Stuck at Home:
How Cuts to Public Transit Disproportionately Hurt Seniors and Low-Income New Yorkers

AARP and Tri-State Transportation Campaign

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Executive Summary:

The demand for public transit has risen substantially with the recession. Personal incomes have been squeezed—through job loss, poor performing retirement funds, and increased gas prices—and to save money, New Yorkers are turning to transit in record numbers to help stretch their limited dollars further. The problem is that simultaneously, New York is facing an unprecedented public transportation crisis caused by dwindling state and local funding for transit systems. With insufficient funding, transit providers have been forced to make difficult choices—raising fares, cutting service, and dipping into reserve and capital funds to keep their systems running.

Shrinking dollars for transit means shrinking options for those who can least afford it, including low-income, senior, and other transit-dependent populations. As service becomes more inconvenient and unreliable, quality of life deteriorates. For the transit-dependent, inadequate transportation options can mean missed doctor's appointments, the inability to get to a job, or to age in place. New Yorkers' impaired mobility can also have a negative impact on the State's bottom line. When New Yorkers can't get to a job or the doctor, or need to move into long-term care facilities, New York's taxpayers face higher costs—for social services, health care, and business.

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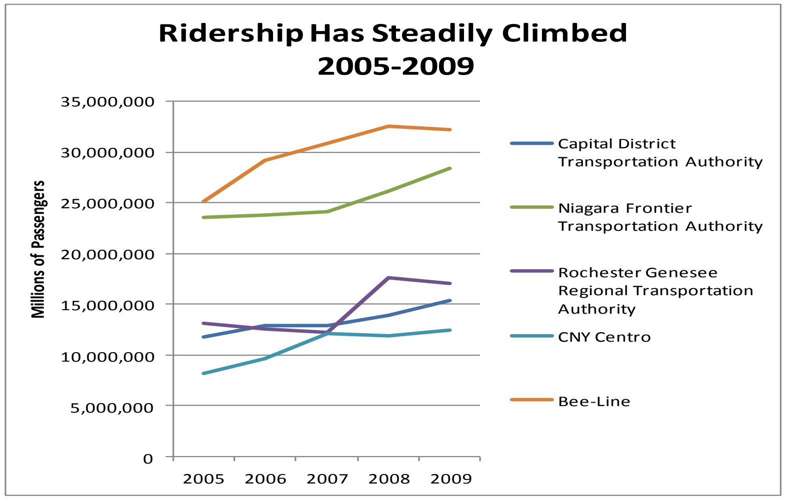
This report recommends ways to keep all New Yorkers moving, including New York's seniors and low-income residents. The recently adopted 2012-2013 NYS Budget takes a good first step, by assuring that dedicated transit funding is spent on transit, but more needs to be done. The solution is to: 1) find new revenue sources that provide stable, reliable and diverse funds to meet transit demand; 2) deter the State's diversion of dedicated transit funds by passing "lockbox" legislation; 3) increase the allocation of capital dollars to transit in NYSDOT's Capital Plan and the NY Works Fund; 4) promote Bus Rapid Transit, a type of bus service that enables shorter commutes, while better meeting the needs of New Yorkers.

This report looks at five non-MTA public transit systems in New York: Capital District Transportation Authority (CDTA), Niagara Frontier Transportation Authority (NFTA in Buffalo), Rochester Genesee Regional Transportation Authority (RGRTA), Central New York Regional Transportation Authority (CNY Centro in Syracuse), and Bee-Line

Bus (in Westchester County). The report analyzes transit ridership; how transit systems are being affected by the recession; and how shrinking transit service affects all New Yorkers ability to stay mobile in New York State.



