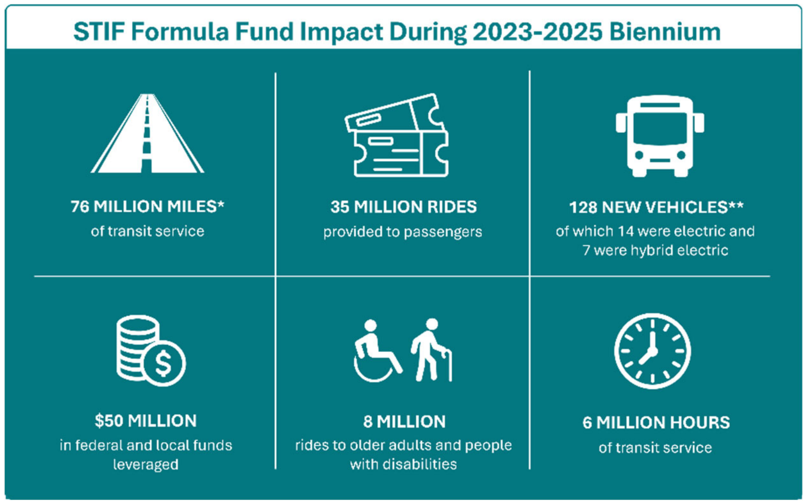
2023–2025 STIF Biennial Update

Oregon Department of Transportation
Public Transportation Division
May 2026

Executive Summary

The 2023–2025 biennium highlights the Statewide Transportation Improvement Fund (STIF) as Oregon's primary mechanism for maintaining and expanding public transportation across all counties. Funded by a statewide payroll tax, STIF generated *$307 million* in revenue during the biennium, including $283 million in formula funding for 42 Qualified Entities and more than $24 million in competitive grants *supporting 31 agencies*.



* Miles data reflects what providers report. The significant increase in miles may be due to several factors, including post-COVID recovery, shifts in 2023–2025 biennium funding from expansion to service maintenance, and provider-level decisions

** Due to recent data quality improvements, some figures in this update differ from previous reports and may not align with earlier totals

Statewide Transit Outcomes

STIF investments supported *34.8 million rides*, up from 18.4 million rides last biennium, reflecting transit agencies' recovery from the pandemic and the merger of the STIF program with the Statewide Transportation Fund for older adults and people with disabilities. Since STIF's creation, agencies have leveraged *$189 million* in federal and local funding using STIF as match.

Formula Investments in Priority Areas

Qualified Entities advanced all eight legislative priorities, including:

• *$19M* to improve intercommunity connections.

• *$48M* to increase bus service frequency in low-income communities.

• *$38M* for bus route expansion in low-income communities.

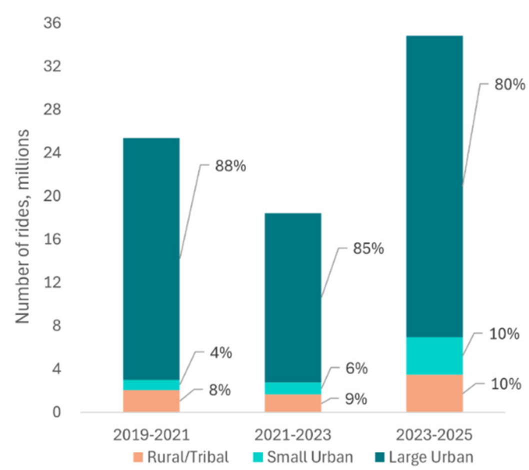
• *$9M* to reduce fragmentation.

• *$39M* for older adults and people with disabilities.

• *$10M* for high school student transit.

• *$31M* for reduced -fare programs for low-income communities.

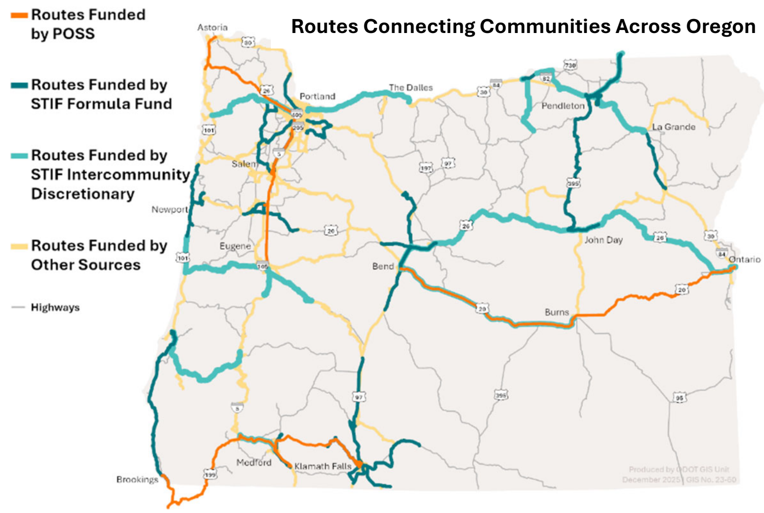
• *$15M* for cleaner fuel bus procurement.



