



Benton Area Transit Program Analysis

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Acknowledgments

Benton County

Gary Stockhoff, PE, Public Works Director

Charlene Pech, Benton Area Transit

Kittelson & Associates

Amy Griffiths, PE, Project Staff

Nick Meltzer, PE, Project Manager

Susan Wright, PE, Project Principal

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Introduction

Benton Area Transit (BAT) is a Benton County owned program that provides public transit throughout Benton County including regional fixed route, countywide demand response, and paratransit services. With connections to Newport, Albany, Adair Village, and neighboring Lincoln County, BAT provides vital connections for older adults, people with disabilities, and those who travel without a car. BAT partners with other agencies to support their services, including the City of Corvallis and the U.S. Department of Human Services (USDHS). Additionally, BAT and the Corvallis Transit System (CTS) coordinate to provide joint service, staffing, funding, and support, primarily for paratransit. Currently, BAT contracts with a private, non-profit contractor to provide services across Benton County.

As BAT expanded service over the last few years, several operational challenges emerged, including federal compliance issues, internal staffing transitions, and struggles with technology modernization. In response, Benton County Commissioners have directed staff to develop an implementation plan that would effectively transition operations from contracting with an external organization that provides drivers and manages operations to Benton County operating the service with staff employed by the county (a “self-perform” model).. This implementation plan would then be considered by the Board as part of its 2027-29 Proposed County Budget. This report reviews the analysis and engagement process that led to the decision to develop an implementation plan, and explains how self-performing will deliver the most reliable, efficient, regulation-compliant, and cost-effective services.



Why Now?

FUNDING CHALLENGES AND HEIGHTENED RISK

In the last 10 years, transit agencies across the United States have faced challenges ranging from changing ridership trends to jumps in staffing and equipment costs due to double digit inflation. As costs increase and ridership decreases, transit can enter a downward spiral of decreasing revenue and decreasing operations. In particular, Federal 5311 funds are allocated to agencies based on a formula grant that includes vehicle revenue miles, so when an agency is no longer able to provide the same revenue miles their funding decreases.

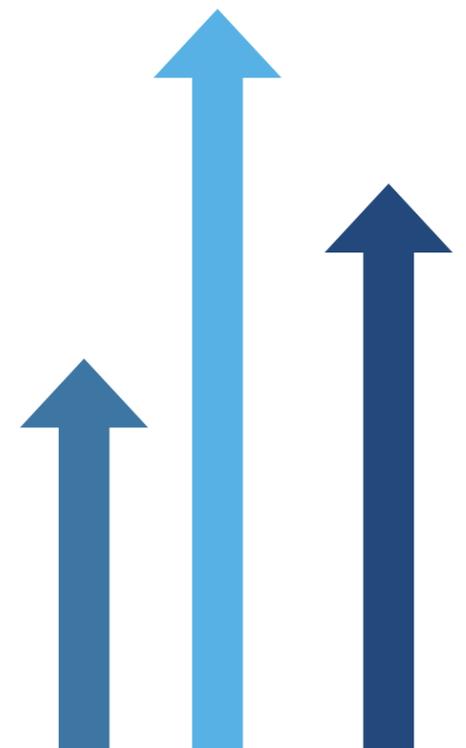
To counteract this downward spiral, agencies are re-examining how they conduct business from top to bottom to identify opportunities to expand ridership, increase rider satisfaction, and more efficiently provide service to their communities. Moreover, agencies see increased pressure from new federal and state regulations: BAT has reported challenges securing grants recently due to repeat federal noncompliance findings related to both administrative controls and the provisions of how services are delivered.

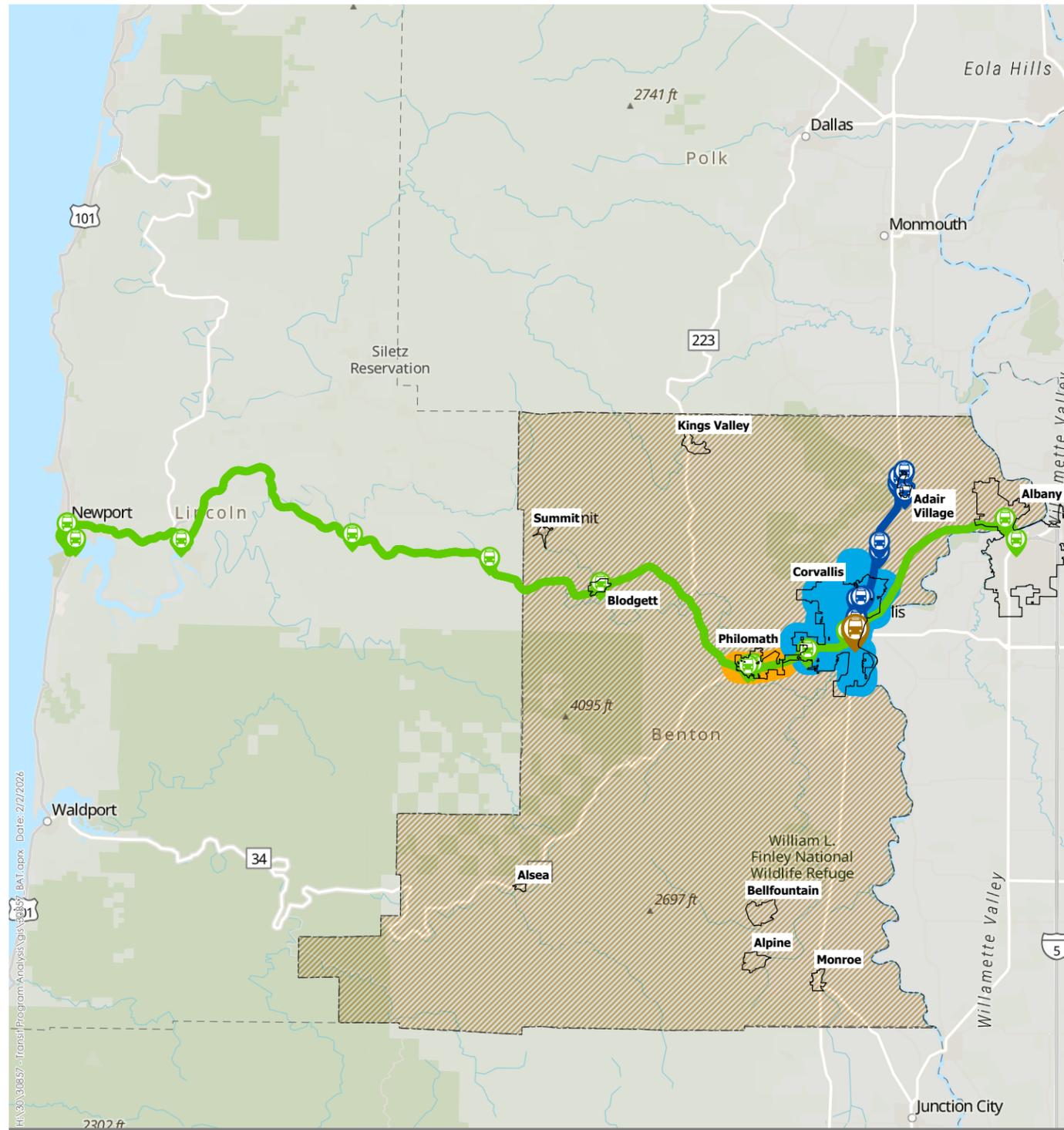
Compounding these issues, there has historically been insufficient data to provide accurate cost estimates for appropriate resource sharing, which makes it challenging to sustain high-quality services. Without appropriate funding from its partners, BAT needs to evaluate new ways to gather reliable financial data and establish appropriate funding sources for its paratransit services.

