

Transportation

*Department of Transportation
Department of Motor Vehicles
Metropolitan Transportation Authority
Thruway Authority*

I. Overview

The Executive Budget makes strategic and accelerated investments in the State's highway and bridge infrastructure including a new \$1.16 billion in capital funding to create jobs and improve the transportation system to support business and economic expansion.

The State's transportation system is operated, maintained and administered by a network of State and local agencies and public authorities. The Department of Transportation (DOT) is responsible for construction, reconstruction, maintenance, and snow and ice removal for more than 38,000 State highway lane miles and more than 7,500 bridges. In addition, DOT provides funding for rail, airport, bicycle, pedestrian and canal programs, as well as local government highway and bridge construction.

The Department also provides oversight and funding for more than 130 public transportation operators including the Metropolitan Transportation Authority (MTA), the four upstate regional transportation authorities, and other (usually county-sponsored) transit systems. These systems provide bus, subway, commuter rail and light rail services as well as "paratransit" services designed to meet the needs of the disabled. The MTA provides transit and commuter services in the New York City region to over two and a half billion passengers riding the subways, buses and commuter rail systems each year.

The State's transportation programs also include the Department of Motor Vehicles (DMV), which operates 27 district and branch offices, and provides services via county clerk offices acting as DMV agents at 102 locations throughout the State. DMV issues licenses, non-driver identification cards, and vehicle registrations, conducts road tests, monitors driver training, performs enforcement activities, conducts more than 20 million customer transactions annually, and is projected to collect more than \$1.9 billion in revenue for the State and localities in 2012-13. Credentialing and identification documents issued by DMV are relied on daily by New Yorkers to conduct financial transactions, obtain employment and board an aircraft, among other uses.

The New York State Thruway Authority, the New York State Bridge Authority, and other public authorities operate and maintain certain other toll transportation facilities within the State.

II. History/Context

DOT Capital Programs

DOT's capital program is supported by Federal aid, dedicated taxes and fees deposited in the Dedicated Highway and Bridge Trust Fund, and a significant subsidy that the Trust Fund receives from the General Fund. These monies support projects that improve and rehabilitate highway, bridge, aviation, rail, transit, port, bicycle and pedestrian facilities throughout the State. In 2011-12, the Department's capital program totaled nearly \$3.5 billion, including almost \$1.7 billion in Federal funds.

Mass Transit

Since 1975, New York State has provided transit system operating assistance through the Statewide Mass Transportation Operating Assistance (STOA) program. Today, this \$4.4 billion aid program reflects the importance of the services provided by transit systems to an annual ridership of more than 2.8 billion passengers. In 2011-12, State transit aid accounted for approximately 35 percent of the operating resources used to support the State's transit systems.

Department of Motor Vehicles

In recent years, the Department of Motor Vehicles has relied on technology to manage an increasing workload while conserving resources. Although DMV transactions have increased steadily in volume and complexity over the past ten years, the level of field operations staff necessary to deliver services has declined by 31 percent. This efficiency improvement is primarily the result of the Department's utilization of electronic and internet-based services that provide customers with a convenient alternative to visiting DMV offices. Currently, more than three million transactions per year are processed through the DMV website.

III. Proposed 2012-13 Budget Actions

The Executive Budget recognizes that restoring and improving New York's transportation infrastructure is vital to growing the State's economy, and includes strategic investments that will create jobs and improve the transportation system to support business and economic expansion.

DOT Programs

The 2012-13 Executive Budget includes \$1.16 billion of new funding (\$917 million Federal and \$247 million State funds) under the New York Works program that will accelerate capital investment to maintain, repair and replace critical highway and bridge infrastructure, and to prolong the useful life of these assets. Funded components include

over \$212 million for bridge repairs on 115 critical bridges throughout the State, \$250 million for a pavement preservation program which will treat more than 2,000 lane miles of State roads, and over \$700 million to accelerate signature transportation projects throughout the State. This investment would be supported by State and Federal resources and take advantage of “Design-Build” legislation passed in December 2011 to speed delivery of major infrastructure projects, where appropriate. The capital acceleration initiative builds upon core transportation funding to provide a total DOT capital program of nearly \$4.5 billion, including highways, bridges, rail, aviation, non-MTA transit, and DOT facilities. Funding for local highway and bridge projects under the Consolidated Highway Improvement Program (CHIPS) and Marchiselli program is maintained at \$402.8 million.

