

RIDERS ALLIANCE

February 15, 2023

2023 Joint Legislative Budget Hearing - Local Government - February 15, 2023 at 9:30 A.M.

Testimony of Danny Pearlstein, Policy & Communications Director

Good afternoon Chairs and Committee members, my name is Danny Pearlstein. I am the Policy & Communications Director for the Riders Alliance, New York City's grassroots organization of subway and bus riders. We organize riders in all five boroughs to hold our leaders accountable for better public transit and, through it, a more just and equitable New York. Thank you very much for the opportunity to testify today.

As you well know, the public transit system that is the lifeblood of New York was plunged into an unprecedented fiscal crisis by the pandemic. Pandemic-induced structural changes in the economy continue to deprive it of billions of dollars in anticipated revenue, three years later. With federal pandemic aid to public transit running low, the executive has proposed a package of new funding sources to keep running the buses and trains that millions of us rely on each day.

As you have heard by now from Mayor Adams, the portion of the executive's package mandating a new contribution from New York City coffers is unpopular with the city's leadership. Of course, other local governments no doubt are concerned about the impact of the payroll mobility tax increase and and more besides.

For riders, who often wait 12, 15, even 20 minutes for public transit service on each leg of our journeys, and in both directions, the bottom line is that our public transit system requires a new revenue model to achieve fiscal sustainability and a new investment beyond that to achieve the promise of public transit in the new normal.

The governor's budget, to its credit, provides a foundation, one which can be built on. The executive does not however make the targeted new investment that riders need in better service than we had before the pandemic. In particular, I am here today to urge your support for \$300 million in additional public transit funding to run off-peak service substantially more frequently than it operates now and to restore time in the lives of millions of people that we can devote to our families, our communities, and to pursue new opportunities.

Before I explain why riders and local and state governments alike sorely need additional service, I want to start by establishing that local and state governments can afford to provide the service. Indeed, as Comptroller DiNapoli reported last month, state tax receipts for the most recent quarter of the current fiscal year exceeded projections by \$7.7 billion. The executive acknowledges that with its proposal to add billions to a rainy day reserve – meanwhile, rain is already pouring down on public transit riders, and has been for years now. Meanwhile, the New York City Independent Budget Office last week projected a surplus of \$4.9 billion for the current fiscal year and \$2.4 billion for the next one. We are fortunate to have the

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revenue we need to make the targeted investment in the brighter future all New Yorkers deserve.

Last December, the governor's and mayor's joint "New" New York panel of distinguished business and civic leaders made a persuasive case for just such a bright future in New York, one of the first from that crowd that did not depend on everyone returning to offices like it's 2019. More than perhaps any other geography in the nation, America's largest business district, midtown Manhattan, and its largest public transit system, our subway, were visibly and durably transformed by the pandemic. The panel's report acknowledges that the future of midtown is mixed use, with considerably more residential development that exists there today. The stakes are high; according to Columbia Business School Professor Stijn Van Nieuwerburgh, if office values decrease in proportion with usage, city revenue from property taxes will drop by \$5 billion a year. With no end in sight to hybrid work, the city must adapt to the new normal through building conversions – but also through entire systems conversions like better public transit service all day, every day.

Again per the panel's report, more frequent off-peak public transit service goes hand in hand with a mixed-use midtown, where an influx of new residents will overwhelmingly travel around using public transportation. As you and your colleagues have spent considerable time in the past three years contemplating how to adapt, it's refreshing to have the panel's report as a roadmap. Transit riders are in particular accord with panel Initiative # 19, which urges the maintenance of the traditionally frequent level of service afforded rush hour commuters, while also enhancing the frequency of off-peak service to meet riders' new and growing demands. Just like midtown must adapt, public transit must adapt and no longer cater primarily to white collar office work.

While more frequent service is essential to the city's physical and economic recovery, it will be a boon for equity as well. White collar workers enjoy a work-from-anywhere flexibility that service workers do not. Not only must service workers show up each day to work in person, they often must do so outside of the traditional rush hour, waiting longer for public transit service when they do. What is more, due to rising rents and other costs, service workers have been pushed to more affordable neighborhoods at the edges of the city, with longer commute times and more transfers, on top of the longer waits for service. That's why more frequent transit service would actually have its biggest positive impact far from midtown Manhattan and instead in areas like the northern Bronx, eastern and particularly Southeast Queens, and the parts of Brooklyn that hug Jamaica Bay including Flatlands and Canarsie. All of these neighborhoods are home to thousands of healthcare, building service, education and other workers who must perform their jobs in person, many of whom never stopped showing up to work even during the worst of the pandemic. We owe all of these New Yorkers an immense debt of gratitude; we owe them their own precious time, which is now being lost to unnecessarily long commutes.

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More frequent public transit service can be the foundation of the equitable economic recovery that our city and state need while also enhancing public safety in transit, which has been such an urgent issue in recent years after a generation in which subway crime plummeted from historic highs to historic lows. More frequent service means less time waiting on train platforms and at bus stops, where riders feel most vulnerable. More frequent service means less anxiety and frustration in transit, which transit workers report contributes to assaults. Indeed, Transport Workers Union Local 100 endorsed the Riders Alliance campaign for more off-peak service because of its safety implications.

Last, by bringing more riders aboard public transit, more frequent service will accomplish three additional goals. International transit expert Alon Levy predicts that six minute or better off-peak service would increase ridership by at least 15%, drawing people onto buses and trains who might otherwise have traveled by car or stayed home. Increasing ridership will have a safety benefit, creating ‘safety in numbers’ as happened as ridership grew markedly during the period of time from 1990 to 2019; meanwhile, crime plummeted even as the number of police in the subway decreased significantly. More riders will also mean more farebox revenue for public transit, enhancing fiscal stability rather than simply maintaining ridership at existing low levels. Finally, drawing people out of cars is an urgent priority of the Climate Action Council scoping plan, which calls for reducing ‘vehicle miles traveled’ via improvements to public transit service. New York must reduce greenhouse gas emissions by 40% by 2030 and 85% by 2050; this will be impossible without substantial new revenue for public transit; improving service makes it all the more likely that the state will comply with the Climate Leadership and Community Protection Act and reduce our own contributions to the damaging storms, heavy rains, and extreme heat threatening millions of New Yorkers.

As I noted earlier, New York can afford this essential measure. The executive budget already draws on the payroll mobility tax, City funds, and gaming revenue, all of which could be adjusted further. There is also the gas tax, which public transit now receives just one-third of; splitting the gas tax evenly would more than fund more frequent service. With highway funding up 40% under the federal infrastructure law, the time is ripe to revisit the formula. Moreover, with multibillion dollar surpluses, now is the moment to invest in our future and deliver a policy that will save millions of people precious time in just a few short months, all the while producing so many more widely shared benefits besides. In sum, New York can afford to leverage our existing infrastructure and make a targeted investment of \$300 million in more frequent public transit service for the millions who depend on it. We can’t afford not to do it

Thank you.