STIF Formula Rides Per Biennium Across Service Areas

Strengthening Community Connectivity

More than *50 intercommunity routes* were supported through STIF Formula, Intercommunity, and Discretionary funds, improving mobility across regions. Coastal and Eastern Oregon saw significant service increases, including expansion of the Coastal Express linking communities along 122 miles of Highway 101.



Supporting Priority Populations

STIF funded *8 million rides* for older adults and people with disabilities (nearly one quarter of all rides), expanded reduced fare programs statewide, and enabled rapid response for emerging community needs, such as evacuation from wildfires and addressing gaps in local medical services. Student transit programs served *137,000+ high school students*, while Tribal transit providers delivered more than 17,000 rides, improving access to essential destinations.

Fleet Modernization and Safety

During this biennium, transit providers purchased or replaced *183 vehicles*, including 14 electric, 9 hybrid, and 4 compressed natural gas buses. Since its creation, STIF investments have reduced an estimated *300 million vehicle miles traveled* and *100,000 metric tons of CO_2 equivalent emissions*. Over half of the STIF Formula projects for the 2023–2025 biennium included *safety components* such as stop upgrades and operator training.

Program Improvements and Emerging Risks

ODOT completed the first major update to STIF program rules since 2019 to modernize key program elements, including oversight and reporting, with full implementation anticipated in 2027–2029. However, inflation, rising operational costs, and uncertainty surrounding future transit funding pose risks to service stability. Several agencies, such as Rogue Valley Transportation District, have suspended STIF-funded routes due to funding uncertainty.

Summary

STIF continues to be essential for sustaining Oregon’s transit network, improving safety, expanding access, supporting vulnerable populations, and modernizing fleets. These investments strengthen community connections and equity. However, rising costs and uncertain future revenue threatens stability, underscoring the need for reliable long-term funding to maintain Oregon’s transit progress. Continued, stable funding will be critical to maintain progress, support growing demand, and ensure a resilient and equitable statewide transit system.

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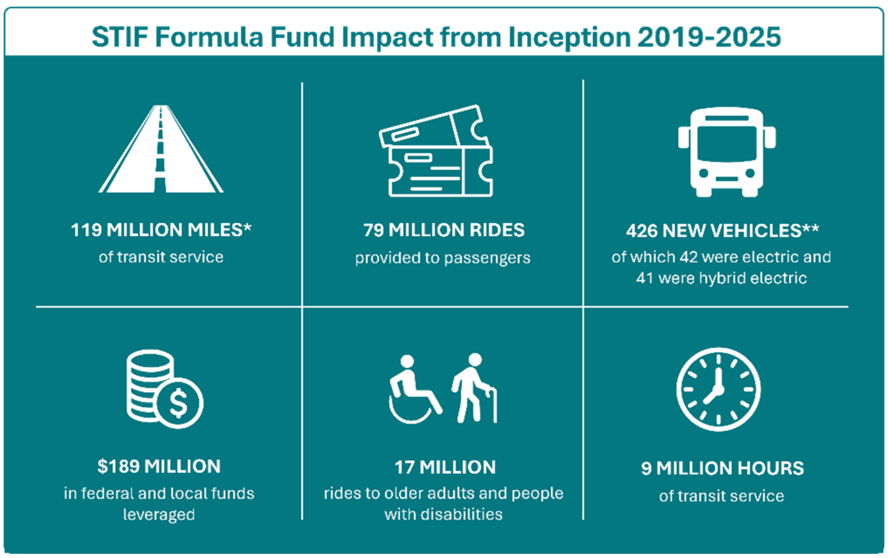
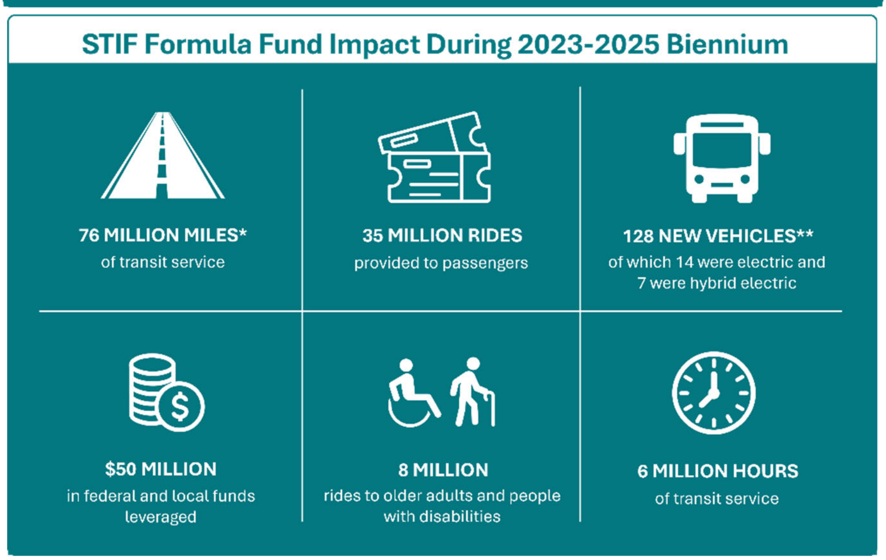
Statewide Influence of STIF

The Statewide Transportation Improvement Fund (STIF) provides dedicated funding to support public transit in every Oregon county, helping maintain, improve, and expand service statewide. Created by the Oregon Legislature in 2017 through House Bill 2017, STIF has strengthened transit by sustaining existing service, increasing frequency, adding routes, and serving the needs of Oregon's communities.





