



Statewide Transportation Improvement Fund Program: 2021-2023 Biennial Update

Executive Summary

Introduction of the [Statewide Transportation Improvement Fund](#) through House Bill 2017 created Oregon's first dedicated funding program for statewide public transit improvements. Following the program's enactment, ODOT Public Transportation Division was statutorily directed to produce a report on outcomes for FY 2020. Consistent with ODOT's on-going commitment to good stewardship of public resources, Public Transportation Division has continued publishing its outcomes for each biennial cycle.

The Statewide Transportation Improvement Fund, also known as STIF, has strategically transformed the public transit landscape through investments in new services, capital, equipment, technology, and infrastructure. The resulting access improvements have included enhanced transit frequency, expanded service schedules and new service coverage, all contributing to ODOT's equity and climate change objectives. Furthermore, the infusion of predictable state funding has empowered local systems to compete for federal resources by providing necessary matching funds.

From 2019 to 2023, the program allocated \$397 million in Formula funds to Qualified Entities and awarded an additional \$40 million to public transportation service providers in the form of Discretionary and Intercommunity grants. These investments have delivered 38.9 million rides, produced over 41 million miles of passenger service, and created reduced, often free, fare transit access for nearly 80,000 of Oregon's students. It's also supported the modernization of Oregon's fleet through the purchase of 309 new vehicles including 35 with battery electric and 45 with hybrid electric propulsion.

This report underscores the vital role of STIF in preserving and enhancing Oregon's public transit services during a challenging biennium. Highlights will include public transit's recovery from the COVID-19 pandemic, the consolidation of the STIF program and Oregon's Special Transportation Fund (STF), and a look ahead to the challenges of the 2023-2025 cycle. The following sections will share the initiatives and outcomes that have shaped the success of the STIF Program, examine the ongoing developments that continue to define our public transit landscape, and explore the strategic needs of Oregon's multimodal mobility network.

Image 1: Harney Hub in Burns, Oregon

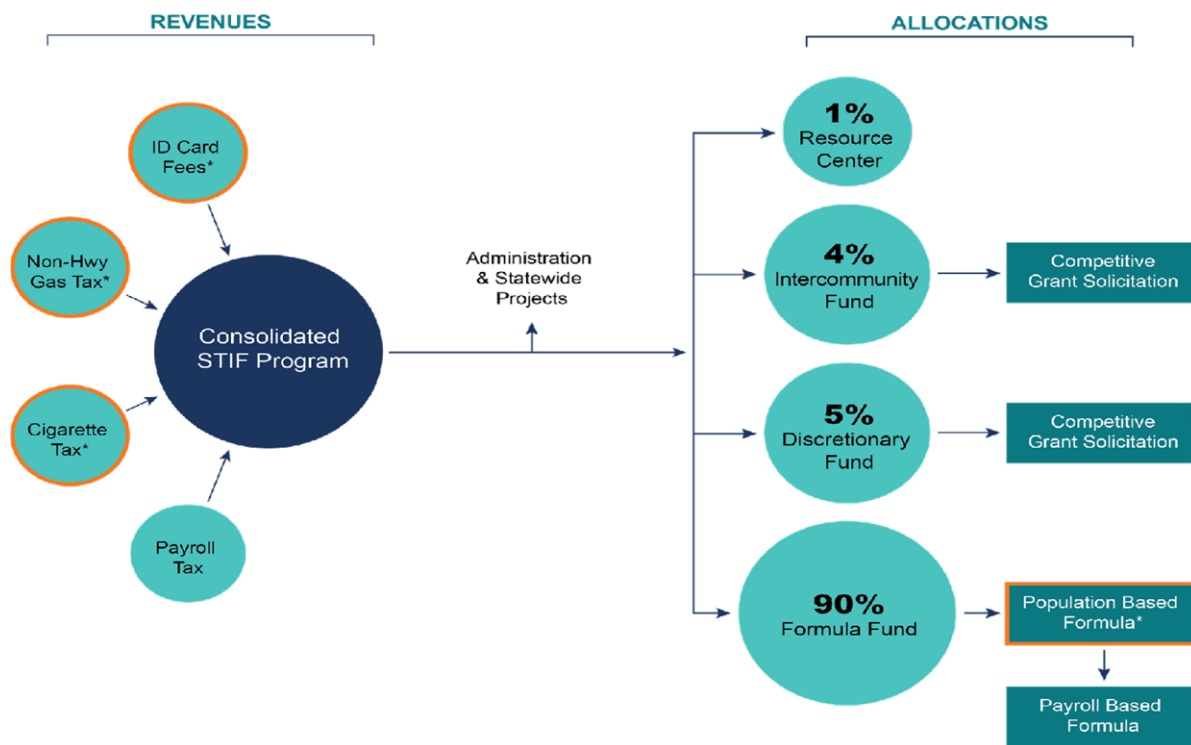


The STIF-funded Harney Hub partnership connects Burns, Hines, and the Burns Paiute Reservation. It provides free local transit and free access to Bend.

