

**Statement of Carole L. Brown, Chairman
Chicago Transit Board**

**ADA Paratransit Funding
August 12, 2009**

Good morning President Rodriguez and members of the Board. It has been sometime since I have given a Chairman's report but I feel I must speak up today and address the issue of paratransit funding.

In recent weeks we have seen news coverage of the Pace ADA Paratransit operating shortfall that states CTA refuses to contribute money to help Pace pay for paratransit service. The news stories and comments by RTA Chairman Jim Reilly are misleading and incomplete. I would like to set the record straight on this issue.

At the July RTA Board meeting, eight board members voted in support of \$12 million in additional funding to cover Pace's \$20 million paratransit services operating shortfall. The same board members opposed transferring \$8 million from CTA and Metra capital funds to Pace.

The CTA strongly supports the \$12 million in additional funding for Pace. We simply ask that Pace take steps similar to those that the CTA has already taken this year before raiding scarce capital funds designated for CTA and Metra.

In fact, we support Pace's use of \$9 million in state capital funds and other actions and efficiencies to raise an additional \$3 million to cover the ADA Paratransit shortfall. What we cannot support is the diversion of CTA's and Metra's scarce federal capital funds to cover the balance of the \$20 million shortfall.

This is not a turf battle as some in the media have portrayed it.

The controversy surrounding this issue began when the Pace Executive Director and Chairman stated emphatically that Pace would not use any mainline bus, van pool, dial-a-ride or capital resources to pay for the paratransit operating shortfall. This despite that fact that paratransit service is Pace's responsibility and that it is a federally mandated obligation under the Americans with Disabilities Act. In fact, the federal government takes this mandate so seriously that the Federal Transit Administration in a recent letter to RTA reminded them that access to paratransit service is a civil right protected by the Civil Rights Act and that violation of this mandate is subject to civil prosecution.

Prior to August 2006, CTA provided paratransit service in Chicago and 40 suburbs. We fully appreciate that it is a costly but vital service. However, even when confronted with huge budget shortfalls, CTA managed to meet its federally mandated obligation without reducing ADA Paratransit service. In 2006, CTA budgeted paratransit service at \$54 million. For 2009, Pace has said it needs \$20 million on top of the \$100 million already budgeted. Approximately 85% of these costs or \$102 million represent service provided in Chicago and the 40 suburbs that comprise the CTA service area. Pace paratransit costs have increased a whopping 88.9% since 2006. Moreover, since paratransit service shifted from CTA to Pace, the cost of a ride per trip in the Chicago area has risen from \$23 per ride to over \$42 per ride. It is important to note that the responsibility for all

paratransit was given to Pace at their request. Pace's Executive Director stated at a 2005 state legislative committee hearing: "We know how to blend service to bring costs down." Now would be a good time to prove it.

In 2009, Pace is due to receive over \$285 million through a combination of state and federal capital funds. In addition to these capital resources, Pace receives \$100 million in sales tax subsidies dedicated to paratransit operations. The 2009 paratransit operating deficit of \$20 million represents 5% of these funding resources. By contrast, RTA cut CTA's operating subsidy by 27% in the last 6 months. We've worked very hard to identify cost savings and efficiencies to balance our budget and suggest that Pace do the same.

As important as paratransit service is, it is not the only transit option for riders with disabilities. Each year CTA provides over 15 million free rides and an additional 14 million reduced fare rides to people with disabilities. Compare that to the 2.5 million rides provided by Pace paratransit in 2008. There are tens of thousands of riders with disabilities who use transit in this region. The harsh reality is that more capital dollars are greatly needed everywhere to maintain efficient mainline service and to upgrade facilities and vehicles so that disabled people in the region can have wider access to transit service. The needs of all of these riders and the modes of transit they use should be considered when making decisions about scarce capital resources.

The FTA Rail Modernization Study identifies a \$50 billion capital need to bring the 7 urban transit agencies that account for 80% of all of the transit rides in the country to state of good repair. After that initial investment they further estimate that these agencies would need approximately \$800 million annually in capital investment to maintain.

The CTA portion is estimated by the FTA to be approximately \$4 billion. In contrast according to its own budget, Pace estimates the need to bring their system to a state of good repair is \$802 million, of which \$640 million is funded.

Again, Pace began this debate by stating they would not use their own funds to cover the paratransit shortfall. RTA supports this position and has turned to CTA and Metra to come up with the balance even while reducing our operating subsidy and demanding that we cover it on our own. Moreover, they believe that CTA and more importantly our riders should give even more.

Consider the steps we have taken since the beginning of the year to cover the \$190 million reduction RTA mandated in our operating subsidy.

- CTA raised fares on January 1, 2009.
- CTA laid off 396 employees.
- CTA used \$128 million from its federal stimulus apportionment and other federal formula funds to cover the 2009 revenue shortfall. This includes \$75 million in stimulus funds, which comprised over 31% of CTA's stimulus apportionment
- CTA deferred 2009 merit raises for non-union employees.

- CTA senior management employees are taking three unpaid vacation days and three furlough days.

Consider what might happen to CTA riders should RTA begin the practice of allocating scarce federal capital funding to paratransit operations. CTA mainline service will witness more slow zones, ADA non-compliant vehicles that are past their useful life won't be retired, and CTA will be forced to delay plans to finish upgrading more than 50 rail stations that are not ADA compliant.

To be clear, the so-called "regional responsibility for paratransit" is no different than the regional responsibility to provide safe, affordable and efficient transportation to all riders in the region.

As Chairman of the CTA Board I have a fiduciary responsibility to ensure CTA's financial security. I cannot in good conscience support the diversion of scarce capital resources away from CTA when more capital dollars are greatly needed to maintain efficient mainline service and to upgrade facilities and vehicles so that disabled people in the region can have wider access to transit service. I want to reiterate that CTA supports full funding of ADA paratransit service so that no one in the disability community is left behind. We are simply requesting that Pace evaluate the use of their own operating and capital funds to cover this one time shortfall before taking scarce federal funds from CTA.