

Statement of  
**James Morrell**  
Director of Public Transportation  
Niagara Frontier Transportation Authority (NFTA)  
President, New York Public Transit Association  
(NYPTA)

At the Joint Hearing of the  
  
Senate Standing Committee on Finance  
&  
Assembly Standing Committee on Ways and Means  
  
Concerning the SFY 2024-25 Executive Budget Proposal  
Relating to Transportation

Albany, NY

Wednesday, January 24, 2024

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 Chairmen Kennedy, Comrie, Magnarelli, and Zebrowski for your leadership on transit issues. We appreciate the members here today, and in the Senate and Assembly, who support public transit.

My name is James Morrell; I am the Director of Public Transportation for the Niagara Frontier Transportation Authority (NFTA) and President of NYPTA. Earlier you heard from our largest member, the MTA. Addressing their financial needs is critical to the state economy and we support their priorities. My testimony will focus on the needs of transit systems in upstate New York and in the downstate suburbs.

NYPTA represents more than 100 transit systems across New York State, from the MTA to Citibus in Watertown, as well as equipment manufacturers and suppliers that employ thousands of New Yorkers.

### **How Increasing State Investment in Transit Benefits New York's Communities**

Mobility provided by public transit is essential to economic activity across New York State. Communities throughout the state are asking for more services, expanded frequencies, and new mobility choices like on-demand service. Transit innovations to meet these growing needs are well underway. Increasing state operating aid will maintain this momentum and ensure that transit can support a thriving economy.

With more resources public transit can:

- Increase bus frequencies in communities across the state.
- Introduce Bus Rapid Transit service in places like Buffalo, Syracuse, and Nassau County.
- Add on-demand services for customers in Rochester, Syracuse, Capital District, Westchester, and Nassau County.
- Extend the span of service and geographic coverage to meet non-traditional work schedules.

Available and affordable public transit service is essential to achieving the state's affordable housing goals. The mobility provided by increasing transit service provides access to work, healthcare, education, and shopping that will make affordable housing initiatives successful.

### **Meeting State Climate Change Goals – Expanding Transit Service and Mobility**

Public transportation is a cornerstone of New York's environmental and clean energy initiatives. Transit service is climate friendly - reducing vehicle miles of travel from single occupancy vehicles and deploying clean energy solutions. New York State has the lowest energy use per capita in the nation due to its robust public transit network. Sufficient and sustainable resources need to be identified to support the provision of enhanced transit service and the infrastructure investment required to support the state's climate goals.

### **Transit Operating Assistance Needs**

Transit agencies, their employees and customers thank Governor Hochul for recognizing the importance of public transportation in her FY 2024-25 executive budget. State operating assistance to the MTA will grow by 11%, aid to downstate systems will grow by 5.6% and upstate transit aid will grow by 5.4%.

State investment in transit systems, other than the MTA, has grown by 15% per year for the past two years. This is proof positive to the importance of transit services across the state. It is an endorsement of the critical

role that transit systems play in connecting the economy, the environment, and social equity. Expanding transit service also supports community revitalization and affordable housing goals. At the same time, the costs to operate transit services are rising as inflation pressures operating and capital budgets.

Maintaining the growth in state operating assistance at 15% and providing predictability in state funding is essential for transit systems to:

- Plan for appropriate service and staffing levels.
- Expand mobility choices that communities are demanding and need to thrive.
- Support greater personal mobility for individuals of all ages and abilities.
- Fund growing expenses to operate reliable transit service (fuel, technology, parts and supplies).
- Fund the rising costs of providing paratransit service.
- Replace federal Covid relief funds that are nearly exhausted.

Last year, the Governor and Legislature joined together to provide the MTA with resources to increase transit service and balance operating budgets for 4 years. We ask that our transit customers upstate and in the downstate suburbs be afforded this same predictability to ensure their mobility.

**NYPTA recommends a 15% increase in state operating assistance in the 2024-25 budget to maintain progress and allow transit to deliver the level and quality of service that our communities need and deserve.**

### **Transit Capital Needs**

Transit systems are under pressure to meet infrastructure needs and accelerate the transition to zero emission vehicles to meet state mandates and climate change goals. This transition requires greater investment in vehicles and facilities. Without adequate multi-year capital funding, infrastructure conditions will worsen, the backlog of unmet needs will grow, and climate goals will not be met. If we want to accelerate the transition to zero-emission vehicles, much more funding is needed. Continued investment in transit capital projects provides economic stimulus and creates jobs.

NYPTA thanks the Governor and Legislature for implementing a 5-year capital plan in 2022 with increased resources for Non-MTA transit at an annual level of \$159.5 million. Unfortunately, the executive budget reduces this amount to \$139.5 million in 2024-25 by eliminating the annual appropriation to NFTA to address their rail infrastructure needs. NFTA continues to struggle to find funding to improve the nearly 40-year-old rail system and requires additional investment.

**NYPTA recommends that the Non-MTA capital appropriation be increased to the historical \$159.5 million level with restoration of the annual appropriation that the NFTA has received for the rail system over the past several years. In addition, member agencies have additional capital needs that must be addressed.**

### **Rural Transit Assistance**

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

The state created Interagency Coordinating Committee on Rural Public Transportation has been reinvigorated and is working to identify the level and availability of public transportation services in rural counties. The Committee is tasked with making recommendations to expand the availability of public transportation services in rural counties, which should improve service in future years, including in counties impacted by past state Medicaid transportation changes.

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

### **Upstate Transit Deserves Dedicated Funding**

Transit systems across the state face similar financial challenges including the impact of inflation, rising capital needs from the costly transition to zero emission vehicles, and customer demands for better service frequencies and new mobility options. Upstate systems face a further hurdle in being reliant on state general funds, which comprise nearly 50% of upstate transit aid in the Executive Budget.

All systems need dedicated, sustainable revenues to provide the essential services their communities require and to support the state’s initiatives for climate change, affordable housing and economic growth.

Fixing the upstate transit funding problem will require new, growing dedicated revenues to replace or supplement the current underperforming dedicated sources. A new package is needed to address transit funding into the future and avoid short-term fixes.

**We need to build on the actions that addressed the MTA’s finances and provide dedicated revenues that benefit all transit systems in New York State. NYPTA will work with the Governor and Legislature to develop one or more revenue streams that are adequate, growing, and sustainable to fund upstate transit service into the future.**

### **Summary of FY 2024-25 State Budget Recommendations**

- **Maintain consistent growth in State transit operating investment at 15%.**
- **Fully fund revenue for the MTA’s 2024 operating budget to maintain historic investment and fulfill the state commitments to the MTA capital program.**
- **Fully fund the 3rd year of the Non-MTA 5-Year Transit Capital Program at \$159.5 million and address additional member agency capital needs.**
- **Continue the \$4 million in DOH funding to rural transit impacted by the state’s Medicaid transportation changes.**
- **Continue NYS DOT’s STOA hold-harmless provision to avoid reductions in operating aid to small transit systems, as ridership has not returned to pre-pandemic levels.**

Increasing State investment in the FY 2024-25 budget to expand transit services supports climate goals along with other goals for economic development, affordable housing, downtown revitalization, social equity, and access to health care and education.

We urge you to provide increased resources to transit systems in all upstate and downstate communities in the final state budget. Thank you.