



Taking action for basic human needs.



2017 Transportation Package

The Human Services Coalition of Oregon (HSCO) is a well-established group of advocates and organizations with the goal of creating a place for collaboration, partnership, and dialogue between health, housing and human service providers. We work as a collective to advocate for increased revenue for these critical community investments and enhancing access to vital services for vulnerable populations.

With this goal in mind, HSCO is taking a firm stance in support of a 2017 Transportation Package. We believe that increasing statewide access to transit opportunities, reducing congestion and establishing safe routes to bus stops improves livable communities and enhances independence, choice and dignity of those we serve.

While HSCO supports the 2017 Transportation Package, our members want lawmakers to understand that we remain wholeheartedly committed to revenue reform and new revenue to help address Oregon's budget shortfall in critical health and human service programs. We believe a transportation package that improves congestion, transit, and seismic stability is one piece of a larger conversation this session and urge your support.

Addressing Equity and Regressivity

While HSCO fully supports the transportation package, it is important to note that low income Oregonians will pay a share of these taxes and fees. For those individuals and families that struggle from day-to-day, any additional burden is of great concern. HSCO has long standing tax and revenue principles, and the first of these is Fairness – who pays, and how progressive or regressive any change to the tax system might be. HSCO will be vocal in advocating for tax and service policies that can help mitigate the impact on low income and vulnerable Oregonians.

Transit – Payroll Tax

Oregon is one of a few states that does not have a stable, statewide funding source for transit services. Instead, many transit districts utilize a myriad of different funding options to provide services to populations that are disproportionately poor or vulnerable.

To fund increased transit services in the state, legislators are considering levying a statewide employee payroll tax. At .1%, or one-tenth of one percent, a statewide employee payroll tax would generate approximately \$107 million annually, which would be distributed amongst the 42 special transportation districts in the state. The money would be distributed based on the portion of the payroll tax base in each district, and to ensure that the small rural districts get sufficient funding, each district would begin with at least \$100,000.



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This new revenue would go towards intercity transit connections, enhanced hours, new routes and upgraded buses and facilities. Each transit district would better meet the needs of their community and would be accountable to their results.

Any efforts to increase access to transit should consider equity and the overall impact on those we serve. The one-tenth of one percent tax would cost a person on minimum wage 39 cents/week, or \$20/year. A person making \$50,000/year would contribute \$50/year while a person making \$100,000 would be taxed at \$100/year. While any financial impact on low-income and vulnerable populations is not ideal, we believe this payroll tax presents a game-changing funding option for transit services and will result in increased route options and overall access for those we serve.

Congestion – Fuel and New Vehicle Tax

HSCO is concerned about congestion, as it is a “social determinant of health” for those living in congestion corridors. Because of limited housing opportunities for low income families, people often have few choices about where to live, and that may mean living on busy thoroughfares and freeways. Relieving congestion will not only help with traffic delays, but will also lead to cleaner airsheds.

Fuel Tax

Lawmakers are considering increasing the statewide fuel tax, which has only been increased once since 1992 and sits at 30 cents/gallon, well below our neighboring states. ODOT collects the fuel tax and the state Constitution mandates that those dollars be spent on roads and other transportation infrastructure. Fuel tax negotiations have centered around one issue: how much the tax should be increased. The current number being considered is 14 cents over ten years, which would increase the state gasoline fuel tax to 44 cents/gallon. ODOT predicts that for every one cent the fuel tax is increased, the state will see approximately \$30 million in new revenue annually. Thus, a 14-cent increase is expected to yield an average of \$400 million annually, growing over time.

New Vehicle Excise Tax

The congestion workgroup compiled a list of congestion-reducing projects statewide, highlighting three in the Portland Metro area: I-5 at the Rose Quarter, widening I-205, and widening Highway 217. Lawmakers are considering a 1% excise tax on new vehicles in the state, which would generate approximately \$73 million annually. This money would be used as a match against money put up by any of the six Metropolitan Planning Organizations (MPO) in the state: Portland Metro, Salem-Keizer, Corvallis-Albany, Eugene-Springfield, Medford, and Bend-Redmond. MPOs, federally-designated intergovernmental jurisdictions, would be given taxing authority and could use that money to apply for matching state funds for congestion projects. The current match being discussed is 50-50, and Portland has expressed support for that, but it is unclear whether the smaller jurisdictions would be able to put up such a high percentage of the funding for these massive congestion projects.