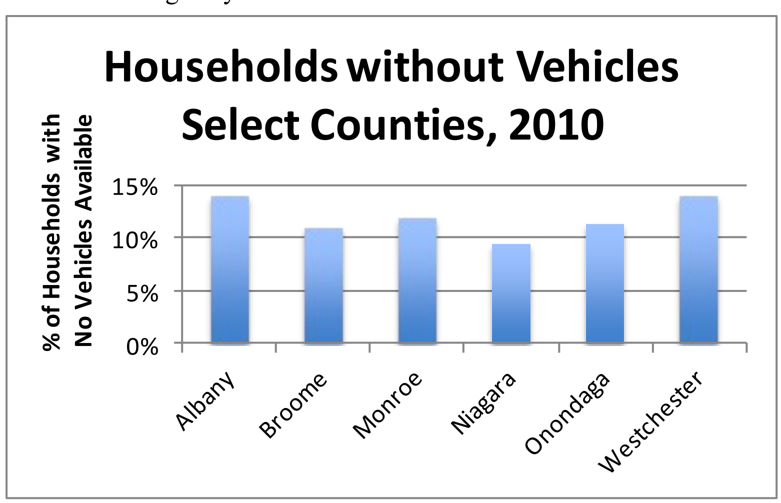
Source: National Transit Database

Transit Ridership is Up

Across the nation, more and more Americans are choosing public transportation. Trips are up 31% since 1995 and this upward trend has continued through early 2011. [1] Of the ten billion transit trips that were taken last year, one-third of them were in New York State.

In New York, there was a steady increase in transit ridership for most systems when the recent recession hit, indicating that people do turn to transit when money is tight. For example, in Rochester, transit ridership rose at the highest rate (31%) between 2007-2008—the result of spiked gas prices and a lowered base fare. Ridership then clearly dipped after gas prices recovered. In the Buffalo and Syracuse transit systems, there was a steady rise in ridership, even after the historic rise and fall of gas prices in 2008.

Cars are expensive; households spend more on transportation than they spend on health care and taxes, *combined*. [2] According to the Federal Highway Administration's 2009 National Household Travel Survey, 15.19% of NYS households earning less than $34,999 a year do not have a vehicle, compared to 4.3% of those earning more than $70,000. Even in less dense upstate New York counties where it is difficult to get around without a car, a significant percentage of households do not have cars available. Those who don't drive or don't have access to a car are



Source: 2010 American Community Survey

In 2009, 12% of all trips in the U.S. were made by people 65 and older, and there was a 40% increase in seniors' use of public transit between 2001-2009.

more reliant on the public transportation system. For example, in a 2009 survey of the Capital District's CDTA riders, 77% said they rode the bus because they didn't have a car available (a figure that was trending upwards since the 2008 survey).

Seniors, in particular, have increased the number of trips they take by transit. In 2009, 12% of all trips in the U.S. were made by people 65 and older, and there was a 40% increase in seniors' use of public transit between 2001-2009. [3] In part, the increased number and proportion of seniors taking transit is due to the demographic shift of the baby boom generation; the first of the 77 million people in this generation turned 65 this year. But AARP research has also shown that, despite the fact that seniors prefer to travel by car, they are choosing public transit for an increasing share of their trips. While some seniors give up their car due to age or infirmity, cost is a significant factor: A 2008 survey showed that gas prices were a concern for the vast majority of adults aged 50 and older, with 48% of respondents saying they were "extremely concerned," and 37% saying they were "very concerned."[4]

Transit Funding is Down

At the same time that New Yorkers are turning to transit in record numbers, transit system operators are being squeezed, and forced to make decisions that are negatively impacting riders.

The single biggest problem facing public transit operators is that revenues have dried up. A March 2011 survey of public transit operators found that 71% of the U.S. transit agencies experienced flat or decreased operating funding from local sources and 83% had flat or decreased funding from state sources. (In the previous year's survey, the numbers were 90% and 89% respectively). And, despite stimulus funding, even capital budgets took a hit, with 85% of the operators reporting flat or decreased funding levels. [5]

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Like roads, transit systems don't pay for themselves. Farebox revenues generally cover about a third of the operating expenses of running a public transit system, and none of the capital expenditure needs, so systems are dependent on local, state and federal governments to fill the gap.

