

# ODOT Funding Package Resource Library

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## Public Transportation in Oregon

Oregon's public transportation providers serve every corner of the state, enhancing our transportation network and providing mobility and freedom for people from every walk of life. Public transportation is an integral component of Oregon's multimodal transportation system that helps Oregon's diverse communities work by getting people where they want to go.

### What needs does public transportation serve?

Oregonians take 100 million public transit trips a year, connecting to essential medical services, family, social networks, jobs, school, groceries, day care, and more with a high-capacity, lower carbon choice. Transit is critical to daily travel, for people with mobility needs, youth, lower-income residents and those who choose transit.

Individual Oregonians and our statewide economy benefit from public transportation. Transportation costs are the second highest household expense after mortgage or rent. Individuals can [save an average](#) of \$13,000 annually by choosing transit as a primary mode of transportation. [Research has found](#) that investment in public transportation infrastructure and operations has a return on investment of \$5 for every \$1 spent.

Public transportation is helping Oregon to achieve its climate goals, reducing congestion and greenhouse gas emissions (GHGs). Since 2000, Oregon's population has increased by 25% but per capita VMT has decreased by 13%. Nearly 20% of Oregon households include people who use transit at least once a week, and in a 2023 survey 52% of respondents stated that they would take transit service if service was added or improved in their area.

### The Public Transportation Network

ODOT's Public Transportation Division (PTD) partners with local and regional transit providers who offer safe and cost-effective public transit. PTD prioritizes investments based upon the Oregon Public Transportation Plan's goals and objectives, while local transit and regional providers determine their local needs and priorities. Public transit service varies by geography. Large urban areas like Portland, Salem and Eugene have frequent, wide-ranging fixed-route service. Small urban cities, rural areas and small towns have fixed-route, demand-response services and connections between communities. ODOT also provides intercity bus service, including the POINT bus, through a private provider.

ODOT jointly funds the Amtrak Cascades passenger rail service in partnership with the Washington State Department of Transportation. This intercity and regional service connects to the Amtrak long-distance services, local transit, job markets, recreation and tourism centers throughout the

Willamette Valley and regionally, thereby supporting local economies. The Amtrak Cascades passenger rail service has one of the nation's highest ridership rates among intercity rail corridors, connecting Eugene, Salem, Portland, Seattle, and Vancouver, British Columbia (with numerous stops along the way), serving a market of over 10 million people. Amtrak Cascades in Oregon is experiencing record high ridership numbers in 2023 and 2024.

## Funding

Public transportation is funded through various sources, including federal transit funds, state transit funds (e.g., payroll tax), various non-state highway funds, as well as local sources. Multiple funding streams enable the delivery of public transportation to the general public as well as priority services for older adults, people with disabilities, and rural veterans.

## Public Transit

PTD administers both federal apportionments and state transit funding. Federal funding comes from several different programs, with distinct purposes and eligibilities. Except for some Urbanized Areas funding, PTD administers Federal Transit Administration (FTA) apportionments for Oregon. In federal fiscal year 2024, Oregon's FTA apportionment funding was approximately \$162 million. PTD awards federal funding to local agencies through a combination of formula and competitive grant programs.

The Oregon Statewide Transportation Improvement Fund (STIF) was established by House Bill 2017 to maintain and improve public transportation for all users. STIF is funded primarily by a 0.1% payroll tax, with additional revenue from ID card fees, the non-highway gas tax, and the cigarette tax. The STIF program is broken up into three funds: STIF Formula (90% of funding), STIF Discretionary (5%), and STIF Intercommunity (4%). Additionally, 1% of STIF funding supports training and technical assistance through the Technical Resource Center. Since its inception in 2019 through December 2024, the STIF program has distributed \$614.4 million in STIF Formula funding and awarded \$34.5 million in STIF Discretionary grants and \$26.5 million in STIF Intercommunity grants.

## Passenger Rail

Current funding in Oregon for passenger rail is derived from the Transportation Operating Fund (TOF) and custom license plate revenue. Between these two sources, state funding totals approximately \$15.6 million dollars annually. Oregon does not receive federal funding to support operation of the Amtrak Cascades. Oregon uses a combination of state and private dollars to leverage federal funds for capital infrastructure projects to improve the reliability of passenger rail in Oregon.

## Program Constraints

ODOT's public transit and passenger rail programs are limited by funding. In 2019, Oregon transit agencies received much-needed new funding when the payroll tax began, but financial and pandemic pressures have affected transit providers. To meet the "Reasonable Unmet Need"

described in the Oregon Public Transportation Plan, large urban areas would see expanded bus rapid transit and light rail systems that substantially increase high capacity transit service, medium urban areas would have robust fixed route bus systems, small urban areas would likely see expansion of their fixed route systems and additional commuter bus service, and intercity public transportation would be expanded to all communities over 2,500 population.

Consistent passenger rail funding is needed to support operation of Amtrak Cascades and make capital improvements that improve reliability, frequency, and travel times. Current funding levels do not provide the necessary funds to make the capital improvements needed to grow the service.