In addition, the DOT budget incorporates programmatic and operational efficiencies that will reduce operating costs, including shared service initiatives between DOT, State agencies and other transportation entities within the State.

Mass Transit

The Executive Budget provides operating support totaling \$4.4 billion to transit systems. The MTA will receive nearly \$4 billion, an increase of over \$190 million from 2011-12, and other transit systems will receive over \$430 million, which reflects an increase of \$29.6 million.

Following the December 2011 extraordinary legislative session, Governor Cuomo signed into law the elimination of the MTA payroll tax for over 700,000 taxpayers, including most small businesses, those earning less than \$50,000 per year in self-employed income and other entities. In addition, public elementary and secondary schools are now exempt from the tax, whereas they were previously reimbursed for their liability. The recommended MTA aid includes \$250 million in General Fund support to fully offset the revenue impact of this payroll tax reform for the MTA's 2012 fiscal year.

The MTA's capital program will receive \$770 million in new State support over a multi-year period to help fund the MTA's current program. These funds will create jobs and improve the MTA's core infrastructure. The MTA is also projected to receive \$183.6 million in 2005 Transportation Bond Act funds from reappropriations for the Authority's capital program.

Department of Motor Vehicles

The Executive Budget proposes \$334 million of appropriations for 2012-13, a decrease of \$9 million from prior year levels. This reduction reflects streamlining agency operations and enhancing program performance. In addition, the Budget includes legislation to mitigate the financial impact on county clerks from placing additional DMV transactions on-line.

IV. Summary of Spending (All Funds)

| Category | 2011-12 (\$ in millions) | 2012-13 (\$ in millions) | Change | |
|---------------------------------------|-----------------------------|-----------------------------|-------------------------|---------|
| | | | Dollar (in millions) | Percent |
| Transportation Spending* | 8,245 | 8,731 | 486 | 5.9 |
| Department of Transportation | 3,942 | 4,176 | 234 | 5.9 |
| Metropolitan Transportation Authority | 4,025 | 4,276 | 251 | 6.2 |
| Department of Motor Vehicles | 276 | 277 | 1 | 0.4 |
| Thruway Authority | 2 | 2 | 0 | 0.0 |

*Transportation spending includes phase-out of Federal Stimulus and 2005 Bond Act funds, offset by New York Works initiative spending and transit aid increases.

V. Major Initiatives

Gap-closing Actions

| Proposal | 2012-13 (\$ in millions) | 2013-14 (\$ in millions) |
|---|-----------------------------|-----------------------------|
| DOT – Transportation Shared Services | 3.7 | 7.8 |
| DOT – Reduce Salt Cost and Usage | 3.6 | 5.6 |
| DOT – Implement Performance-Based Bus Inspection | 0.7 | 0.8 |
| DOT – Reduce Snow and Ice Contract Costs | 0.5 | 0.5 |
| DOT – Enhance Accident Damage Revenue Recovery/Consolidate SRO | 10.1 | 8.4 |
| DOT – Pay-as-you-go for Maintenance/Repair Activities | 7.5 | 8.5 |
| DOT – Fund State Match for Aviation Capital from Regional Aviation Fund | 1.5 | 1.0 |
| DMV - Contract Timing | 4.9 | 0.0 |
| Total | 32.5 | 32.6 |

Transportation Operations

DOT Gap-closing Actions:

