

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 2022-23 Executive Budget Proposal
Relating to Transportation

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9:30 AM

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 Chairwoman Paulin and Chairmen Kennedy, Comrie and Magnarelli for your leadership on transit issues. We appreciate all the members here today, and in your houses, who continue to support public transit.

My name is Carm Basile; I am the Chief Executive Officer for the Capital District Transportation Authority and a member of the NYPTA Executive Board. Earlier you heard from our largest member, the MTA. Addressing their financial needs is critical to the downstate economy and we fully support their priorities. My testimony will focus on the issues and needs of transit systems in upstate New York and in the downstate suburbs.

Since the COVID-19 pandemic began, almost two years ago, the importance of good public transportation services has been spotlighted and reinforced. People needed mobility and access when many other support systems were being curtailed and shut down. Our services became a critical part of the efforts to keep people and the economy moving.

Transit systems throughout the state responded quickly to the pandemic, connecting essential workers, and providing a lifeline to access jobs, food, and healthcare. We implemented cleaning and disinfecting protocols and operational changes to protect customers and employees. We helped deliver food, protective equipment, and other necessities to people and organizations in need. Over the past year, we expanded on that effort by providing access to rapid testing and vaccination sites across the state and continuing our collaboration with local governments and non-profits to meet various needs due to the pandemic.

As we emerge from the pandemic, customers are returning and communities throughout the state are demanding more and better transit service and new mobility options. They want ways to travel other than by driving and want easier access to our transit services.

To meet these demands, transit agencies are implementing innovations to provide more travel options and make transit easier to use. Services are being reimaged and there is a commitment to build back better coming out of the pandemic. We need to provide wider spans of service, more bus frequencies, on-demand service, contactless and mobile fare payment, and micro-mobility options like bikes and scooters. Here in the Capital Region, CDTA is providing many of these new mobility options and they are very popular and need to be expanded.

But transit's financial condition is precarious. In a recent report on upstate transportation authorities from Comptroller DiNapoli, he states, "The COVID-19 pandemic created unprecedented challenges for the State's regional transportation authorities by disrupting operations, decreasing ridership, and severely reducing revenues; however, these authorities reported that federal aid helped them weather pandemic deficits. If ridership continues to languish and does not return to pre-pandemic levels, the authorities will need additional revenue from other sources to continue to provide services at current levels—or may be faced with limiting services."

This report is an accurate representation of the fact that transit systems across New York State face a different reality today, and that the loss of revenues has the potential for long-term consequences to transit and the communities we serve. Federal COVID relief funds did what they were intended to do – replace lost revenues and cover increased expenses – to maintain New York's mobility safety net through the pandemic, which is still ongoing. This relief funding was temporary, which means we need to now place

our focus on identifying long-term, recurring sources of revenue to stabilize and grow Statewide Mass Transportation Operating Assistance (STOA).

Complicating the recovery of transit systems are the wage and job pressures currently witnessed in the supply chain crisis. Transit systems across the state report shortages of drivers, mechanics, and other skilled personnel together with substantial price increases in fuel. Significant increases in STOA funding are needed to address these challenges. Increases must be driven by the dedication of additional revenues to the state's transit operating assistance accounts. The existing dedicated taxes, particularly in the Upstate account, cannot support transit systems without new dedicated revenues.

Today, there are a number of factors at play that point to the increasing value of public transit and the need for more robust funding. With our state's economic recovery underway, we are starting to see an increase in demands from customers and businesses. We are experiencing lower revenues, higher expenses due to continued COVID protocols, and a bus operator shortage that is putting pressure on wages. And finally, important community efforts and legislative priorities related to climate change, mental health, poverty, and social justice point to the need for more robust transit service and the connections it provides.

Given the significant role public transit played during the pandemic, our customers wanting us to do more, and the fact that federal COVID-relief funds did their job as a temporary stopgap, now is the perfect time to boost STOA funding, and transform transit into the mobility engine our communities need and deserve.

In 2019, New York's transit systems asked for a 50% increase in STOA over five years. In the three budgets since then, we have fallen behind. What remains is a 36% gap for both upstate and suburban downstate transit systems. Funding that gap in the FY 2022-23 budget will place transit finances on a solid footing.

Transit Operating Assistance

Our transit agencies, their employees and customers thank Governor Hochul for recognizing the importance of public transportation in her FY 2022-23 executive budget. After enduring pandemic related reductions in state aid over the past two years, the executive budget increases transit operating assistance, which is appreciated and long overdue to provide the services our communities need.

State operating assistance to the MTA will grow by 24% and to other downstate transit systems by 36%, which will help address structural deficits and give these systems the ability to provide more transit service to downstate communities. The executive budget proposes a 13% increase for upstate transit.

We support the Governor's commitment to transit service in downstate communities and urge that the same level of commitment be made to transit customers in upstate urban and rural communities. Upstate communities need and deserve a stronger state investment in transit service so that our residents have the same opportunities for mobility, access, and economic growth.

Adding \$49 million to the executive budget for upstate transit will provide similar growth across the state and support better transit service for all New Yorkers.

Capital Investment

New York's transit systems need a long-term capital plan that ensures we have the necessary infrastructure in place to meet the needs of our communities. We have testified in the past on the importance of a 5-year capital program for Non-MTA transit - to replace over-age buses, modernize decades old facilities and fund the transition to zero emission vehicles needed to meet the State's 2025 and 2035 zero-emission goals. The costs to transition to electric vehicles is substantial, and it requires purchasing more expensive vehicles, charging equipment, extensive retrofitting of bus facilities, and access to sufficient electric power.

NYPTA has documented the need for \$2.2 billion in infrastructure investments over the next 5 years for Non-MTA transit, but only \$1 billion in available resources, including the new federal funding from the recent infrastructure act, leaving an unfunded gap of \$1 billion. Without adequate multi-year funding, infrastructure conditions will worsen, and the backlog of unmet needs will grow.

We appreciate that the executive budget proposes a \$35 million increase in capital funding for Non-MTA systems in FY 2022-23 and includes a commitment to a 5-year capital plan. We support the proposed increase in capital funding in FY 2022-23 and ask for a new 5-year Non-MTA capital plan at the highest funding commitment possible to allow us to address critical infrastructure needs. Investment in transit capital provides economic stimulus and jobs.

Rural Transit Assistance

In 2013, the state changed its transportation policy for non-emergency medical transportation (NEMT) resulting in the significant loss of riders and revenue to many small city and rural transit systems that continues today. To offset some of this financial impact, the Department of Health has provided \$4 million annually to the affected transit systems to preserve service.

NYPTA recommends continuing the \$4 million in state aid from the DOH budget to small urban and rural transit systems still being impacted by the state's Medicaid transportation policy.

Budget Legislation

NYPTA supports the following Article VII budget legislation:

- Transportation and Economic Development Bill Parts E (for CDTA)
- Transportation and Economic Development Bill Parts H through N (for MTA)
- Revenue Bill Part G (for MTA)
- Education, Labor and Family Services Bill Part EE (for downstate transit systems)

Transit Investment is Vital for Economic Recovery and Growth

Transit remained open during the pandemic to serve essential workers and we are ready to expand mobility options so our communities can continue to recover and grow. Robust transit service and the connections it provides are a catalyst for a strong economy, a cleaner environment, improved equity, and more vibrant communities. Accelerating investment in transit will accelerate these benefits.

The transit services necessary to support the state's climate change goals require a long-term, sustainable funding commitment that grows operating and capital aid.

We urge the Legislature to build on the Governor's strong transit funding proposals and provide additional resources for the critical work we do in the final state budget.

Thank you.