



**Review of State Transit Funding in 2023-24 Executive Budget**  
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Governor Hochul released her FY 2023-24 executive budget on February 1 totaling \$227 billion. The proposal provides additional transit operating assistance for all transit systems above the levels contained in last year's final 2022-23 State Budget. The budget proposes new dedicated revenues for the MTA. Capital funding for non-MTA transit systems is \$159.5 million, which is the level specified in the 5-Year Non-MTA Capital Program approved last year.

Following is a summary of the funding for public transit and related budget legislation.

STOA

- **Upstate:** Funding for upstate systems is increased by 7.1% from 2022-23 enacted budget levels to \$287 m. The upstate increase comes entirely from additional general funds. Importantly, the Governor's proposal does not provide any new dedicated sources of funding for upstate systems.
- **Downstate Suburban Counties:** Funding is increased by 8.5% from 2022-23 levels to \$522 m. Downstate funding includes \$11 m. for the Lower Hudson Transit Link bus service, the same level as 2022-23. The downstate increase comes from additional MTOA revenues.
- **MTA Funding:** MTA would receive a total of \$8.3 billion in operating funding, a 25% increase from 2022-23 levels. This includes state appropriations, mobility tax and other existing and proposed revenues received directly from the state. State appropriations to MTA total \$4.1 billion, an increase over the \$3.9 billion contained in the 2022-23 enacted budget levels, with this increase coming from MTOA funds. The budget also includes a one-time \$300 m. state appropriation to offset the revenue impact of the pandemic.
- **New Direct Dedicated Revenues for the MTA:** The Governor proposes several enhancements to provide additional dedicated funding the MTA:
  - An increase in the MTA payroll mobility tax rate from 0.34% to 0.5%, generating \$800 m annually.
  - Increase NYC's contribution to MTA for paratransit service, student fare discounts, and match of state offsets for payroll tax exemptions (\$500 m. annually).
  - Dedication of revenues from future NYC casino licensing and taxes (projected to generate \$462 m. to \$826 m. annually post 2026).
- **On-Demand Service Pilot Program:** The budget includes a proposal for a \$10 million, five-year, on-demand service pilot program for non-MTA systems. The 7 largest systems would receive up to \$1 million each, with remaining funds available to other non-MTA systems that apply.



- The STOA appropriations are shown below.

<b>STOA Appropriations – FYE 2024 Executive Budget vs FYE 2023 Enacted</b>				
<b>Line Item</b>	<b>FYE 2024</b>	<b>FYE 2023</b>	<b>Change</b>	<b>% Change</b>
	<b>Executive (2)</b>	<b>Enacted</b>	<b>FYE24– FYE23</b>	<b>FYE24-FYE23</b>
<b>DOWNSTATE</b>				
MTA	\$3,081,154,850	\$2,921,629,500	\$159,525,350	5.46%
MTA Rail	1,017,286,700	943,652,700	73,634,000	7.80%
MTA Toll Subsidy	19,000,000	19,000,000	0	0.00%
<b>MTA Total (1)</b>	<b>4,117,441,550</b>	<b>3,884,282,200</b>	<b>233,159,350</b>	<b>6.00%</b>
Rockland	5,665,400	5,220,800	444,600	8.52%
NYC SI Ferry	55,268,700	50,931,300	4,337,400	8.52%
Westchester	92,766,500	85,486,300	7,280,200	8.52%
Nassau	112,199,200	103,394,000	8,805,200	8.52%
Suffolk	43,641,400	40,216,500	3,424,900	8.52%
South Fork Bus Service	500,000	500,000	0	0.00%
NYCDOT	147,697,500	136,106,500	11,591,000	8.52%
NYSDOT Trans-Hudson	11,000,000	11,000,000	0	0.00%
Formula	53,575,400	49,370,900	4,204,500	8.52%
Supplemental	6,200,000	4,312,000	1,888,000	43.78%
<b>Non-MTA Total</b>	<b>528,514,100</b>	<b>486,538,300</b>	<b>41,975,800</b>	<b>8.63%</b>
<b>Downstate Subtotal</b>	<b>4,645,955,650</b>	<b>4,370,820,500</b>	<b>275,135,150</b>	<b>6.29%</b>
<b>UPSTATE</b>				
CDTA	55,302,400	51,636,600	3,665,800	7.10%
CNYRTA (3)	46,285,400	43,967,300	2,318,100	5.27%
RGRTA	56,200,100	52,474,700	3,725,400	7.10%
NFTA	73,005,300	68,166,000	4,839,300	7.10%
Formula	55,812,400	52,112,700	3,699,700	7.10%
Supplemental	2,800,000	1,960,000	840,000	42.86%
<b>Upstate Subtotal</b>	<b>289,405,600</b>	<b>270,317,300</b>	<b>19,088,300</b>	<b>7.06%</b>
<b>STOA Total</b>	<b>\$4,935,361,250</b>	<b>\$4,641,137,800</b>	<b>\$294,223,450</b>	<b>6.34%</b>
<b>(1)</b> MTA will receive approx. \$8.3 b. in total operating aid, including Payroll Mobility Tax and other revenues received directly rather than through the state budget.				
<b>(2)</b> Table does not include \$300 m. one time payment to MTA for pandemic expenses and a new \$10 million 5-year on-demand service pilot program for NON-MTA systems				
<b>(3)</b> CNYRTA appropriation does not include funding for state fair service provided in 2022-23				

#### Capital Funding

- The budget proposes \$159.5 m. in capital appropriations to non-MTA systems in FY 2023-24, the same level as 2022-23 and consistent with the 5-year capital program targets, as follows:
  - \$30.6 m. for state match to federal aid an (same as 2022-23)

- \$20 m. for upstate systems (same as 2022-23)
  - \$68.9 m. for non-MTA capital (same as 2022-23)
  - \$20 m. for electrification of non-MTA bus fleets (same as 2022-23)
  - \$20 M. for NFTA light rail capital (same as 2022-23)
- The \$20 m. to electrify non-MTA bus fleets is the fourth year of a five-year, \$100 m. commitment to assist transit systems to transition to electric buses.
  - Maintains the state’s 2019-20 \$3.0 b. capital appropriation to the MTA as part of the state’s multiyear commitment.

Upstate systems receive the same capital funding line items totaling \$20 million as in prior years.

**FYE 2024 Upstate Capital Funding**

	<b>FYE 2024</b>	<b>FYE 2023</b>	<b>Change</b>	<b>% Change</b>
<b>UPSTATE</b>	<b>Executive</b>	<b>Enacted</b>	<b>FYE24– FYE23</b>	<b>FYE24- FYE23</b>
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%
<b>Upstate Subtotal</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	<b>\$0</b>	<b>0.00%</b>

Article VII Legislation:

Transportation and Economic Development

- Part A – Expands camera enforcement on MTA buses
- Part C – MTA tax increment financing extender
- Part D – Increases NYC contributions to MTA for paratransit, student discounts and payroll tax exemptions
- Part E – Expands MTA owner-controlled insurance program
- Part F – Toll violation enforcement
- Part G – MTA compulsory arbitration two-year extender
- Part H – Transportation worker assault prevention
- Part I – Strengthen MTA transit bans
- Part Q – Increases MTA payroll mobility tax from 0.35% to 0.5%
- Part R – Provides MTA with revenues from new NYC casino’s
- Part AAA – Authorizes a Cap and Invest program to generate revenue for climate change actions

Education, Labor, and Family Assistance

- Part G – Promote transit-oriented housing development around rail and subway stations