

# Oregon Department of Transportation Public Transit Division

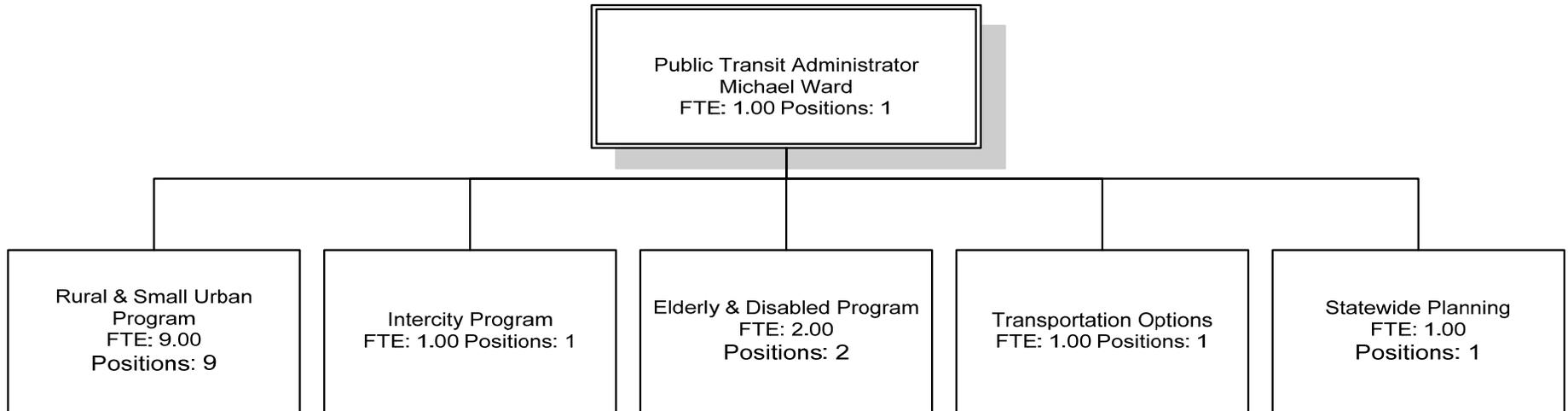
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## Program Description

The Public Transit Division (PTD) administers and provides oversight and guidance for state and federal transit programs that provide resources to public transportation providers around the state who move people from place to place. While mobility is not an “end” in itself; it is a means to achieving many important “ends.” Mobility is needed for people to live independently, meet daily living needs, participate in Oregon’s economy, and lead productive lives. The division contributes to ODOT’s mission by investing state and federal funds in public transportation programs that offer Oregonians a wide variety of travel options, reduce single occupancy car traffic volume, and assists public transportation providers who ultimately deliver safe and efficient transportation to hundreds of thousands of Oregonians each year.

### 2009–2011 Organization Chart

Positions: 15      FTE: 15



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### Internal Measures and Division Performance

#### Special Transit Rides

A significant component of what the division does is to administer state and local programs aimed at providing public transportation for older adults and individuals with disabilities. This measure tracks the annual average number of rural and demand response trips for older adults and individuals with disability in Oregon. The current target is 7 rides annually, on average, for every older adult and individual with a disability. Recent data shows Oregon is starting to lose ground. Average trips per individual went from 7 trips in 2006 to 6.7 trips in 2007. We believe this decline is a result of increased demand at a time when public transit providers are struggling to just maintain services.

#### Division Performance

Public transit agencies, including urban transit districts, provided approximately 240 million rides. Older adults and individuals with disabilities took approximately 35 million rides—27 million occurred on fixed route and 8 million used demand response or special transportation. To support that effort the division distributed approximately \$63 million in both state and federal funds to approximately 120 agencies. Those agencies include cities, counties, transit districts, tribal governments and private companies. During the 2007-09 biennium, PTD offered 20 training events to approximately 400 local transit staff.

In 2006 the division began a large scale Information Technology project to replace its manual financial control systems with a comprehensive automated system. This new system called OPTIS, the Oregon Public Transit Information System, was completed in March 2009. This system now keeps division financial information in one central repository. Division financial information is current, accurate and reconciled to federal and ODOT systems. The new system improves accountability as well as the division's efficiency. The division was able to achieve a significant cost savings when procuring the contractor for the new OPTIS software system by using the existing vendor for Department of Administrative Services Oregon Procurement Information Network (ORPIN) system. The vendor adapted ORPIN's core technology to meet division needs.