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Funded primarily by a 0.1 percent statewide employee payroll tax, STIF revenues are administered by ODOT and directed to local transit agencies and providers across the state. STIF dollars are distributed to transit providers after allocations to ODOT for program administration and Projects of Statewide Significance.

STIF Formula

STIF revenues are allocated across four programs. Ninety percent goes to 42 Qualified Entities based on a statutory formula. Qualified Entities include counties in which no part of a mass transit district or transportation district exists, mass transit districts, transportation districts, and federally recognized Indian tribes. Qualified Entities can distribute funding to qualified sub-recipients.

STIF Discretionary Fund

Five percent goes to the STIF Discretionary Fund, providing a flexible fund source to create new service routes, adopt enhanced technology and data collection methods, maintain state of good repair, advance access to transportation, and promote sustainable transportation.

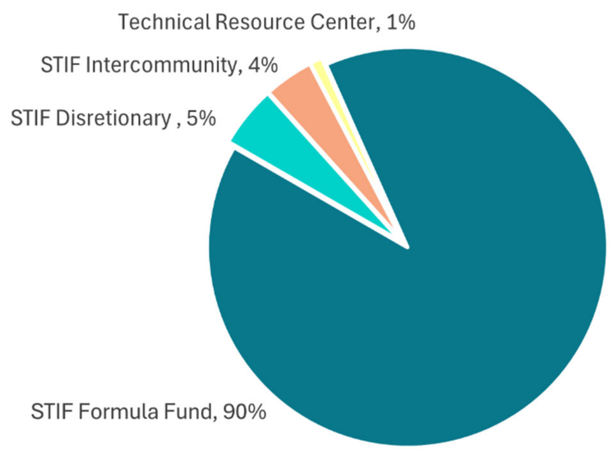

Figure 1. Statewide Transportation Improvement Fund Distribution

STIF Intercommunity Fund

Four percent is directed to the STIF Intercommunity competitive grant program to improve public transportation between two or more communities and to strengthen the state's transit network.

Technical Resource Center

The remaining one percent of STIF program funds are directed to ODOT's Technical Resource Center—which provides transit agencies in rural areas with technical assistance, training, transportation planning, and information technology support.

2023–2025 Biennium STIF Fund Distribution

During the 2023–2025 biennium, ODOT received a total of $307 million in STIF revenues for distribution to Qualified Entities and their sub-recipients. The summary and figures below illustrate how these funds were allocated across the state.

ODOT distributed $283 million in STIF Formula funding to Qualified Entities to support public transportation services that connect Oregonians to essential destinations, including medical services, employment, education, groceries, childcare, family, and social networks (Figure 1). Qualified Entities may also allocate funding to sub-recipients that work within local communities and deliver services. Additionally, ODOT awarded more than $13.5 million in STIF Discretionary funding and $10.8 million in STIF Intercommunity funding to 31 agencies to support a wide variety of projects (Figure 2).

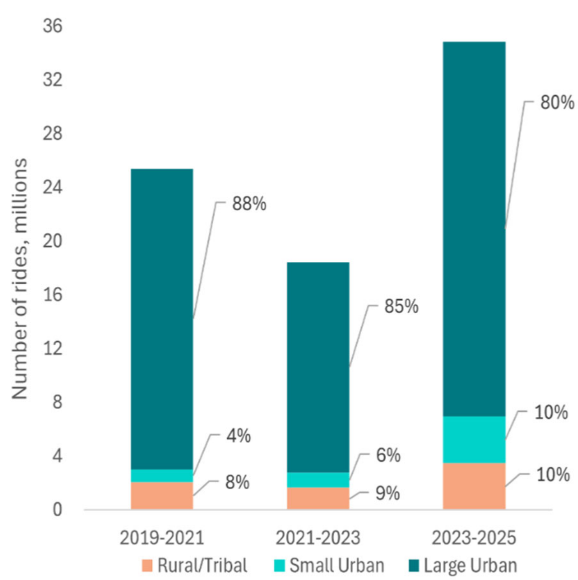

Figure 2. STIF Formula Rides Per Biennium Across Service Areas

Statewide Ridership

STIF Formula funds paid for 34.8 million transit rides in the 2023–25 biennium—up from 18.4 million rides last biennium—reflecting transit agencies' recovery from the pandemic and the merger of the STIF program with the Statewide Transportation Fund for older adults and people with disabilities. **(Figure 2[1])**. Ridership increased across all service areas, including urban, rural, and Tribal areas. Beyond direct funding, Qualified Entities reported leveraging $189 million in federal and local funds since STIF's creation by using STIF as a reliable source of match.

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[1] Data shown for 2019–2021 biennium includes data from three fiscal years, whereas data for the other two biennia include data for only two years.