Additional Background on Consolidation of Special Transportation Fund and Statewide Transportation Improvement Fund

In 2020, the Oregon Legislature mandated consolidation of the STIF program with Oregon’s Special Transportation Fund. The Special Transportation Fund, primarily funded by proceeds from cigarette taxes, photo ID card sales from Driver and Motor Vehicle Services, and non-highway fuel sales, provided Qualified Entities a consistent resource to address the mobility needs of the elderly and individuals with disabilities.

Figure 1: STF/STIF Revenue and Distributions as a Consolidated Program:



With traditional funding sources for the Special Transportation Fund in steady decline, consolidation with STIF established a sustainable approach to its objectives. In the Special Transportation Fund’s final biennium (2021-2023), it distributed \$22 million to Oregon’s Qualified Entities. In comparison, the consolidated STIF Formula Plans approved by the Oregon Transportation Commission for 2023-2025 contain over \$50 million for services to Oregon’s elderly and individuals with disabilities, illustrating the continued commitment of the public transportation community to enhancing these services.

Table 1: December 2023 STIF Formula Fund Forecast FY 2024 and FY 2025

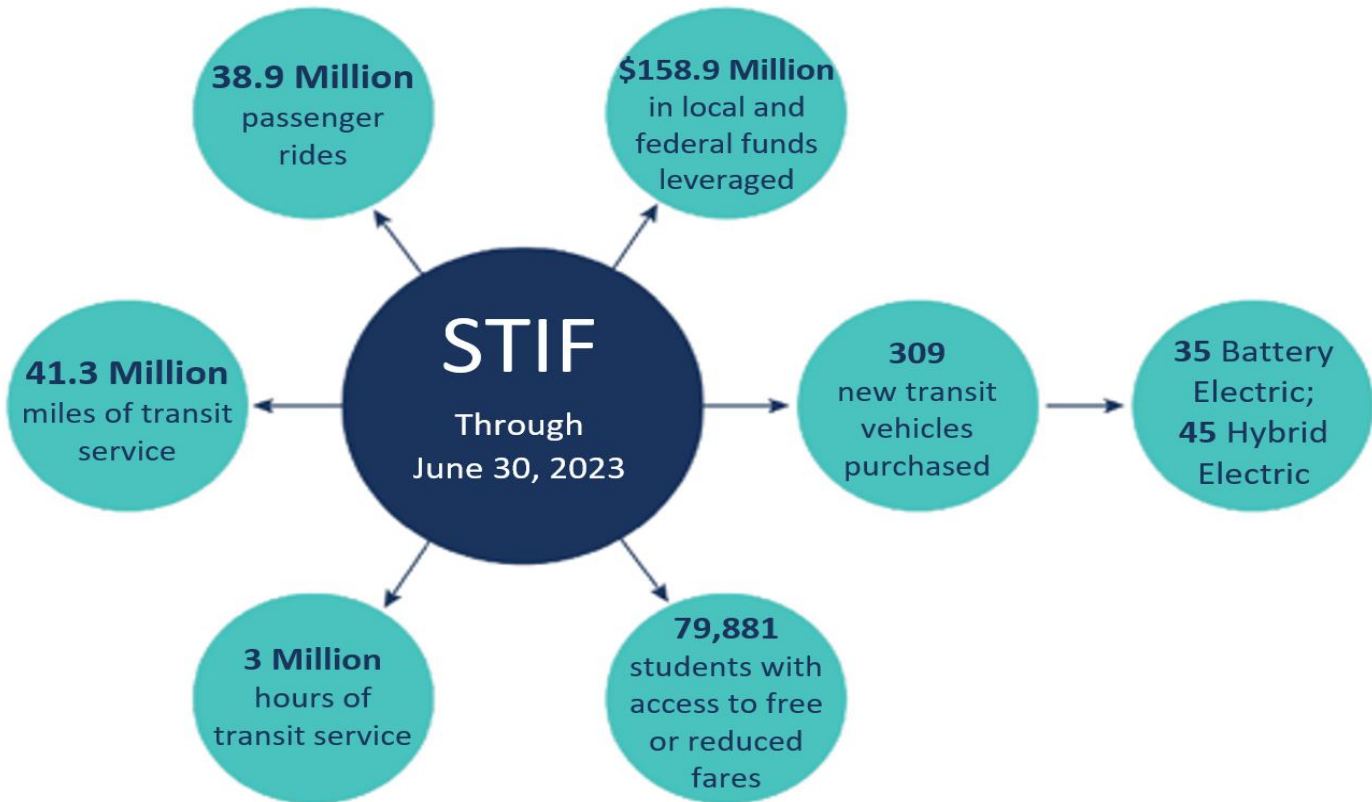
Fund	FY 2024	FY 2025	Total
Formula Fund (90%)	\$113.7 million	\$129.0 million	\$ 242.7 million
Discretionary (5%) Biennial Estimate			\$ 13.4 million
Intercommunity (4%) Biennial Estimate			\$ 10.8 million
Total Biennial Estimate			\$266.9 million