OPPORTUNITIES FOR GROWTH

Transit agencies in Oregon have been less impacted by the downward spiral due to the Statewide Transportation Improvement Fund (STIF), a permanent source of transit funding passed as part of HB2017. These funds are allocated based on population rather than ridership, and therefore aren't sensitive to the spiral of decreasing revenue and decreasing operations. In fact, many Oregon agencies have seen service expand recently and faced another challenge: growth outpacing their internal capacity.

These two situations led Benton Area Transit to explore different operational options that give them more reliability and control over the services provided. More direct ownership can empower BAT to prepare for funding increases or funding decreases. Compared with service planning, which identifies transit types (e.g. fixed route, demand response) or routes, operational planning analyzes how the service is provided, including whether it is operated by agency staff or contracted out. This report focuses on operational planning changes, so that a stronger foundation can be built for future service planning.





Benton Area Transit's Current Services

BAT currently provides a variety of services within the county and across the region, as listed below and shown in the graphic on the previous page.

- **Coast to Valley Express**
 - Commuter bus between Newport, Corvallis, and Albany,
 - Fixed route, provided through partnership between Benton and Lincoln County
- **99 Express**
 - Commuter bus between Corvallis, Lewisburg, and Adair Village
 - Fixed route service, Benton County
- **BAT Lift (Countywide)**
 - Wheelchair accessible transit for people 65+ and people with disabilities
 - Demand-response service, provided by Benton County for trips starting and ending in Benton County
- **BAT Lift (Paratransit)**
 - Paratransit for Corvallis Transit System (CTS) and Philomath Connection (PC), people who live within 3/4 mile of a CTS or PC bus route and have a disability that prevents them from accessing it
 - Operates with same vehicles and dispatch services as countywide BAT Lift service and is funded through CTS and PC
 - Demand-response service funded by Cities of Corvallis and Philomath
- **BAT Lift (DD 53)**
 - Public or private transportation services provided to individuals with Intellectual/Developmental Disabilities (I/DD) receiving services from a Community Developmental Disabilities Program (CDDP)
 - Demand-response service funded by the U.S. Department of Human Services

Fixed-route service

Operates on a set path of stops that picks up and drops off passengers at designated times. Fixed-route service tends to be more efficient than demand-response and focused on reaching the largest number of riders. Commuter buses are an example of fixed-route service.

Demand-response service

Runs when a passenger requests it and picks up and drops off at the places that a passenger needs them to. Often used by people with mobility challenges, demand-response service allows for the most thorough coverage.

The following sections explain what values guided this decision and what data and operations contextualize it.

The Values that Guide Benton County

Throughout the project, Benton County staff and Commissioners emphasized the important role transit plays in providing basic mobility access to older adults and people with disabilities. In addition, BAT's fixed route services provide critical connections for people traveling between the Valley and Coast, with additional statewide connections via Amtrak and coastal routes. This emphasis on transit as a means to achieve broader community goals influenced the vision for Benton Area Transit. The process of developing and refining a vision and goals also involved a review of current services, interviews with peer agencies, and work sessions with both County staff and the County Commissioners.

Guiding questions and directions that shaped the vision statement were:

- What does BAT want to achieve?
- What tools does BAT have to achieve it?
- Evaluate and choose the service model that balances competing objectives.

The resulting vision statement for transit service is:

Provide public transit in Benton County that supports county goals of vibrant, livable communities and equity for everyone, and creates transportation options for seniors and people with disabilities.



Goals

To bring this vision to life, staff developed service goals to guide operations and decisions, each with assigned objectives:

- ### 1 Build fiscal sustainability

Better leverage funds to create cost-efficiency and lower cost variability to be on par with peer agencies.
- ### 2 Create efficient operations

Provide services that meet riders' needs, scale operations according to long-range planning, and communicate transparently.
- ### 3 Provide context-appropriate service

Build administrative services to track needs and plan for maintenance, expansion, and regional coordination.
- ### 4 Maintain compliance

Ensure alignment with state and federal regulations and funding requirements and address any noncompliance findings.

BAT's current model and its operations were evaluated for their alignment with these goals.

Analyzing Our Current System

BAT's operations always strive to embody the guiding vision and goals but have room to grow and better actualize these priorities with a system that puts them at the forefront from the start. This section examines the services BAT provides and highlights primary challenges with the operational structure based on a contract for service model.

Key takeaway:

The service delivery model should be aligned with values.



