

April 7, 2025

To: Representative Susan McLain, Co-Chair of the JCT

Senator Chris Gorsek, Co-Chair of the JCT

Cc: Senator Rob Wagner, President of the Senate

Representative Julie Fahey, Speaker of the House

**Re: Support for Increased Transit Funding in the 2025 Transportation Package Needed to Avoid Service Cuts**

We, the undersigned organizations, urge you to increase the amount of funding identified for public transit in the 2025 transportation package. **If the Statewide Transportation Improvement Fund (STIF) employee payroll tax that funds statewide transit is only increased by 0.08%**, as proposed in the transportation package framework released on April 4<sup>th</sup>, **transit providers across Oregon will be forced to make significant cuts to transit service.**

These cuts will harm Oregon's economy, raise the cost of living for those who can least afford it, perpetuate traffic fatalities and serious injuries, increase congestion and pollution while worsening air quality, and strand thousands of Oregonians without access to the transportation they depend on to get to work, school, medical appointments and other essential services.

We can't afford to shortchange Oregon's public transit. At a time when Oregon's working families are already struggling just to make ends meet, we cannot deprive them of this critical lifeline they need to survive.

The stated transit goals in the legislature's transportation package framework are:

- Maintain current transit service levels;
- Expand service areas and level;
- Invest in Youth Pass expansion;
- Invest in rural transit developments;
- Expand veteran passes.

While we are grateful for these goals being named, **NONE of these laudable objectives are achievable at a STIF payroll tax rate of 0.18%**. The money must match the mission.

Transit agencies across the state have seen about a 50% increase in the cost of providing transit service in the last 5 years due to higher wages and benefits, vehicle prices, fuel costs and insurance. Providers have also invested more resources in security to keep riders and operators safe amidst Oregon's public safety challenges.

The transportation package’s goals for transit can only be accomplished via a phased increase in the STIF of 0.1% for each of the next four biennia, reaching a payroll tax rate of half of 1% by 2032:

| Biennium                              | 2024-25                     | 2026-27                                 | 2028-29                       | 2030-31                  | 2032-33                                      |
|---------------------------------------|-----------------------------|---|-------------------------------|--------------------------|--|
| <b>STIF employee payroll tax rate</b> | 0.1%<br>(current rate)      | 0.2%<br>(pkg framework proposal: 0.18%) | 0.3%                          | 0.4%                     | <b>0.5% (OTA ask)</b>                        |
| <b>Level of service</b>               | Immediate, substantial cuts | Immediate, substantial cuts             | Modest cuts over next 8 years | Maintain current service | <b>Some service improvements, youth pass</b> |

According to Move Oregon Forward’s report on the listening tour, **64% of the public comments received during the Joint Committee on Transportation’s 2024 community roadshow identified transit investments as a top priority.**<sup>1</sup>

Maintaining and increasing public transit service is necessary to ensure that everyone has access to transportation regardless of ability or income. Transportation is Oregon’s top source of climate pollution. Investing in transit, sidewalks, bike lanes, and trails helps reduce congestion, prevent crashes, cut emissions, and improve public health - building safer, healthier communities for everyone. Transit and well-connected communities support students, working families, veterans, people with lower incomes, people with disabilities, older adults, and more.

Transit provides numerous economic benefits:

- **Travel Time Savings:** Less time stuck in traffic, waiting, or searching for parking.
- **Health Care Savings:** Fewer crashes and reduced stress from safer, more reliable options.
- **Increased Productivity:** Transit riders can use travel time to work, study, or rest.
- **Household Cost Savings:** Lower costs from reduced car dependence, maintenance, fuel, and parking.

<sup>1</sup><https://friends.org/sites/default/files/2024-12/Move%20Oregon%20Forward%20Listening%20Tour%20Report%20and%20Data.pdf>

- **Improved On-Time Reliability:** Better transit helps workers (and goods) arrive on time.
- **Reduced Congestion Costs:** Fewer cars on the road means less fuel waste, fewer delays, and fewer collisions.
- **Access to Opportunity:** Transit gives people access to jobs, education, shopping, services, and recreation.
- **Economic Development:** Public transit sustains the economy - every \$1 invested in transit generates \$5 for a local economy.<sup>2</sup>

The 2017 transportation package created the STIF, the first dedicated source of state funding for transit. **With the 2025 transportation package, we ask you to preserve the progress that the STIF program has achieved by implementing a phased employee payroll tax increase to 0.5% by 2032.** In return, we expect those investments result in additional transit service in both urban and rural areas, community benefits such as youth and veteran passes, and other safety investments for transit users. As the cost of living continues to rise and the climate crisis worsens, we can't afford cuts to the essential and affordable transportation access that tens of thousands of Oregonians rely on.

Sincerely,

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<sup>2</sup><https://www.apta.com/research-technical-resources/research-reports/economic-impact-of-public-transportation-investment/>