Figure 3. STIF Formula Funding Distributions (2023-2025 Biennium)

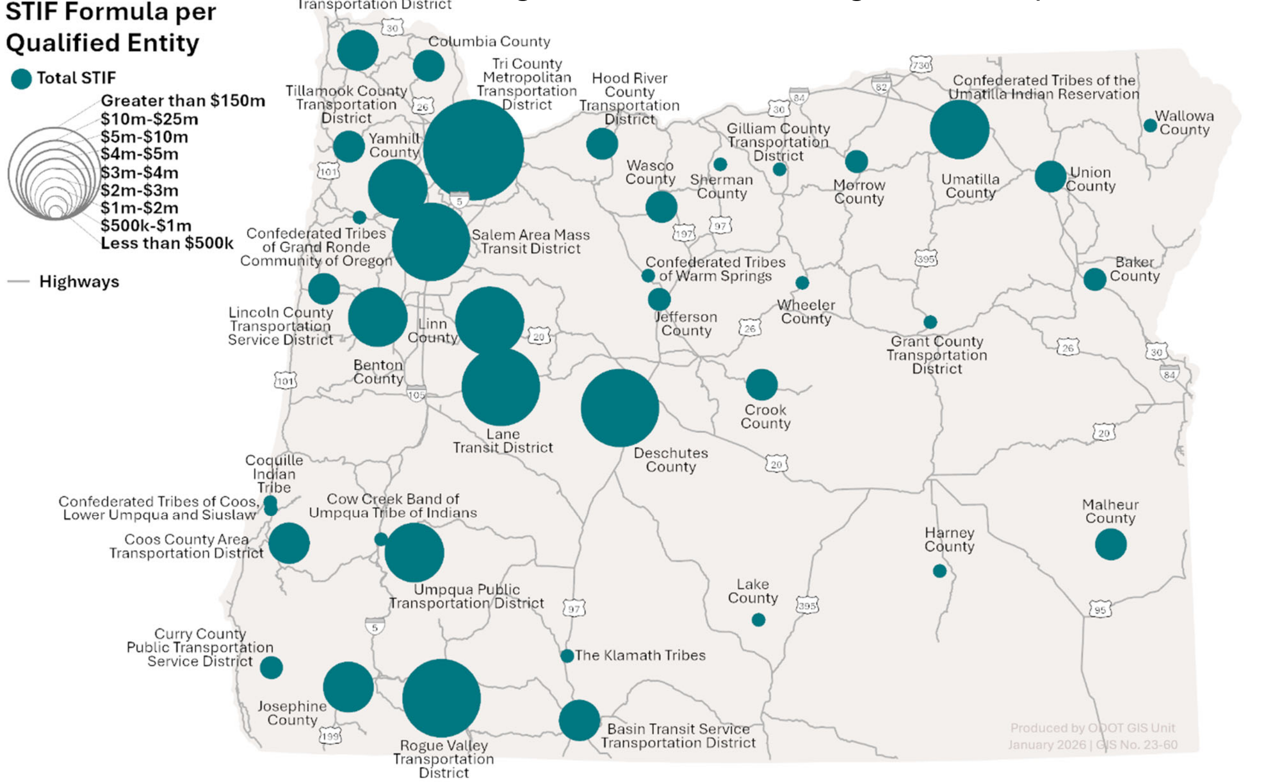
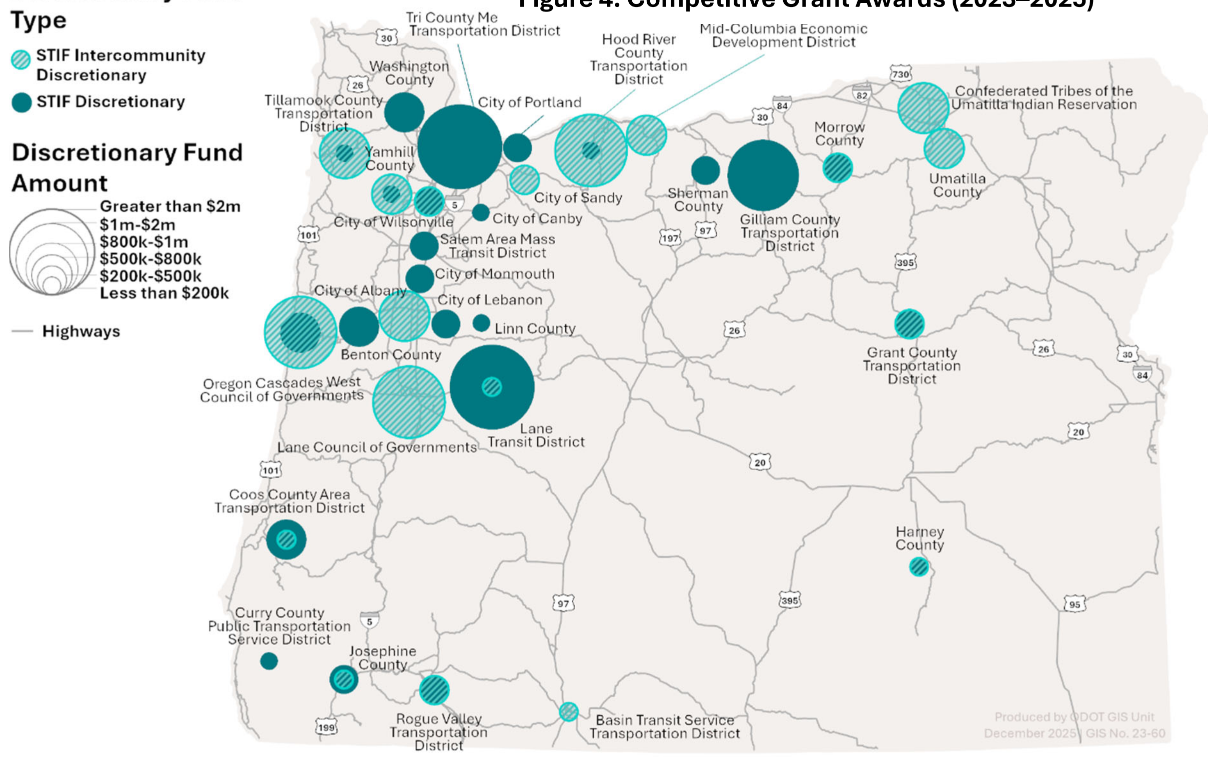


