



Columbia Area Transit
224 Wasco Loop,
Hood River, OR 97031
www.ridecatbus.org

August 23, 2025

The Honorable Rob Wagner, Co-Chair
The Honorable Julie Fahay, Co-Chair
Joint Interim Committee on Transportation Funding
Oregon State Legislature
900 Court St. NE
Salem, OR 97031

RE: LC 2

Dear Co-Chair Wagner, Co-Chair Fahay, and Members of the Committee:

Hood River County Transportation District, operating as Columbia Area Transit (CAT) supports the special session transportation funding proposal that includes a 0.1% increase to the Statewide Transportation Improvement Fund (STIF) payroll tax rate. For CAT this increase will sustain operations amid federal funding reimbursement delays, expanding the Dial-A-Ride service to include weekends, and moving forward with important large capital projects.

The Legislature created the STIF in 2017, initially funded by a 0.1% employee payroll tax from HB 2017, as the first statewide funding source for transit in Oregon. The STIF program has been transformative in stabilizing transit funding and expanding access to services across Oregon, especially in rural communities. CAT used the STIF fund to transform a mostly Dial-A-Ride system into robust fixed route system that serves over 85,000 riders per year with an average annual 10% increase. In a county with fewer than 24,000 residents, this impact is substantial. Not only does it provide a vital service that underpins economic vitality, social inclusion, and community resilience but it also employs 25 individuals in a small rural community.

Since the 2017 transportation package passed, transit operating costs have increased due to inflationary pressures on labor, vehicles, facilities maintenance and equipment. Here are some examples of expenses that have increased exponentially and STIF funds assist with:

1. **Vehicle Insurance:** Since 2015, CAT's vehicle insurance has increased from \$1,115 per vehicle to \$2,650. This is on average a 15% increase each year.
2. **Medical and Dental Benefits for Employees:** Since 2015, CAT's health insurance expense has increased from \$510 per person to \$1,057. This is on average a 12% increase each year.
3. **Vehicle Purchases:** In 2019 CAT purchased a vehicle for \$78,828 and in 2023 a similar transit vehicle was purchased for \$153,585. In four years, the cost of a standard small transit vehicle has doubled.

If the bill does not pass:

1. In the short term, CAT is expecting a higher rate of service cancellations over the winter due to bad road conditions related to less plowing on I-84, OR 281, and OR35, and Hood River County roads that feed into these State facilities. This will impact ALL CAT services (Dial-A-Ride, Upper Valley, Hood River City Route, Columbia Gorge Express, and Gorge-To-Mountain Express). These service cancellations will be due to **buses not being able to safely operate and employees not being able to make it to work.**
2. In 2 years, CAT will need to **reduce Mobility Management services** provided to seniors, individuals with disabilities and youth who need additional assistance using bus services. Additionally, service cuts will likely need to occur resulting in **less early or weekend service.** Overall, these changes are projected to result in the **reduction of 15% of our staff.**
3. Programs and services may need to be reduced earlier depending on federal funding uncertainties and inflation. CAT is currently **waiting for \$200K of federal funding reimbursements for more than 5 months** and expecting that amount to increase.

Public transit service is an integral piece of any healthy transportation system. In Hood River County, hundreds of people depend on CAT every day to get to employment, healthcare, groceries, education, recreation, the airport, and more. I hear every day of the impact that CAT has on our local community, here are a few of many rider stories:

“Charlie is a 76-yr-old who struggles with rising rent and food costs. He got a job at Walmart in Hood River and saves \$7,000 a year by taking the bus.”

“Carlos is a young agricultural worker with dreams of starting a local business. He attends Portland State University and uses CAT's Columbia Gorge Express. He saves \$12,000 a year on travel costs and does not need a car.”

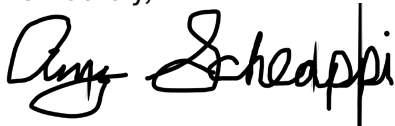
CAT is sympathetic to concerns about increasing the tax burden on Oregonians who are already struggling to make ends meet. CAT is here to help. CAT offers an annual Gorge Transit Pass which costs \$40 for an adult and \$80 for a Dial-A-Ride pass. Additionally, we offer a student free fare program and a low-income fare program where eligible individuals get the pass for free. This is made possible with STIF funds. Car ownership costs an average of \$1,000 per month, and transit provides access to jobs, education, and services

for people who can't afford a car, can't afford to have a two-car household, or choose not to have the added expense of a car. Under the 0.1% employee payroll tax increase proposed for the special session, someone making \$50,000 per year would pay an additional \$4.17 per month.

The 0.1% increase in the STIF tax rate will not solve all the financial issues facing transit agencies across Oregon. However, it will provide much-needed relief for transit agencies during this biennium. The proposed STIF increase is a step in the right direction, and CAT is hopeful that lawmakers will build on this work to craft a sustainable, long-term solution that addresses Oregon's transportation needs — including public transit — during the 2027 legislative session.

Thanks again for your continued efforts to support transit in Oregon.

Sincerely,

A handwritten signature in black ink that reads "Amy Schlappi". The signature is fluid and cursive, with the first name "Amy" and last name "Schlappi" clearly distinguishable.

Amy Schlappi
Executive Director
Hood River County Transportation District
dba Columbia Area Transit (CAT)