

Straphangers Campaign: Budgeting Teaching Notes

Class Use Objectives

Both elected officials and the general public understand that to the number one metropolitan, NYC's public transit holds the key to the city's public image, prosperity, and civic pride. However, rider satisfaction with transit service remains low for many of the years under study in the case, though improvements were recorded in different aspects of service in different periods.

In general, there were conflicts of perception/ideas between the public and the authorities:

- The urgent need for capital investment into transit as felt by the riders, as voiced through organs like the Straphangers Campaign, and the official attitude;
- Records of transit improvement through increased investment and current cuts in the operating budget of the MTA by state and city officials;
- Public pressure did lead to more funding for MTA and improved service, while MTA remains reluctant to admit many of the public opinions on transit service.

Therefore, the objectives of the class are to let students:

- Discern of the budgetary implications of complicated public issues;
- Appreciate the conundrum often facing public officials;
- Learn of the use of public pressure as a means for improved public service.

Discussion Questions

1. In the 1980s, ridership was at historically lowest levels since 1917; businesses relocating out of NYC cited transportations as one major problem; the system was described as: a) Unreliable: Breakdowns were frequent; b) Untimely: Delays were common; c) Unclean: Subway cars carried lot of graffiti; and d) Unfriendly to riders: Announcements were simply poor and unclear. "Packing sardines at crush hour" was the image of riders used in media. From your reading of the case and preliminary analysis of the facts presented therein,
 - a) What were the possible major causes of the decline?
 - b) From the point of view of the MTA officials and the general ridership?
 - c) What is/are the main differences between the two sides of the phenomenon?
2. The first phase of the Straphangers Campaign (1979-1991/1996), with about 20 MTA reports as well as other public cry activities, achieved great success as

marked by the facts that between-maintenance mileage of subway cars increased from 8,000 to 96,000, a 12-fold rise. From your analysis:

- a) What may have been the major contributors to this and related improvements?
 - b) Capital investment alone?
 - c) Public pressure, as well as...?
3. According to the Stragglers Campaign 1999 Annual Report, riders' desires for good transit service can be summarized in five key aspects: a) Short waits; b) Regular and reliable service; c) Chance for a seat; d) Clean subway car; and e) Clear announcements.

With tremendous efforts of the MTA and pressure from the public, some aspects of the transit improved; but crowding remains unchanged: While ridership increased 29 percent from 1996 to 2001, service increased only by 11 percent, most of which for nights and weekends, due to "ungenerous crowding standards, shortage of subway cars and an aging system."

As an outside observer, could you offer some solution to the problem that is not yet offered in the case? Elaborate on the budgetary and political aspects of your answer.

4. NY transit survived the 1980s fall and decline "thanks to a \$20 billion rebuilding plan." (Which, though very important, may not be the only factor) In recent years, the state and city governments cut "hundreds of millions" off the MTA's operating budget, and the MTA promised to "do more with less." The budget cuts remind many observers of a scene similar to the 1980s.

At almost the same time, the MTA agreed with the assessment by the NYC Independent Budget Office that "city-wide four-minute headway for 90 minutes of the peak hour would cost only between \$30 and \$40 million annually," though in the long run, capital investment must be made to provide more frequent service.

This is a puzzling scenario. Suppose you are a budget analyst for the city or state government:

- a) How would you make sense out of it? From the budgetary constraints of the government?
- b) Then from the political nature of the budgetary process?
- c) What concessions may you suggest to your boss if public pressure amounts?

Then suppose you are a budget analyst for an independent organization:

- d) How would you make sense out of it? From the budgetary constraints of the government and public demand for better service?
 - e) Then from the political nature of the budgetary process, what measures would you suggest to the riders groups to pressure for reasonable improvements within the budgetary constraint of the government?
5. NYC's bus service is no better: It is the "slowest in the country (8 miles per hour throughout the city against a national average of 13 miles)," "irregular, crowded and dirty." While ridership increased by 38 percent from 1996 to 1999, service grew by only 9 percent. MTA officials simply contribute the cause to bad traffic, which is completely out of their control. The Campaign does not agree, demanding for more buses at shorter intervals as a measure for improvement.
- a) As an independent budget analyst, offer your analysis of this issue.
 - b) How would you make the relation between the subway and the bus systems, obviously the two are closely correlated?

Possible Activity: Simulation of Public Hearing for MTA Budgets (Operating and Capital)

Players:

- a) City officials—mayor, budget director and budget analysts;
- b) MTA officials—CEO, CFO, line managers;
- c) Representatives from the Straphangers Campaign;
- d) Volunteer representatives of riders;
- e) Independent budget analysts invited by the Campaign.

Issue(s): MTA Operating and capital budget for the coming year (operating budget) and the coming 5 years (capital).

Reminder: This is after the 911 disaster and during/after the 2001-2002 recession. The City faces tremendous financial difficulty, the transit is on a down curve and the general public is not satisfied with public transit.

Suggested Time: 40-60 minutes.