Values in Decision Making

Program values guided the process of investigating alternatives. In each phase of analysis, the vision of a sustainable, efficient service that meets all residents' needs was held as a standard. The discussion about the future of BAT's operations was thorough, considering factors like current service offerings, budget and revenue, ridership data, compliance reviews, and staff feedback from the County and partner agencies on challenges and opportunities. BAT gathered additional feedback on these themes from Benton County and City of Corvallis staff through a Work Session.

Furthering broadening their reach, BAT conducted peer agency interviews to understand how other agencies in similar positions are addressing their own challenges or finding success. Using what was learned here, BAT created service alternatives for staff input. These alternatives were then screened through multiple layers and evaluated in their alignment with BAT goals, asking the following questions:

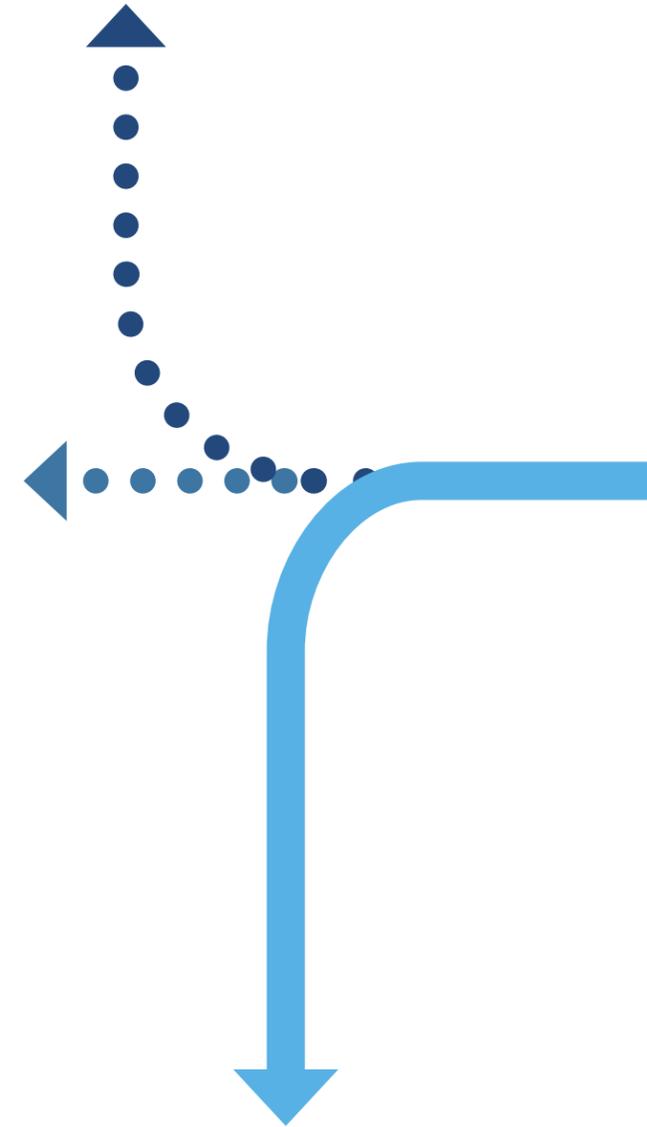
Screening and goal alignment: How does each alternative align with the vision and goals of the program? Are there any scenarios that can be immediately screened out?

Staffing considerations: How many positions are needed to adequately staff the program? Are additional efficiencies available through increased coordination?

Cost implications: What level of service can be provided with existing funding? How much funding would be required to maintain existing service levels?

Operations considerations: Should BAT continue operating paratransit for CTS? Should there be separate contracts for fixed route and demand-response? Could CTS operate the intercity fixed routes for BAT?

The decision to self-perform embodies the goals and vision for future services prioritized by BAT. The following sections explain what values guided this decision and dig deeper into the information that guided this recommended change.



Current Service Model: Contracting Out

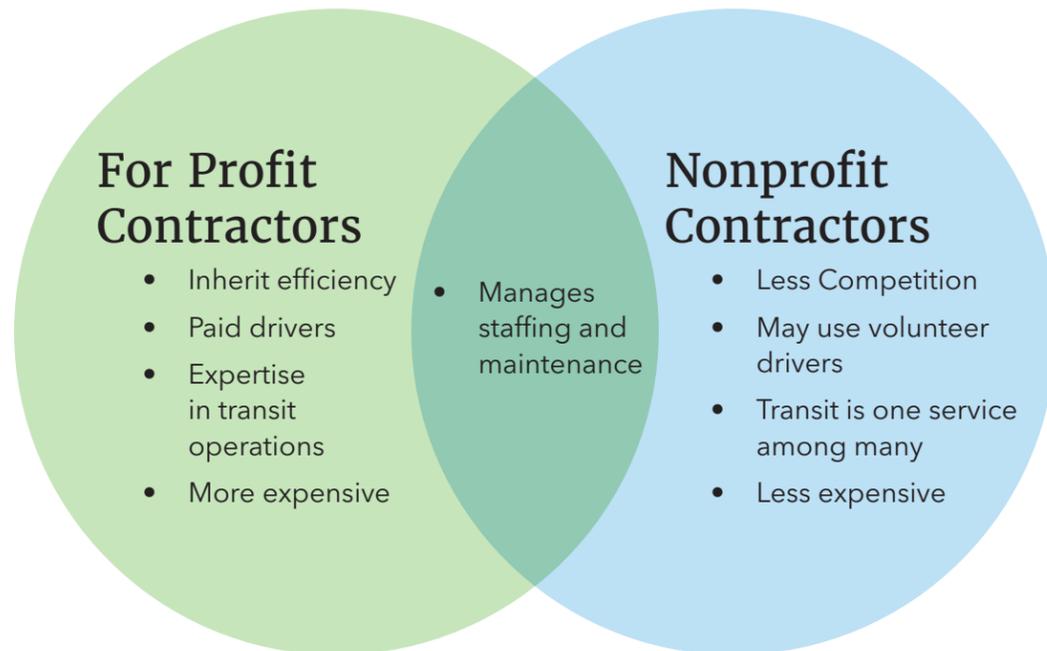
BAT's contractor is a private non-profit, which introduces distinct benefits and challenges when compared to traditional private for-profit contractors, as outlined in the graphic below.