Amidst the recession, the various funding sources that have been allocated to public transportation, both upstate and downstate, have proven to be inadequate and volatile at best. For non-MTA systems, the Petroleum Business Tax (PBT) is the only dedicated source of state funding. It has not been raised since 2004, and it is not pegged to inflation—it's a fixed amount that does not go up or down with the price of gas. Consequently, revenues from the tax have stayed relatively flat over the years, while they cover less and less of the budget due to inflation and escalating needs. Other tax revenues that are contributed by local governments have been underperforming amidst the bad real estate market and falling economic activity—fewer homes and goods sold means less tax collected.

The gap has been filled in part by one-shot general fund transfers from the state, but Albany's budget and deficit struggles have led to recent state policy decisions that have exacerbated the problem. Taxes dedicated to transit have been subject to state budgetary diversions and used for general fund needs—even though they are *supposed* to be dedicated to transit. On top of across the board cuts (formula reductions), in 2009, $120 million in dedicated revenue was diverted; in 2011, an additional $200 million was diverted. In December of 2011, Albany legislators eliminated $320 million of dedicated transportation funds for the downstate region, replacing them with a "promise" to fill the resulting gap.

Albany supports over 130 transit agencies in New York, but between Albany's cuts and diversions and insufficient tax revenues, assistance to transit systems has declined across the board. The recently adopted 2012-2013 NYS Budget was a welcome exception. Because there were no diversions in the budget, and because dedicated transit revenues were up this year, transit systems across the state will be receiving more operating revenues, between 4.76% and 7.69% more than last year. Unfortunately, since

Transit Hit by Albany's Cuts and Diversions

2008

August Special Session Cut

2009

2% Formula Reduction

Deficit Reduction Plan ($120M diversion & 3.36% cut)

2010

1% Formula Reduction

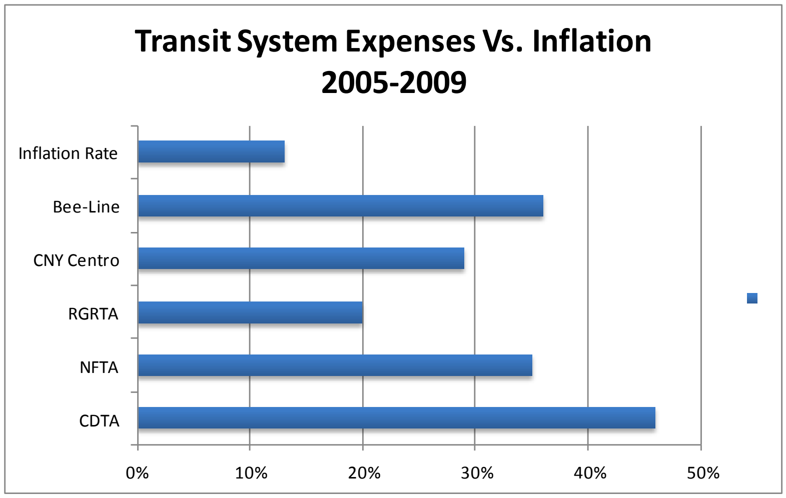
FMAP Reduction (Federal Medical Assistance Percentages)

2011

$200M Diversion

$320M Dedicated Taxes Eliminated

the state has failed to enact adequate "lockbox" legislation, which would help to ensure that dedicated transit revenues go to transit and not the general fund, it is unclear what will happen to operating revenues next year. And despite the budget's sizable commitment to capital expenditures for transportation through the NY Works Fund, a very small proportion of these dollars will go to transit.

