

Supporting Transit in the 2025 Transportation Package

Investments in Public Transit Benefit Everyone

Transit services benefit every community across Oregon by relieving congestion within urban centers, serving our senior, low income and vulnerable populations, providing critical paratransit and veteran trips in rural Oregon, and providing safe evacuations during disasters or extreme weather events.

As is the case for other types of transportation, inflation is drastically increasing the cost of providing transit service. Increases in vehicle and fuel costs, preventative maintenance, cost of equipment and ensuring safety are all contributing to this trend. Without an influx of additional resources many districts may not be able to maintain services that were initiated from House Bill 2017 transit investments.



Safety Oregon's overlapping crises of addiction, mental health and housing have impacted public spaces across the state, including Oregon's public transportation systems. Transit providers have invested millions on security in order to deliver a safe experience for their riders and pushed solutions like The Drug-Free Transit Law (SB 1553, 2024) which made drug use on public transit a class A misdemeanor.

Taking public transit is ten times safer than traveling by car.¹ Investments in public transit are directly correlated with a reduction in traffic collisions and fatalities.



Equity Nearly one-third of Oregonians are unable to drive due to age, disability, or because they can't afford a car and Oregon's population of people aged 65+ is the state's fastest growing demographic. That's why nearly 20% of Oregon households include people who use transit at least once a week.²

Transportation is the second largest expense for households after housing. As Oregon continues to invest in affordable housing, investments must be paired with increased public transit so new housing is connected to job centers and services without adding congestion.



Climate The Oregon Transportation Plan calls for a 20% reduction in vehicle miles traveled (VMT) by 2050 to meet state climate goals. Increased public transit ridership is essential to meeting this goal and reducing emissions from the transportation sector.

Oregon's climate is changing -we're seeing more frequent and damaging wildfires, increased flooding and snowfall. Public transit is a critical resource during natural disasters, assisting in life-saving evacuations, moving first responders and supplies, and assisting in recovery response.



Economic Development Every \$10 million invested in transit capital projects yields \$30 million in increased business sales.³

What is the STIF?

The Statewide Transportation Improvement Fund (STIF) was created in 2017 to be a transformative investment in public transit with a dedicated source of funds for new services, capital, equipment, technology, and infrastructure. The primary source of funds in STIF come from a 0.1% statewide employee-paid payroll tax. Including all formula funds, about \$614 million has been distributed for services and equipment to improve access and safety, reduce carbon emissions and travel middle, and leverage 25-cents for every dollar spent in local and federal funds since 2019.

¹ The traffic casualty (injury or death) rate on public transit is 1/10 the rate of automobile travel.

—American Public Transportation Association.

² Oregon Department of Transportation increased business sales. Investments in public transit yield 49,700 jobs per \$1 billion invested and a 5 to 1 economic return (every \$1 invested generates \$5 for the local economy).

—American Public Transportation Association.

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—American Public Transportation Association.



How has the STIF been used to maintain and sustain existing and expanded service?

Most Oregon transit agencies receiving STIF funding expanded existing service to give greater access to isolated older adults, people with disabilities and underserved communities in their service territories. In many cases, that required hiring more bus and van drivers, buying new equipment, paying for more fuel and compensating for extended service hours.

Transit agencies need additional financial investment to sustain higher baseline costs resulting from service expansion, including earlier replacement of higher-mileage transit fleets. Many transit agencies lack or have inadequate bus barns, bus stops, commuter parking and operating headquarters.

Here's a quick overview of how non-metropolitan transit agencies used STIF funding:

- Albany Transit doubled service for Linn–Benton Community College and Oregon State University students and for Albany to Corvallis commuters. It added more full-day routes, more service hours (including evenings) and reduced wait times. Ridership increased 61% over the previous year.
- Burns Paiute Tribal Transit purchased an additional vehicle, undertook preventive maintenance with its existing two-vehicle fleet and updated its operating plan.
- Cascades East Transit added new routes in Bend and Redmond, provided medical and shopper shuttles in rural areas, increased frequency of Community Connectors between cities, and developed a growing vanpool program serving employees and Warm Springs tribal members.
- Columbia Area Transit (CAT) took over the Columbia Gorge Express that runs seven times per day during fall/winter and nine times per day during spring/summer, featuring a Free Gorge Transit Pass for students and low-income residents. It also started fixed-route service in Hood River and used STIF dollars to leverage federal grants.
- Coos County Area Transit was able to pay competitive wages to drivers and increase frequency of vehicle replacements.
- Curry Public Transit serves residents and tourists along 122 miles of Highway 101 from Smith River, California to North Bend. The Coastal Express runs three times a day, six days a week, stopping at every town along the way. It meets with CCAT in Coos Bay and Redwood Coast Transit in Smith River to provide a seamless route to and from the California border. It meets with Southwest Point in Brookings for passengers going to Medford. It also coordinates with the Coquille Indian Tribe providing transportation to key destinations and between its reservations.
- The Grant County Transportation District operates the People Mover providing a three-day-a-week route between Prairie City and Bend, reaching eight communities across four counties – the only public transit connection between Central Oregon and John Day along Highway 26.
- Harney Hub uses STIF funds to offer deviated fixed route and paratransit services six days a week. STIF funding also supports a weekly intercity trip between Burns and Bend.
- Josephine County Transit now offer four routes within Grants Pass and three commuter routes serving Cave Junction and other smaller communities as well as a connection with RVTB in Medford. STIF funds helped match an FTA grant.
- Lake County Public Transit, operated by the Lake County Senior Citizens Association, provided service from Lakeview and Christmas Valley five days a week. It also offers service to LaPine and in coordination with the Sage Stage a route to Reno. It collaborates with GOBHI to reach clinics in Klamath Falls, White City, Roseburg, Bend and Portland.
- Linx Transit used STIF funding to expand its deviated fixed route service to Saturdays. With expanded routes, ridership increased in the first year by 36% and 58 percent the following year.
- The SRT–Malheur Express, managed by Malheur Council on Aging and Community Services, operated a fleet of 17 vehicles from minivans to cutaway buses serving Ontario, Vale and Nyssa.
- Morrow County Public Transit operated The Loop that serves one of Oregon's fastest growing rural communities. MCPT ramped up connecting services for residents with specialized clinics in Portland, The Dalles and Walla Walla, Tri-Cities and Hermiston. It also launched fixed-route service. MCPT's challenges are competing for drivers, fleet management and inefficient deadheads.
- Quail Trail Transit, operated by the Klamath Tribes Planning Department, provided service between Chiloquin to Klamath Falls with five weekday routes. It faced challenges replacing old buses that break down and hiring qualified bus drivers.
- Sherman County Community Transit now provides dial-a-ride service for medical appointments for all residents and offers connector service to Bend, Redmond, The Dalles, Portland and Vancouver. Service includes weekly shopping trips to The Dalles and Hood River.
- City of Pendleton Transit, Kayak Public Transit, City of Hermiston and Milton–Freewater collectively provided service in Umatilla County, with all fixed routes fare-free. Routes connect to hospitals and clinics, job clusters, shopping centers, entertainment venues and higher education institutions, including Eastern Oregon State University in LaGrande. STIF funding financed a new Pendleton bus barn, 12 new programs and routes and almost 50,000 fareless rides.
- Umpqua Public Transportation District used STIF funding to overcome shaky financing to hire drivers with competitive salaries and qualify for federal matching funds. It says inflation has eroded its financial base to sustain its mission of providing safe, convenient and affordable multi-modal options for its service area.

Oregon's current transit service is inadequate

As is the case for other types of transportation, inflation has dramatically increased the cost of providing transit service in recent years via increases in employee compensation and benefits, vehicle and fuel costs, and preventative maintenance.

These increased costs are limiting the ability of transit providers to deliver and maintain service improvements enabled by the STIF program:

- Basin Transit in Klamath Falls reduced service hours in April 2024 by 35% due to funding and staffing challenges and eliminated 1 fixed route.
- Link Public Transit in Wasco County lacks funding to serve nearby rural areas such as the Native American community of Celilo village.
- Quail Trail Transit in Klamath County does not have enough funding to provide intercity trips connecting veterans to medical appointments
- Linn County lacks sufficient funding to sustain its recently expanded shuttle service.
- Coos County currently uses a Walmart parking lot for bus transfers because they lack funding to build a transit center even though the parking lot is unsafe and lacks amenities and seating.
- Lincoln County Transit would build a bus garage. They are currently forced to park buses outside, which subjects them to premature rust from the salty coastal air.