Figure 4. Competitive Grant Awards (2023–2025)



House Bill 2017 Investment Priorities

Qualified Entities submit a STIF Plan, developed in consultation with community partners, to ODOT each biennium or every four years outlining how STIF Formula funding will be invested. Plans identify funding allocations across eight legislative priority areas established by House Bill 2017 and expanded by Senate Bill 1601, including service improvements, fleet modernization, and programs for older adults, people with disabilities, and students in grades 9–12 (Table 1).

These eight priorities are used to track STIF Formula program outcomes and assess how transit agencies maintain and improve service, particularly in communities with high percentages of low-income households. In addition, agencies prioritize maintaining existing operations. Table 1 summarizes reported expenditures by priority for the 2023–25 biennium.[2]

Table 1. Reported STIF Formula Expenditures in 2023–25 Biennium by Legislative Priority Area

	Eight Legislative Priorities Used to Measure STIF Funding	Reported Expenditures[3]
1.	Improvement in the frequency and reliability of service connections between communities inside and outside of the Qualified Entity's service area.	$19 million
2.	Increased frequency of bus service schedules in communities with a high percentage of low-income households.	$48 million
3.	Expansion of bus routes and bus services to reach communities with a high percentage of low-income households.	$38 million
4.	Coordination between public transportation service providers to reduce fragmentation in the provision of transportation services.	$9 million
5.	Services for older adults and people with disabilities.	$39 million
6.	Implementation of programs to provide student transit services for students in grades 9 through 12.	$10 million
7.	Implementation of programs to reduce fares for public transportation in communities with a high percentage of low-income households.	$31 million
8.	Procurement of buses that are powered by natural gas or electricity for use in areas with a population of 200,000 or more.	$15 million

A major accomplishment this biennium was the first comprehensive update to the STIF Program rules since 2019. At the direction of the Public Transportation Division, a Rules Advisory Committee met from February through September 2025 to identify and refine process improvements. The updated rules modernize key elements of the program, including STIF Formula fund management, accountability and oversight, and reporting requirements. In January 2026, the Oregon Transportation Commission reviewed and adopted the rule, with full implementation anticipated in the 2027–2029 biennium.

[2] Table 1 does not represent all the STIF Formula investment for the 2023–2025 biennium, only the investment in the eight statutory legislative priorities.
[3] As reported by Qualified Entities in 2023-2025 biennium STIF Periodic Reports

Summary of 2023–2025 STIF Investments in Priority Areas

Increasing Access to Transit

Legislative Investment Priorities:

- Increased frequency of bus service schedules in communities with a high percentage of low-income households.
- Improvement in the frequency and reliability of service connections between communities inside and outside of the Qualified Entity's service area.
- Expansion of bus routes and bus services to reach communities with a high percentage of low-income households.
- Coordination between public transportation service providers to reduce fragmentation in transportation services.

Since funding began in 2019, STIF has improved transit service both within and between communities, particularly in low-income areas. During the 2023–25 biennium, Qualified Entities reported investing $38 million in STIF Formula funds to expand bus routes and services to reach communities with a high percentage of low-income households, $9 million in STIF Formula to reduce fragmentation in transportation services,[4] $4.5 million in STIF Intercommunity Discretionary funds to connect communities, and $12 million in STIF Discretionary to expand and improve transit across the state.[5] Additionally, $1.5 million dollars were invested from the Projects of Statewide Significance (POSS) fund in ODOT's POINT bus service to operate four routes, increasing access to Oregon's urban and rural communities, and places where travel options are limited. Altogether, these funds supported more than 50 transit routes connecting people between geographically distinct communities and improving intercommunity transit reliability across Oregon **(Figure 5[6])**. In particular, STIF Formula, STIF Discretionary and STIF Intercommunity funding has strengthened connections in Central and Eastern Oregon, as well as along the Oregon Coast. STIF enables the transit system to be interconnected, moving those who rely on or choose transit to travel within and between communities.