2021-23 STIF Report

Expanding and Enhancing Oregon's Transit System

Through Fiscal Year 2023, the STIF Formula program has delivered 38.9 million rides, produced over 41 million miles of passenger service, and created reduced fare (often free) transit access for nearly 80,000 of Oregon's students. It's also supported the modernization of Oregon's fleet through the purchase of over 300 new vehicles including 35 with battery electric and 45 with hybrid electric propulsion.

Figure 2: STIF Investment Outcomes to Date:



Note: ODOT's February 2024 "The Legacy of HB 2017" presentation to the Joint Committee on Transportation included an additional quarter of STIF reporting data (through September 30, 2024) and reflected the following updated outcomes:

- 40.1 million passenger rides;
- 45.8 million miles of passenger service;
- 130,525 students with free or reduced fares; and
- 350+ vehicles purchased.

The STIF Formula program created a transformational source of local matching funds (please see the Leverage column in Table 2). During the 2021-2023 biennium, national supply chain disruptions reduced the number of annual match-intensive capital projects to a trickle. At the same time, public transit providers were investing the substantial (but temporary), match-free, federal appropriations under the Coronavirus Aid, Relief, and Economic Security Act; Coronavirus Response, Relief, and Supplemental Support Act; and the American Rescue Plan Act.

Pandemic-related anomalies notwithstanding, Qualified Entities have provided an average of nearly 30% in local match to STIF-funded projects since the program's inception; in many cases, local contributions were

markedly higher. Three of the top five contributors of local match by way of percentage (please see Table 3) are Qualified Entities in rural areas, contributing between \$7.00 to \$8.00 for every STIF dollar invested. Even when sorted by net dollars leveraged, Coos County Area Transportation District remains in the top five.

Table 2: STIF Investment Outcome by Biennium

STIF Biennium	Rides	Miles	Hours	Leverage
2019-2021	20,545,414	19,249,316	1,393,922	\$91,078,383
2021-2023	18,442,619	22,118,064	1,685,434	\$67,837,500
Total	38,988,033	41,367,380	3,079,356	\$158,915,883

Table 3: Top Contributors of STIF Formula Match (by % from FY 2020 – FY 2023):

Qualified Entity	Total Project Expenditures	STIF Formula Investments	Other Investments	% Leveraged
Coos County Area Transportation District	\$8,489,656	\$1,532,365	\$6,957,291	82%
Tillamook County Transportation District	\$4,095,905	\$1,032,714	\$3,063,191	75%
Linn County	\$21,674,864	\$6,105,897	\$15,568,967	72%
Harney County	\$1,430,243	\$399,731	\$1,030,512	71%
Lane Transit District	\$29,180,521	\$9,283,332	\$19,897,189	68%

Table 4: Top Contributors of STIF Formula Match (by Dollars from FY 2020 – FY 2023):

Qualified Entity	Total Project Expenditures	STIF Formula Investments	Other Investments	% Leveraged
TriMet	\$209,262,363	\$150,606,635	\$58,655,728	28%
Lane Transit District	\$29,180,521	\$9,283,332	\$19,897,189	68%
Linn County	\$21,674,864	\$6,105,897	\$15,568,967	72%
Coos County Area Transportation District	\$8,489,656	\$1,532,365	\$6,957,291	82%
Benton County	\$11,117,952	\$5,246,557	\$5,871,395	53%

Rounding out the top ten by net *Other Investments* were: Tillamook County Transportation District: \$3,063,191; Hood River County Transportation District: \$2,670,069; Umatilla County: \$2,667,598; Yamhill County: \$2,308,028; and Wasco County: \$2,121,321.

