



To: Members of the Joint Committee on Transportation Reinvestment

From: Allan Pollock, Vice-President, Oregon Transit Association; General Manager, Salem Area Mass Transit District

Re: Support for House Bill 2025

Date: June 26, 2025

On behalf of the Oregon Transit Association (OTA) I wish to express our association's strong support for House Bill 2025's commitment to transit.

Transit districts, riders, constituents and stakeholders from all over the state are asking for your leadership in supporting vital investments in transit services to all corners of Oregon.

Prior to 2017, please remember that transit districts received no dedicated state funds for services. This is in stark contrast to other states across the nation, which often utilize sales taxes, gas taxes and other funds to help build out robust transit services.

The Statewide Transportation Improvement Fund (STIF) implemented in the 2017 package has been transformational and allowed new transit investments all over the state. Here in Salem, Cherriots was able to implement weekend and evening service and provide expanded access to youth riders. These efforts have resulted in ridership numbers that are higher than what we saw before the pandemic, showing a strong need for more investments and services.

Tens of thousands of Oregonians, living all over the state, depend on public transit every day. In some communities, the public bus is the school bus for many students. These students make up a portion of the roughly 25% of Oregonians who can't or don't drive. That quarter of the population also includes many seniors and people with disabilities, who rely on public transportation to get to the grocery store or pharmacy, to reach health care appointments, and more. For many of them, transit is an essential and often lifesaving service. One of Cherriots's largest demographics is college students using our buses to get to and from Chemeketa Community College.

The STIF program has been a successfully implemented element of that 2017 package, and OTA's members have been sound financial stewards of the resources given to them over the past few years. Please also know that accountability is a key component built into the STIF from the beginning, and recipients must adhere to stringent reporting and auditing requirements to utilize those funds.



However, due to a wide range of factors, including inflation, workforce increases, maintenance, fuel costs and many other variables, transit districts are facing dire financial situations. Many of our members are looking at 20-30% service cuts in the coming years unless we do something now. That can be devastating to local businesses, quality of life for seniors and people with disabilities and further negative impacts to the environment.

Here at Cherriots, over 50% of those riding our buses are going to work, and those rates are comparative across the state. Imagine 20-30% fewer opportunities for transit-dependent workers or customers to access businesses around the state, or 20-30% fewer options for transit-dependent people needing groceries or medical appointments, or fewer opportunities to access school.

OTA wishes to express its gratitude and support for the provisions of HB 2025 that include a phased increase of the employee payroll tax from .1% to .3% over the next three biennia. This gradual increase would avert a disaster scenario for public transportation in Oregon. A survey of OTA members found nearly two-thirds (63%) of transit agencies face current or future budget deficits.

I would like to put a little context to the numbers. The .3% equates to 3 pennies for every \$10 in payroll. Unlike a sales tax, a payroll tax for transit is not regressive. People at the lower end of the financial spectrum pay the least and often utilize the service the most, while the opposite is true for those at the highest income brackets.

We hope that you see the importance and value of what our members are able to accomplish with the funds this body provided back in 2017, and what we hope to accomplish with your support in 2025.

Thank you and please support HB 2025.