



June 25, 2020

The Hon. Peter Courtney and Hon. Tina Kotek
Joint Committee on the First Special Session of 2020
Oregon State Legislature
Salem, OR 97301

Re: **Oregon Transit Association Support for Legislative Senate Bill 1601**

Dear Co-Chairs Courtney and Kotek, Vice-Chairs Girod and Drazan, and Committee members:

Thank you for your swift and diligent efforts to assist Oregonians during this very challenging time of the coronavirus pandemic.

On behalf of the Oregon Transit Association and its public transportation providers, we wish to provide you with information on the significant burdens that our member agencies are now experiencing as they struggle to continue providing essential transportation services such as paratransit services for individuals with disabilities; public transportation for health care workers and other essential service workers such as grocery store checkers/stockers; and those with health problems who receive medical transportation for kidney dialysis, cancer treatments, and other critical care.

As with other industry segments in our state, restrictions put in place to limit the spread of COVID-19 have presented transit agencies with a near “perfect storm” of drastically reduced fare revenues, increased costs, and heightened anxiety for our frontline staff about their own personal health. According to a recent American Public Transportation Association survey of 163 public transit agencies nationwide, impacts include:

- **Direct Costs** – 98% of surveyed public transit agencies have significant increased direct costs because of COVID-19, such as increased cleaning of vehicles and facilities. The Sunset Empire Transportation District in Clatsop County, for example, has hired twelve temporary employees to act as “sanitation techs” on every bus running throughout the day.
- **Farebox Revenue** – An estimated 75% farebox revenue loss over the March–September 2020 period and a 40% loss over the October–December 2020 period.

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- **Restart Costs** – Nearly all agencies surveyed reported that they anticipate also facing additional costs associated with restarting operations, including hiring and training new employees to replace those who were either furloughed in the wake of service reductions or chose to leave rather than risk their own health.

While \$25 billion is dedicated to public transit in the latest federal stimulus spending bill, and will be very much appreciated, we don't expect the amounts eventually received by Oregon's providers to adequately cover the increased expenses and decreased revenues that are projected.

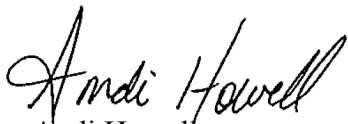
To assist in mitigating what could be a significant gap in financial operations, we urge the Legislature and Oregon Transportation Commission to initiate a review of statutes and administrative rules relating to the use of revenues from the payroll tax established by HB 2017 and disbursed through the Statewide Transit Improvement Fund (STIF) ***to allow short-term flexibility for transit agencies to use these funds to maintain current services***. Current statutes and rules require that STIF funds be dedicated "to finance investments and improvements in public transportation services" based upon public transportation improvement plans developed by every qualified entity.

We hope you would agree that it makes little sense in the midst of pandemic quarantine requirements, when transit agencies are fighting desperately to maintain existing services, to continue a restriction that needed funds can only be used to increase service above a benchmark established prior to the impacts of COVID-19.

Thank you for your consideration of this request—we offer the full resources of our organization and our member agencies to assist in identifying needed legislative changes to increase the flexibility in using STIF funds, along with new provisions to ensure continued accountability.

We look forward to working with you on this crucially important effort to ensure continued access to transportation for all Oregonians and would urge the advancement of Senate Bill 1601 to afford transit agencies needed short term fixability in the use of STIF revenues.

Sincerely,



Andi Howell
2020-21 OTA President
Transit Director, Sandy Area Metro

CC: Senate President Peter Courtney
House Speaker Tina Kotek
Oregon Transportation Commission