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Authorities Budget Office Issues Report on the Niagara Frontier Transportation Authority

The New York State Authorities Budget Office (ABO) today issued a report on the Niagara Frontier Transportation Authority (NFTA). NFTA is responsible for operating the bus and light rail systems in Erie and Niagara Counties, as well as the Buffalo Niagara International Airport and the Niagara Falls International Airport.

The review found that NFTA has adopted a series of cost savings measures to manage its annual operating losses. For example, it eliminated some underutilized bus routes and reduced utility costs by almost 30 percent since 2009. Even with these measures, NFTA will continue to incur future deficits. The ABO's review focused on identifying areas where NFTA could further improve operations, achieve cost savings and maximize revenues not currently being realized. The report identified several opportunities for additional operating savings, and identified more than \$3 million in potential additional revenues. For example, improved procedures for collecting fines issued for fare evasion could result in an additional \$1.5 million that is owed to NFTA but has gone uncollected.

The review found that, unlike other transportation authorities in upstate New York, NFTA employs its own police officers to provide security services that, in most cases, are also provided by county and local police departments. This imposes a significant cost on riders. The report also found that NFTA employs its own staff to clean transit stations and the airports, at an annual cost of over \$3 million, while simultaneously contracting out those services at other NFTA properties.

The ABO also identified several bus routes that were significantly underutilized, and recommended that changes be made in these routes to reduce operating costs. Some of these underutilized routes carry as few as 5 riders and at times have no riders. The review found that additional operating revenue could be generated by adjusting the discounted rates of its college passes, obtaining private sector subsidies for the free section of its light rail system or eliminating the fare free zone entirely, and eliminating or restricting the use of free passes for staff and retired employees. Finally, NFTA has also paid over \$240,000 to hire retired employees to perform functions and activities that are the responsibility of current employees.

A copy of the report may be obtained at: www.abo.ny.gov.