Program funds are used to increase service coverage in rural areas and by adding new services. During the 2007-09 biennium, two new rural area public transit services and one intercity bus service were started. Central Oregon Intergovernmental Council (COIC) began late last year to provide regional public transit services so that transit-dependent populations, as well as those who choose not to drive, can travel between LaPine, Madras, Metolius, Culver, Prineville, Redmond, Terrebonne, Sisters and Bend to access services such as medical services and employment opportunities.

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Malheur County, Oregon and Payette County, Idaho, recently started a public transit service called Snake River Transit. The fixed route service operates between the cities of Ontario, Oregon and Payette and Fruitland, Idaho. The service started in September 2008 with 300 passengers, and is now serving about 2000 passengers per month. People use the service primarily for work, education and shopping. The funding for this service is contributed by Public Transit Division, Idaho Transportation Division, the two counties, and the three cities as well as two non-profit agencies, Malheur Council on Aging and Community Services and Treasure Valley Transit, Inc.

New rural intercity passenger bus service is starting in April between Klamath Falls, Medford and Brookings. This service will be the only regularly scheduled bus service connecting I-5 to Hwy 101 between Eugene, OR and Williams, CA. This is an FTA funded pilot program designed to promote intercity passenger services connecting rural communities.

The division conducted the Governor's Commuter Challenge Pilot Program during the 2008 summer. The goal of the pilot program was to reduce the Capitol Mall's state employee's collective carbon footprint by half a million pounds using existing public transportation resources. At summer's end, the collective carbon footprint had been reduced by more than 593,000 pounds – surpassing by 19% the Governor's goal of 500,000 pounds. The participating employees had saved an estimated \$125,118 in gas dollars.

As a result of a 2007 budget note, the Departments of Human Services and Transportation partnered with the Association of Oregon Counties to contract with Portland State University (PSU) to respond to the budget note. PSU produced a report entitled, "Needs, Costs and Funding Alternatives for Transportation Services for Older Adults and People with Disabilities in Urban and Rural Oregon." The report presents an estimate of the demand for and costs of transit for older adults and people with disabilities in Oregon in the year 2030.

PTD partnered with the Association of Oregon Counties (AOC) to contract with Nelson\Nygaard Consulting Associates to review 36 Coordinated Public Transit Human Services Transportation Plans ("Coordinated Plans"). These plans had been completed by Special Transportation Fund agencies in 2007 and 2008. The project resulted in the completion of an assessment of each plan in order to highlight each plan's strengths as well as the potential for improvement and to summarize key findings emerging from the plan reviews in their entirety. Of the 36 documents reviewed, six plans were specific to Indian tribes and 30 plans were either county-based or, in some cases, multi-county.

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### 2009-11 Essential Budget Level (EBL) and the Governor's Recommended Budget (GRB)

The 2009-11 Essential Budget Level of \$64.9 million total funds is an increase of \$1.6 million total funds or 2.62% from the 2007-09 legislatively approved expenditure level and includes 15 positions (15 FTE). The EBL supports a continuation of division programs with the addition of expanding activities to achieve carbon reduction goals and reduced congestion. The EBL reflects that 94% of division revenues continue to be invested in local transit programs administered by tribes, counties, transit districts and non profit organization. The EBL includes a reduction in personal services of \$821,613 Other funds and an increase in the Federal funds expenditure limitation by \$791,586 to provide administration and program support. This technical adjustment corrects a misalignment of state and federal resources reflected in the 2007-2009 LAB. The EBL reflects standard adjustments for personal services costs, inflation, rate increases for the Attorney General, and state government service charges.

#### MAJOR BUDGET DRIVERS, ISSUES AND ENVIRONMENTAL FACTORS

##### Sustaining Service For Older Adults and Individuals with Disabilities

Oregon's population is growing, with the fastest growing segments of the population including our oldest residents. Providing mobility that continues their opportunity to participate independently in the community helps to defer or avoid the higher costs of additional dependence on support services. Rural communities are particularly affected. In the southern coast area, 27% of the population includes seniors above the age of 65 compared to 12% statewide. By 2015, it is estimated that 15% of the population will be over 65.