With these differences in mind, Commissioners concluded there was enough evidence to suggest an alternative service model may better achieve BAT's goals. Contract renewals have had limited to no competition, making it difficult to negotiate. The contractor faced driver challenges that are exacerbated by the reliance on volunteer drivers for some services. Increased State and federal oversight put pressure on BAT to explore more reliable service models, making a for-profit contractor or complete in-house operation favorable options.

BAT currently owns and operates 16 vehicles, and the average age of the active fleet is approximately 5 years. Eleven vehicles, or almost 70% of the fleet, will achieve their expected useful life within the next 5 years, making a change that sets the agency up for long-term strength and reliability all the more important right now.

In addition to BAT's aging fleet, their funding environment makes this time all the more apt for a change. Paratransit is BAT's largest expense, at 25% of the biennial budget, followed by BAT Lift at 19%. The Commuter Bus fixed route service accounts for 24% of the budget collectively, yet services far more riders than paratransit or BAT Lift. The on-demand nature of the latter two services makes it more costly to provide the same number of rides that a fixed route service has. Shifting away from a non-profit contractor could help paratransit services provide more rides per hour, even with a demand-response model.

Key takeaway:
Historical approach is not well suited to current and future service needs.



WHAT DO PEER AGENCIES DO?

BAT has unique challenges compared to its peers, as few other agencies utilize a nonprofit contractor model. Many peer agencies self-perform all services without a contractor at all. BAT learned that contractors are most useful in settings where staffing flexibility is needed, such as seasonal service and pilot service. For regular services, there are several advantages to self-performing transit.

CHALLENGES WITH THE CURRENT SERVICE MODEL

The various challenges BAT has experienced with their current contractor model include:

Reduced transparency: The contracted service model reduces that ability for the County to have access to specific data needed for management evaluation and compliance. Additionally, the current contractor lacks robust technology and internal controls that would make it more convenient in retrieving, creating, analyzing, and/or reporting on programmatic data. This creates challenge in managing service efficiency and effectiveness, as well as mitigating compliance risk.

Lack of competition: It is difficult to make changes or enforce the contract because there is little to no competitive pressure on the contractor.

Less efficient service delivery: Demand-response service is more expensive relative to the number of trips than other kinds of transit (it makes up half of county budget). While efforts to improve efficiency could help reduce costs in the future, the contract does not incentivize the more efficient delivery of trips (such as linking multiple passenger trips in one ride).

Administrative support needs and unexpected costs: The County bears administrative costs for the contractor. Operating as a nonprofit organization that relies on some volunteer drivers introduces heightened risk and complicates efforts to address issues without shifting responsibility of one-off "surprise" costs to BAT. For example, contract renewals come with unknown cost increases. When service is provided directly by public agencies annual costs are more predictable.

Noncompliance risks: Over half of Benton County funding is federal, so they have to undergo audits. BAT has repeatedly been found in noncompliance, which can jeopardize the county's funding. Some of these non-compliance issues have been an element of the contract for service model. The contractor's nonprofit status also makes it harder to implement remedies for any deficiencies as well as apply penalties for noncompliance.

Driver shortages: The contractor relies on some volunteer drivers, making it more challenging to reliably increase driving hours in the future.

Benton Area Transit

Demand Response
Cost per Hour

\$49.87

Peer Agencies: \$93.45

Benton Area Transit

Commuter Bus
Cost per Hour

\$74.93

Peer Agencies: \$121.40

Key takeaway:
Costs will increase if anything changes, but actual costs of service have been higher due to liability and majority of funding is at risk with noncompliance findings.

Aspects of Operating Transit

The aspects of transit service provide a baseline understanding of staffing needs for transit providers. While this study is primarily focused on operations, all aspects are dependent on each other. While "Fleet and Facilities" will continue to be provided by Benton County regardless of "Operations" considerations, identifying staffing requirements for "Service and Capital Planning", "Administration", and "Coordination" is important for financial planning.

The only aspect that will change with a new service scenario



Operations

- Scheduling drivers, dispatching rides and drivers, incident response
- Safety training and drug/alcohol testing
- Software and office needs



Fleet/Facilities

- Number of spare vehicles, safe storage of vehicles
- Scheduling preventative maintenance, performing maintenance, mechanic training



Service/Capital Planning

- Service and resource planning
- Long range planning and implementation
- Project budgets
- Service expansion and fleet replacement



Administration

- Reporting (external and internal)
- Grant tracking/ reimbursement
- Agency compliance
- Operating budget/ funding
- Contract/ procurement



Coordination

- Management/ elected official reports
- Regional agency meetings, jurisdictions where service is provided
- Customer engagement

In alignment with the aspects of operating transit, the following elements are not expected to vary between service delivery models:

- Operations
 - BAT will continue to be responsible for software and office needs.
 - Driver shortages for staffing persist amongst self-performed and contracted service.
- Fleet and Facilities
 - BAT will continue to be responsible for vehicle purchases and maintenance, vehicle storage and operations facilities, and dispatch equipment.
- Service and Capital Planning
 - BAT will continue to be responsible for service and resource planning, long range planning and implementation, project budgets, and service expansion and fleet replacement.
- Administration
 - Administration is not anticipated to change significantly, with all alternatives likely to continue being managed by County's Public Works Director, program reliance on the County's finance team, legal team, and human resources department. BAT will continue to provide a Transit Program Coordinator who manages grant tracking/reimbursement, compliance evaluations, etc.
- Coordination
 - BAT is responsible for coordinating with elected officials and with nearby transit agencies.
 - The governance and signatory authority is not anticipated to change between models. The program would remain under the County Public Works Department, the Public Works Director will continue to be the signatory, and BAT would continue to be governed by the Benton County Board of Commissioners.
- External considerations
 - County debt ceiling considerations are not anticipated to change.
 - Legal authority for operating services is not anticipated to change.

Understanding the intent of this evaluation is focused on operational staffing, it became important to identify the non-operational staffing required to support BAT, regardless of the operational decision. Based on peer agency interviews and conversations with Benton Area Transit, two full time equivalent (FTE) program staff are recommended. This would be an increase from the current 1.2 FTE shared across City of Corvallis and Benton County. This proposed staffing is independent of the service delivery model.

