

Testimony 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 2017-18 Executive Budget Proposal
Relating to Transportation

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9:30 AM

Hearing Room B

Thank you, Chairman Farrell and Chairwoman Young, for giving the New York Public Transit Association (NYPTA) the opportunity to testify today about Governor Andrew Cuomo's proposed 2017-18 Executive Budget. My name is Bill Carpenter; I am the Chief Executive Officer for the Rochester-Genesee Regional Transportation Authority and the President of NYPTA. NYPTA members include transit systems, private sector manufacturers and suppliers, and community advocates. Our systems employ over 75,000 workers and the funding you provide supports thousands of private sector jobs.

New York benefits from transit systems throughout the state, from the MTA, the largest transit system in North America, to Watertown, one of the smallest. The MTA carries one-third of the nation's transit riders, and if you combine the rest of the state's transit systems, they would comprise the 7th largest system in the U.S.

Let me begin by expressing the sincere appreciation from all of us in the transit industry for your support of public transportation across the state and for the unprecedented level of transit funding in the 5-year capital programs approved last year for the MTA and for all other transit systems. This predictable capital assistance will allow us to replace outdated transit buses, improve transit infrastructure, and provide more and better service to the public.

2017-18 Executive Budget

The Governor's Executive Budget provides the capital funding levels contained in the 5-year transit capital program, which is very much appreciated, but provides no increase in state transit operating aid. In fact, instead of increasing transit assistance, the executive budget removes \$5 million in general fund support to upstate systems and substitutes additional dedicated tax revenues.

Flat operating aid is really a cut – as many expenses to operate existing transit service grow annually. Transit systems work constantly to maximize their efficiency, but many expenses are beyond their control.

The lack of growth in state aid will cause many systems to divert a greater share of capital aid to cover operating expenses, which is not a sustainable strategy for the future. It will deprive systems of badly needed capital aid and negate the benefits of the capital improvements anticipated from passage of the 5-year capital program.

Predictable growth in operating support is necessary for upstate and downstate transit systems to continue essential services that are so important to millions of New Yorkers.

- **A 2% across the board increase in STOA is needed to preserve existing transit services.**

While the funding provided in 2016-17 is welcomed by all of us, the lack of growth in upstate transit resources is an issue that still needs to be addressed in the future - so that upstate transit systems can benefit from the same type of stable, growing state aid as downstate systems.

Demand for Transit Service is Growing

Transit ridership is rising in many areas of the state and both the public and business communities are demanding more and better service. Adequate transit service is essential to ensuring the mobility that supports economic and community growth.

The Governor and Legislature have made reviving the New York economy a priority, with new business development emerging across the state. Our transit systems are building on this success by providing connections to jobs, education, recreation and health care. Demand for services is increasing and our work must continue with adequate resources provided for communities throughout the state.

New York transit systems are the backbone for sustainable development and the mobility they provide is essential to the success of many state initiatives, including:

- Economic development and job growth
- Anti-poverty and affordable housing programs
- Sustainable communities and smart growth development
- Energy conservation and environmental protection

But the reviving economy, growth in ridership and changing travel markets are placing new demands on transit – to access new job locations, to address changing travel patterns, to meet the travel needs of millennials and a growing senior population, and implement new technology demanded by riders.

The demands for more transit service come from communities across upstate New York, as well as the downstate suburbs.

- In my home area of Rochester, service is needed to support the growth of Monroe Community College and RIT, as well as the new del Lago casino and Maximus.
- In Buffalo, expanded service along Niagara Falls Boulevard will connect a growing suburb to downtown jobs and retail.
- Here in the Capital Region, more transit service is needed for the growing high-tech and medical complexes, and to help support the resurging downtowns in the region.
- Syracuse, Utica, Binghamton, Ithaca, Elmira and Glens Falls, and many downstate counties, all have demands for more service that cannot be met with existing resources.

Hearing from our local businesses and riders, we have compiled a list of examples of the many demands for more transit service that we are facing around the state and have provided these to you in our “Grow New York Transit” brochure.

To meet these needs, transit systems are working to innovate, transform and provide new solutions that help communities grow. Strategic investment and new funding opportunities are required to expand route networks and support additional services to meet these demands.

- **An additional investment of \$15 million in state operating aid will allow upstate and suburban downstate transit systems to add services to support economic expansion, job growth and sustainable communities. There are sufficient balances in transit dedicated funds to allow this increase.**

Rural Transit Service

Many of our rural and small urban transit systems are struggling to maintain basic services as a result of the state’s change in the way that non-emergency medical transportation is arranged. The impact of lost Medicaid ridership and revenue on rural transit systems has resulted in service reductions to the general public and is threatening the viability of transportation to those who need it most. The executive budget proposes to expand this change in transportation to managed long-term care programs, which will further erode rural transit ridership and revenue.

NYPTA Recommends:

- **That the state continues transition aid from the Department of Health by providing \$5 million for rural transit systems so that essential services can be retained;**
- **Improving the allocation of this aid by making it available by June 1 and using a formula based on need;**
- **Freezing existing Medicaid program transportation arrangements pending a full study of the impacts on rural transit systems;**

- **That NYSDOT and DOH study the full financial and service impacts on rural transit systems of the state's Medicaid changes and prepare recommendations to preserve rural transit services.**
- **Passage of legislation to activate the Interagency Coordinating Committee on Rural Public Transportation and require annual reporting of recommendations.**

Transit Capital Funding

The executive budget proposes a \$84.5 million capital program for Non-MTA transit systems as part of the proposed \$395 million five-year transit capital program agreed to in 2016, and \$1.5 billion for the MTA's capital program. NYPTA is thankful for this increased state investment in our systems.

This new funding will help transit systems across the state improve the condition of their infrastructure and continue to provide safe and reliable service. It will be used to replace over-age buses, rehabilitate deteriorating passenger and maintenance facilities, and implement new technology such as real time information and modern fare payment. To respond to ridership growth and new markets, some systems need to expand their bus fleets.

- In Rochester, RTS will construct a new service building at its central campus and replace buses.
- In Buffalo, NFTA will use state capital aid to replace old transit buses and do much needed rehabilitation work on the 30-year old light rail track, tunnels, stations and other infrastructure.
- CDTA will purchase buses and install new communication and fare equipment.
- CNYRTA will rehabilitate its 20 year old CNG fueling facility and replace old buses.
- Westchester and Nassau Counties will replace buses.
- Other smaller upstate and downstate systems have fewer resources available, but urgent needs to replace over-age buses.

It is essential that this state capital funding be delivered annually in a timely and predictable manner - to allow transit systems to efficiently plan their capital projects.

Transportation Network Companies

NYPTA supports legislation to allow Transportation Network Companies to operate outside NYC, with proper safeguards, and with a portion of any new state revenues allocated to transit. We recommend that any new state transit revenues be allocated to transit systems by formula.

Conclusion

New York benefits in many ways from the more than 100 transit systems throughout the State. Our growing popularity is why we are asking for an appropriate investment in transit so we can provide more and better services to our communities. Transit service provides mobility that allows everyone to participate in the economic rebirth of our communities.

NYPTA members appreciate the funding and support we receive, and we ask for consideration of the capital and operating needs of our transit systems. Increased investment in transit will result in better service, more cost-effective delivery and support thousands of jobs for the state's transit manufacturers and suppliers.

NYPTA is committed to working alongside the Governor and the Legislature to ensure that New York transit systems can meet the new demands for service and support sustainable economic growth in our communities across the state.