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Central Ohio Transit Authority
Interested Party Testimony – Substitute Bill House Bill 49
Ohio Senate Finance Subcommittee for General Government and Agency Review
May 18, 2017

Good morning, Chairman Jordan and Vice Chair O'Brien and Subcommittee Members. Thank you for the opportunity to provide testimony on Substitute Bill H.B. 49.

My name is Curtis Stitt and I am the President and CEO of the Central Ohio Transit Authority (COTA). COTA is the second largest transit agency in Ohio. We offer service to an area of 1.2 million residents and provide 19 million passenger trips annually. The majority of COTA's budget is revenue from a ½ percent sales tax. We have efficiently and effectively used this sales tax rate for the last 10 years.

I also serve as Vice President on the Board of the Ohio Public Transit Association (OPTA). OPTA is a professional association of more than 60 public transit agencies and several private businesses providing goods and services to the transit industry.

COTA and OPTA thank this committee for your support in passing a transportation budget that recognizes the importance of public transit. However, COTA and OPTA have serious concerns with the proposed version of H.B. 49. This legislation would make permanent and significant funding cuts to transit when Ohio residents, employers and communities are asking for more public transportation – not less. According to an ODOT study, the demand for public transit is projected to increase from 150 million trips annually in 2015 to 250 million trips per year by 2025.

The current version of H.B. 49 negatively impacts Ohio transit agencies in two ways:

1. **\$800,000 Loss to Ohio's Rural Transit Service** – H.B. 49 eliminates \$800,000 annually in state funding from ODOT's Office of Public Transit. This funding goes directly to Ohio's rural transit authorities. Our rural transit agencies are a lifeline for so many Ohio residents. This funding directly supports programs that provide transit service to elderly and disabled residents in our rural communities. This program also funds service that is instrumental in transporting people to essential medical services including patients seeking treatment for opiate addiction.
2. **\$200 million annual loss to counties and local transit authorities** – The impending loss in revenue from the Medicaid Managed Care Organizations (MCO) sales tax will result in \$200 million annually for counties and transit authorities. We very much

appreciate the efforts made by members of this body to find a solution. The MCO sales tax is the largest issue facing public transit. COTA will lose \$8.9 million per year as a result of this MCO sales tax loss. A cut this large is nearly impossible to absorb without considering service cuts and layoffs. I know that my transit colleagues around the state are also grappling with how to maintain current service levels with this impending loss of revenue. Based on the most recent numbers available to us from the Ohio Department of Taxation, the loss to transit agencies could exceed \$43 million annually (using CY 2016).

The current legislation proposes permanent relief from the MCO Medicaid care loss for the state and only temporary relief for counties and transit agencies. Even with the number of cost-saving measures that COTA has taken over the years, this proposal is too abrupt to absorb in the short-term.

Over the years, COTA has strived to hold our costs by taking measures such as switching our fleet to low-cost CNG fuel. Earlier this month, COTA launched a new, transformed bus system with redesigned routes that provide high-frequency service to 103,000 more people and to 73,000 more jobs without asking for additional money from taxpayers. COTA plays a vital role in the economic development and growth of Central Ohio. Yet, the permanent loss of the MCO sales tax threatens our ability to be innovative, effective and meet the growing needs of our community.

Public transportation serves millions of Ohioans -- Employers and employees, seniors, people with disabilities, people seeking medical treatment, students, and visitors. Transit's role in moving Ohio forward is expected to increase significantly in the coming years, and our transit agencies need to be ready to meet the demand and help Ohio succeed.

Thank you for your consideration of these items of concern. I look forward to continuing our important work together.