Coastal Connections Strengthened by STIF

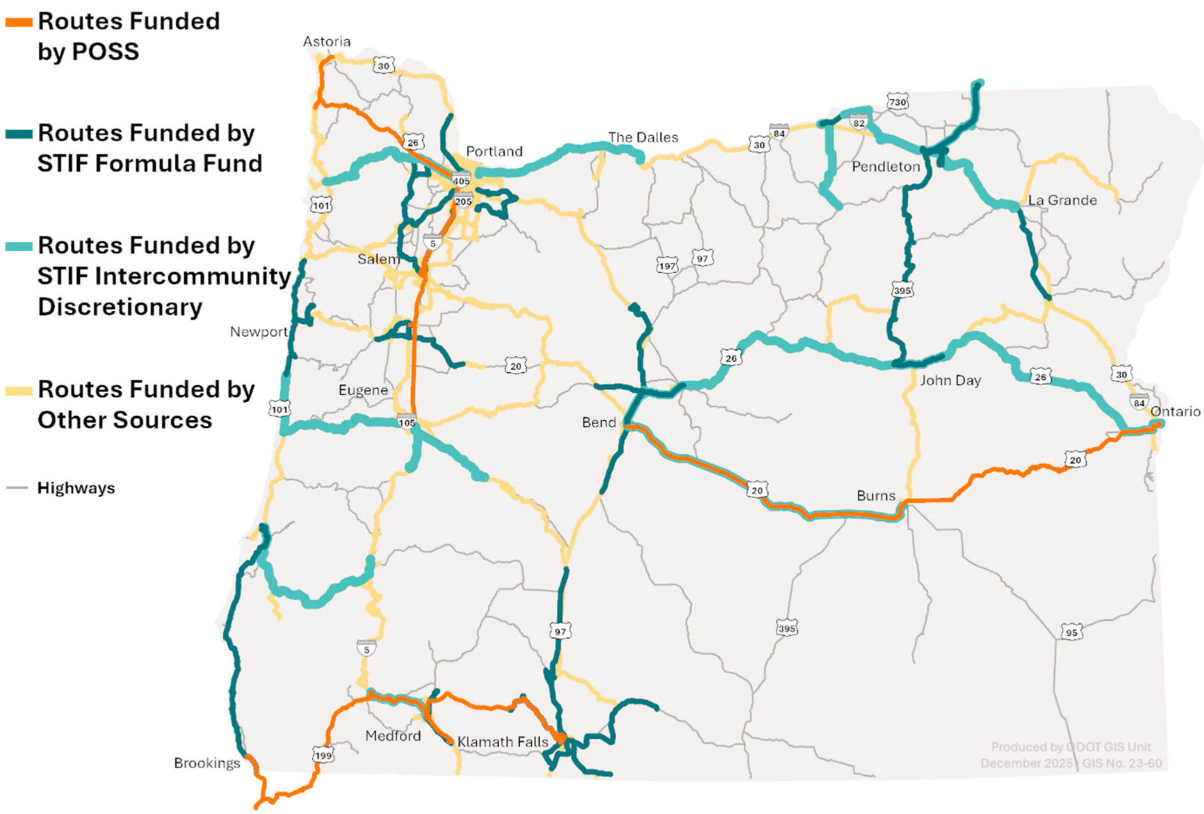
Curry *Public Transit has served Oregon's southern coast since 1999, providing vital connections along Highway 101. As a result of STIF funding, the Coastal Express now links communities from Smith River to North Bend, connecting more than eight communities in Oregon with 122 miles of service offered three times a day, six days a week. Riders can connect with Coos County Area Transit, Redwood Coast Transit, and ODOT's Southwest Point intercity service for regional travel. In partnership with the Coquille Indian Tribe, Curry Public Transit enhances access to key destinations and Tribal lands, ensuring coastal communities remain connected and accessible.*

[4] As reported by Qualified Entities in 2023-2025 biennium STIF Periodic Reports

[5] The STIF Discretionary and of STIF Intercommunity totals are payments from awards for the 2019-2021, 2021-2023, and 2023-2025 biennia.

[6] Figure 4 illustrates location of routes funded by STIF Formula, STIF Intercommunity, and STIF Discretionary funds that connect geographically distinct communities, it does not include all STIF funded routes in the state.

Figure 5. Routes Connecting Communities Across Oregon



Supporting Access for Older Adults and People with Disabilities

Legislative Investment Priority:

- Services for older adults and people with disabilities.

Adapting to Needs of Older Adults and People with Disabilities

STIF Formula funds allow transit providers to adapt to the needs of their communities, like Tillamook County did in 2024. In late February 2024, U.S. Renal Care in Tillamook announced its intent to close its dialysis clinic, leaving many vulnerable patients with end stage renal care needs without a local option. Tillamook County Transportation District relied on STIF Formula funding to help overcome staffing and equipment challenges and provided access to dialysis care as far away as Lincoln City and Forest Grove.

STIF investments also improved transit access for older adults and people with disabilities. During the 2023–2025 biennium, providers reported investing $39 million in services for older adults and people with disabilities. STIF funding paid for approximately 8 million rides—nearly a quarter of all rides within the last two years—enabling seniors and individuals with disabilities to access medical care, grocery stores, social services, and other essential destinations.

While fare revenue remains an important component of operating budgets for most Qualified Entities, the legislature directed STIF investments toward reducing cost barriers for priority populations, such as older adults and people with disabilities. Statewide, 28 Qualified Entities reported spending a total of $31 million in STIF Formula funds on programs with special fares during the biennium, improving mobility for older adults, people with disabilities, and communities with a high percentage of low-income households. Together, these investments demonstrate meaningful progress toward HB 2017 priorities and reflect a statewide commitment to providing inclusive and reliable transportation for older adults and people with disabilities.