After identifying the non-operation staff to successfully operate BAT, the three service alternatives were developed and evaluated.

Benton Area Transit Service Alternatives Evaluation Process

BAT developed three alternatives that could help their service better align with their vision. These alternatives included:

Scenario 1: Self-Perform

- BAT could self-perform transit, taking the fixed route and demand response services in-house.

Scenario 2: Contract Out

- BAT could continue to contract out the fixed route and demand response services to one or more contractors.

Scenario 3: Enhance Interagency Coordination

- BAT could coordinate with Corvallis Transit System (CTS) to share operations and staffing, providing improve efficiency for both organizations and better service to transit users in the region. One example of this could include CTS adding the fixed route services BAT is responsible for into their operations contract with a private provider.

During exploratory conversations with CTS, the City of Corvallis shared they are currently performing their own assessment of their transit program and further discussion of partnership opportunities should be initiated after the conclusion of their study. While the City of Corvallis is committed to working with Benton County in the future, Scenario 3 was removed from further evaluation and any collaborative opportunities would be overlaid with Scenario 1: Self-Perform and Scenario 2: Contract Out at a later date.

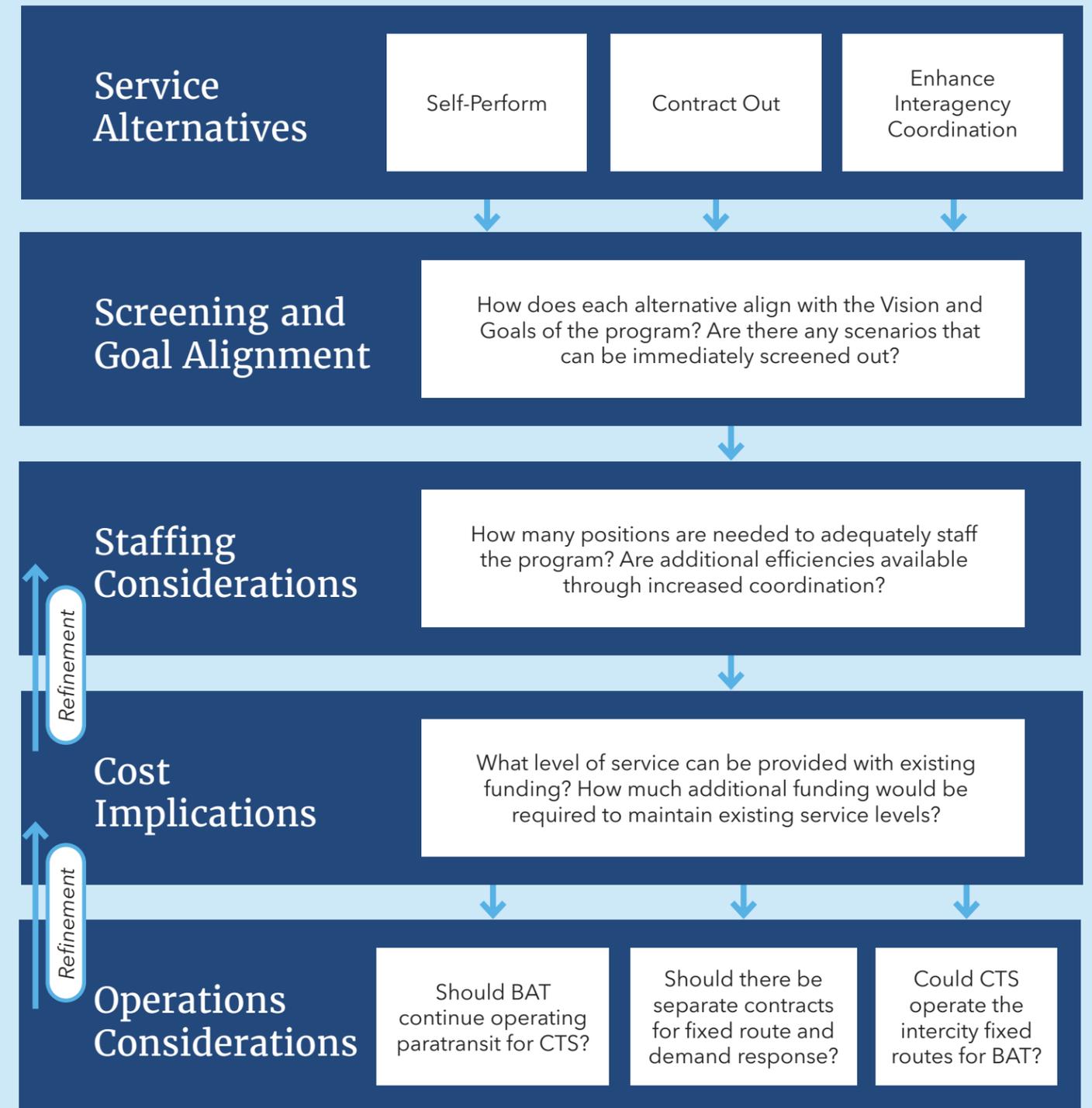
Adjustments to the current service delivery model could have significant cost implications and thereby impact on the amount of service BAT could provide. Each overarching organizational scenario has sub-alternatives for how BAT can balance different aspects of the vision and service goals. Therefore, an iterative decision-making process was developed, where overarching service delivery scenarios were screened according to high-level feasibility and their ability to meet the vision and goals. Then, the two most promising service delivery alternatives were refined based on staffing, financial, and operational considerations to balance competing goals. Next, these refined alternative scenarios were evaluated in more detail according to the objectives for decision-making. This decision-making process is illustrated in the graphic on the opposing page.

Screening and Goal Alignment

Based on the peer comparison and interviews, the typical cost of self-performing or contracting out services is not the driving factor for selecting a service delivery model. Therefore, alternatives were evaluated according to how well each service scenario aligns with the vision and goals developed for BAT.

To understand the differences between these scenarios and begin identifying associated costs the BAT service goals were compared with each scenario. Each scenario is assessed with high, medium, or low score based on relative alignment with the objectives. This table is found on the following pages.