What does a more complete transit network look like?

Oregon's transit network has not received nearly as much funding and development as the State's road network over the last century, so transit is not currently a viable transportation option for many Oregonians.

Numerous transit providers do not have enough funding to provide service on weekends or after 5PM on weekdays, and many cannot offer routes along key transportation corridors to other cities in surrounding areas.

Additional STIF funding would allow Oregon transit providers to implement new services and capital projects listed below:

- Albany Transit needs a larger bus barn and operations center. STIF funding enabled the district to purchase a new van with a wheelchair lift.
- Coos County Area Transit launched Saturday service between Charleston, Coos Bay and North Bend, as well as new service from Coos Bay to Florence. It's looking to better integrate its fixed rate service in Coos Bay and establish a centralized transit hub to replace use of a Walmart parking lot.
- Josephine County Transit wants to add Saturday service, increase intercity routes, including connecting with Umpqua Public Transit in Roseburg. It also wants to purchase more clean energy vehicles and invest in greater accessibility.
- Link Public Transit would use additional STIF funding to sustain and expand intercity service between The Dalles and Hood River and to provide service to smaller communities and the Native American community in Celilo Village.
- The Linn Shuttle, operated by Senior Citizens of Sweet Home, Inc., used STIF funding to increase shuttle service from seven to 10 runs per day between Foster, Sweet Home, Lebanon and Albany, with trips as late as 10 pm and a stop at a WinCo store. It wants to expand Dial-a-Bus service.
- Linx Transit would use additional STIF funding to increase service levels, add a new bus and van, fill in service gaps and construct accessible bus stops.
- The SRT-Malheur Express wants to expand service hours, install fleet management software and employ passenger-facing, real-time GPS or scheduling and display boards. It also wants to create an E-fare system.
- Quail Trail Transit needs help to cover the cost of medical trips for veterans and to establish intercity connections between Klamath Falls, Bend and Burns.



How much funding is needed?

The 2025 transportation package is Oregon's opportunity to build a more complete transit network that:

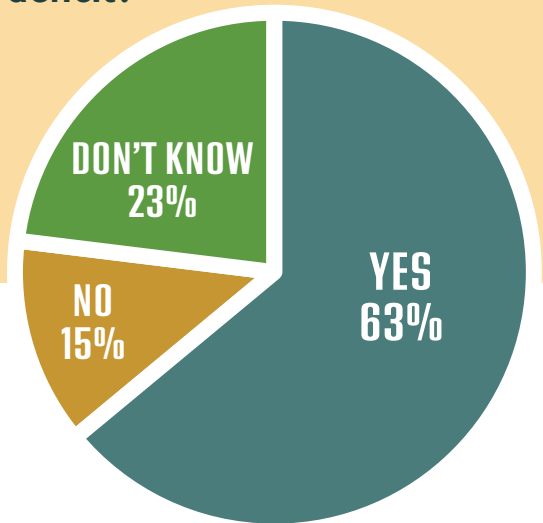
- Provides adequate paratransit service to older Oregonians and people with disabilities
- Offers evening and weekend service in more places
- Delivers crucial intercity connections no longer provided by private bus companies
- Fills gaps in the current statewide transit network as Oregon's population ages and continues to grow.

The OTA estimates that these improvements equate to a statewide increase in service hours of roughly 30% by 2035 and 85% by 2050. These improvements could be achieved via the following increase in state funding:

YEAR	TOTAL
2025	\$108,675,880 (current)
2026	\$242,262,092
2027	\$259,429,460
2028	\$420,142,698
2029	\$442,392,360
2030	\$623,542,007

According to recent survey completed by 40 transit agencies across Oregon, roughly 63% of transit providers are projecting a current or future budget deficit. Without additional funding, most agencies indicated a need to cut service in the 2026-2027 biennium by as much as 40-50%

Are you projecting a current or future budget deficit?



How can the legislature fund transit improvements?

Funding gaps for transit agencies across Oregon could be achieved by increasing the rate of the employee payroll tax that funds the STIF program by 0.1% each biennium from FY 2026-27 through FY 2032-33.

Biennium	FY 2024-25	FY 2026-27	FY 2028-29	FY 2030-31	FY 2032-33
Employee payroll tax rate	0.1% (current)	0.2%	0.3%	0.4%	0.5%

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