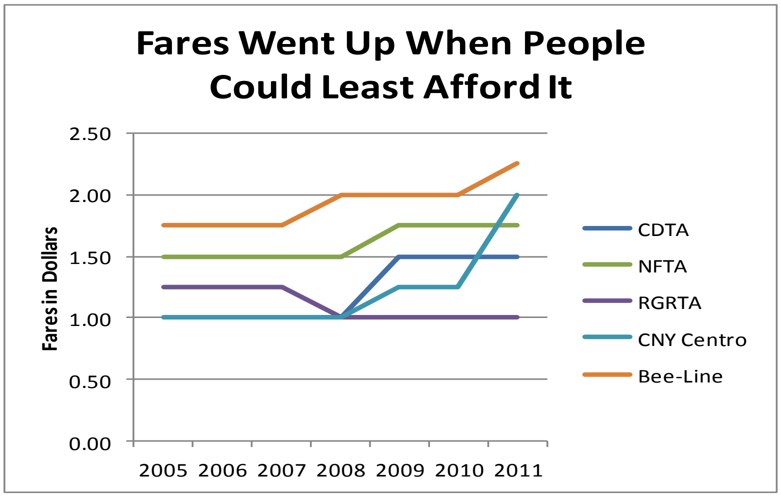


Source: National Transit Database

Squeezed by inadequate revenues, transit system budgets have also been hit by escalating expenses. Gas, employee benefits, and insurance have all increased faster than inflation and fare revenue. Demand for paratransit (which provides transportation for handicapped individuals who are unable to access the fixed-route buses), has gone up, requiring additional resources. Sprawl outside of New York City has forced public transit authorities to deal with the "spatial mismatch" between jobs, housing and transit dependent individuals by evaluating needs and shifting routes where possible. But sprawl means buses need to cover more ground, putting an increased financial and tactical burden on the system. [6]

Riders are Paying More, and Getting Less

The one-two punch of revenue shortfalls and expense escalations has left transit operators in a bind, forcing them to make choices that are troubling for the long-term health of their systems. For example, operators have used money that is allocated for capital expenditures—like buying new buses—and redirected those dollars to run the buses. This has lead to a fleet of older buses, higher costs for repairs and gas, and less reliable service for passengers. Transit operators have also implemented fare increases and service cuts to stop the bleeding. According to the American Public Transportation Association, between January 2010 and March 2011, 51% of US transit agencies cut service or raised fares.[7] Since the recession hit, all of the upstate New York systems surveyed implemented fare raises. Syracuse's CENTRO fare went up by 100%, and, although Rochester lowered their base fare, their paratransit fare went up 300%—from $2 to $6.



Source: Individual Transit Agencies

All systems have also cut service miles from their peak levels. Recently, in attempt to address their $15 million budget gap, Buffalo's transit authority approved a whopping 22% reduction in service miles. The good news is that, because of the increased operating revenues from the state's 2012-2013 budget, the transit authority will be able to scale back this service reduction to about 6%.

Unfortunately, operating deficits persist. Transit operators have cited the status of operating funds, as well as the increase in fuel prices as the top causes of stress to their operating budgets.[8] Unstable and unpredictable revenue streams make it difficult for transit operators to make the kinds of long-term planning decisions that are needed to run an efficient and functional transit system, and to serve the transit-dependent public. The result is that transit riders are paying more and getting less.

How Starving Transit Impacts New York

Despite the fact that more seniors are taking transit, in a survey for AARP of the preferences and perceptions of seniors, Joseph Coughlin found that seniors felt public transit is less attractive than driving or being driven for a variety of reasons, including convenience, accessibility, safety, and comfort. [9]

Small improvements enabled by adequate funding could go a long way towards improving the systems. With adequate capital dollars, transit agencies could build well-lit, comfortable shelters that would provide a better sense of safety and protection from the elements. They could buy newer buses that are more reliable and are easier for seniors to get on and off of. Properly designed roads that allow for faster buses, such as the Bus Rapid Transit system proposed for

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Westchester’s Bee-Line service or Albany's new BusPlus, could shave substantial time off of riders’ commutes. And with adequate operating dollars, more bus routes and more frequently scheduled buses could help improve transit accessibility and decrease commuting time.

Better Transit for Seniors Means:

- More Active Lifestyles and the Ability to “Age in Place”
- Easier Access to Doctor’s Appointments
- Lower Long-Term Medical, Elder-Care & Business Costs

Better Transit for Low-Income Means:

- Being able to Get To a Job
- Easier Access to Doctor’s Appointments
- Lower Public Assistance, Health Care, and Business Costs

But New York is heading in the opposite direction. With shrinking capital dollars, the fleet of buses in upstate New York is getting older, meaning more breakdowns, decreased reliability, and higher gas consumption and emissions. Strapped operating budgets mean higher fares and more service cuts, leading to longer waits, more inconvenient routes, and sometimes, elimination of routes. Additionally, when routes get cut, paratransit also gets cut—which disproportionately affects seniors, low-income riders, and those who have few other options.