- **Transportation Shared Services.** DOT will partner with State agencies and other transportation entities within the State in shared services to achieve operational efficiencies and reduce costs. Areas of focus include administrative functions, procurement and capital program delivery. DOT savings occur principally through the attrition of administrative and engineering staff (101 FTEs). Savings may also accrue to other transportation agencies and authorities that partner with DOT. (2012-13 Value: \$3.7 million; 2013-14 Value: \$7.8 million)
- **Reduce Salt Cost and Usage.** The overall cost for salt used in snow and ice control would be reduced through strategic sourcing (\$590,000) and salt usage would be reduced through an expansion of brinemaking equipment that results in more efficient treatment of pavement surfaces (\$3 million, net of equipment costs). (2012-13 Value: \$3.6 million; 2013-14 Value: \$5.6 million)
- **Implement Performance-Based Bus Inspection.** The Executive Budget includes legislation to increase inspection of poor-performing operators by implementing a performance-based bus inspection program that would focus more of the Department's existing resources on frequent violators, resulting in improved safety and compliance, and reduced overtime costs. Current law requires the same inspection twice a year regardless of performance history. (2012-13 Value: \$670,000; 2013-14 Value: \$780,000)
- **Reduce Snow and Ice Contract Costs.** DOT would enhance its oversight of snow and ice control contracts with municipalities that perform such functions on State roads to ensure that service standards are applied uniformly and in the most efficient manner to minimize contract costs. (2012-13 Value: \$500,000; 2013-14 Value: \$500,000)
- **Enhance Accident Damage Revenue Recovery/Consolidate SRO.** The Executive Budget would merge the DOT Accident Damage special revenue fund into the Dedicated Highway and Bridge Trust Fund and add staff (10 FTEs) to maximize accident damage revenue recoveries. Executive Budget legislation that would dedicate all accident damage revenues to the Dedicated Highway and Bridge Trust Fund would also enhance the Fund's debt service coverage ratio. (2012-13 Value: \$10.1 million; 2013-14 Value: \$8.4 million)
- **Use Pay-as-you-go Capital Funding for Maintenance/Repair Activities.** Certain maintenance and repair activities currently supported by DOT's State Operations budget would be accommodated through non-bonded funding within existing constraints of the DOT Capital budget. This may include such activities as bridge repair and signage replacement. (2012-13 Value: \$7.5 million; 2013-14 Value: \$8.54 million)
- **Fund State Match for Aviation Capital from Regional Aviation Fund (RAF).** A portion of the State match for Federal aviation capital projects currently funded from the Dedicated Highway and Bridge Trust Fund would be funded from resources available in the RAF, which received proceeds from the privatization of Stewart Airport in the 1990s. (2012-13 Value: \$1.5 million; 2013-14 Value: \$1 million)

DMV Gap-closing Actions:

- **Contract Timing.** DMV will reduce non-personal service expenses in 2012-13 as the result of changes in the timing of implementation for several contracts. (2012-13 Value: \$4.9 million; 2013-14 Value: \$0 million)

Other Budget Actions

DOT Capital Plan Highlights

- **New York Works Infrastructure Investment.** As part of Governor Cuomo's New York Works initiative, the Executive Budget includes a \$1.16 billion capital funding enhancement that will increase and accelerate investment in the State's highway and bridge infrastructure and create jobs throughout the State. Targeted investments will focus on the State's aging bridges, preservation of road conditions, and major infrastructure projects that can be advanced in 2012-13. The new investment will be funded from a combination of State and Federal resources — approximately \$917 million would be funded from Federal aid while State matching funds of approximately \$232 million would be provided through the Dedicated Highway and Bridge Trust Fund. An additional \$15 million would be provided from the Capital Projects Fund to support the completion of the Peace Bridge plaza.
- **Preserve Local Capital Aid.** Capital aid to local governments for highway and bridge projects is preserved at 2011-12 levels, with \$363.1 million provided for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program.
- **Increase Rail Program Funding.** The Executive Budget includes a \$26.6 million appropriation to support additional rail capital investments and support Amtrak service subsidies. This represents a \$9.7 million increase over the 2011-12 appropriation of \$16.9 million.

Transit Budget Actions:

- **Increase Transit Aid Levels.** The Executive Budget proposes \$4.4 billion of transit aid, increasing aid levels for all transit systems over prior year levels. Downstate systems will receive \$4.25 billion, an increase of \$208 million in aid, \$190 million for the MTA and \$18 million for non-MTA systems. Upstate transit systems will receive \$174 million, an additional \$11 million in aid. In order to support the recommended aid levels, the Executive Budget proposes to statutorily allocate the statewide Transmission Tax between the upstate and downstate transit accounts, in accordance with population within the applicable areas.
- **Provide Additional MTA Capital Support.** The Executive Budget includes \$770 million in new capital support for the MTA's 2010-14 capital program. This appropriation, in conjunction with proposed legislation to increase the MTA's debt cap authority, is necessary to fund the remaining three years of the MTA's current capital program.
- **Pay MTA Costs Associated with a Toll Discount Program.** The Executive Budget includes legislation stating that the State shall pay the MTA for the costs associated with promoting access to employment through reimbursements for E-ZPass tolls paid by residents of Broad Channel and the Rockaway Peninsula and travel over the Cross Bay Veterans Memorial Bridge.