In 2007, transit agencies provided about 17.5 million transit trips for older adults and people with disabilities. The cost of these services was about \$47.5 million per year. Urban and rural fixed route systems provided 13.7 million rides, while urban and rural demand response agencies provided about 3.7 million rides. According to a study conducted PSU, in order to keep pace with population growth **alone**, the low estimate of the cost for service in 2030 will be \$132 million, and the high estimate is \$246 million. These estimates **do not** include inflation or addressing unmet need. In order for STF cigarette tax revenues to keep up with the estimated demand and the projected decline in cigarette tax revenues by 2030, the current 2 cent cigarette tax would need to be raised to at least 13 cents (the low estimate) and as much as 37 cents (the high estimate). This could be accomplished with an annual increase of 0.6 to 1.8 cents per pack. To keep pace in the short term (to 2015), the cigarette tax would need to be between 4.3 cents and 7.2 cents.

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In urban areas, the high cost of providing federally mandated dial-a-ride curb to curb service, commonly referred to as complementary paratransit service, is challenging the ability of the largest urban transit systems to sustain services. Urban systems have, or are contemplating, reductions in fixed route services to offset the high cost of complementary paratransit service.

### Sustaining Public Transit Services

Since 2000, public transportation ridership in Oregon has grown steadily at about 6% per year, in both urban and rural areas. This is a success story in meeting public policy goals, but has created pressure on local provider budgets. Public transit systems are struggling to continue current route coverage as their own local operating budgets decline. Urban providers are considering route reductions and scaling back operations as local and state resources fall short of the resources needed to address this increase in demand.

### Reducing Greenhouse Gas Emissions

"Reducing VMT [vehicle miles traveled] is simply the single most effective way to reduce greenhouse gas emissions." – *A Framework for Addressing Rapid Climate Change, Final Report to the Governor, The Governor's Climate Change Integration Group, January 2008.* Public transportation reduces greenhouse gas emissions, reduces our carbon footprint, increases our energy independence, and creates a sustainable future without reducing the mobility so vital to our state's economic health and our citizens' quality of life.

## **Process and Program Changes**

### Streamlined Grant Process

The division, with input from the Public Transportation Advisory Committee and the Oregon Transit Association, was able to reduce the time and cost associated with the state and local project selection process for the Older Adult and People with Disabilities Program. Two months time, the costs to conduct a redundant public involvement process, and the time and effort to review 300+ project requests was eliminated by creating an allocation process for local governments who were already conducting a public involvement and selection process for these projects.

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### **Current Revenue Issues That May Impact EBL**

#### Special Transportation Fund Program, Identification Card Revenue Decline

In 2003 revenues exceeding DMV issuance costs were transferred to the STF. Excess revenue is defined as fees charged minus the cost to the Highway Fund for issuing ID cards. The GRB estimated this amount to be \$3.5 million for the 09-11 biennium. However, the March 2009 revenue forecast revised the figure downward to \$3.1 million.

Three major changes have affected ID card revenues: 1) lengthening the renewal cycle from four years to eight years; 2) tightening eligibility requirements under the Governor's Executive Order in February 2008; and 3) implementing a "legal presence" standard in July 2008. The number of ID cards issued in the past year has decreased by about 30% due to these changes. Eight year renewals are projected to be slightly higher during the 09-11 biennium, but overall ID card transactions are forecasted to be 13% below 07-09 biennium levels.

In addition to selling fewer cards, the cost to issue ID cards has increased. The current transaction cost (\$12.50 per card) was set in 2002. An updated transaction cost of \$18.30 per card goes into effect in July 2009. Even though fees were increased by \$4.50 in July 2008, the net effect is reduced revenue to the STF next biennium.

To meet this challenge, HB 2120 has been amended to increase the ID card fee by \$10. If passed the fee increase will generate approximately \$3.8 million for the STF program in the 09-11 biennium.

#### American Recovery and Reinvestment Act of 2009 (ARRA) Funding

The American Recovery and Reinvestment Act of 2009 is expected to provide an estimated \$ 17.6 million in much needed capital resources for Oregon's rural transit providers. These funds will provide for facility improvements and repairs, vehicle replacement, passenger shelters, park and ride lots, and other equipment. The division has been allocated \$14.7 million to administer in the FTA program for rural communities, and an additional \$2.9 million will be transferred from ODOT ARRA FHWA allocation to the division for rural transit use.

