



NYPTA 2023-24 Preliminary State Budget Recommendations – December 2022

Fiscal Situation Facing Public Transit

Upstate and downstate transit systems are facing dual problems of structural operating deficits and rising capital investment needs. While structural deficits have persisted throughout the years, this is exacerbated by the slow return of transit revenues to pre-pandemic levels, the current state of the economy experiencing rising inflation and wage increases, and the need to fund the transition to more costly zero-emission vehicles.

These structural operating deficits will grow in the future and threaten transit services if not addressed soon. A statewide solution is needed.

All transit systems are facing this situation and a statewide solution is needed to ensure adequate, affordable transit service to communities throughout the state. Addressing these operating deficits in 2023 by increasing state dedicated revenues to transit will reduce future deficits making them more manageable and allow transit systems to plan their services. Dedicated revenue for operations will also allow important capital needs to be addressed including supporting the state's goal of transitioning to zero-emission vehicles.

FY 2023-24 Budget Recommendations

- Develop a statewide funding package that provides additional and sustainable dedicated revenue into the future to address growing structural operating deficits of the MTA and all other upstate and downstate transit systems.
 - Increase existing dedicated revenues or identify new dedicated revenues for MTA to address recurring \$3 billion deficits. Immediate need for FY 2023-24 is \$600 million.
 - Increase existing dedicated revenues or identify new dedicated revenues to address structural deficits. Immediate need for FY 2023-24 to grow STOA funding by:
 - \$134 million for Upstate systems
 - \$110 million for Downstate Non- MTA systems
- Fully fund the 2nd year of the Non-MTA 5-Year Transit Capital Program at \$159.5 million.
- Continue the \$4 million in DOH funding to rural transit impacted by the state's Medicaid transportation changes.
- Continue the STOA program hold-harmless provision to avoid reductions in operating aid to smaller transit systems as ridership has not returned to pre-pandemic levels.

Other Transit Recommendations

- Release the \$60 million in currently available Non-MTA capital appropriations for electric vehicles and infrastructure to allow capital projects to go forward.