

OHIO HOUSE OF REPRESENTATIVES
Finance and Appropriations Committee

Transportation and Justice Subcommittee
Representative Peter Ujvagi, Chair

March 18, 2009

Testimony Given by:

William J. Lhota, President and CEO
Central Ohio Transit Authority
Columbus, Ohio

Mr. Chairman and members of the Transportation and Justice Subcommittee:

My name is Bill Lhota, President and CEO of the Central Ohio Transit Authority (COTA). COTA is the regional public transit provider for greater Columbus and central Ohio. COTA provides fixed-route bus service and demand response paratransit service for people with disabilities.

I appear before you today on behalf of the Ohio Public Transit Association (OPTA) where I serve as President as well as on behalf of COTA in support of House Bill 1, the state's General Revenue Fund (GRF) budget in regard to funding for public transit in Ohio.

OPTA represents the fifty-nine (59) public transit systems in Ohio which serve over 400,000 customers on a typical weekday, and over 126 million annually. Of the 59 transit systems in Ohio:

- 24 are in urban areas
- 35 are in rural areas

The major crisis facing public transit today, both in Ohio and across the country, is the lack of adequate and stable funding. This has impacted the ability of transit authorities to meet operational demands as well as maintain, modernize and replace capital assets.

Funding from the General Revenue Fund (GRF) for public transit in Ohio has declined each year since 2000. In FY 2000 the 59 public transit systems in Ohio received collectively \$44.32 million dollars. In FY 2009 Ohio's public transit systems will receive \$14.67 million.

Referencing Attachment No. 1

Attachment Number 1 shows GRF funding for public transit since FY 1990. The gap between a 3 percent growth for inflation and the current funding level for FY 2009 is a shortfall of approximately \$43.41 million dollars. This gap represents a cumulative loss in funding for public transit in Ohio since 2000 of over \$273 million. These funds are used by most systems for operations. Inadequate operating funds are forcing many systems to reduce service and raise fares at a time when ridership is increasing and more people are relying on public transit to commute to and from work in these difficult economic times.

When transit authorities are forced to reduce service:

- Workers lose access to jobs
- Employers have difficulty maintaining their current workforce and recruiting new employees
- Students lose transportation to school and school related activities
- Traffic congestion worsens
- A region's air quality is negatively impacted
- An additional strain is placed on already over-burdened social service providers, and,
- Mobility options for senior citizens and persons with disabilities are reduced.

In a July 4, 2008 editorial, *The (Cleveland) Plain Dealer* stated:

“Significant service cuts could make life much harder for the tens of thousands of workers and employers who rely on the RTA. Just ask service-sector companies and workers in Youngstown, where buses no longer run at night or on weekends. That undermines the whole community’s economy.

“Public transit supports economic development and creates and sustains jobs. The RTA can’t sacrifice any more without sacrificing that role.”

House Bill 1 currently provides \$13.96 million in FY 2010 and \$14 million in FY 2011 for all public transit in Ohio. Federal stimulus funds have been allocated in HB 1 to transit in the amounts of \$1.35 million in FY 2010 and \$1.24 million in FY 2011. We appreciate the funding provided by Governor Strickland in House Bill 1 and we urge the General Assembly to maintain that amount.

While recognizing the scarcity of GRF funds, OPTA encourages state officials to identify opportunities which may make creative use of available federal dollars.

As I noted earlier, while state funding for public transit has been declining, transit ridership has been increasing dramatically.

Referencing Attachment No. 2

Attachment No. 2 shows ridership statistics for COTA for the past two years. In 2008, COTA’s ridership was up over 10 percent. This has resulted in overcrowded buses and, unfortunately, the need to actually pass up customers because of crowded buses.

An interesting point on ridership is that the dramatic increases began around February of last year when gasoline headed toward \$4.00 per gallon. But as you can see from Attachment No. 2, COTA's ridership has continued to increase, even though gasoline fell back below \$2.00 per gallon in the fall of 2008. This indicates to me that the public has realized and embraced the benefits of public transit, especially in these uncertain economic times.

Our most recent ridership report shows a 7 percent increase in average weekday ridership last week over the same period last year. Our average weekday ridership last week was over 57,000. Ohio State University student ridership on COTA was up by nearly 20 percent last week.

COTA is expanding service in an attempt to keep up with demand. However, during 2008 many systems have had to reduce service and/or increase fares to maintain a balanced budget.

Unless additional funding in addition to the GRF funds is identified in the next several months, transit authorities across Ohio will have no choice but to further reduce service and/or raise fares in 2009. Some examples:

- Cleveland RTA – Reduce service up to 20 percent and raise fares.
- Dayton RTA – Reduce service up to 15 percent and raise fares.
- Greenville Transit System in Darke County – Service has been reduced by half for 2009.
- Ottawa County Transit Authority – Service reductions possible; already charging a fare \$3.50 one way and officials are hesitant to raise fares any higher,
- Wilmington in Clinton County – Wilmington City Cab Service may be cut and fares increased by 2010; and,
- Medina County Public Transit – Service reductions are inevitable unless 2009 funding levels are maintained in 2010.

Fortunately last summer in response to the high cost of diesel fuel, Governor Strickland took action to avoid a major crisis when he asked the Metropolitan Planning Organizations (MPO's) in Ohio to assist troubled transit systems by providing additional funding to help offset the dramatic increases in the cost of diesel fuel. This additional funding, approximately \$22.3 million, averted (for the time being) serious problems in providing basic transportation needs to thousands of Ohioans.

To compound the reduction in funding from the State of Ohio is the impact of the current recession on public transit's primary local funding sources, primarily the sales tax. For example, RTA in Cleveland is projecting, after 3 months of receipts, sales tax will be \$15 million lower in 2009 than 2008 levels; and 2008 was below 2007 levels.

