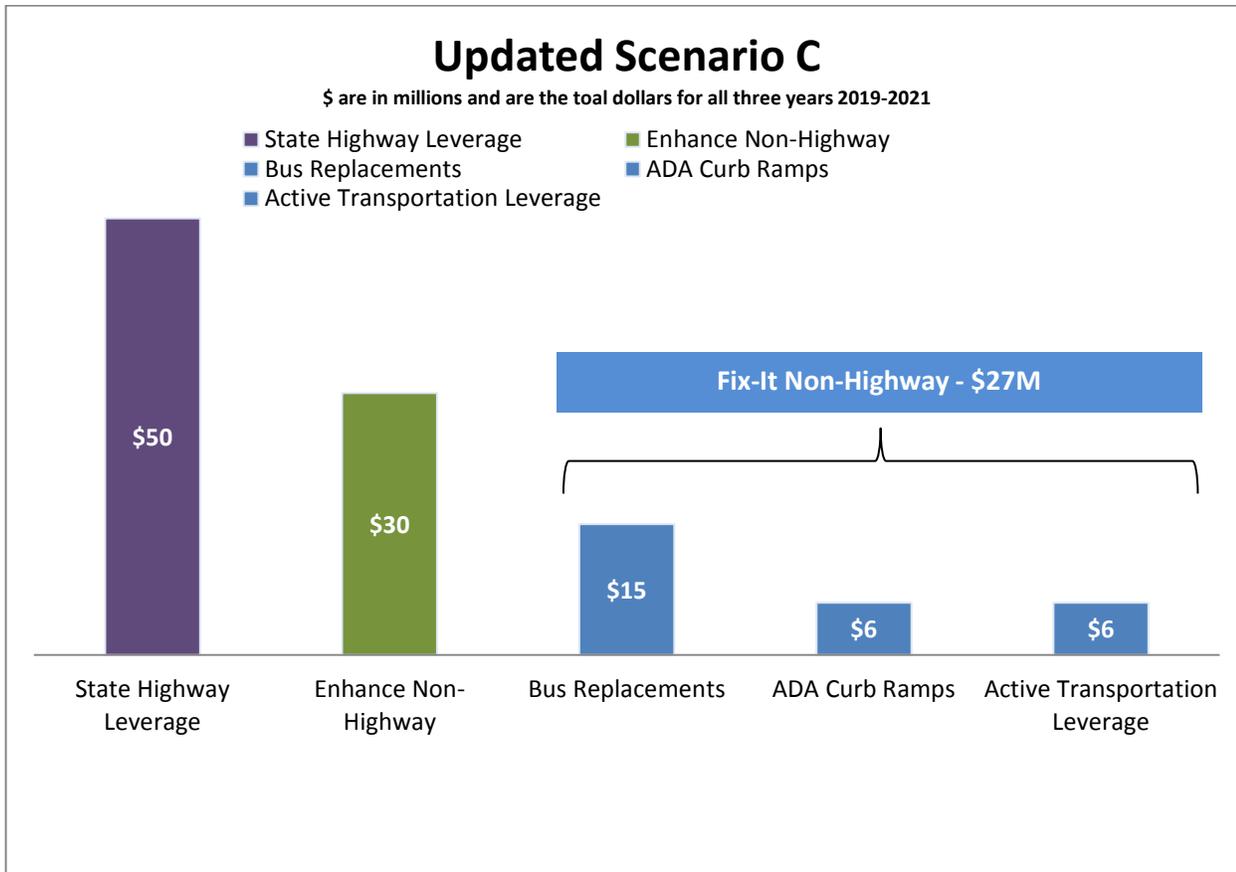
Based on the direction provided at the May meeting, an updated Scenario C has been developed and is illustrated below. For ease of discussion, the \$49 million of OTC Discretionary becomes \$50 million. Based on discussions with staff there was a need for some wording changes to provide additional clarification and to also recognize the difference between this scenario and the previous Enhance program.

Definitions

Non-Highway = Infrastructure for non-auto, non-truck modes of travel (both within and outside of highway right-of-way). May be on state or local system depending on the parameters of the program.

Active Transportation = Bicycle, pedestrian or transit features or connections

State Highway System = Public roads, facilities and right of way owned and/or operated by ODOT



The key aspects of each of these elements of the scenario are described below.

\$50M – State Highway System Leverage Funds (Formerly OTC Discretionary)

1. For state highway system only.
2. Not for active transportation or non-highway enhancements.
3. Intended to leverage other funds/efforts. Adding priority enhancements or additions to Fix-It projects intended to be included in the 2018-2021 STIP.
4. Allocated to Regions using modernization equity split formula.
5. Fix-It projects not intended to be included in the 2018-2021 STIP are also eligible as standalone projects.

Process

- Each region will work with their ACTs by first identifying a 150% list of projects and then work with their ACT to finalize the 100% project list.