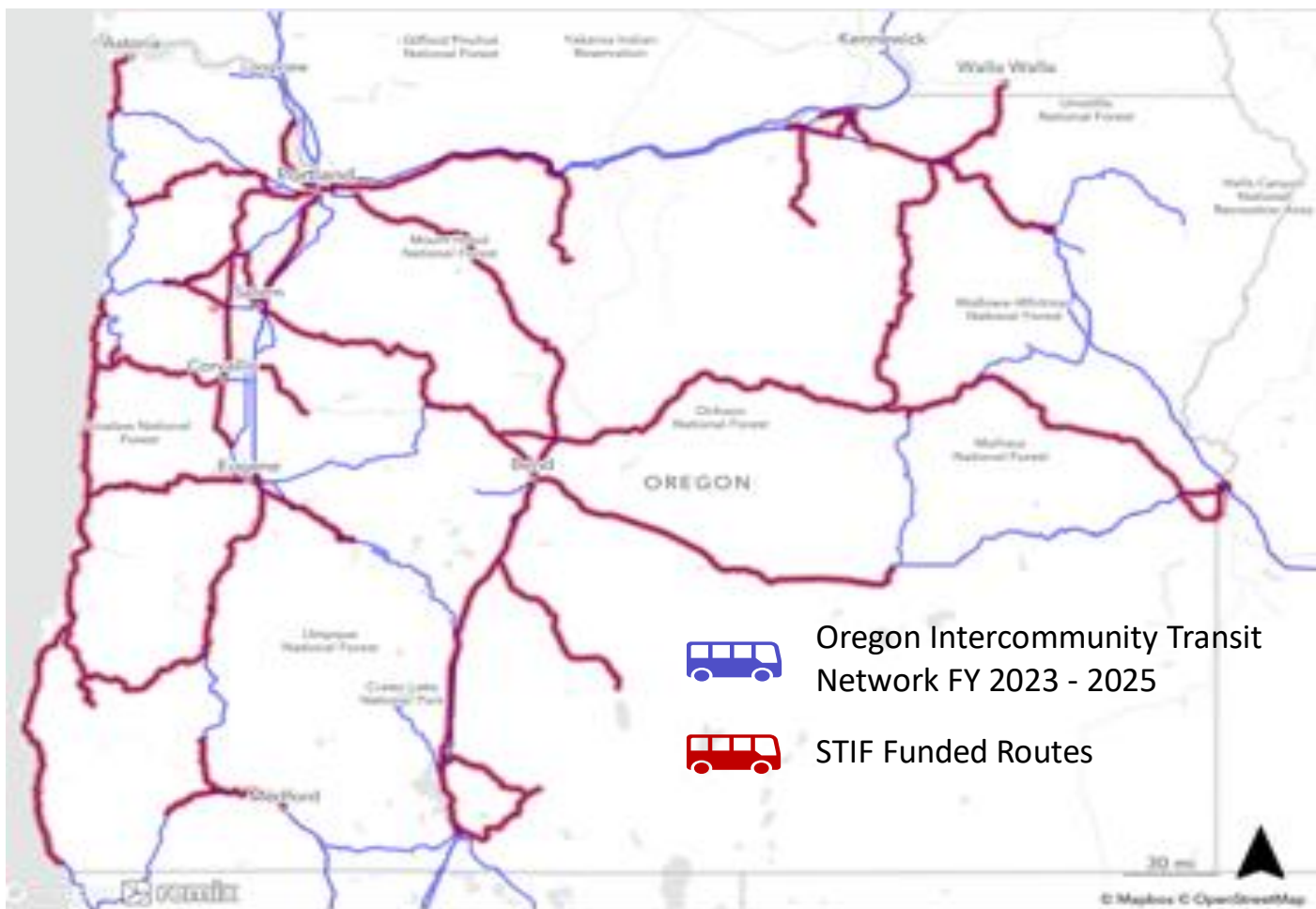
Expanding and Improving Community Connections

Intercommunity transportation plays a crucial role in connecting people and communities across the state. Seamless connectivity between different counties, cities and metropolitan areas helps ensure Oregonians have car-free access to essential services, employment opportunities, education, healthcare, and interstate travel resources such as Greyhound/Flix, Amtrak and regional airports.

