

**PUBLIC TESTIMONY**

**OF**

**RAYMOND JURKOWSKI  
GENERAL MANAGER**



**BEFORE**

**THE OHIO SENATE  
FINANCE AND FINANCIAL INSTITUTIONS  
COMMITTEE**

**On**

**AMENDED SUBSTITUTE HOUSE BILL 1**

**May 18, 2009**

## **Introduction**

Good afternoon. Mr. Chairman, members of the Senate Finance and Financial Institutions Committee: my name is Raymond Jurkowski. I am the General Manager of Laketran – the regional public transit authority in Lake County, Ohio.

I appreciate the opportunity to speak to you regarding “Amended Substitute HB 1” and specifically about the importance of increasing State operating assistance for public transportation.

## **About Laketran**

For those members of the Committee who are unfamiliar with Lake County or Laketran, I would like to share with you, who we are.

Lake County is geographically the smallest of Ohio’s 88 Counties and ranks 11<sup>th</sup> in population with more than 227,000 citizens. Lake County is comprised of twenty three communities and is within the Cleveland Urbanized Area. A few of the older, anchor communities were developed with central business districts and are pedestrian friendly, the remainder of the county is either rural or developed without sidewalks, making traditional public transit a challenge to provide.

For nearly thirty-five years, Laketran has served the people of Lake County. Today, we provide over one million rides annually, with a special emphasis on meeting the transportation needs of senior citizens and people with disabilities. With a fleet of 112 vehicles, Laketran operates three core services including ADA complimentary paratransit (Dial-a-Ride); local, in-county fixed route; and commuter express service to downtown Cleveland. Approximately 70% of Laketran's \$13.6 million operating budget is spent on providing over 300,000 ADA complimentary Dial-a-Ride trips a year for our seniors and persons with disabilities. By providing access to jobs, health care, higher education, recreation and shopping for essential goods and services, Laketran is an important thread that knits Lake County together - particularly for those citizens for whom Laketran is their only means of transportation.

### **The Impact of State Cuts on Laketran**

Since SFY 2001, State operating assistance to Laketran has decreased a dramatic 44% - from over \$1.1 million to less than \$650,000 in SFY 2009 while ridership increased 30%. Back in 2001, State operating assistance helped pay for about 11% of Laketran's operating expenses. Today, State operating assistance helps pay for less than 5% of Laketran's operating expenses.

In order to sustain existing levels-of-service during this “near Decade of Decline” in State operating assistance for public transportation, Laketran has instituted many cost containment measures, reduced in-house discretionary expenses, initiated incentive programs to reduce personnel costs, raised fares and transferred local sales tax revenues into the operating budget from the capital budget to cover operating deficits in anticipation that the State of Ohio would reverse its continual disinvestment in public transportation.

Like other transit systems across Ohio, Laketran, faced with a rapidly aging and more transit dependent population who daily relies on Laketran to transport them to jobs, medical services and school, Laketran’s principal source of revenue – a ¼ of 1% local sales tax, cannot alone sustain the levels-of-service necessary to adequately serve our passengers.

Despite a \$1 million reduction in departmental and personnel expenses, and the addition of over \$2 million in new revenue streams, Laketran was facing increasing operating deficits in 2009 and beyond.

As a result, after much deliberation – on May 11, 2009 – the Laketran Board of Trustees found it necessary to adopt a plan for the remainder of calendar year 2009 and all of 2010 that included:

- the elimination of all Dial-a-Ride and local, in-county fixed route service on Saturdays;
- the elimination of all Dial-a-Ride and local, in-county fixed route service after 7:00 pm on weekdays;
- the elimination of all transit services on federally observed holidays;
- the elimination and re-structuring of defined trips on our commuter express service to downtown Cleveland; in addition
- to back-to-back fare increases in 2009 and 2010 – our 3<sup>rd</sup> and 4<sup>th</sup> fare increases since 2006.

While these measures may seem small on the surface in the eyes of the State, they are devastating to small and medium size urban and rural transit systems. There is little doubt that these service reductions and back-to-back fare increases will:

- make it more difficult for employers to retain workers and recruit new workers;
- leave more workers without access to jobs;
- add to the unemployment rate when stimulating the economy to create and retain jobs are top priorities in the State and the nation;
- impact student transportation to our institutions of higher learning;
- strain government based and non-profit health and human services organizations whose clients will be unable to access their programs; and
- reduce mobility for seniors and persons with disabilities.

In addition to all of the above, reducing operating expenses by cutting services

results in layoffs of transit employees, once again further contributing to the State's problem of rising unemployment.

### **A Call to Action**

While all the public transit operators recognize that Ohio is facing a difficult budget, we all hope that you will agree that public transit has, “kept its promise” in serving the daily needs of our riders and your constituents. Yet over the past eight years, Ohio's transit systems have endured a disproportionate share of the burden in State budget cuts from its \$44 million investment back in 2001. We call on you now because we are at a critical juncture. We need your leadership and intervention to find a creative solution to support an increase in operating assistance for our public transit systems. Ohio's economy, the people we serve, *and your constituents* are depending upon it.

Thank you for your time and the opportunity to appear before you today. I will be pleased to answer any questions you may have.