\$30M Enhance Non-Highway Funds

1. Projects may be on or off the state system.
2. Projects competing for these funds may or may not be “leverage” projects (such as Fix-It non-highway projects, American with Disabilities Act (ADA) ramps, bus purchases, etc.).
3. Projects need to be consistent with state and local plans.
4. The \$30M will be allocated to the Regions using the modernization equity split formula.
5. Applicants will be required to provide matching funds.

Process

- Projects will compete for these funds via a simplified proposal process that will use the existing Enhance proposal form released in January 2015.
- ODOT and local agencies will complete proposals and compete for these funds.

\$27M Fix-It Non-Highway Funds

Bus Replacements	ADA Curb Ramps	Active Transportation Leverage Opportunities
\$15M	\$6M	\$6M

\$15M – Bus/Transit Vehicle Replacements

- Will be allocated to ODOT Public Transit for distribution.
- These funds are for buses in which ODOT holds title.

\$6M – ADA Curb Ramps

- The process for allocating these funds is not yet determined but it will be in support of strategic improvement (not regional equity).

\$6M – Active Transportation Leverage Opportunities

- Will be allocated to Regions using the modernization equity split formula.
- To leverage Fix-It projects.
- Project must be on the state system.
- Could be used for additions to a 2018 Fix-It project already in the STIP.

The table below highlights the amount of funds each region would be allocated using the modernization equity formula for this scenario.

Modernization Equity Splits for Scenario C <i>All \$ in millions</i>	\$50M State Highway Leverage	\$30M Enhance Non-Highway	\$6M Active Transportation Leverage	Totals
Region 1 = 35.60%	\$18	\$11	\$2	\$31
Region 2 = 30.91%	\$15	\$9	\$2	\$27
Region 3 = 14.77%	\$7	\$4	\$1	\$13
Region 4 = 10.36%	\$5	\$3	\$1	\$9
Region 5 = 8.35%	\$4	\$3	\$1	\$7
	\$50	\$30	\$6	\$86

Summary

The following table is the recommended STIP Program Funding Allocations for the three years (2019-2021) of the 2018-2021 program. This includes both the STIP program levels and the Off-the-Top Allocations. As part of the final 2018-2021 STIP funding allocation, the OTC also discussed those programs in which they have discretion to modify the allocations. Based on the May discussions there were no recommendations to change the funding levels identified below.

2018-2021 STIP Allocations

Program	2019-2021 Total
Off the Top Programs	\$ 419,985,237
Immediate Opportunity Fund	\$ 10,500,000
Transportation Growth Management	\$ 12,825,000
Public Transit	\$ 31,500,000
Safe Routes to School Education	\$ 1,500,000
Active Transportation Discretionary	\$ 4,200,000
State Planning and Research	\$ 58,500,000
MPO Planning (includes state match)	\$ 10,556,951
Surface Transportation Program to large MPOs	\$ 85,417,662
Transportation Alternatives Program to large MPOs	\$ 4,937,873
Recreational Trails (to State Parks)	\$ 4,124,825
Congestion Mitigation and Air Quality Improvement	\$ 47,718,339
Local Bridge	\$ 69,271,208
STP Allocation to Cities, MPOs & Counties	\$ 73,683,378
Workforce Development/On Job Training	\$ 3,150,000
Rail-Highway Crossings-State	\$ 2,100,000
State Highway System Leverage Funds	\$ 50,000,000
Enhance Non-Highway	\$ 30,000,000

Bus Replacements	\$ 15,000,000
Active Transportation Leverage Opportunities	\$ 6,000,000
ADA Curb Ramps	\$ 6,000,000
Fix It	\$ 738,461,953
Total	\$ 1,265,447,190

Next Steps Regarding Processes and Schedule

Only the \$30 million Enhance Non-Highway program will require applicants to submit a formal proposal. The original STIP process assumed that Enhance proposals would be submitted August 3. Based on discussions with the Commission, ODOT staff sent out a notice that proposals were not due in August and noting that upon approval of the STIP program levels by the OTC a new schedule would be developed and sent out to interested parties.

The new proposed schedule, based on the updated Scenario C, would have proposals submitted in November 2015. This would align with the anticipated application deadline for *ConnectOregon*. It is important to note that *ConnectOregon* funding will be available in 2016, but Enhance Non-Highway funding will not be available until 2019. However, coordinating these two programs will allow applicants to think about their project needs more holistically and likely for the ACTs to also see the long term vision for many of the proposed non-highway projects.

The current schedule has the OTC making a decision on the *ConnectOregon* projects in August 2016. A draft of the proposed project lists for the STIP would also be available at that time, providing the OTC an opportunity to review any connections across the two programs.

Upon approval of the STIP Program levels, staff will develop more detailed guidance and schedule information that is needed both for internally focused programs as well as those in which ACTs and other externals will engage.

Copies (w/attachments) to:

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