

Analysis of the SFY 2016-17 Enacted Budget Funding for Public Transportation Bob Zerrillo, Bob Reid and Padraic Bambrick

The 2016-17 state budget contains increases in appropriations for transit operating and capital aid, and also includes a commitment to fund a 5-year capital program for Non-MTA transit systems, the first multiyear capital program in many years. The final budget provides significant increases in transit capital and operating aid over last year's levels and addresses a number of NYPTA's priorities.

Summary

- Total STOA appropriation of \$5.159 b., a \$184 m. increase from 2015-16.
- STOA funding to MTA increases by \$157 m., a 3.5% increase.
- STOA funding to other downstate transit systems increases by \$17.4 m., 6.1% increase.
- STOA funding to upstate transit systems increases by \$10.0 m., a 5.3% increase.
- Provides a total of \$84.5 m. for non-MTA transit capital projects as follows:
 - \$20 m. in capital funding for upstate transit systems, an increase of \$5 m. from 2015-16.
 - \$18.5 m. capital appropriation for state 10% match to federal aid.
 - \$18.5 m. appropriation for 100% state share program for Non-MTA transit systems.
 - \$27.5 m. appropriation under New York Works for transit capital projects for transit systems other than the MTA.
- \$2.934 b. appropriation for the MTA 2015-19 capital program and a state commitment to fund a total of \$8.3 b.
- A 5-year capital program for transit systems other than the MTA, details are forthcoming.

State Transit Operating Assistance (STOA)

The Budget provides a total of \$5.159 b. for the STOA program, an increase of \$184 m. (3.7%) from SFY 2015-16 levels.

Downstate transit systems other than the MTA receive an additional \$17.4 m. in STOA, a 6.1% increase from 2015-16 levels.

Upstate transit systems received a \$10 m. STOA increase, a 5.3% increase from 2015-16 levels. This growth is from the increased use of Dedicated Mass Transportation Trust Funds for upstate operating assistance, made possible by funding non-MTA capital projects from the state capital projects fund rather than from the Dedicated Trust Fund as in the past.

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

STOA Appropriations – FYE 2017 Enacted Budget vs FYE 2016 Enacted

Line Item	FYE 2017	FYE 2016	Change	% Change
	Enacted Budget	Enacted	FYE17– FYE16	FYE17-FYE16
DOWNSTATE				
MTA	\$3,977,107,000	\$3,834,265,100	\$142,841,900	3.73%
MTA Rail	662,946,000	647,797,500	15,148,500	2.34%
MTA Toll Subsidy	10,300,000	11,300,000	(1,000,000)	-
MTA Total	4,650,353,000	4,493,362,600	156,990,400	3.49%
Rockland	3,365,900	3,172,700	193,200	6.09%
NYC SI Ferry	32,835,300	30,950,500	1,884,800	6.09%
Westchester	55,112,600	51,949,000	3,163,600	6.09%
Nassau	66,657,800	62,831,500	3,826,300	6.09%
Suffolk	25,927,400	24,439,100	1,488,300	6.09%
NYCDOT	87,747,100	82,710,200	5,036,900	6.09%
Formula	31,829,100	30,002,000	1,827,100	6.09%
Supplemental	4,312,000	4,312,000	0	0.00%
Non-MTA Total	307,787,200	290,367,000	17,420,200	6.00%
Downstate Subtotal	4,958,140,200	4,783,729,600	174,410,600	3.65%
UPSTATE				
CDTA	35,725,100	33,927,100	1,798,000	5.30%
CNYRTA	32,610,900	30,969,700	1,641,200	5.30%
RGRTA	39,596,300	37,603,500	1,992,800	5.30%
NFTA	51,436,600	48,847,800	2,588,800	5.30%
Formula	39,323,200	37,344,000	1,979,200	5.30%
Supplemental	1,960,000	1,960,000	0	0.00%
Upstate Subtotal	200,652,100	190,652,100	10,000,000	5.25%
STOA Total	\$5,158,792,300	\$4,974,381,700	\$184,410,600	3.71%

Transit Capital Funding

The budget includes \$2.934 b. towards the state commitment to fund the MTA Capital Program.

Upstate and downstate transit systems receive a total of \$84.5 m. in capital funding in 2016-17:

- \$18.5 m. for state 10% match to federally aided projects
- \$20 m. specified to upstate transit systems
- \$18.5 m. state aid for non-MTA capital projects
- \$27.5 m. state aid for non-MTA capital projects

Upstate transit systems receive \$20 m. in capital funding, which is a \$5 m. increase from the 2015-16 level. The budget retains language allowing upstate capital funds to be used to offset the local match to capital projects.

The budget again includes an \$18.5 m. capital appropriation for the state 10% matching program and \$18.5 m. for the 100% state share program for Non-MTA transit, the same appropriations as the past several years. This year, however, these two appropriations are funded through the state capital projects fund rather than the State Dedicated Fund. This should make the \$18.5 m. 100% state program fully available for capital projects in 2016-17. (Note that the budget also made this change in funding source for all prior years of unused non-MTA capital re-appropriations, which may increase the possibility of some of these funds being made available in the future.)