Through Fiscal Year 2023, the STIF program invested \$29.7 million in extending intercommunity services to new communities, expanding schedules, and enhancing travel frequency (see Figure 3). Notably, local

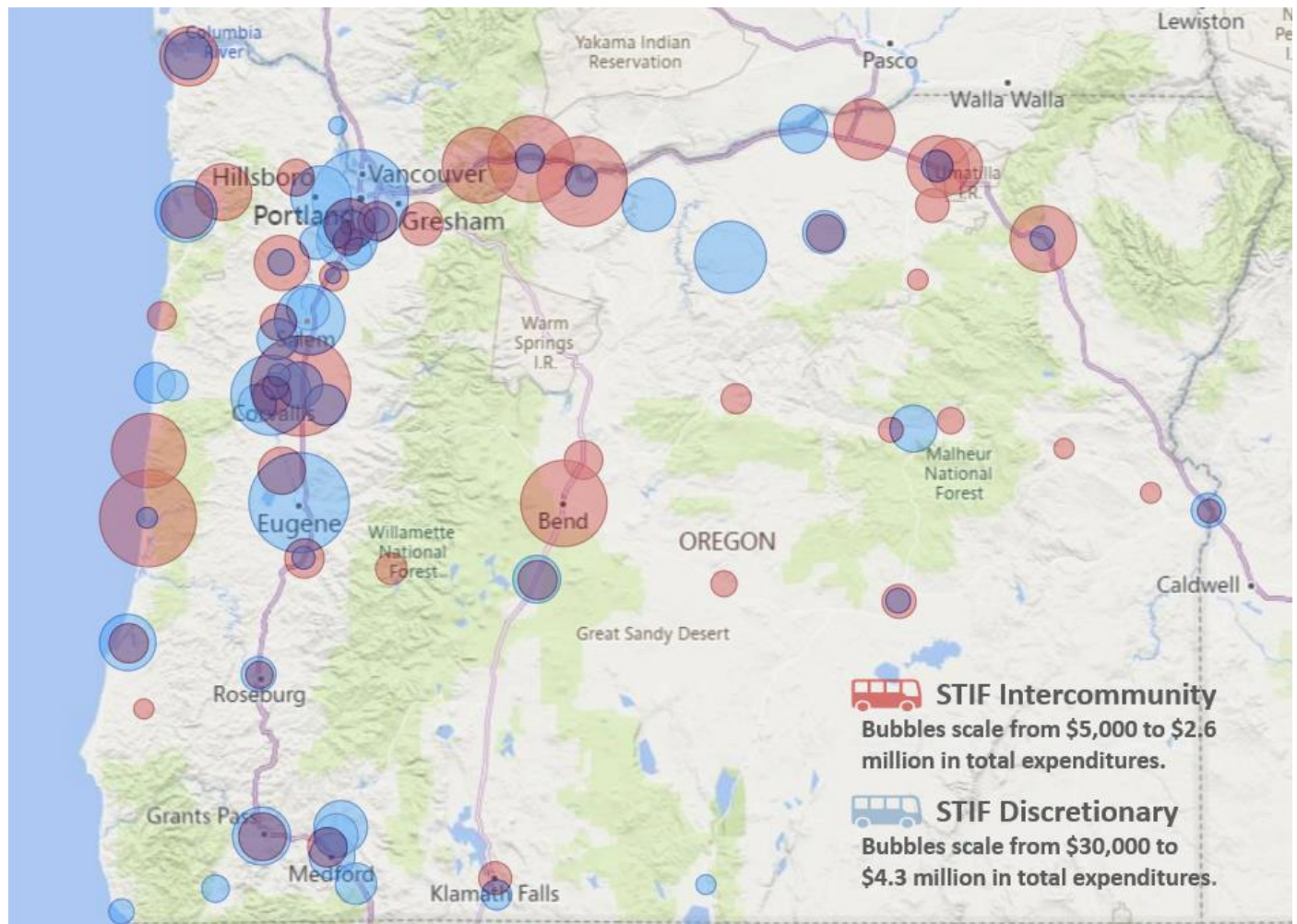
Qualified Entities have contributed \$14.6 million, nearly half of the intercommunity investments, from Formula program funding. Local prioritization of intercommunity travel lines provides far greater stability to the network than reliance on biennial competitive grants. In many cases, the dark magenta lines (where the network and STIF funding of services overlap) would be unsustainable without continued STIF investments.

