

TO: House Transportation Committee
FM: John Charles
RE: HB 4008
DT: February 10, 2026

Committee Members: I am President of Cascade Policy Institute, a nonprofit policy research organization. I am a frequent transit rider and have conducted original research over the past 30 years on travel patterns at transit-oriented developments.

I'm not sure that this bill is necessary. All the possible ways to fund transit are already known. You simply need to make some policy choices.

If you do proceed with this bill, you should at least set some parameters for the committee's work. The most important is a requirement for ***cost responsibility***.

Motor vehicle drivers currently pay for the cost to own and operate their vehicles, including road user charges of some type. The story is very different for transit operators. They insist that non-riders pay most or all of the costs. That's why there is a transit funding crisis.

There is a simple solution.

Transit riders should pay 100% of operations cost, with any public subsidies restricted to ***cost-sharing*** on capital projects. If transit customers are not willing to pay for routine operations, then the service is not worth providing.

While it's often assumed that transit riders have low incomes and need to be subsidized, price is not the main barrier to increased ridership. For most people the problem is a mismatch between what they need and what transit provides. Transit is usually infeasible regardless of price.

The attached graphs demonstrate this. We looked at 10-year trends for smaller transit districts that receive STIF funding. You can see that in multiple cases, after the statewide payroll tax went into effect, districts eliminated fares entirely. Yet even when the service was free, ridership remained almost unchanged. Throwing money at transit is not a solution.

If the legislature does not set minimum farebox recovery ratios, transit districts won't do it themselves. This is your opportunity to set the policy.



Transit Districts with STIF Formula Allocations <\$1,000,000



