



1201 Court Street NE, Suite 200 • Salem, Oregon 97301
(503) 588-6550 • (800) 452-0338 • Fax: (503) 399-4863
www.orcities.org

Special City Allotment Program

Grant Allocation Process

Currently, SCA grants are awarded to eligible cities/projects by the Local Program section of ODOT. In addition to the criteria stipulated in an ODOT/LOC agreement (terms of which are in the attached program summary), ODOT endeavors to distribute grants awarded under this program as equitably as possible throughout the regions it manages. LOC has no dispute with ODOT as to the agency's administration of the program, nor does it seek to be put in the position of determining grant awards.

However, considering interest on the part of legislators to modify the grant award process to make it more local, LOC suggests the following:

- ODOT continue to receive and manage the funds in the SCA account.
- ODOT create an advisory group of small city officials to assist and advise on the awarding of grants.
- Such advisory group include representatives from each of the five regions that ODOT manages.
- Advisory group appointed by (*Governor / OTC / ODOT*) in consultation with LOC, ACTs and Regional Solutions teams
- Awards continue to be made based on the criteria stipulated in the current ODOT/LOC agreement, with the following exception:
 - If total funding for the program is increased, so too should the cap on grants (currently \$50,000). This increase can either be referenced in statute, or negotiated and agreed upon by ODOT, LOC and the advisory group engaged in the granting process.
- Grant decisions made by (*OTC / solely by advisory group*).

LOC appreciates the attention given to upgrading the SCA program as part of the development of a transportation package in the 2017 Legislature, and would be pleased to participate in any discussions that occur relative to program management.

Special City Allotment Program

Background

The SCA is a statutory (ORS 366.805) program created in 1991 to provide additional funding to Oregon's small cities (population <5,000). It was initially funded at \$1 million/year split evenly between the ODOT and city share of the HTF. As such it was then and is now an off-the-top allocation of HTF dollars.

Since its inception in 1991, the amount allocated to the program has not increased. In 2011, however, the LOC executed a new agreement with ODOT that had the effect of increasing the grant cap for cities receiving funding for projects under the SCA from \$25,000 to \$50,000. This was done in recognition of the decreased buying power over time of the lesser amount. Further it was also done with the full knowledge and overwhelming (but not unanimous) support of cities eligible for the program. Indeed, many provided feedback that, at the previous \$25,000 maximum grant, funding under the program was not worth pursuing.

It is interesting to note that as part of ODOT's allocation of federal ARRA (economic stimulus) funds in 2008-09, the Oregon Transportation Commission voluntarily set aside \$1 million in federal funds dedicated to small city projects.

Program Administration

Pursuant to the most recent LOC/ODOT contract (executed in 2011) the program is administered and operates as follows:

- Program management and oversight provided by ODOT Special City Allotment Program Manager
- SCA funds established in a separate account managed by ODOT
- ODOT Local Agency Liaisons review SCA applications and make recommendations to ODOT State Financial Planning Coordinator regarding project selection
- Approved projects receive of maximum of \$50,000
- Cities whose projects are selected required to submit appropriate documents to ODOT for concurrence, after which cities may request the disbursement of 50 percent of the project cost, not exceed \$25,000.
- Cities required to repay full amount if project is cancelled
- Project completion required within two years with ODOT-approved extension possible
- At completion of project and following city submittal of required documents, ODOT reimburses city for remaining project costs, not exceed \$50,000 in total

Project Eligibility

- Cities <5,000 in population
- Street projects not part of county road or state highway system
- All previously SCA-funded projects must be complete
- Upon completion of a project, that portion of a city street not eligible for additional SCA funding for 10 years