Figure 3: STIF Investments in Oregon’s Intercommunity Network



STIF’s Discretionary and Intercommunity programs (designed for competitive award, independent of geography) have reached communities all around the state (see Figure 4). Coupled with the formula distribution to Qualified Entities, these resources contributed to a robust and responsive network that could scale and adapt to support the traveling public as Oregon’s economy reopened from the COVID-19 pandemic.

Figure 4: STIF Discretionary and Intercommunity Award Distributions to Date



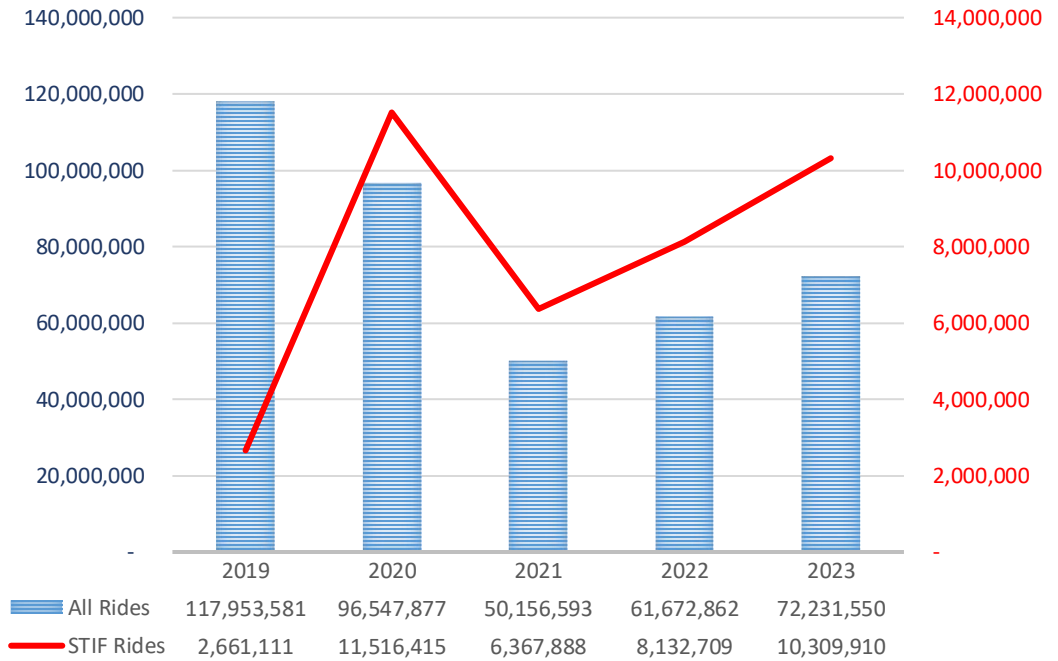
STIF and Pandemic Recovery

Fiscal Year 2019, the last full year unaffected by COVID-19 and before broad deployment of STIF resources, serves as a useful ridership baseline. In comparison, Fiscal Year 2020 (beginning July 1, 2019) contained six to nine months of rapid growth as riders responded to new STIF-funded services, followed by substantial reductions in demand (and sometimes service) with the arrival of the pandemic. The year that followed was characterized by the challenge of serving Oregon’s essential workers during the (figurative and literal) struggle for survival. STIF funding was pivotal to preserving service while addressing costly contagion mitigation measures such as social distancing buses at half capacity, providing personal protective equipment, and implementing enhanced sanitization practices.

The importance of the STIF program’s role in preserving critical operating capacity among Oregon’s transit providers during the pandemic cannot be overstated. Figure 5 illustrates that growth in public transit rides delivered via STIF-funded services has led pandemic transit recovery since the passenger volume bottomed out in fiscal year 2021.

STIF funding played a critical role in offsetting expensive pandemic accommodations such as social distancing, personal protective equipment, protective barriers, waiver of fares, and enhanced sanitization procedures, making public transit one of Oregon’s safest modes of travel. In fact, many transit systems are returning to (or exceeding) pre-pandemic ridership as a direct result.

Figure 5: STIF Ridership Growth as an Indicator of Pandemic Recovery



Hood River County Transportation District

Hood River County Transportation District has used STIF funding to collaborate with neighboring systems to provide car-free access to the Columbia River Gorge recreation corridor. Their operation of the Columbia Gorge Express has enhanced accessibility to attractions such as Multnomah Falls, where parking is limited.