Here in COTA's service territory and taxing district, sales tax receipts so far in 2009 are off 7.1 percent below the 3 percent decrease we budgeted.

Additional funding will need to be secured again this year to avoid the service cuts and fare increases mentioned above. One area that OPTA is exploring with the Ohio Department of Transportation (ODOT) is flexing federal funds to restore transit funding to 2000 levels. Once Ohio's economy recovers, a permanent solution must be found to put public transit on a sound funding base for the future.

If Ohio's public transit authorities are to meet the growing demand for transit, as was stated many times in public meetings across the state when ODOT was developing the 21st Century Transportation Priorities Task Force report released in January, they must have adequate and stable funding to be able to meet the needs of their communities and customers. The Task Force recommended a stable and secure funding source be established for public transit at a level of 25 percent of operating expense over a six year time period.

Again, we'd like to acknowledge the efforts made on behalf of public transit, our customers and the many Ohio businesses that rely on public transit to provide mobility for their employees. The commitment to funding "green buses" in House Bill 2 demonstrates that an investment in public transit can result in other positive benefits.

At the Ohio Public Transportation Association, we're grateful that Governor Strickland and the Ohio General Assembly recognize the critical role transit plays in Ohio's economy, and appreciate the efforts you've made on behalf our member authorities by providing the current funding in House Bill 1.

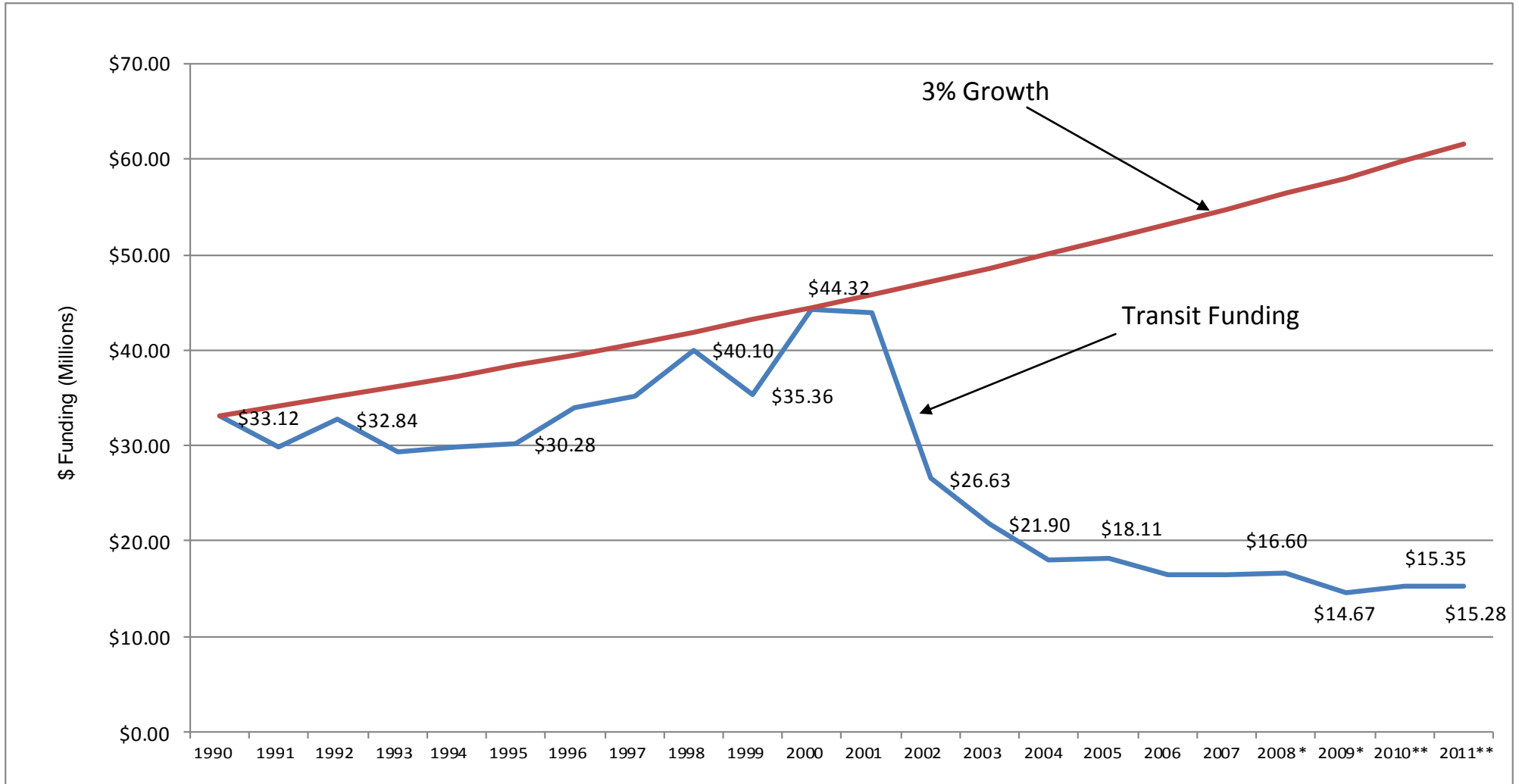
Thank you.

Attachment Number 1

Ohio Department of Transportation
Transit General Revenue Funding (GRF)

* Reduced amounts for 08 and 09 based on OBM budget cuts

** FY2010 and 2011 based on OBM Budget Guidance at 90% of 09 levels



Attachment No. 2

Central Ohio Transit Authority
Week ending March 8, 2009

