



Analysis of Transit Funding in the SFY 2020-21 Enacted Budget

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Bob Zerrillo, Bob Reid and Padraic Bambrick

Governor Cuomo and the State Legislature have reached agreement on the 2020-21 Budget. Below is a summary of the transit provisions. The good news is that transit funding is at the same levels as were recommended in the Governor's Executive Budget. Even in the face of New York's current financial hardship, the budget includes significant increases in transit operating and capital funding for MTA and non-MTA systems and support for purchase of electric vehicles.

However, because of the fiscal crisis facing the state, the budget provides the Governor with the ability to reduce any appropriation to address cash imbalances in the state budget during the fiscal year. The first review is on April 30, and the potential impact on state spending, especially the STOA payments due in May, is not known at this time.

Executive Budget Summary:

- 4.2% increase in STOA funding for upstate transit systems
- 16.3% increase in STOA for downstate transit systems other than the MTA
- 13.2% increase in operating funding for the MTA
- \$130.5 m. in capital funding to non-MTA systems
- \$3.0 b. in capital aid to the MTA
- \$11 m. to continue the Cross-Hudson bus service (Rockland-Westchester).

State Transit Operating Assistance (STOA)

Upstate transit systems receive a 4.2% increase in STOA above 2019-20 levels. Downstate transit systems other than the MTA receive a 16.3% increase in STOA above 2019-20 levels. The MTA receives \$6.214 b. in total operating funding including mobility tax and other revenues received directly.

The following table provides the specific STOA appropriation levels compared to the prior year.



STOA Appropriations – FYE 2021 Enacted Budget vs FYE 2020 Enacted

Line Item	FYE 2021	FYE 2020	Change	% Change
	Enacted	Enacted	FYE21– FYE20	FYE21-FYE20
DOWNSTATE				
MTA	\$2,642,486,200	\$2,268,296,600	\$374,189,600	16.50%
MTA Rail	809,481,000	717,901,300	91,579,700	12.76%
MTA Toll Subsidy	13,800,000	13,800,000	0	0.00%
MTA Total (1)	3,465,767,200	2,999,997,900	465,769,300	15.53%
Rockland	4,366,400	3,754,300	612,100	16.30%
NYC SI Ferry	42,597,100	36,625,400	5,971,700	16.30%
Westchester	71,497,500	61,474,100	10,023,400	16.31%
Nassau	86,475,000	74,352,000	12,123,000	16.30%
Suffolk	33,635,600	28,920,200	4,715,400	16.30%
South Fork Bus Service	500,000	500,000	0	0.00%
NYCDOT	113,834,300	97,875,700	15,958,600	16.30%
NYS DOT Trans-Hudson	11,000,000	11,000,000	0	0.00%
Formula	41,291,900	35,503,100	5,788,800	16.31%
Supplemental	4,312,000	4,312,000	0	0.00%
Non-MTA Total	409,509,800	354,316,800	55,193,000	15.58%
Downstate Subtotal	3,875,277,000	3,354,314,700	520,962,300	15.53%
UPSTATE				
CDTA	42,442,800	40,716,700	1,726,100	4.24%
CNYRTA	38,742,900	37,167,300	1,575,600	4.24%
RGRTA	47,041,900	45,128,700	1,913,200	4.24%
NFTA	61,108,600	58,623,400	2,485,200	4.24%
Formula	46,717,400	44,817,500	1,899,900	4.24%
Supplemental	1,960,000	1,960,000	0	0.00%
Upstate Subtotal	238,013,600	228,413,600	9,600,000	4.20%
STOA Total	\$4,113,290,600	\$3,582,728,300	\$530,562,300	14.81%
(1) MTA will receive \$6.214 b. in operating aid, an increase of \$775 m. from 2019-20 (13.2% increase), including Payroll Mobility Tax and other revenues received directly rather than through the state budget.				