Figure 6: Hood River County Transportation District Pandemic Recovery Profile

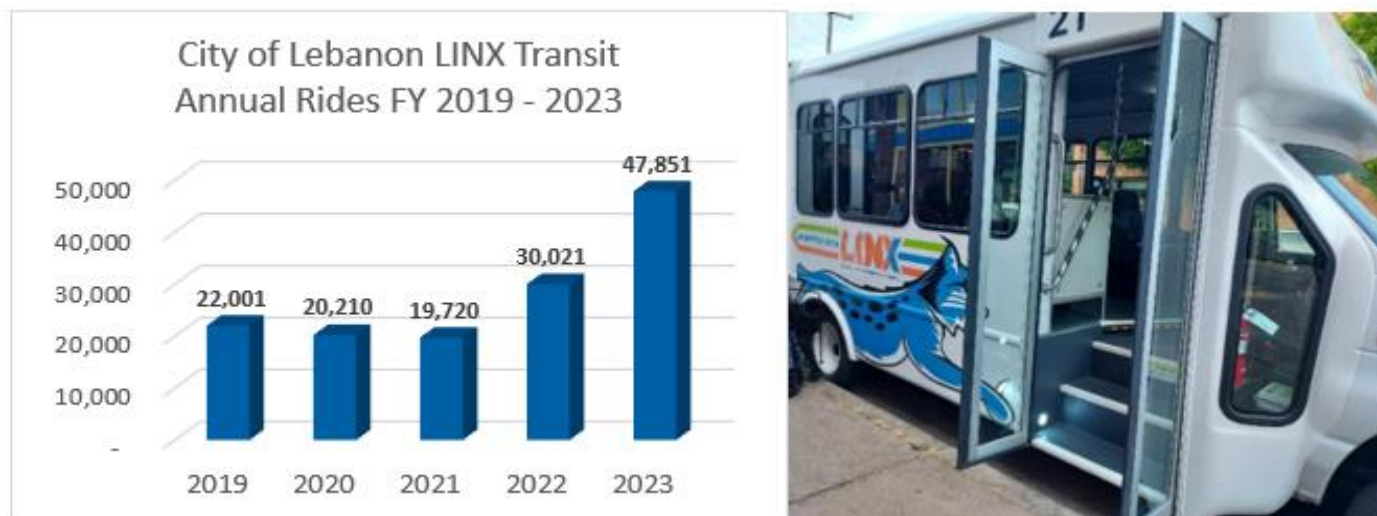


Hood River County Transportation used STIF support to nearly triple its ridership relative to the 2019 baseline.

City of Lebanon

Prior to the STIF program, demand for public mobility in and around the City of Lebanon typically exceeded the capacity of the local transit system. Thanks to the STIF-funded Linx Loop route, a Saturday expansion, and a rebranding campaign that emphasized the service as public and open to all ages, rapid ridership growth largely offset general pandemic-related demand declines.

Figure 7: City of Lebanon Pandemic Recovery Profile



As the economy reopened, Linx recovery was among the strongest in the state. With the addition of the Brownsville Connector starting Fiscal Year 2023, total ridership more than doubled relative to the 2019 baseline. In Fiscal Year 2024, the Lebanon Linx system anticipates passenger volume will exceed 60,000 boardings.

These examples were selected from a broad range of options. Other examples from Fiscal Year 2023 include:

- Linn and Baker counties more than doubled their Fiscal Year 2019 ridership,
- Nearly a quarter of Oregon’s public and tribal transit providers reported fully recovering or surpassing their pre-pandemic volume, and
- Another 10% reported total annual boardings within 10% of their 2019 baseline.

The STIF program preserved critical services and capacity during the global shutdown and has accelerated the pace of recovery as Oregon reopens for business. Due in part to the lessons learned during the pandemic, there is a call for innovative technologies, applications, practices and/or service models that can lead to more efficient public transit service, better mobility for Oregonians, and an overall enhanced ridership experience.

Investing in Equitable and Climate Friendly Outcomes

The STIF program has funded equitable mobility systems that begin to counteract the persistent inequity experienced by low-income communities and historically marginalized populations. Investments have improved access to a safe and reliable multimodal network while leveraging pedestrian, bike and active transportation partnerships and promoting the transition toward fleet electrification and low-carbon fuels.

Through Fiscal Year 2023, Qualified Entities allocated over \$80 million to expand and enhance the routes, schedules and frequencies of routes catering to communities with a high proportion of low-income households. STIF investments delivering benefits to low-income communities include the following projects:

Monmouth-Independence Trolley

The Monmouth-Independence Trolley program launched in April 2023 as a pilot project. The M-I Trolley uses hybrid-electric propulsion technology to deliver 250 to 300 miles of revenue service daily. Since inception, the project has delivered nearly 100,000 rides while improving an important connection between Western Oregon University and the downtown areas of the served communities where students often work, shop, and live off-campus. It received a \$562,500 award for operations support from the STIF Discretionary program as a demonstration project in the 2023-2025 funding cycle.