The graphic below outlines the process used to evaluate service alternatives.

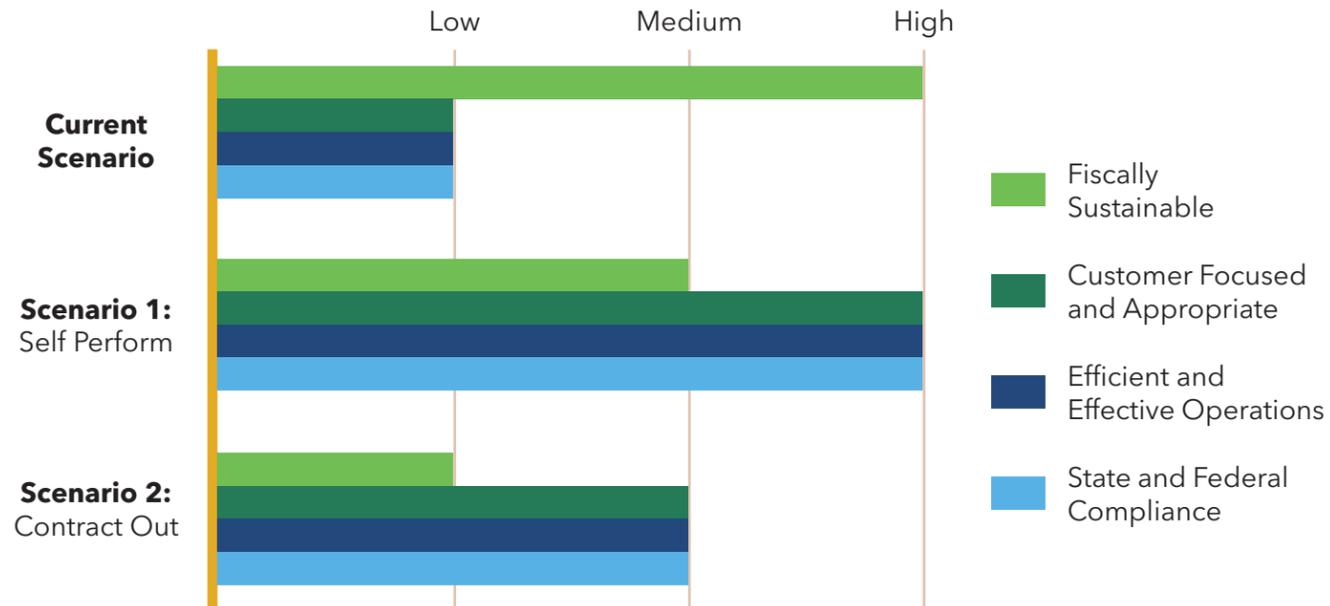


ALIGNMENT OF SERVICE DELIVERY ALTERNATIVES WITH BAT'S GOALS AND OBJECTIVES

GOAL	OBJECTIVES	CURRENT SCENARIO	SCENARIO 1: SELF-PERFORM	SCENARIO 2: CONTRACT OUT
<p>Fiscally Sustainable</p>	<ul style="list-style-type: none"> • Program costs comparable to average of peer agencies • Program effectively leverages state and federal dollars to provide transit • Cost-efficient provision of demand response service • Providing staff positions for drivers that achieve living wages • Low annual cost variability • Low risk for insurance or other costs • Establish understanding of costs for providing service to support scaling 	<p>MEDIUM</p> <ul style="list-style-type: none"> • Service is provided at a lower cost than the peer average • Reliance on some volunteer drivers can lead to increased liability risk • The current contractor lacks robust technology and internal controls that would make it more convenient in retrieving, creating, analyzing, and/or reporting on programmatic data. • Higher annual cost variability 	<p>MEDIUM</p> <ul style="list-style-type: none"> • Program costs are higher than the average of peer agencies • Greater control over how services are provided, including linking trips for efficacy of demand response service • Insurance can be incorporated under the County's insurance • Union positions support living wages • Lower annual cost variability 	<p>LOW</p> <ul style="list-style-type: none"> • Program costs are assumed to be comparable to the average of peer agencies • No control over ensuring drivers are paid living wages • Higher potential annual cost variability
<p>Customer Focused and Context Appropriate</p>	<ul style="list-style-type: none"> • Services operated according to Benton Area Transit vision • Mix of services that balance productivity with coverage • Support testing and integration of emerging service delivery options • Transparent and easy-to-use service • Professional and friendly service • Ability to scale service operations up and down according to long range plan and funding availability 	<p>LOW</p> <ul style="list-style-type: none"> • Reliance on some volunteer drivers creates challenges with scaling, especially at current costs • Service practices are not consistent with policy (e.g. door-to-door service is provided instead of curb-to-curb service). This creates unrealistic expectations, results in fewer rides per hours, and creates liability risks 	<p>HIGH</p> <ul style="list-style-type: none"> • Direct control for implementing services that align with BAT's policies and vision • Directly able to ensure that service practices are consistent with policy, transparent, and easy to use • Directly able to pilot emerging service delivery options 	<p>MEDIUM</p> <ul style="list-style-type: none"> • Varies by contractor, however it may be easier to scale services • Professionalism and transparency of service vary by contractor
<p>Efficient and Effective Operations</p>	<ul style="list-style-type: none"> • Administrative capacity that meets the needs of operating transit (including reporting, grant tracking and applications, agency compliance reports, operating budget and funding, and contract procurement) • Service and capital planning capacity that meets the needs of operating transit (including long range planning and implementation, service expansion, and fleet maintenance and replacement) • Coordination capacity to engage with regional partner agencies • Ensure quick and efficient maintenance of vehicles 	<p>LOW</p> <ul style="list-style-type: none"> • Contractor is in control of the data, and it can be challenging to solicit data in a usable format for service and capital planning. For example, data received to-date is not formatted to reliability distinguish countywide demand response services from paratransit services, which is necessary for grant and compliance tracking. • There is insufficient staff capacity for grant tracking, compliance reporting, and service planning 	<p>HIGH</p> <ul style="list-style-type: none"> • Increasing the number of program staff at BAT to two FTE can help the agency better support the administrative needs alongside the service and capital planning needs 	<p>MEDIUM</p> <ul style="list-style-type: none"> • Depending on the contractor, the ease of collecting the data required for service and capital planning may vary • Increasing the number of program staff to two FTE can help the agency better support the administrative needs alongside the service and capital planning needs
<p>State and Federal Compliance</p>	<ul style="list-style-type: none"> • Provide services that are federally required to receive funding • Proactively understand FTA requirements and address non-compliance findings should they occur 	<p>LOW</p> <ul style="list-style-type: none"> • Provides services that are federally required to receive funding • Historical challenges with repeat non-compliance findings • FTA noncompliance puts funding at risk • Ridership and reliability data cannot be verified with current tracking • Reliance on some volunteer drivers creates challenges training staff and providing the service 	<p>HIGH</p> <ul style="list-style-type: none"> • Provides services that are federally required to receive funding • Streamline ability to assess compliance with FTA requirements and address noncompliance findings should they occur 	<p>MEDIUM</p> <ul style="list-style-type: none"> • Provides services that are federally required to receive funding • Additional effort verifying compliance with FTA requirements • Ability to address noncompliance findings is dependent on contractor

