

Dear JCT,

My name is Todd Wood, and I am a multi-generational Oregonian, I currently live with my wife and children in Damascus, Oregon, and have worked as a transit professional for over 20 years. I am writing to express my concerns about the state transportation improvement fund (STIF) and upcoming attempts to increase that funding.

Having been at a director level in transit for more than six years I have extensive experience working with the STIF program including serving on the committee to help the State navigating combining STF and STIF. While the original intent for STIF was to expand existing transit systems, increase connections between transit providers, make transit more equitable and affordable and provide transportation services for the elderly and disabled it has poorly accomplished those goals. There are several reasons the program has fallen short.

The first is that the allocation method only benefits a handful of large service providers. The method of STIF funding distribution, by way of where people work and the allocation of that money to a Qualified Entity (QE) has led to some serious inequities in distribution. In FY24, an estimated \$118M was projected to be generated by the payroll tax statewide. Of this, the four mass transit agencies will receive \$64M (TriMet), \$6.8M (Salem), \$4.2M (Rouge Valley) and \$7.7M (Lane County) respectively, totaling \$79.6M or 70% of the funds. Only 30% is then distributed throughout the rest of the state. To further explain the inequity, the Tri-County Area consists of six independent providers. TriMet, Sandy Area Metro, Canby Area Transit, South Metro Area Regional Transit, Clackamas County and South Clackamas Transportation District. TriMet as the QE receives 100% of all funding and is tasked with distribution. In FY 24 the total received for the area is estimated at 67.2M with 64M going to TriMet and only 3.2M going to the other providers. To further complicate matters TriMet as the QE has the sole discretion to allocate or not allocate any of the money to the small transit providers and then audit each of the providers finances. This has resulted in significant conflict between TriMet and the small providers. Further issues include the fact that none of the small providers boards or councils get to approve the projects for their area (they can approve sending them to TriMet). All projects are approved by the TriMet board of directors who could at any time choose not to fund any one of the projects from those providers despite having no jurisdiction over any of them. The board also has no say or insight into any outside agency's services. However, they are still charged with approving or denying the project requests. While the small providers have attempted to best use the funds, and to meet the needs of the local communities, they have been significantly stifled by the distribution methods and the accompanying oversight. Their attempts to work out a solution have been met with constant pushback due to rules and regulations built into the program.

A further issue with the funding allocation occurs when a QE is in an area where much of their population travels to another QE for work. For example, in Columbia County more than 66% percent of their working population travels to another QE territory for work. As a result, Columbia County receives one third of the STIF money generated by

their residents. This has amounted to approximately 1.2 million dollars not available to Columbia County for service. When Columbia County approached the adjacent QE to request assistance in providing connections between their residents and Portland or Hillsboro, they were provided only \$60k through a regional coordination and demanded extensive documentation on how that money was used. Columbia County has no local means for funding its transit service. When Columbia County attempted to pass a measure funding their transit system the overwhelming comment from the residents was to just use the tax that they were already taking from paychecks. Because Columbia County has no local transit support this has resulted in the loss of more than 75% of all County Transportation services.

A new allocation method, and a change in the QE structure would help fix both issues.

Another issue is in the projection of future funds. The current STIF collection and distribution depends on the possibility that a certain amount of money may or may not be collected. Transit providers are asked to “guess” how much money they might spend based on the money they might receive. This makes planning very difficult. In the last two biennium more dollars have come in at a higher rate than was estimated. However, because the providers all guessed based on original estimates none of the incoming excess could be used for current services and providers must wait until the next biennium. Compounding the issue is the fact that all estimates are based on several years prior.

This problem could be solved by changing to a reimbursement-based allocation like other funds. Thus, the money will have been collected and it would be known what funds are available.

Then there are the issues of audits. QEs are tasked with auditing small systems. Those audits span into the city finances that run those systems. This has led to serious legal concerns, and arguments between service providers and the QEs. It has taken many hours of legal counsel working to try to reach reasonable solutions with many still outstanding to this day. To illustrate, Columbia County no longer accepts its paltry \$60k a year because the legal costs, and audit costs were excessive in comparison to the pittance they received. In this case I cannot fault the QE for they have been tasked to do this by legislation and have need to protect themselves financially.

Many providers have attempted to reach out to various organizations, including ODOT and the OTA, to correct the issues and have received limited to no help. ODOT has worked to reduce the overall audit burden on QEs which has eased some of the problems previously indicated, but to this day the relationship between some QEs and small providers is very poor as a result of both the allocation methods and the auditing processes.

Finally, I wish to address the upcoming attempt by the OTA to request an increase STIF funding. This program is less than 10 years old. There are serious issues with the program as it is currently written and not near enough time has passed for this program

to show the value it can provide. The attempts to solve problems have met with roadblock after roadblock. The attempt to quiet dissent has been purposeful to make the picture rosy so when the ask for more money was presented all would seem well. I can assure you this is not the case.

However, the real issue with increasing STIF funding has little to do with the issues in the program and everything to do with the people of Oregon. As a father of four and a sole provider I can tell you firsthand how difficult and costly the cost of living has gotten. The cost to feed my family has jumped more than 20%, the cost to heat my home has risen over 15%. Despite my middle-class income, I find funding our basic needs is becoming more and more challenging. My son, who has started his own family recently, cannot afford even necessities. People in Oregon are hurting. I understand there is the desire to help and the general belief that if everyone just gives a little then we can help more people. However, we are all already giving a lot. The best thing you can do for Oregonians right now is to tell the transit providers and the OTA to work with what they have. Make better use of the money. Stretch your dollar. Make difficult choices. This is no less than what every single family in our state is doing right now. The best way to help the middle and lower class of our state is to leave the money in their paychecks to feed their families and provide basic life needs. Please say NO to any increases in STIF. Please let Oregonians breathe.

Sincerely,

Todd M. Wood