

Transportation

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

Overview

The Executive Budget makes new capital investments to improve the transportation system, enhance its resiliency and create jobs, delivers historic levels of aid for transit systems as they recover from Hurricane Sandy, and funds a new initiative at the Department of Motor Vehicles to improve customer service.

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 7,600 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 coordination 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 \$1.7 billion in revenue for the State and localities in 2013-14. 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 Thruway Authority operates a 570-mile highway system, including the 426-mile mainline from Buffalo to New York City. Its subsidiary, the New York State Canal Corporation, operates the 524-mile navigable waterway. The New York State Bridge Authority is responsible for bridges spanning the Hudson River. These and other transportation-related authorities are mainly financed through toll revenue.

Investing in a Safe, Reliable Transportation System

Department of Transportation

The Executive Budget includes \$300 million of new State funding under the New York Works program to maintain, repair and replace critical highway, bridge and other transportation infrastructure, and to prolong the useful life of these assets. Funded components include \$200 million for core infrastructure improvements throughout the State. Additionally, to encourage regional economic development and to help leverage private investment, \$100 million for all modes of transportation infrastructure will be awarded competitively through the Regional Economic Development Councils. This State-financed capital enhancement builds upon core transportation funding to provide a total DOT capital program of nearly \$3.7 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.

DOT's capital program is supported by Federal aid, State capital projects funds, 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 2012-13, the Department's capital program totaled over \$4.5 billion, including almost \$2.6 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 \$4.7 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 2012-13, State transit aid accounted for approximately 37 percent of the operating resources used to support the State's transit systems.

The Executive Budget provides operating support totaling \$4.7 billion to transit systems. The MTA will receive over \$4.2 billion, an increase of more than \$358 million from 2012-13, and other transit systems will receive over \$454 million, which reflects an increase of \$23.5 million.

In 2011, 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 were also made exempt from the tax, whereas they were previously reimbursed for their liability. The Budget includes \$307 million in General Fund support for the MTA to fully offset the revenue impact of this payroll tax reform.

The State's contribution to the MTA's capital program is fully funded using existing appropriation authority. These funds will create jobs and improve the MTA's core infrastructure. Spending continues from the State's \$770 million 2012-13 appropriation and the \$1.45 billion dedicated to the MTA from the 2005 Transportation Bond Act.

Department of Motor Vehicles

As DMV transactions have increased steadily in volume and complexity, the Department has utilized electronic and internet-based services to increase the efficiency of transaction processing and to provide customers with a convenient alternative to visiting DMV offices. Currently, more than four million transactions per year are processed through the DMV website. However, the deployment of this new technology has not kept pace with the growth of DMV business or customer demand and, as a result, measures of customer service and satisfaction have declined. The Executive Budget will address this challenge by funding a new initiative to reduce waiting times and improve the customer experience in DMV offices, expand service hours, improve call center response and use technology to save customers' time and enable them to access services without going to a DMV office.

The Executive Budget appropriates \$350 million for DMV in 2013-14, an increase of just under \$16 million from prior year levels. This reflects a net increase of fixed cost and fringe benefit escalations coupled with reductions that include non-personal service efficiencies and the attrition of 46 non-customer-service FTEs over a two year period. In addition, the Budget includes an investment of \$4.5 million as part of the customer service initiative.

Thruway Authority

The Executive Budget includes approximately \$85 million in funding assistance for the Thruway Authority, including the State takeover of personnel costs of the Division of State Police Troop T that patrols the Thruway. This support eliminates the need for a substantial commercial toll increase.

Summary of Spending (All Funds)

Category	2012-13 (\$ in millions)	2013-14 (\$ in millions)	Change	
			Dollar (in millions)	Percent
Transportation Spending ¹	8,765	9,160	395	4.5
Department of Transportation	4,253	4,386	133	3.1
Metropolitan Transportation Authority	4,214	4,425	211	5.0
Department of Motor Vehicles	296	323	27	9.1
Thruway Authority	2	26	24 ²	1,200.0

Gap-closing Actions

Proposal	2013-14 (\$ in millions)	2014-15 (\$ in millions)
DOT – Operational and Administrative Efficiencies	32.2	24.5
DMV – Customer Service Initiative	(4.5)	(1.4)
DMV – Operational and Administrative Efficiencies	2.6	3.8
Total	30.3	26.9

¹ Transportation spending includes phase-out of Federal Stimulus and 2005 Bond Act funds, offset by New York Works initiative spending and transit aid increases.

² Thruway spending increase reflects first-time State funding assistance to prevent a toll increase.

Proposed 2013-14 Budget Actions to Implement the Governor's State of the State and Other Initiatives

The Executive Budget expands capital funding to restore and improve the State's transportation infrastructure, increases transit aid to support the vital role that transit systems play in the State's economy and provides new investment that will support DMV's effort to better serve its customers.

DOT Operations

- **Implement Operational and Administrative Efficiencies.** DOT will implement a range of efficiencies through attrition, restacking and shared services opportunities, and savings from prior estimates of needed Amtrak corridor subsidies. (2013-14 Value: \$32.2 million; 2014-15 Value: \$24.5 million)

Department of Motor Vehicles Operations

- **Launch Customer Service Initiative.** DMV will undertake a comprehensive customer service improvement initiative utilizing best practices in customer service and advanced technology including mobile device aps, self-service kiosks, and the offering of appointments to improve the overall customer experience and reduce office wait times to 30 minutes or less by early 2014, as well as increase transactions serviced outside of DMV offices by 50 percent. In addition, DMV will offer Saturday hours in certain offices to increase customer convenience. (2013-14 Cost: \$4.5 million; 2014-15 Cost: \$1.4 million)
- **Implement Operational and Administrative Efficiencies.** DMV will reduce personal and non-personal service expenses in 2013-14 through attrition of non-customer-service staff, contract rate reductions, postage expense decreases due to drop in license renewals, and contract reprioritization as part of the customer service initiative. (2013-14 Value: \$2.6 million; 2014-15 Value: \$3.8 million)

DOT Capital Plan Highlights

- **Invest in Infrastructure through New York Works.** The 2013-14 Executive Budget includes \$300 million of new State funding under the New York Works program that will provide capital investment to maintain, repair and replace critical highway, bridge and other transportation infrastructure, and to prolong the useful life of these assets. Funded components include \$200 million for core infrastructure improvements and \$100 million for all modes of transportation infrastructure to be awarded competitively through the Regional Economic Development Councils.
- **Preserve Local Capital Aid.** Capital aid to local governments for highway and bridge projects is preserved at 2012-13 levels, with \$363.1 million provided for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program.

Transit

- **Increase Transit Aid Levels.** The Executive Budget proposes \$4.7 billion of transit aid for systems throughout the State. Downstate systems, funded principally by dedicated taxes imposed in the region, will receive over \$4.5 billion, an increase of \$382 million in aid. Upstate transit systems will receive \$173.5 million, unchanged from 2012-13.

- **Use Transit Funds to Pay Transit Debt Service Costs.** The Budget will use surplus mass transportation operating assistance funds to pay for a portion of the debt service associated with previously issued MTA service contract bonds. (2013-14 Value: \$20 million; 2014-15 Value: \$0)
- **Pay MTA Costs Associated with Toll Suspension on Rockaway Bridges During Hurricane Sandy.** The Executive Budget includes \$2.5 million to reimburse the MTA for lost toll revenue on the Rockaway bridges during the month of November, 2012. The tolls were suspended on the Marine Parkway and Cross Bay Bridges to assist the Rockaways' storm recovery.