



NEW YORK STATE SENATOR

Martin J. Golden

Senator Golden, Assembly Member Brennan And Transit Advocates Fight To Keep Transit Funds For Transit Riders

MARTIN J. GOLDEN May 19, 2011

Transit Funding Lockbox Act Aims To Protect Transit Riders From Budget Raids

State Senator Martin Golden, Assembly Member James Brennan, transportation advocates, business and labor leaders announced today the introduction and push for the passage of the Transit Funding Lockbox Act, a law intended to protect transit riders from the service cuts and fare hikes that result from budget raids.

“I am introducing the Transit Funding Lockbox Act in the New York State Senate because the days of simultaneous fare hikes and service cuts must end,” said Senator Golden (R-Bay Ridge).

“This legislation is for those who ride the buses and trains in New York City and have been asked to pay more for less service. The management of our transit system cannot be built around a misguided policy of increases and reductions. It doesn’t make sense that while the quality of the commute of thousands has deteriorated; it’s costing more for them to travel.”

“The transit system needs every dollar of dedicated tax revenue to pay for mass transit, not diverted to provide budget relief for the State’s deficits,” added Assembly Member Brennan (D-Park Slope). “Further sweeps by the State for the MTA’s dedicated funds will be a disaster

for mass transit, and this legislation will provide needed protection.”

Over the last three years, the Paterson and Cuomo Administrations raided funds dedicated solely to transit, taking a total of \$260 million for other purposes and leaving New York’s public transit system facing a revenue crisis. As a result, city and suburban riders have been hit with three years of fare hikes and subway and bus riders now have the highest fare burden in the nation.

Further, because of reduced and diverted dedicated revenues there is an estimated \$10-12 billion shortfall in the current \$26 billion MTA capital program. The capital program pays for system maintenance and improvement and the funding gap will require at least \$1 billion in new recurring revenues. Unless existing state funds are protected and new state funds are made available, subways, commuter rail trains and buses will deteriorate, undercutting the reliability and safety of the system for millions of daily passengers.

“Transit funding is not the state’s personal piggy bank,” says Paul Steely White, Executive Director of Transportation Alternatives. “That money belongs to the 7 million people who ride our transit system every day in this city, and must be protected under lock and key.”

“Dedicated funds are not rainy day funds to be used by state legislators. Money dedicated for transit should go to transit, and nothing else,” agreed Veronica Vanterpool, Associate Director of Tri-State Transportation Campaign. “The transit system can’t operate or improve without these funds, and the costs get passed onto the public with higher fares and deteriorating service. We need a lockbox to ensure quality and affordable transit.”

The Transit Funding Lockbox Act (A6766/S4257) would amend section 182 of the State Executive Law to prohibit the State Budget Director from diverting revenues – derived from taxes and fees paid by the public expressly to fund the Metropolitan Transportation

Authority – into the general fund of the state or into any other fund maintained for the support of another governmental purpose. Such a diversion can only be done by statute enacted into law. Any statutory diversion of funds shall include a diversion impact statement detailing the diversion, including amount and an estimate of the impact of the diversion on the level of mass transit service, maintenance and security.

“Raiding funds dedicated to transit triggers service cuts and puts pressure on the fare. And it breaks a promise made to taxpayers and to subway and bus riders and rail road commuters,” said Gene Russianoff, staff attorney for the NYPIRG Straphangers Campaign.

“Albany must keep its promises. Taxes created to fund the MTA should be spent on the MTA. Albany has to stop raiding funds legally dedicated to transit, the environment, roads and bridges,” said John Kaehny of Reinvent Albany, a watchdog group. “Creating a tax for a special purpose and then spending it on something else, is bad policy and bad government. It undermines public faith in government, and fuels cynicism.”

The diversion of dedicated transit funds directly triggered the worst transit service cuts in a generation in June 2010, and threatens the future of public transit in the New York region. Service cuts included the elimination of 36 bus routes; 570 bus stops; and all or parts of three subway lines. Additionally, millions of city and suburban riders are burdened with greater waits, more crowding, extra transfers and longer trips. Commuter rail riders also have fewer trains and stops.

Paratransit service for individuals with disabilities has been made even less convenient or, in some communities, eliminated completely.

“Albany must end the harmful practice of diverting dedicated transit funding,” said Kevin Corbett, co-chair Empire State Transportation Alliance. “Raiding funds puts vital system

maintenance, improvements and service at risk and undermines our ability to secure new revenues for upcoming needs. The state will soon be facing a daunting crisis in funding a \$10 billion hole in the MTA Capital Plan. This legislation will help ensure that gap does not widen.”

John Samuelson, President of Transit Workers Union Local 100, representing 38,000 transit workers at MTA agencies, emphasized the consequences of transit budget raids: “The diversion last year of funding for public transportation resulted in the largest service reductions in New York City history. Pinched funds this year will lead to additional service cutbacks, more dangerous stations and platforms, increased breakdowns of the rolling stock, and a needless decrease in quality-of-life throughout the transit system. The Lockbox legislation is a rational and necessary approach to protect this vitally essential public service, and to speed the economic recovery not only for the City but for the entire region.”