STIF Formula investments also give local transit providers flexibility to respond quickly to emerging community needs. By supporting staffing and service adjustments, STIF enables agencies to deliver critical mobility solutions when residents face gaps in access to essential services. The following example from Tillamook County illustrates how STIF Formula funding was used to address an urgent healthcare access challenge and support older adults and people with disabilities during the 2023–2025 biennium.

Supporting Access for Students

Legislative Investment Priority:

- Implementation of programs to provide student transit services for students in grades 9 through 12.

In the 2023–2025 biennium, STIF investments expanded access to public transportation for students and Tribal communities through targeted student transit and fare reduction programs. Student transit services provided approximately 137,000 students in grades 9 through 12 with access to free or reduced fares. These investments helped students reach school, extracurricular activities, and essential services, reducing transportation barriers for youth and families across Oregon.

Supporting Access for Tribal Communities

Legislative Investment Priority:

- Implementation of programs to reduce fares for public transportation in communities with a high percentage of low-income households.

While the vast majority of Qualified Entities charge fares to help sustain their services, the legislature directed investment toward reduced fare programs that support free and discounted fares for qualified transit users, including residents of communities with a high percentage of low-income households and in Tribal communities. During the biennium, $3.7 million in STIF Formula and STIF Intercommunity funds were awarded to Tribal communities, allowing transit providers and Tribal governments to implement free or reduced fare programs tailored to local community needs. These investments improved mobility in Tribal areas, strengthened connections to essential destinations, and advanced equitable access to transit services while keeping administrative costs low.

Fare Free Tribal Transit Access

Some tribal governments have used STIF to provide free transit to their residents. In Harney County, STIF funding has enabled the Harney Hub and the Burns Paiute Tribe to offer free transit services connecting Burns, Hines, and the Burns Paiute Reservation. There is also a fare-free route from Harney to Bend, strengthening Oregon's statewide transit network. Additionally, the Burns Paiute Tribe operates a twice-monthly Saturday route between Burns and either Ontario or Bend at no cost to riders. Between 2023 and 2025, these programs have provided over 17,000 free rides, increasing mobility and regional connectivity for residents and Tribal communities.

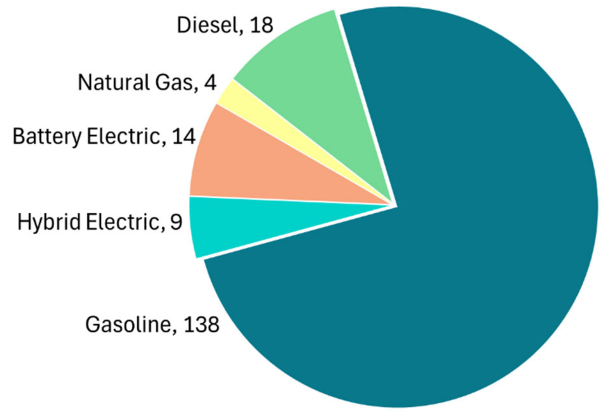
Fleet Modernization and Emissions

Legislative Investment Priority:

- Procurement of buses that are powered by natural gas or electricity for use in areas with a population of 200,000 or more.

During the 2023–2025 biennium, STIF investments have advanced Oregon's ongoing fleet modernization efforts, ensuring that transit agencies maintain a state of good repair while transitioning to cleaner, more efficient vehicles. A total of 183 vehicles were replaced or added to fleets statewide, including four new compressed natural gas, nine hybrid gasoline or diesel, and 14 electric vehicles **(Figure 6)**. These modern, low- and zero-emission vehicles support the legislative priority of promoting the deployment of alternative-fuel vehicles in areas with populations of 200,000 or more. As a result of these investments, Oregon transit providers are reducing operating costs, improving service reliability, and contributing to meeting Oregon's climate goals.

Figure 6. Vehicles Purchased with STIF Formula, STIF Intercommunity and STIF Discretionary by Fuel Type (2023–2025 Biennium)



Total Vehicles Purchased = 183

Between 2019 and 2024, STIF has contributed to an estimated 300 million fewer vehicle miles traveled (VMT), and an estimated reduction of 100,000 metric tons of CO_2 equivalent emitted into Oregon's air.

Safety

While not included in the legislative priorities, STIF funds also deliver safety benefits for communities through investments in transit stop upgrades, including shelters, lighting, and real-time arrival information. These investments have contributed to safer conditions for passengers. Additionally, investment from STIF funds supports driver recruitment, training, and retention, ensuring experienced operators maintain safe and reliable service, collectively strengthening Oregon's public transit network. During the 2023–25 biennium, 53 percent of STIF Formula plan projects had a safety component.[7]

Building Safety Skills Through the Cascades West Training Center

The Oregon Cascades West Council of Governments (OCWCOG) established the Cascades West Training Center to improve driver safety and service quality across the region. Supported by STIF funding, the Center provides nationally certified instruction for public, medical, and human service transportation providers. Training includes Red Cross CPR/First Aid, National Safety Council Defensive Driving, and Passenger Assistance Safety and Sensitivity certification. Monthly courses at the Center's Albany and Toledo offices ensure that drivers are skilled, compliant, and ready to serve Oregon's transit riders safely.

