

Submitted Testimony

Testimony of
New York Public Transit Association
(NYPTA)

At the Joint Hearing of the
Senate Standing Committee on Finance
&
Assembly Standing Committee on Ways and Means
Concerning the SFY 2017-18 Executive Budget Proposal
Relating to Health/Medicaid

Albany, NY

Thursday, February 16, 2017

9:30 AM

Hearing Room B

Thank you, Chairman Farrell and Chairwoman Young, for giving the New York Public Transit Association (NYPTA) the opportunity to testify today about Governor Andrew Cuomo's proposed 2017-18 Executive Budget for Health and Medicaid programs. NYPTA members include transit systems, private sector manufacturers and suppliers, and community advocates.

Let me begin by expressing the sincere appreciation from all of us in the transit industry for your support of rural public transportation providers across the state that were impacted by the state's change in how Medicaid transportation is delivered.

Adequate transit service is essential to ensuring the mobility that supports economic and community growth. New York transit systems are the backbone for sustainable development and the mobility they provide is essential to the success of many state initiatives, including:

- Economic development and job growth
- Anti-poverty and affordable housing programs
- Access to healthcare
- Sustainable communities and smart growth development

The Governor and Legislature have made reviving the New York economy a priority. Our transit systems are building on this success by providing connections to jobs, education, recreation and health care. Demand for services is increasing and our work must continue with adequate resources provided for communities throughout the state.

2017-18 Executive Budget

Predictable growth in operating support for transit systems is necessary to continue essential services that are so important to New Yorkers, and particularly to smaller urban and rural systems which have fewer sources of revenue. These smaller systems are more reliant on resources from various state and federal social service programs than larger urban area transit systems.

The Executive Budget does not continue the \$4.0 million annual appropriation from the Department of Health to support rural transit systems. This aid is vital to maintaining rural transit services impacted by the state's change in how Non-Emergency Medical Transportation (NEMT) is provided. Rural transit systems have relied on this DOH funding to help fill the budget gap caused by reduced Medicaid ridership and revenues from implementation of the statewide transportation broker concept.

Many of our rural and small urban transit systems are struggling to maintain basic services as a result of the state's change. The impact of lost Medicaid ridership and revenue on rural transit systems has resulted in service reductions to the general public and is threatening the viability of basic transportation to those who need it most.

Medicaid trips formally on transit vehicles are now being accommodated largely on private vehicles, despite the availability of lower cost transit service on many areas. But the reduction in rural transit service will leave many Medicaid clients without transportation for other important everyday trips such as to the drug store, grocery store and social functions.

Proposed changes in the Executive Budget to require transportation for managed long-term care programs to be arranged by a statewide broker will further erode rural transit ridership and revenue and result in fewer travel options in these areas.

NYPTA has developed near-term recommendations for small urban and rural transit systems impacted by the loss of Medicaid riders and revenue. A longer-term recommendation to sustain rural transit services will require a more in-depth analysis of the financial and service impacts on affected counties.

NYPTA Recommends:

- **Continuing state transition aid from the Department of Health at \$5.0 million to assist counties and transit systems impacted by the state’s Medicaid changes so that essential services can be retained. An increase in funding from \$4.0 million to \$5.0 million is needed to account for additional counties impacted by the change;**
- **Improving the allocation of this aid by making it available by June 1 and using a distribution formula based on need;**
- **Freezing existing Medicaid program transportation arrangements pending a full study of the impacts on rural transit systems;**
- **A study by NYSDOT and DOH of the full financial and service impacts on rural transit systems of the state’s Medicaid changes, including recommendations to preserve rural transit services;**
- **Passage of legislation to activate the Interagency Coordinating Committee on Rural Public Transportation and require annual reporting of recommendations.**

Conclusion

New York benefits in many ways from many small urban and rural transit systems serving the mobility needs of upstate communities. Rural transit service provides the mobility that allows everyone to participate in the economic rebirth of our upstate communities. The growing need and popularity of these services is why we are asking for an appropriate investment to continue these essential services

NYPTA is committed to working alongside the Governor and the Legislature to ensure that New York’s small urban and rural transit systems can meet the need for service and support sustainable economic growth in our communities.

Thank you for the opportunity to submit testimony.