The budget also includes \$27.5 m. in capital aid for non-MTA systems from the New York Works program, an increase from the traditional \$5.0 m. New York Works level.

The combination of the \$18.5 m. 100% state program and the \$27.5 m. new capital appropriation will provide \$46 m. for non-MTA capital projects (in addition to the \$20 m. dedicated to upstate transit). This funding has limited flexibility and may replace any local matching funds other than the required 10% local share. NYSDOT will develop a methodology to distribute these funds to transit systems.

There is an additional appropriation to NYSDOT of \$84 m. that is available over the next 5 years for highway, rail, transit, aviation and port infrastructure projects. The ability of Non-MTA transit to access these funds is unknown.

Following are the specified capital appropriations to upstate transit systems:

State Transit Capital Appropriations*					
FY 2017 Enacted Budget and FY 2016 Enacted					
Line Item	FYE 2017	FYE 2017	FYE 2016	2017 to 2016	2017 to 2016
	Exec Budget Capital Funding	Total Enacted Budget	Enacted Budget	Change	% Change
UPSTATE					
CDTA	3,596,000	3,596,000	2,697,022	898,978	33.33%
CNYRTA	3,282,600	3,282,600	2,461,947	820,653	33.33%
RGRTA	3,985,700	3,985,700	2,989,262	996,438	33.33%
NFTA	5,177,500	5,177,500	3,883,115	1,294,385	33.33%
Formula Systems	3,958,200	3,958,200	2,968,654	989,546	33.33%
Upstate Subtotal	20,000,000	20,000,000	15,000,000	5,000,000	33.33%
* In addition to these specified appropriations, the budget includes \$64.5 million in capital funding for upstate and downstate non-MTA transit systems.					

Non-MTA Multi-year Capital Program

As part of the budget, there is a state commitment to fund a 5-year (2015-16 to 2019-20) non-MTA transit capital program. While the details are not yet provided, the 5-year program could be in the neighborhood of \$395 m. if the 2016-17 state capital funding is recurring for the next 3 years and is added to the 2015-16 capital funding level. This would be a \$100 m. increase over the \$295 m. capital program proposed in the Governor's Executive Budget, and would fund a significant share of the NYPTA \$500 m. 5-year capital program request.

The Governor's \$295 m. 2016-20 non-MTA capital program consisted of the following funding sources:

- \$185 m. – 5 years (SFY 2015-16 to 2019-20) of the two \$18.5 m. traditional capital appropriations
- \$15 m. – 2015-16 upstate capital appropriation
- \$80 m. – 4 years (2016-17 to 2019-20) of the \$20 m. upstate capital appropriation contained in the 2016-17 budget
- \$15 m. – 3 remaining years of \$5 m. annual New York Works capital funding for non-MTA transit

Details of the state 5-year capital program are expected in the coming days.

The following reference to transportation infrastructure funding appeared in the Governor's press release announcing the budget agreement:

Infrastructure Spending

The budget contains the largest state transportation plan ever approved, with over \$55 billion of transportation investments statewide, including \$27.14 billion for State Department of Transportation and Thruway programs and \$27.98 billion for the Metropolitan Transportation Authority programs. The plan aligns capital programming for DOT and MTA over a 5-year period (SFY 2016-20) and includes additional commitments for priority projects and programs that extend over a sixth year.

The \$27 billion DOT capital program includes: \$21.1 billion for capital improvement of highways, bridges, rail, aviation infrastructure, non-MTA transit, and DOT facilities throughout the state. This includes the launch of three new initiatives – BRIDGE NY, PAVE NY, and the Extreme Weather Infrastructure Hardening Program to further improve conditions on state and local roads and bridges, as well as provide resiliency to roadways that are particularly susceptible to weather events. It also includes \$4 billion for capital investment for a sixth year, and \$2 billion in Thruway Stabilization funding that will support capital improvements on the entire Thruway system and the New York Bridge, allowing the Authority to freeze tolls on the system until at least 2020.

The \$27 billion MTA Capital Program includes: \$26.6 billion for improvement of capital facilities operated by the New York City Transit Authority, Long Island Rail Road, Metro-North Railroad and MTA Bus and major initiatives including \$1.5 billion for Phase II of the Second Avenue Subway. Specifically, the budget authorizes a record \$8.3 billion of State support for the program.

Rural Transit

The budget includes another \$4 m. in the DOH budget for rural transit systems to help offset revenue reductions from Medicaid changes.

Article VII Legislation

Legislation included in the budget impacting transit includes:

- Commits the state and New York City to fund the MTA capital plan
- Extends deadline for diesel emissions retrofits to December, 2017

Conclusion

The Governor and Legislature recognized transit's investment needs and incorporated many of NYPTA's recommendations into the SFY 2016-17 Enacted Budget. The budget contains significant increases in transit operating and capital assistance for both upstate and downstate systems. The budget proposes \$84.5 m. in capital funding to non-MTA transit systems in 2016-17, and proposes a 5-year capital program for non-MTA transit. This capital funding is very much appreciated and comes close to meeting NYPTA's identified capital need for upstate and downstate transit systems.

NYPTA will continue to work with Governor's Office, NYSDOT and DOB on the timely release of transit funding and on issues not included in the budget.