As people age, it becomes more difficult to get around. They take fewer trips out of the house and become less active, in part because many no longer drive. This can take a significant toll on seniors’ health and quality of life. In Western New York, lower income seniors were found to be particularly at risk for being housebound. One-third (32%) of seniors who made less than $20,000 left the house less than twice a week (compared to 11% for higher income seniors), and had greater difficulties making it to the doctor (21% vs. 10%), and other social activities (15% vs. 5%). [10] Poor transit options exacerbates the problem, forcing New Yorkers to chose between spending limited dollars on more expensive travel modes, such as taxis or car service, or staying at home.

Keeping New Yorkers mobile has a direct impact on New York’s bottom line. A 2006 paper sponsored by the Federal Transit Administration found that each year 3.6 million Americans miss or delay non-emergency medical appointments because of inadequate transportation options. These Americans—primarily the “transportation disadvantaged” who are disproportionately mobility-impaired, poor, minority, seniors—end up needing more emergency care, at a higher cost. When comparing the relative costs of improving transportation and the benefits of better health management, the study found that “in today’s economy, transportation is relatively inexpensive compared with the high and rapidly growing cost of healthcare.”[11]

By keeping seniors out of nursing homes, and enabling them to age in place with better transportation options, state policymakers can help to keep the costs of long-term care down [12] and can minimize the costs to businesses for time taken off for elder care.[13] By enabling low-income New Yorkers to access jobs, policymakers can assure that they are able to fully participate in the economy, decreasing their reliance on social services while providing businesses with a diverse and mobile workforce.

Conclusion and Policy Recommendations

Today, the demand for affordable and efficient public transportation has reached historic levels. Unfortunately, New Yorkers are having a more difficult time getting around because fares are being raised and service cut. If we let our transit systems deteriorate, riders won’t be able to fully participate in the economy or our communities. To keep all New Yorkers moving, including senior and low-income residents who are disproportionately affected, this report recommends the following:

- Find new revenue sources that provide stable, reliable and diverse funds to meet transit demand;
- Deter the diversion of dedicated transit funds by passing “lockbox” legislation;
- Increase the allocation of capital dollars to transit in NYSDOT’s Capital Plan and NY Works Fund;
- Promote policies, such as Bus Rapid Transit, a type of bus service that enables shorter commutes, while better meeting the needs of New Yorkers.

Notes

1] According to American Public Transit Association, in the first six months of 2011 transit ridership increased by 85.7 million trips, or 1.7 percent nationwide. Available at: http://www.apta.com/resources/statistics/Documents/Ridership/2011-q2-ridership-APTA.pdf

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3] Lynott, Jana and Figueiredo, Carolos (2011). "How the Travel Patterns of Older Adults are Changing: Highlights from the 2009 National Household Travel Survey," AARP, Washington, DC. Available at: http://assets.aarp.org/rgcenter/ppi/liv-com/fs218-transportation.pdf

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5] American Public Transportation Association (2011)."Impacts of the Recession on Public Transportation Agencies." Washington, DC . Available at: http://www.apta.com/resources/reportsandpublications/Documents/Impacts-of-Recession-August-2011.pdf

6] Greater Buffalo-Niagara Regional Transportation Council (GBNRTC) and Niagara Frontier Transportation Authority (2007). "Public Transit-Human Services Transportation Plan for Erie and Niagara Counties."). Available at: http://www.gbnrtc.org/fileadmin/content/pdf/Human%20Services%20Transportation%20Plan%20%20Report%202007.pdf

7] American Public Transportation Association (2011), Op Cit.

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13] Met Life (2011). "Maturing Of America – Communities Moving Forward For An Aging Population, " Maturing of America II, n4a. Available at: http://www.n4a.org/files/MOA_FINAL_Rpt.pdf

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