

First **Transit**

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Testimony New York State Legislative Joint Budget Hearing – 2015-2016 Executive Budget Proposal. In Response to no increase in State Transportation Operating Assistance (STOA) funding for rural public transportation systems.

Thank you for accepting this written testimony on behalf of First Transit, a national transportation services company, with a regional New York office in Horseheads and 12 system offices in our NY service territories. First Transit operates 12 public transit systems in the State of New York. Our New York team is comprised of 455 native New Yorkers—300 full time drivers, 75 part time drivers, a 50 member administration staff and over 30 technicians. Most of our employees live in the economically disadvantaged rural counties in the state.

First Transit manages public transit systems in several of the rural counties that have poverty rates above the national and state averages as well as above some of the counties that make up New York City. Stable public transportation systems are essential to the overall well being of the elderly, disabled and poor residents of these counties. Public transportation gets people to work, to the grocery store, medical appointments, church, senior centers, community gatherings, etc.

These counties in which we operate do not have densely populated urban centers that create the volume of ridership necessary to support system efficiencies that large urban centers can which make operating and funding rural systems more challenging to sustain. In fact in some instances public transportation in the rural counties can end up costing more per passenger to operate because of the geographical spread of the residents. As transit systems rely on passenger fares to help offset operational costs, having a more rural county makes it harder to fund the transit agency through passenger fares alone. As you would expect, the transit systems all see increases in costs year over year, mainly due to increases in wages, parts, and other supplies required to run the systems.

In addition, the economic struggles of the local governments of these counties inhibit their ability to provide enough funding to offset transportation budgeting shortfalls. In the past two years, due to the Transportation Manager program enacted by the NYS Department of Health, some of the already struggling county transportation systems have lost the majority of their Medicaid ridership even on the fixed routes. Further there has been no increase by way of formula adjustment to STOA since the early 1990's. The results of the above-mentioned new conditions, the normal challenges of running a public system in rural areas, and the flat state financial support over the last 2 decades, have been disastrous for the rural systems in the past few years.

This past year one of our counties, Tioga, after attempting to save their public transportation system with route reductions and fair increases, had to completely discontinue public transportation services because it simply could not cover the associated funding shortfall. There are several more counties that have had to implement major service reductions and have expressed fear that soon they too will be facing the same decision as Tioga without some sort of increase in funding assistance. Due to the reductions First Transit was forced to layoff 64 people in 3 of the hardest hit counties. That is a significant number of jobs in rural New York where employment opportunities are so limited.

We respectfully request that the formula for State Transportation Operating Assistance be adjusted to reflect the realities of current economic conditions. In addition we request that the Legislature consider a annual percentage increase in that formula to avoid future funding gaps like we, and the counties that we serve, have been trying to manage for the last several years. If upstate rural funding had increased at a nominal 2% CPI each year over the past approximately 2 decades instead of remaining flat, the current funding level would be at approximately 42.4 million dollars instead of the current amount of 35.3 million dollars. We believe that making the 7 million dollar adjustment this year and a 2% CPI increase each year on a continuing basis will bring the funding up to a comparatively normal level and maintain the funding to keep up with transportation system costs in the future.

Further we request the Interagency Coordinating Committee on Rural Public Transportation, presented in the Senate 2014 budget proposal be formed. Broad permissions were given to the Commissioner of Health concerning transportation that traditionally belonged to county governments. Unfortunately, although well intended, the Department of Health cannot adequately design and implement transportation policy on its own, and we have seen disastrous results from their reforms in the rural poor counties. We believe the Legislature, Department of Transportation, and other agencies that have populations that utilize public transportation need to have input in order for the coordinated public systems to remain viable during periods of major policy changes.

We are available to provide more in-depth information at your convenience. We appreciate in advance your close examination of the issues facing the rural public transportation systems.

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