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**Policy Packages**

<b>#411</b>	<b>Oregon Streetcar Project Fund Policy Package</b>	<b>\$20,000,000</b>	<b>0 Position</b>	<b>0.00 FTE</b>
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The proposed package will implement Chapter 746, Oregon Laws 2007 that created the Oregon Streetcar Project Fund. ODOT is directed to implement a \$20 million program, funded by the sale of lottery-backed bonds, to municipalities for the purchase of streetcars manufactured by a company that is owned and based in Oregon.

Implementation of this request will provide the expenditure limitation needed to administer the Oregon Streetcar Project Fund.

<b>#502</b>	<b>Jobs and Transportation Act of 2009</b>	<b>\$5,000,000</b>	<b>0 Position</b>	<b>0.00 FTE</b>
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\$5 million in expenditure limitation is requested to support an increase in the division's Transportation Demand Management / Transportation Options program to reduce drive alone travel. These strategies help achieve state greenhouse gas emission and congestion reduction goals. If adopted, the program increase will be funded with \$5 million in existing ODOT federal FHWA Surface Transportation Program (STP) flexible funds that will be transferred from the ODOT Highway Division program to the Public Transit Division program.

Public Transit would use \$4.67 million to expand the program and \$219,200 to add two full-time positions (1.5 FTE) to plan, provide technical support and administer this significant program expansion. Another full-time position (.75 FTE) would be added to work with the Transportation Program Development Division to provide technical support on public transit issues relating to land use and transportation plans to reduce greenhouse gases at a cost of \$109,600.

The positions are currently displayed in the Transportation Development budget request and a technical adjustment will be made to correct this.

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**Budget Detail**

		2005–2007 Expenditures	2007–2009 Approved Budget	2009–2011 Governor’s Recommended w/o JTA	2009–2011 JTA	2009–2011 Governor’s Recommended
<b>Program</b>						
<u>Public Transit</u>		\$51,006,525	\$63,116,891	\$84,880,065	\$5,000,000	\$89,880,065
	<b>Total PTD</b>	<b>\$51,006,525</b>	<b>\$63,116,891</b>	<b>\$84,880,065</b>	<b>\$5,000,000</b>	<b>\$89,880,065</b>
<b>Expenditures by Revenue Source</b>						
Federal (FF and FF as OF)		\$30,730,910	\$42,395,229	\$44,338,305	\$0	\$44,338,305
State (Other)		20,275,615	20,721,662	20,541,760	5,000,000	25,541,760
Revenue Bonds		0	0	20,000,000	0	20,000,000
State (General)						
	<b>Total</b>	<b>\$51,006,525</b>	<b>\$63,116,891</b>	<b>\$84,880,065</b>	<b>\$5,000,000</b>	<b>\$89,880,065</b>
	Positions	13	15	15	0	15
	Full-Time Equivalent (FTE)	13.50	15.00	15.00	0.00	15.00
Personal Services		\$2,044,333	\$279,084	\$2,502,221	\$0	\$2,502,221
Services & Supplies		1,459,359	2,753,885	2,743,116	0	2,743,116
Capital Outlay		0	0	0	0	0
Special Payments		47,502,833	58,083,922	79,634,728	5,000,000	84,634,728
Debt Service		0	0	0	0	0
	<b>Total</b>	<b>\$51,006,525</b>	<b>\$61,116,891</b>	<b>\$84,880,065</b>	<b>\$5,000,000</b>	<b>\$89,880,065</b>

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**Essential Packages**

	<b>Package Amount</b>	<b>Pos / FTE</b>
Non PICS Increases	\$ 43,616	
General Inflation	1,699,659	
PERS Pension Bond Increase	6,228	
State Government Service Charge Increase	(159,622)	
Fund Shift	(30,027)	
Total	\$ 1,559,854	

**Summary**

The Public Transit Division provides resources, technical assistance, and grant management oversight to public transportation providers around the state. Through these activities the division plays a key role in providing essential transportation services to Oregonians and makes a significant contribution to ODOT's mission.