



## INTEROFFICE MEMORANDUM

Oregon Department of Transportation  
Transportation Safety Division  
4040 Fairview Industrial Drive SE MS #3  
Salem, Oregon 97302  
503-986-3883

**DATE:** 6/1/2021

**TO:** Oregon Transportation Safety Committee

**FROM:** TSD Motorcycle/Moped Rider Safety Program Manager

**SUBJECT:** Proposed Low/No Income Subsidy for Mandatory Rider Training

**Action:** Decision

With the recent increases in student tuition for participation in the mandatory Beginner Rider Training course (\$229) and the Intermediate Rider Training course (\$199), and following the goal of providing safety courses at fee levels that do not discourage participation in these courses, the Transportation Safety Division (TSD) is seeking the Oregon Transportation Safety Committee's approval of the recommended subsidy amount of \$25.00 per Oregon Supplemental Nutrition Assistance Program (SNAP) - verified eligible student. This subsidy will be paid to the provider, and the provider will charge the student the reduced rate (course fee -\$25.00) to participate in the mandatory course of their choice.

The math behind this recommendation:

It is estimated that between 14% to 19% of Oregonians qualify for SNAP annually. Currently, the TSD Teen Driver Education (DE) program reimburses training providers \$210 per student (subsidy related to course delivery only – not including facilities, vehicles, etc.) with an additional \$75 subsidy for SNAP verified eligible students. This amounts to an additional 35% subsidization for Oregon SNAP - eligible students above the standard reimbursement rate.

For consistency, TSD proposes a similar approach to the determination of a SNAP subsidy for the mandatory rider training program courses – following a similar formula. However, due to the reduced motorcycle sub-account cash balance, coupled with reduced fees being collected as a result of the impact from Covid 19 on the collection of mandatory fees related to new and renewed endorsements TSD is proposing a lower subsidy amount than the DE model of 35%. This is to ensure the SNAP-dedicated budget remains solvent and will be available for all potential beneficiaries of the subsidy.

Based on a five year average, TSD subsidizes the training of 8886 students per year at an average of \$119/per student. Assuming the students represent a mirror image of the population of Oregon, we estimate that a minimum of 14% of all students are SNAP eligible. This will mean that the program should expect at least 1244 students being eligible for the subsidy and, at \$25.00 per student, the total line item budget to support the subsidy will need to be at least \$31,000. As mentioned before, in consideration of the low motorcycle safety sub-account balance coupled with the reduced fees being collected as a result of the impacts of Covid 19, TSD believes that the proposed \$25 subsidy meets the goal of minimizing financial barriers to participating in the mandatory courses while maintaining enough of a balance in the subaccount to address all potential beneficiaries of the subsidy.

Respectfully, TSD requests your consideration and support for the proposed SNAP subsidy of \$25.00 per verified eligible Oregon student.