

November 10, 2011

The Oregon State Legislature
900 Court Street, NE
Salem, Oregon 97301

Honorable Senators and Representatives:

The Metropolitan Policy Committee, acting as the Policy Board of the Central Lane Metropolitan Planning Organization, strongly urges Oregon legislators to reinstate funding to provide transit service at no cost to middle and high school students.

As you recall, the former Business Energy Tax Credit (BETC) program administered by the Oregon Department of Energy (ODOE) reimbursed transit agencies for serving primary and secondary students at no cost.

In Lane County, the BETC program proved to be tremendously effective in attracting youth to use transit. Student ridership grew 42 percent during the five years that our local transit agency, Lane Transit District (LTD), operated the Student Transit Pass Program for 24,000 students in grades 6-12. Student transit usage measured nearly 7,000 city bus boardings per average school day. More than 15 percent of eligible students regularly used transit for their commute.

A student transit pass program yields many benefits to communities, schools, and families:

- Reduces traffic congestion
- Lowers greenhouse gases
- Improves air quality
- Decreases wear and tear on roadways
- Fosters support for transit among youth who will become tomorrow's adults
- Reduces transportation costs for schools and families
- Helps students access before- and after-school activities
- Reduces at-risk student absenteeism
- Connects youth to employment and community resources

The loss of BETC funding for student transit pass programs has placed a heavy burden on families, schools, and the community at a time when budgets are more strained than ever. Local schools will incur nearly \$245,000 in increased transportation cost for the school year. Families are expected to shoulder more than \$350,000 for youth transit fare. LTD projects that youth ridership will drop by 25 percent and the transit agency will lose \$400,000 from reduced youth fare revenue. The community will experience more traffic congestion around schools and the environmental and sustainability benefits of student transit usage will diminish.

We understand that difficult budget decisions were necessary in the last legislative session. However, we believe it is very important for our state's future to promote the use of transit among young people. We urge that Oregon legislators identify funding to reinstate transit service at no cost to middle and high school students.

Sincerely,

Hillary Wylie, Chair
Metropolitan Policy Committee

Impact of the Loss of Business Energy Tax Credit (BETC) Funding for the Student Transit Pass Program in Lane County

Impact on Reduced Youth Ridership

LTD expects that fewer youth will ride transit, an estimated reduction of 25 percent.

Financial Impact on Lane Transit District, Schools, and Families

Lane Transit District (LTD) provided free student service in September to help families manage the transition and is selling youth passes at schools and retail stores for convenience to families. LTD also sells Group Pass Programs to schools that wish to provide transit service to students. Despite these efforts, LTD estimates it will lose about \$400,000 per year from reduced youth fare.

Schools – The Eugene 4J School District must purchase LTD passes for low-income, high school students who live more than 1.5 miles from school or add yellow school bus service. Eugene 4J also deemed it necessary to purchase the LTD Group Pass Program for students with disabilities and those attending alternative high schools. Faced with overflowing school buses, Springfield Public Schools purchased the LTD Group Pass Program for high school students. Lane Educational Service District and eight private and charter schools also purchased LTD Group Pass Programs for middle and high school students. Below is the added cost to schools.

Organization	# Students	Annual Cost
Eugene 4J School District	865	\$54,000
Springfield Public Schools	3,110	\$149,300
Lane ESD	140	\$6,720
Private/Charter Schools	755	\$36,240
Total	4,870	\$246,260

Families of middle and high school students who do not receive a transit pass from their school must pay more than \$200 per child to ride LTD during the school year. Nearly 50 percent of middle and high school students in our community are low-income and qualify for the federal Free and Reduced Lunch program. Many parents have voiced their concerns that this added expense is a huge hardship.

Comparison of Cost vs. Benefit

With State Support	Program Cost	Student Transit Boardings	Program Cost/Boarding
BETC or Other Source	\$1,200,000	1.8 million	\$0.66

Without State Support	Program Cost	Student Transit Boardings	Program Cost/Boarding
Cost to LTD	\$400,000	1.3 million	\$0.77
Cost to Schools	\$246,000		
Cost to Families <i>(Assumes 25 percent reduction in youth fare compared to youth fare received before student transit pass program began.)</i>	\$354,000		
Total Cost	\$1,000,000		

In brief, the loss of state support for student transit passes in Lane County is expected to **reduce student boardings by 25 percent** and **increase the program cost per boarding by 17 percent**. There also is the impact of more vehicle trips on the environment, the lost opportunity to foster transit use among tomorrow’s adults, and a setback in Oregon’s efforts to reach statewide environmental and sustainability goals. A similar impact also may be experienced in the Portland and Salem-Keizer communities that provided student transit pass programs before the BETC funding was terminated.