STOA Hold Harmless for Formula Systems

NYPTA has been in discussions with NYSDOT on implementation of the STOA Hold Harmless provision for the transit systems that receive STOA through the passenger and vehicle mile formula. The Department is aggressively working to obtain approval to use the Hold Harmless provision for up to one year, beginning with the May 2020 payment. Given the emergency

situation impacting all transit systems statewide, DOT proposes to waive several rules, including both the requirement to prepare a service and fare plan and the requirement for an "enhanced" cash match. The regular STOA 18-b local matching requirement would still apply.

Rural Transit Funding

The Department of Health is facing severe budget cuts, but the \$4 million in funding traditionally provided for rural transit is retained in the final budget. It has not appeared on any final cut sheet from the New York State Division of Budget or the NYS Department of Health. Similar to all Medicaid or any appropriation, this is subject to change by the Governor under his emergency powers. NYPTA will monitor the DOH budget and continue to advocate for funding for rural transit systems impacted by the state's Medicaid changes

Language in the Medicaid bill includes the following description of the duties of the transportation management broker:

- Establish a network of Medicaid enrolled providers and evaluate qualifications
- Assess and resolve service quality issues
- Develop mandatory corrective actions
- Manage the appropriate level of transportation based on documented patient medical need to ensure that Medicaid beneficiaries are using the most medically appropriate mode of transportation, **including public transportation, which shall be maximized statewide, including in rural areas**; provided that when determining the appropriate level of transportation, the transportation management broker shall ensure that patients have reasonable and timely access to medically appropriate transportation services
- Establish fees to reimburse Medicaid transportation providers
- Adjudicate and pay claims from Medicaid transportation providers
- Performance reporting on all aspects of the transportation program
- Identify and resolve issues to increase consumer satisfaction
- Develop valued based payments for transportation services

Non-MTA Transit Capital Funding

The Executive Budget provides \$130.5 m. in capital aid for Non-MTA transit systems as follows:

- \$18.5 m. for state 10% match to federally aided projects (same as 2019-20)
- \$20 m. specified to upstate transit systems (same as 2019-20)
- \$18.5 m. for non-MTA capital projects (same as 2019-20)
- \$27.5 m. for non-MTA capital projects from New York Works (same as 2010-20)
- \$20.0 m. for NFTA rail capital (same as 2019-20)
- \$20.0 m. for electrification of non-MTA bus fleets (new)
- \$6.0 m. for NFTA engineering studies and capital projects (new)

Following are the specified capital appropriations to upstate transit systems:

FYE 2021 Capital Funding				
	FYE 2021	FYE 2020	Change	% Change
UPSTATE	Enacted	Enacted	FYE21– FYE20	FYE21-FYE20
CDTA	\$3,596,000	\$3,596,000	\$0	0.00%
CNYRTA	\$3,282,600	\$3,282,600	\$0	0.00%
RGRTA	\$3,985,700	\$3,985,700	\$0	0.00%
NFTA	\$5,177,500	\$5,177,500	\$0	0.00%
Formula	\$3,958,200	\$3,958,200	\$0	0.00%
Upstate Subtotal	\$20,000,000	\$20,000,000	\$0	0.00%

The budget retains language allowing the \$20 m. in upstate capital funds to be used to offset the required local match to federally funded capital projects. All other capital funds are eligible for any capital purpose but cannot replace local matching funds.

Article VII Legislation

Transportation and Economic Development

- Part I - Extends MTA bonding cap
- Part K - Extends tax increment financing for MTA to 2022
- Part QQ - Authorizes \$3 billion Environmental Bond Act of 2020 (Restore Mother Nature Bond Act)
- Part RR – Implements Environmental Bond Act of 2020
- Part XX - Authorizes e-scooters and e-bikes
- Part LLL – MTA borrowing for COVID-19 impacts
- Part MMM – Use of MTA congestion tolling revenue for COVID-19 impacts
- Part UUU – Requires \$3 b. NYC matching funds for MTA capital program and 50% NYC share of MTA paratransit service cost
- Part VVV – Provides for transfer of property for MTA transit projects

Public Protection and General Government

- Part AAA – Amends election day leave