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Statement of

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At the Joint Hearing of the

Senate Standing Committee on Finance
&

Assembly Standing Committee on Ways and Means

Concerning the SFY 2020-21 Executive Budget Proposal
Relating to Transportation

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Hearing Room B

Thank you, Chairwoman Weinstein and Chairwoman Krueger, for your support of public transportation and for giving the New York Public Transit Association (NYPTA) the opportunity to testify today. And thank you Chairmen Kennedy, Comrie and Magnarelli and Chairwoman Paulin for your leadership on transit issues. We appreciate all the members here and in your conferences who have and continue to support public transit.

My name is Bill Carpenter; I am the Chief Executive Officer for the Rochester-Genesee Regional Transportation Authority and the President of NYPTA.

Earlier you heard from MTA officials on their issues and needs, so I will concentrate on the issues and needs of transit systems in upstate New York and in the downstate suburbs, who transport more than half a million riders every day.

Let me start by thanking Governor Cuomo for recognizing the importance of public transportation in his 2020-21 executive budget and for proposing increases in state transit operating and capital aid. These increases are appreciated and necessary to maintain essential transit networks in urban and rural areas throughout the state.

While the executive budget increases are a good start, two areas need action to improve fairness and equity, especially to upstate communities.

State Transit Operating Assistance (STOA)

The first is transit operating assistance. Last year, you provided upstate transit systems with a 9.6% increase and suburban downstate systems with a 7.3% increase, both much appreciated and already put to good use stabilizing transit operations and expanding service.

In just the short time since last April, transit systems have taken actions to improve and expand service such as:

- Adding weekday and weekend frequencies on existing routes;
- Increasing the span of service to cover non-traditional work times;
- Expanding routes to cover new development and job locations;
- Increasing paratransit services;
- Extending rural services to provide more travel opportunities; and,
- Exploring other mobility options like bike-sharing and microtransit.

In Rochester, these new funds are helping us implement our Reimagine RTS plan that will improve urban and suburban mobility in our region.

Because the level and rate of growth of the funding streams dedicated to support operating aid for upstate and downstate systems are very different, the executive budget proposes a 4% increase for upstate systems and a 16% increase for downstate systems.

But our transit riders are not that different once you cross from downstate to upstate, and the costs and challenges to address growing demands for service do not lessen at the imaginary border that different funding streams create.

Recommendation: An increase in upstate operating aid closer to the 16% increase for downstate systems will improve fairness to upstate communities, help meet growing demands for service and will allow us to continue the progress made from past state investments.

2020-2024 Non-MTA Transit Capital Needs

The second issue is capital funding and the cost to transition to electric vehicles. The executive budget proposes \$130 million in capital funding for non-MTA systems, an increase of \$26 million from past levels. This additional funding is dedicated to two specific projects – purchasing electric buses and an NFTA rail study.

This means there is no increase in the base capital funding for non-MTA transit systems to purchase vehicles, modernize facilities and add customer focused technology.

Four years ago, the state enacted the first multiyear capital program for non-MTA transit. This program provided \$455 million in state capital funding over the five-year period, with \$104.5 million in 2019-20, the last year of the plan. These funds allowed transit systems across the state to address important infrastructure needs to replace over-age vehicles, modernize passenger and maintenance facilities, and add customer focused technology.

While progress has been made, transit infrastructure continues to age and there is a growing backlog of unmet capital needs. At the end of 2019, there were more than 350 buses in service that are beyond their useful life. Older buses are less reliable, more costly to maintain, and put pressure on existing finances to keep them running.

Just as the recently approved 2020-2024 MTA capital plan has grown - by 70% from the 2015-2019 plan - the infrastructure needs of all transit systems continue to grow, and greater investment is required to keep pace. All across the state, transit systems have decades-old facilities that are starting to crumble, buses that have been kept on the road beyond their useful life, and outdated technologies that need to be modernized to improve efficiencies and the customer experience.

NYPTA's Capital Program for Upstate and Downstate Transit, released in November and provided to all Legislators, describes the need to invest \$1.7 billion over the next 5 years to improve transit infrastructure. Over half the funding is needed just to replace aging buses. Other projects would improve transit facilities, implement new technology that makes transit easier to use and initiate some strategic expansions of service.

Available revenues will only provide \$700 million, leaving a funding gap of one billion dollars over the next 5 years.

Like the MTA, new resources are required to close this gap.

The Governor has proposed a modest 2-year capital program for NYSDOT and non-MTA transit.

Recommendation: An additional \$200 million in non-MTA capital funding is needed in both fiscal year 2021 and 2022 to begin to address the transit infrastructure funding gap while a longer-term capital program is developed.

Transitioning to Electric Transit Buses

New York transit systems are excited about the benefits of operating battery electric vehicles for both our environment as well as the potential for reduced long term operating costs. CDTA has 4 electric buses in service, RGRTA will have 10 this summer, and the MTA is already operating them. NFTA, Tompkins, Westchester, Nassau, Suffolk, and Ulster Counties are among the transit systems moving to test electric buses in the near future.

Moving to electric buses adds extra up-front costs for vehicles, charging infrastructure, access to power, and expanding or retrofitting vehicle maintenance and storage facilities. These costs are over and above core capital needs, which means any transition to electric buses requires funding beyond the \$1 billion infrastructure need cited above.

The Governor has proposed \$20 million per year, starting in 2020-21, to begin to purchase electric buses, but for a successful transition, more funding is needed to cover the additional infrastructure costs.

The Governor's budget proposes \$1.5 billion for investments in carbon free transportation, which could provide transit systems with funding to cover these new infrastructure costs.

Recommendation: Transit systems stand ready to work with the Governor and Legislature to find the additional funding to ensure successful implementation of electric vehicles.

Rural Transit Funding

Our smallest transit systems are often the most vulnerable. The State Department of Health is facing severe budget cuts this year that may impact the \$4 million provided annually to help maintain rural transit services impacted by changes in the state's Medicaid transportation policy. The loss of these funds would threaten the viability of rural public transportation services to those who need it most.

Recommendation: NYPTA recommends that the budget include \$5 million in funding from the Department of Health to retain essential rural transit services.

Conclusion

Transit is transforming, adapting to changes in consumer and economic demand, community needs and a desire for more travel options. Customers and communities across the state are demanding a transit network that provides frequent, reliable and safe transportation.

This transformation provides an opportunity to invest in transit service that embraces customer needs with innovative techniques and mobility options. Sustained operating and capital investment are critical to allow transit systems to provide the quality of service that New Yorkers deserve and is necessary to ensure mobility that supports a growing economy.

Investment in transit is good for community growth and driving many from poverty to prosperity. Investment in transit delivers more connections to jobs/healthcare/education; more reliable service; and creates and retains thousands of jobs in the state's transit manufacturing and supply industry. For transit to be successful in meeting the state's goals, greater investment in both service and infrastructure are essential.

NYPTA thanks you for your continued support of public transit and of our role as a driver of economic growth. We are committed to working with the Governor and Legislature to secure the necessary resources.