Image 2: Monmouth-Independence Trolley



Public Transportation Division staff is working with community partners to establish federal formula startup funding to support long-term sustainability of the program.

Lane Transit District

Lane Transit District in Eugene is using STIF investments to accelerate its transit fleet electrification efforts. In Fiscal Year 2023, the agency received 13 new electric buses designed for lighter weight, longer range, and with more rapid energy recovery technology. These new vehicles joined 18 pre-existing battery electric buses and 60 hybrid electric vehicles already in service. Since Fiscal Year 2020, LTD secured over \$4.2 million in STIF-funded vehicle replacement awards that advance its transit fleet electrification goals.

Image 3: New Electric Buses Roll in Eugene



Challenges and Unrealized Opportunities

While ODOT and Oregon have a lot to be proud of, there is much work left to do amid the myriad of immediate and long-term challenges faced by Oregon's communities and the public transit systems that serve them.

As the examples we've shared illustrate, ridership is recovering all over the state. However, transit demand patterns have returned in different ways. Peak commute hours still attract significant ridership but the prevalence of remote and hybrid work has resulted in a smoothing of the demand curve throughout the day (or during the days of the week).

A positive, post-pandemic result for STIF services has been expanded service areas, schedules, and frequencies in previously underserved communities. As Oregon prioritizes the development of new housing, it's likely that public transit's service profile will continue to escalate.

As local transit systems are adapting to demand challenges, they're continuing to struggle with:

- An extremely tight and highly competitive labor market for commercially licensed drivers (especially those with a passenger endorsement).
- Supply chain disruptions that have doubled the time it takes to procure new vehicles and other capital equipment.
- A disruptive inflationary environment:
 - Capital grants are often prepared up to a year before they're awarded, and delivery can take another 24-36 months once a vehicle is ordered.
 - It's becoming increasingly common for agencies' purchasing power to erode before finalizing a planned transaction.

While acknowledging the commendable effort, community engagement, and foresight that informed long term plans adopted by Qualified Entities adopted in recent years, it's clear the COVID-19 pandemic fundamentally changed Oregon's mobility ecosystem. In most communities, planning updates are either underway or overdue.

The Road Ahead

In 2013, ODOT staff worked with other state agencies and partners to develop the Statewide Transportation Strategy: A 2050 Vision for Greenhouse Gas Emissions Reduction. The strategy followed goals set by the state legislature and called for a 75% reduction in emissions. In 2020, Governor Kate Brown issued Executive Order 20-04, revising the original transportation emission reduction goal set by the state legislature to 80% below 1990 levels by 2050. It also directs state agencies to work within their authority to expand past the goals stated in the Statewide Transportation Strategy.

Public transportation is a key component in meeting those climate targets as well as agency safety and equity goals. The expansion of geographic service, scheduling, frequency, and free or reduced fare programs, have collectively represented pivotal contributions toward Oregonians' quality of life. Beyond the essential support public transit provides for Oregonians' ability to age in place, with independence and dignity, Public Transportation Division's partners in housing, education and healthcare are relying upon the sustained excellence and growth of the local and statewide transit network to meet their strategic objectives.

Public transit plays a mission-critical role in Oregon's local and statewide livability priorities. Nationally, six in 10 adults have a least one chronic medical condition (a condition that lasts at least a year and limits their activity or requires medical care). Among those older than 65, nine in 10 have at least one chronic condition and three of four have at least two. In the last decade, the number of Oregonians aged 65 and over grew by 40%.ⁱ

Conclusion

A continued bold and pragmatic approach is necessary to preserve the gains realized under the STIF program during the recent biennia. Maximizing transit's contribution to industry growth while achieving climate, safety and equity targets outlined in the state's guiding documents – the Statewide Transportation Strategy, the Oregon Public Transportation Plan, the Oregon Transportation Plan, and ODOT's Strategic Action Plan – will require additional investment. ODOT's Public Transportation Division estimates the incremental costs of increasing service and fully electrifying the transit fleet to be in the billions. Continued state investment in public transportation is key to preserving and increasing the multiple benefits of a strong system.

ⁱ https://www.oregonlive.com/health/2008/07/coping_with_a_chronic_disease.html