[7]Reflects STIF Formula Projects where the Qualified Entities selected Goal 6: Safety and Security from the list of Oregon Public Transportation Plan goals. Projects may advance more than one Oregon Public Transportation Plan goal. These plans were approved by the Oregon Transportation Commission in May 2023.

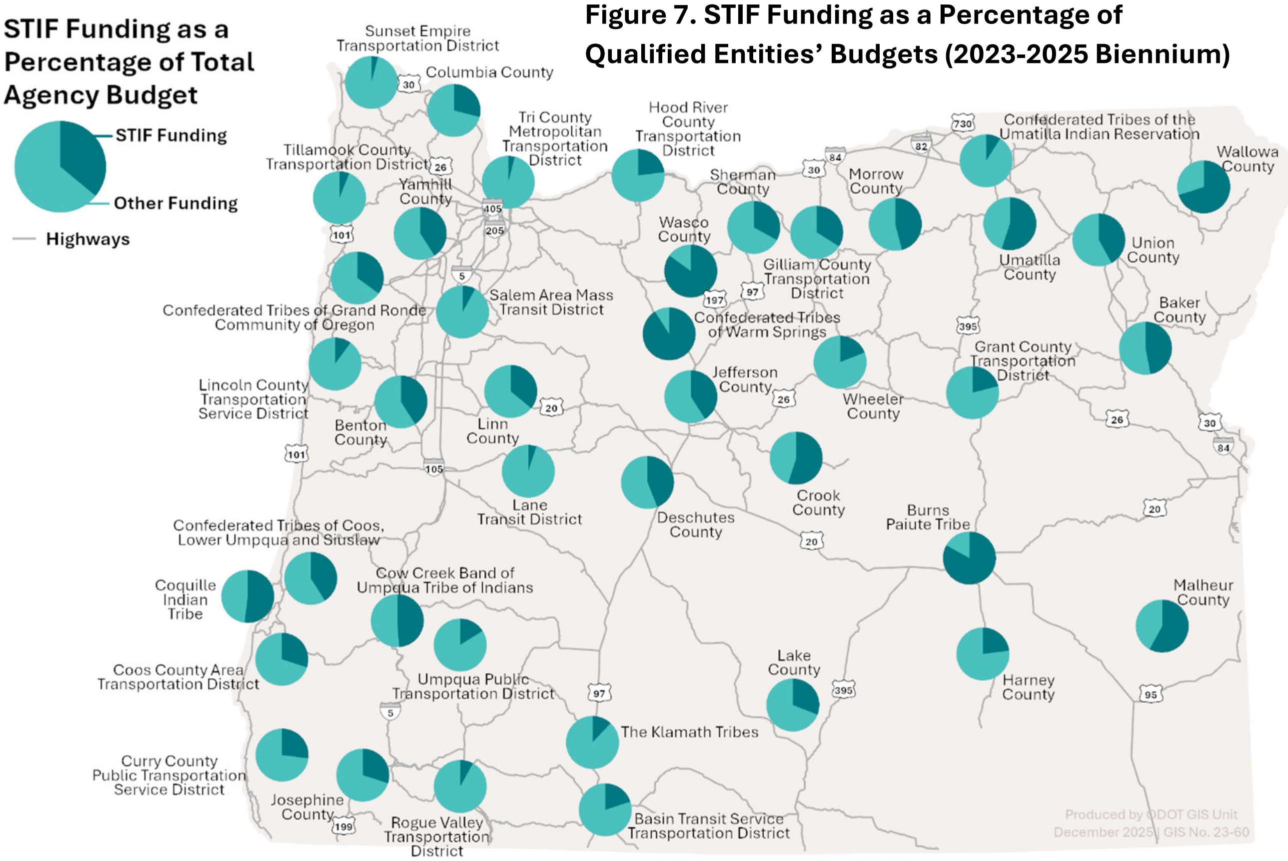
Funding Falls Short of Costs

In 2017, Oregon transit agencies received much-needed new and consistent funding through the introduction of the STIF 0.1 percent payroll tax. This investment created a long-term reliable funding source for transit, maintaining and expanding service.

STIF Formula funds now comprise an important portion of every Qualified Entities' budget **(Figure 7),** but increased operational costs have affected the ability of transit providers to sustain and expand service. Transit agencies are now experiencing budget shortfalls and challenges to maintaining services – with several agencies announcing service reductions and layoffs.

The temporary increase in the STIF payroll tax approved by the Legislature in House Bill 3991 (2025) is currently paused, pending a referendum vote. The stability of transit service and response to needs of the transit system in Oregon are uncertain, without additional, sustainable investment above the current 0.1 percent statewide employee payroll tax.

Figure 7. STIF Funding as a Percentage of Qualified Entities' Budgets (2023-2025 Biennium)



> ***Progress and Setbacks Under STIF Funding***
>
> *STIF investments have historically enabled Rogue Valley Transportation District (RVTD) to expand transit access, affordability, and mobility in Medford and across the Rogue Valley by growing service from nine to fourteen routes, reaching previously unserved neighborhoods, and supporting more than 200,000 free trips for low-income individuals. However, due to ongoing uncertainty in future STIF revenues, RVTD was forced to suspend most STIF-funded routes beginning in September 2025, significantly reducing service levels and reversing progress made through prior investments.*