The figure below summarizes this evaluation graphically. Based on this evaluation, Scenario 1: Self Perform, aligns the closest with the objectives. In the next section there is an overview of the cost implications of adjusting to this model and what considerations there are for adjusting the service offerings according to cost.

VISUAL COMPARISON OF SCENARIO ALTERNATIVE ALIGNMENT WITH GOALS



The next step in the evaluation process involved exploring cost considerations of the two service alternatives and subsequent service adjustments. The following section details the assumptions used to develop cost estimates for the two service alternatives and compares them with peer agencies.

Key takeaway:
Alignment with goals is imperative for decision making, yet financial implications can not be ignored for potential impacts to service reduction.

Cost Considerations

SELF PERFORM

Developing cost estimates for self performing transit involved estimating the number of staff required to operate the services BAT currently provides, as well as understanding all fixed costs. Cost estimates were developed using information provided by Benton County that included the following assumptions:

- Estimating annual service hours based on fixed route and demand response services currently provided by BAT. Increasing those hours to driver hours, assuming 20 percent non-service time for fixed route, and 50 percent non-service time for demand response to account for pre and post service safety checks, returning to the garage after service ends, and dead head (i.e. no passengers) demand response and paratransit trips.
- Calculating the number of full time positions needed to staff the total hours identified above while accounting for actual employee hours worked (e.g. subtracting sick, vacation and holiday time, and including time for annual trainings and staff meetings).
- Calculating the cost of drivers and additional employees needed to support the program, using wages and benefit percentages provided by Benton County.
- Compiling operating revenue from STIF, STF, 5310 and 5311 according to 2025-2027 estimates from Oregon Department of Transportation confirmed with Benton County's budget and STIF plan.
- Compiling annual fleet maintenance and fuel costs from Benton County's 2025-2027 budget. On the self perform scenario, reductions in maintenance and fuel were assumed when exploring service delivery alternatives.

The cost per service hour was calculated using total expenses and overall service hours. Total expenses were compared with total revenue to understand the potential cost of self performance.

CONTRACT OUT

In this service delivery alternative, two program staff would perform all non-operational duties listed above, as well as maintain the service contract with one or two contractors.

Cost estimates were developed using information provided by Benton County that included the following assumptions:

- Two full time staff are needed to ensure a successful program. This includes a manager and a staff planner. Benefit percentages are included to ensure the full cost of employees is included.
- Administrative costs to support staff and the program including building rent, central cost allocation, marketing, training, etc.
- Compiling operating revenue from STIF, STF, 5310 and 5311 according to 2025-2027 estimates from Oregon Department of Transportation confirmed with Benton County's budget and STIF plan.

Staffing and administrative costs were subtracted from the total amount of revenue to estimate the remaining funds for operations. Fleet maintenance and fuel costs are not included in indirect costs for contracting out services, as those costs are incorporated into the cost per service hour estimates collected from Benton Area Transit peers earlier in the process.

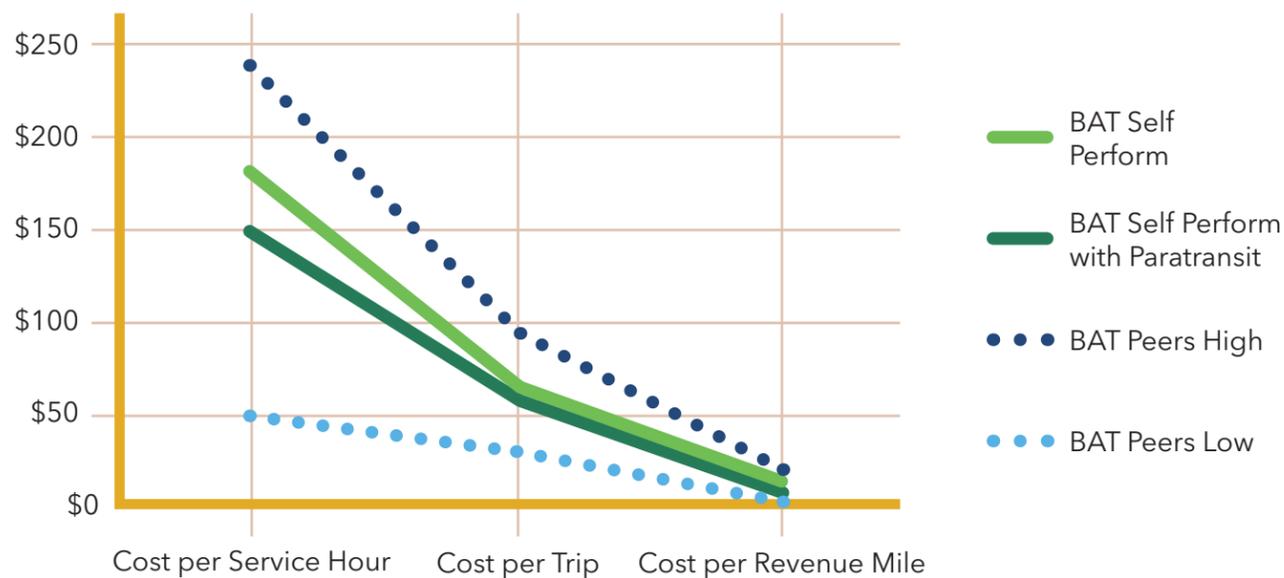
Using the median of service cost per hour (fixed route and demand response combined), the potential service hours provided by a contractor were calculated. This value is then compared with the current service hours BAT provides in an attempt to understand potential impact to service.

