

PUBLIC TRANSPORTATION FUNDING NEEDS

TESTIMONY

To

**THE PENNSYLVANIA HOUSE OF REPRESENTATIVES
TRANSPORTATION COMMITTEE**

And

POLICY COMMITTEES

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Presented by:

**David W. Kilmer,
Executive Director
Red Rose Transit Authority**

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Thank you, my name is David Kilmer and I am the Executive Director of the Red Rose Transit Authority in Lancaster and I would like to talk about the twelve different public transit systems that provide service in every County in this region. This includes services provided by Capital Area Transit in Harrisburg, Rabbitransit in York County, County of Lebanon transit, AMTRAN in Altoona, CAMTRAN in Johnstown, Adams County Transit, Blair County Senior Services, Cumberland County Transportation Department, Franklin County Integrated Transportation System, Huntington Bedford Fulton Area Agency on Aging, Perry County Transportation Department and Tableland Services, Inc in Somerset County. Together we carry over 9 Million passengers per year and employ well over 700 people. As with most public transit systems, over 50% of riders are traveling to and from work with 70% of all riders having no other means of transportation. Our typical bus rider is female between the ages of 18-35 with a family making less than \$35,000

This is important because these are the citizens that will potentially be harmed when service reductions and fare increases become an annual event due to the lack of funding. Whether it is Kim Sellen in Johnstown who lost her license due to a disability and rides the bus to work or Kendra Farrow in Lancaster who bought a house along a bus route because she does not drive or David Reynolds in York who cannot afford a car and depends on public transit to get to work or Karen Nyland in Altoona who is 35 and disabled who rides the bus to college or Leona Barbato a senior citizen in Harrisburg who uses the bus to get to doctors appointments and grocery shopping, there is no alternative for these people and many other riders if bus service is eliminated.

Public transit has not seen an increase in operating funding for the last three years while fuel prices, health care, and pension costs continue to increase annually higher than the rate of inflation. The promises of Act 44 have gone unrealized and may now be remembered as the dismantling of public transit in Pennsylvania over the next five years. We are now facing annual service reductions and fare increases which leads to lower revenues and lower ridership. Just last week, Red Rose Transit approved a 7% fare increase and a 5% reduction in service beginning this August to deal with rising fuel prices and reductions in revenue due to lower ridership resulting from the high unemployment. The critical thing to understand is once service is

eliminated and people lose their jobs, they don't get them back if we put the service back on later. What choices do these people have when they lose their job, but to possibly go on welfare. Our riders need a comprehensive solution to the state's transportation funding issues that is predictable, sustainable, and growing.

While each transit system in the region has different budget issues, there is no escaping the fact that the current levels of service cannot be sustained at the present level of state funding. It is clear that there is an operating funding shortfall statewide with the denial of the I-80 tolling application, lower revenues from the sales tax and consequences of federal operating funds being lost due to the new Census. The current federal rules eliminate federal operating assistance for transit systems operating in urbanized areas over 200,000 in population. Eleven transit systems in Pennsylvania have already been affected by this rule including Harrisburg and Lancaster with York easily surpassing the 200,000 population level in the 2010 Census and possibly Lebanon which may become part of the Harrisburg urbanized area. We are currently working with all transit agencies statewide to quantify this operating shortfall number.

But it is not just an operating funding issue. The capital needs of transit continue to go unfunded with a minimum estimated shortfall of at least \$484 million in FY 2011 as included in the TAC report. It has been well documented that we lag far behind in keeping our fleets in a state of good repair which shifts the burden to the operating side by trying to keep older buses in operating condition well beyond the accepted useful life. The bigger fear now is not having sufficient capital funds to match federal funds. With the exception of the recent stimulus funding, federal capital funding requires a 20% match. The state has traditionally matched federal funds at the 16-2/3% rate with the local transit systems matching the remaining 3-1/3%. At the present rate of capital funding from the state under Act 44, there is a real potential that systems will not be able to provide the match for federal funds. If the match is not provided, the funds can't be used and would go back to the Federal Transit Administration to be reallocated. On the one hand, due to the federal funding rules there are systems that will have federal funds to buy buses and not have the operating funds to use them or on the other hand, have the federal funds to buy buses and not have the match for the federal funds and not be able to buy them. Either way, the citizens of Pennsylvania are the losers.

We often hear from some legislators that why don't we just raise the fares to cover the cost and not provide any more funding. How much can people afford to pay when they are already making less than \$35,000 annually with a family or are on fixed incomes like many seniors? The bus fare would be over \$5 per one way trip which I can tell you will end public transit throughout this region. Is that really the message the Legislature wants to give the users of public transit.

While we try to make every attempt to improve efficiency and lower our operating costs, there are many significant cost factors that are beyond our control and some are the direct result of inadequate funding for our highway system. Traffic congestion alone causes transit to be less efficient as we need to add time to bus schedules to maintain on-time performance that our riders depend on. In Lancaster, we recently needed to add time to the bus route serving the Route 501 corridor to Lititz due to congestion. It is either add more time or eliminate a trip and use this time on the other trips to keep the bus running on-time. A simple 5 minutes per trip on a bus route with 12 trips per day can add over \$20,000 to the operating costs per year. This is unproductive time, but is necessary to provide reliable service. We can all point to roads in our areas where this is a daily occurrence. Some of these congestion issues can be resolved by synchronizing traffic lights in a corridor, but with limited highway funding, these problems can't be fixed and keep adding to our operating costs.

Another real issue that we all constantly have is requests for more service in our areas. Some make sense and some don't, but the standard reply that we have to make is who do we take service away from to provide a new service? We are about to undertake a study right now on the need for regional commuter service between Lancaster, York, Harrisburg, Lebanon, and Reading. Everyone talks about the need for taking a regional approach to issues, but there is currently no funding to operate such services. The communities tell us we need service to a new employment centers, we need service later in the evening and on Sundays, we need more frequent service – we all hear this no matter what community we are in and the needs go unfulfilled. We all talk about liveable communities and smart growth and that we need to invest in our infrastructure. The transportation system, including public transit, must be part of this investment for any future economic development in Pennsylvania.

Traffic congestion, air pollution, dependence on foreign oil, and quality of life - does Pennsylvania want more or less? The future for public transit in Pennsylvania is clearly going in the wrong direction if a funding solution is not found soon. The moment of truth for us is listening to our passengers plead for us not to cut their service, as I did in our public hearing just last week, because they will lose their jobs. The price of doing nothing is saying to them that we have no choice and their jobs are not important enough. We recognize that with the current economy and the budget hardships on all of us, that the Pennsylvania Legislature is facing many difficult decisions. We also recognize that many Legislators would just tell us to make do with what we have, but then they must be willing to accept the consequences of inaction. We appreciate your leadership on this issue and stand ready to assist you in finding a comprehensive transportation funding solution.

Thank you

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