



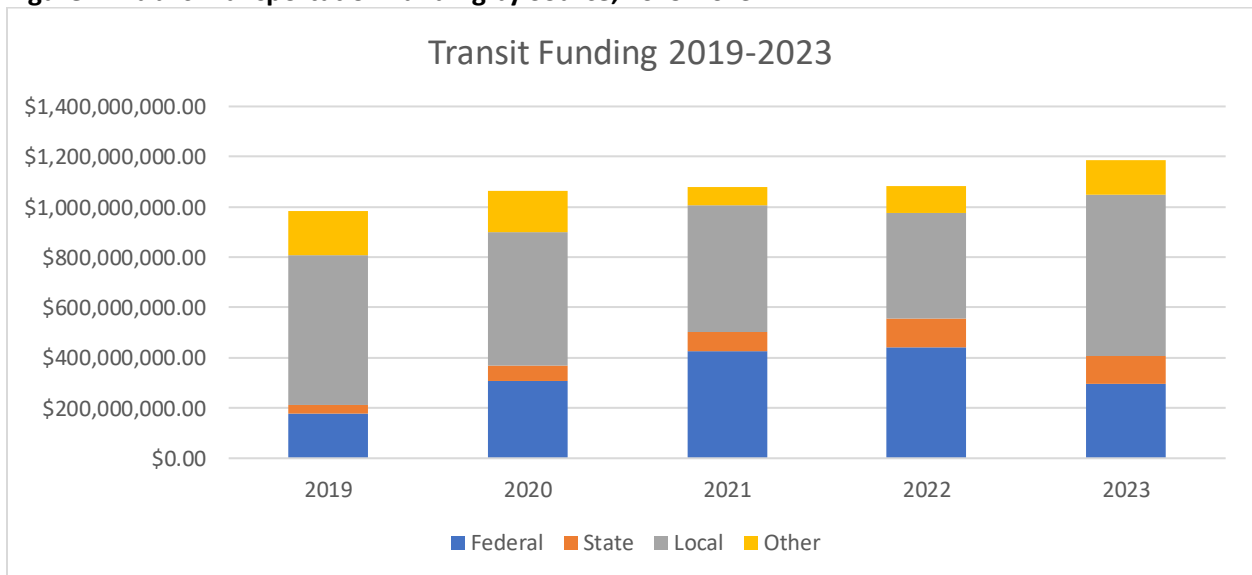
## PUBLIC TRANSIT FUNDING IN OREGON

### Updated *October 2024*

Oregonians take 100 million trips a year on public transit, connecting to essential medical services, family, social networks, jobs, school, groceries, day care, and more with a high-capacity, lower carbon choice. Public transit in Oregon includes buses and other rubber-tired vehicles, light rail, streetcar, and one aerial tram. It plays a critical role in people’s daily travel needs.

Public transit is funded through a mix of federal, state, and local sources. This report summarizes recent funding trends. It is based on data from the Federal Transit Administration’s National Transit Database (NTD) and the Oregon Public Transportation Information System (OPTIS), and includes both formula and discretionary sources of funding.

**Figure 1: Public Transportation Funding by Source, 2019-2023**



Data source: [National Transit Database](#)

### Sources of Public Transportation Funding

There are four major funding sources for public transportation:

- Federal: Federal Transit Administration (FTA) and Federal Highway Administration (FHWA)
- State: Statewide Transportation Improvement Fund (STIF)
- Local: varies by jurisdictional authority
- Fares: paid by user

According to the National Transit Database, in 2023, approximately \$1.2 billion was invested in public transportation in Oregon: \$295 million from federal sources, \$110 million from state sources, and \$644 million supplied by local sources. An additional \$134 million came from other sources (e.g., fares).

### State Public Transportation Funding

The State Transportation Improvement Fund (STIF) is the major source for public transportation funding in Oregon. STIF funds amounts are outlined at in the chart at the end of this document. Starting in 2023 allocations include STIF population funds, which were previously allocated through Oregon’s Special Transportation Fund to support the transportation needs of the elderly and people experiencing disabilities.

### Federal Public Transportation Funding

Federal funds for public transportation are authorized and appropriated by Congress, primarily through the U.S. Department of Transportation. The FTA and FHWA provide funding allocations to states on a yearly basis through several different programs with distinct purposes and eligibilities. Urban providers also receive funds directly from the FTA. Many federal sources require local or state matching funds, ranging from 10 percent to about 50 percent, depending on the program and project. FTA does not allow fare revenue to be used for local match.

### Local Public Transportation Funding

There are three primary sources of local funding for public transportation in Oregon: payroll taxes, property taxes, and earned revenues, such as those from fares and advertising (categorized as “Other revenue” by NTD). Some local governments may, at their discretion, also use such revenues as local general funds, transportation impact fees, system development charges, special assessments, and transportation utility fees. Local funds pay for most transit operations in larger urban systems and often contribute to operations in smaller urban, rural, and county systems. All forms of local funds, except passenger fares, can be used to meet local match requirements and leverage federal funding.

**Table 1** summarizes how the Statewide Transportation Improvement Fund (STIF) is distributed and awarded for FY 2024-2025.

**Table 1:** Statewide Transportation Improvement Fund

Distribution/Award	Purpose	Allocation Method	FY 2024-2025 Allocation
<b>90% to Qualified Entities:</b> counties without a mass transit district or transportation district, mass transit districts, transportation districts, and federally-recognized tribes	Enhance public transportation. Qualified Entities complete a plan that specifies what percentage of their allocation will be spent on increased service and reduced fares for low-income households, service improvements between communities, buses powered by natural gas or electricity in areas over 200,000 in population, student transportation, and	Dual Formula where a portion is distributed to Qualified Entities based on population, and a portion is distributed proportionate to the amount of payroll tax collected in an area, with an annual base	\$238.6 million

	transportation for older adults and people with disabilities.		
<b>5% to Public Transportation Service Providers</b>	Maintain or improve public transportation services	Competitive grant program	\$13.5 million
<b>4% to Public Transportation Service Providers</b>	Improve public transportation between two or more communities	Competitive grant program	\$10.8 million
<b>1% to ODOT Technical Resource Center</b>	Statewide public transportation technical resource center to assist public transportation providers in rural areas with training, planning, and information technology	ODOT Discretionary	\$2.7 million

\* The amounts in this table are different from Figure 1 because they include *distributed and awarded* funds. Figure 1 is based on *expenditures* as reported to the NTD Database.