For both scenarios, additional alternatives were developed to adjust revenue and/or expenses and see the subsequent impact on service. This is intended to help inform county tradeoff discussions for competing service goals. A summary of findings from the cost analysis are provided below:

- Small transit programs require nearly as much support as larger programs. To this end, staffing and administrative costs on top of the operators will be a higher percentage of the operating costs compared with larger programs.
- With a new understanding of the cost per hour to provide service, BAT can update their funding agreements with partners to help offset their true costs.
- Increased efficiency in demand response trips (i.e. increasing the percentage of shared rides) could offset the expected cost per service hour increase.
- With additional funding for paratransit, DD53 rides, and with increased STIF funding, the Self Perform scenario best aligns with the county's vision and goals for transit service.
- Contracting out operations remains less expensive than self performing using an estimate of \$125/hour service costs. The limited market for transit contractors in the mid-Valley (Lincoln County, City of Albany/Linn Benton Loop, Linn Shuttle, Salem Area Mass Transit District, and Lane Transit District all self perform), could result in higher per hour service costs in a contract.
- None of the scenarios consider future service expansion nor establishing an ongoing reserve for capital expenses and annual budget overages.

When comparing services with other agencies, it was clear that BAT's demand-response services are where a change would be most beneficial. Benton County operates the median trips per hour of its peers for commuter bus services but has the lowest costs per hour, indicating lower fixed costs and a fiscally sustainable, high service commuter bus. However, BAT provides less than half the rides per hour than the market average of peers. A large part of the issue is cost-effectiveness. While BAT's current costs per hour are comparatively lower, their costs per ride are much higher—meaning it gets less service out of proportionally more money. For example, Lincoln County has twice the hourly costs of Benton County but provides eight times more trips per hour. Switching to a self-perform model will allow BAT to align their service with their values while bringing them up to par with the cost-effectiveness of similar agencies.

COMPARISON OF SELF PERFORM COSTS WITH BAT PEER AGENCIES



Self Perform Assessment

To ensure self performing would not result in a service reduction, additional analysis was completed to confirm additional funding would support self performing in the near future as well over the next 10 years. Details on the revenue and expenses are included in the table below. Due to the cost analysis performed as part of this process, BAT has a clearer understanding of the fully loaded cost per hour of providing fixed route and demand response service. As such, BAT intends to request additional funding for both the DD53 and Paratransit services is provides to partner agencies. In addition, BAT intends to request additional funding during the next STIF biennium (2027-2029) to account for both administering the STIF program, as well to reflect their newly updated costs. This additional funding is included in the estimates for revenue and expenses.

The total service hours, cost per hour and new county employees are also provided in the graphic below. With this information, the Benton County Board of Commissioners directed staff to explore implementation of self performing at their December 2, 2025 work session.

EXPECTED REVENUE, EXPENSES AND TAKEAWAYS FROM SELF PERFORMING

REVENUE	\$2,480,226
Existing Revenue	\$1,464,842
Additional STIF Funding	\$200,000
Additional Paratransit Funding	\$573,937
Additional DD53 Funding	\$191,447
STIF Program Administration	\$50,000
EXPENSES	\$(2,301,526)
Staff Costs	\$(1,850,962)
Administrative Costs	\$(167,252)
Fleet, Fuel and PM Costs	\$(283,312)
NET BALANCE	\$178,700

Takeaways



Service Hours: 15,652

Cost per Service Hour: \$147

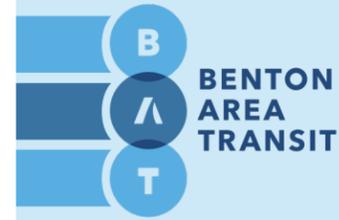
Total Employees: 17.5 FTE

Conclusion



Starting July 1, 2027 we project there is enough revenue to avoid any reduction in service if the County Self Performs.

Key takeaway:
Self Performing best aligns with Benton County goals and can be provided without a reduction in service.



Elements of Implementation

- 1 **Establish Implementation Team**
Winter 2026
- 2 **Draft Implementation Plan**
Spring/Summer 2026
- 3 **Public and Commissioner Feedback**
Summer/Fall 2026
- 4 **Develop STIF Funding Plan**
Fall 2026
- 5 **Incorporate Final Implementation Plan into Proposed County Budget**
Spring 2027
- 6 **Commissioner Decision**
Critical milestone for progressing to future steps
- 7 **Set Implementation Date**
Summer 2027
- 8 **Pre Operational Preparations**
Fall 2027
- 9 **Launch**
2028

The Path Forward

Now that BAT identified an operational alternative that best aligns with their goals and can meet financial requirements, implementation planning for self-performing services will advance. An implementation plan will outline the internal and external steps for the county to consider as they develop their budget documents for the 2027-2029 biennium. The timeline on the right illustrates how BAT plans to bring more comprehensive, compliant, and transparent transit service to the County as soon as possible.

The implementation plan will include details on the internal needs to staff a transit program at Benton County. This includes collaborating with Human Resources on position classifications and descriptions, establishing funding agreements with partners, identifying software and hardware needs, creating standard operating procedures, and developing a communication and marketing plan, all with associated timelines and critical milestones. The implementation plan will identify the additional opportunities for engagement by both the public and Board of Commissioners, as ultimately the Board must approve the operations in their budget documents before implementation can begin.

As these steps are taken, the organization structure and documentation of the new self-performance model will evolve. Ultimately, regardless of the practical decisions made in hiring, budgeting, and operations, BAT will stay true to its vision of supporting vibrant, livable communities with accessible transportation.

