



15. Transportation

The Executive Budget makes new capital investments to improve the State's transportation system, enhance its resiliency and create jobs. The Budget also delivers an increase in aid for transit systems, and continues to implement initiatives to improve customer service at the Department of Motor Vehicles. \$1.5 billion in new funding is directed to the State's core transportation programs over the next 5 years, including \$750 million for the Metropolitan Transportation Authority (MTA) capital program and \$750 million for the Department of Transportation (DOT) capital program. In addition, funds from the Special Infrastructure Account will be available for investments in transportation.

Overview

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 43,000 State highway lane miles and more than 7,800 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, and performs enforcement activities. DMV 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 2015-16. New Yorkers rely on credentialing and identification documents issued by DMV to conduct financial transactions, obtain employment, and board 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 five bridges spanning the Hudson River. These and other transportation-related authorities are primarily financed through toll revenue.

Investing in a Safe, Reliable Transportation System

Department of Transportation

The Executive Budget provides funding for a DOT capital program of over \$3.5 billion in 2015-16, facilitating capital improvement of highways, bridges, rail, aviation infrastructure, non-MTA transit, and DOT facilities. The 2015-16 program will utilize the first \$150 million of a new \$750 million 5-year investment for a State and local bridge initiative, which will strategically accelerate the rehabilitation, reconstruction or replacement of approximately 100 bridges serving critical freight, agricultural and commerce corridors. Funding for local highway and bridge projects under the Consolidated Highway Improvement Program (CHIPS) and Marchiselli program is maintained at a record high of \$477.8 million.

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 infrastructure, rail, transit, port, bicycle and pedestrian facilities throughout the State.

The Executive Budget also proposes to permanently authorize design-build contracting and to extend the provisions to award construction projects that optimize quality, cost and efficiency to all State agencies and public authorities. The proposal will permit Project Labor Agreements (PLA) to be used on design-build projects. PLAs are comprehensive labor agreements that establish the collective bargaining and labor parameters for a project. For projects that exceed \$50 million, a feasibility study is required to examine potential project efficiencies and labor savings to determine if a PLA should be utilized. Since being signed into law in 2011, DOT has awarded ten design-build contracts valued in excess of \$811 million, including the Department's largest ever single contract, the \$550 million Kosciuszko Bridge. In addition to these ten contracts, there are currently 13 more in various phases of procurement, totaling an additional \$290 million. The most prominent example of the savings achieved using design-build contracting is the \$3.9 billion New NY Bridge project which will replace the existing Tappan-Zee Bridge at a cost that is \$1.5 billion less than was

previously estimated. Design-build projects are underway throughout the State, and the results are overwhelmingly positive – not only are these projects creating jobs, but they are being delivered sooner, and on-budget.

Mass Transit

Since 1975, New York State has provided transit system operating assistance through the Statewide Mass Transportation Operating Assistance (STOA) program. Today this multi-billion dollar aid program reflects the importance of the services provided by transit systems to an annual ridership of more than 2.8 billion passengers. In 2014-15, State transit aid accounted for approximately 38 percent of the operating resources used to support the State's transit systems.

The Executive Budget provides operating support totaling \$4.8 billion to transit systems. The MTA will receive over \$4.35 billion, an increase of almost \$37 million from 2014-15. Other transit systems will receive over \$464 million, which reflects no change from prior year operating aid levels. The Budget also includes \$309.2 million in General Fund support for the

MTA to fully offset the revenue impact of the 2011 payroll tax reform.

The Executive Budget includes a new appropriation of \$121.5 million in resources drawn from downstate mass transportation operating assistance funds to pay for needed capital expenses of the MTA and the Non-MTA Downstate systems.

In addition, the Executive Budget includes a new \$750 million State contribution to assist in funding the MTA's 2015-19 core capital program. These funds will create jobs and improve the MTA's core infrastructure. Spending will also continue from the State's \$770 million 2012-13 appropriation for MTA capital and the \$1.45 billion dedicated to the MTA from the 2005 Transportation Bond Act.

The new Special Infrastructure Account program also includes \$250 million to advance the MTA's Penn Station Access project, which will open a new Metro-North link directly into Penn Station, providing critical system resiliency, improvement in regional mobility and construction of four new Metro-North stations in the Bronx.

Department of Motor Vehicles

As DMV transactions have increased steadily in volume and complexity, DMV 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, and this number is expected to continue to rise as customers take advantage of online transactions. Building on the success of previous customer service initiatives, DMV will continue to enhance the customer experience, employing office kiosks, an improved queuing system, and the use of greeters to answer questions, review paperwork, and direct customers to the most expedient means of completing their transaction. DMV's website has also been substantially improved to provide a more "responsive design."

Thruway Authority

The 2015-16 Executive Budget includes a new appropriation of \$1.285 billion from the Special Infrastructure Account for a new Thruway Stabilization

program that will help offset the impacts on toll payers of major Thruway investments. These investments include the \$3.9 billion New NY Bridge project replacing the Tappan Zee Bridge between Rockland and Westchester, and meeting transportation needs on the rest of the Thruway's core system across the State.

In 2012, the Thruway awarded a \$3.9 billion design-build contract for the replacement of the Tappan Zee Bridge. The New NY Bridge will form the centerpiece of the region's transportation system, ensuring the connection of communities and economic centers across the Hudson River for generations to come. In addition to resources from the Thruway Stabilization program, funding sources for the Bridge project include a \$1.6 billion Federal TIFIA loan, the largest in TIFIA program history. Construction began in the Spring of 2013 and is expected to take approximately five years. The Bridge is on budget and on schedule for completion in 2018.

The Executive Budget also continues to provide operations support for the Thruway Authority. The support, which began in 2013-14 to offset the need for a commercial toll increase, will total \$85 million for 2015-16, including the ongoing State takeover of personnel

costs of the Division of State Police Troop T which patrols the Thruway and the waiver of certain annual billings due from the Authority to the State.

Summary of State Funds Spending

| Category | 2014-15 (millions) | 2015-16 (millions) | Change | |
|--|-----------------------|-----------------------|----------------------|---------|
| | | | Dollar (millions) | Percent |
| Transportation Spending | 7,638 | 8,125 | 487 | 6.4 |
| Department of Transportation | 2,828 | 2,853 | 25 | 0.9 |
| Metropolitan Transportation Authority ¹ | 4,502 | 4,972 | 470 | 10.4 |
| Department of Motor Vehicles | 282 | 277 | (5) | (1.8) |
| Thruway Authority | 26 | 23 | (3) | (11.5) |

¹ The year-to-year increase in MTA spending is primarily due to the \$104.1 million of new capital drawn from mass transportation operating assistance funds, the \$36.7 million increase in state operating aid, and the spend-out of previously committed State funded capital.

Proposed 2015-16 Budget Actions

The Executive Budget provides 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 continues investments that will support DMV's efforts to better serve its customers.

Department of Motor Vehicles Operations

- **Eliminate Cost Growth Through Operational and Administrative Efficiencies.** The Budget reduces DMV's personal service expenses by over \$3 million through attrition of 42 staff positions. Those savings are anticipated to be achieved through administrative and operational efficiencies, including online transactions. The remainder of DMV's year-to-year spending change is principally due to shifts to enterprise programs.

DOT Capital Highlights

- **Invest in Infrastructure.** The Budget implements a DOT capital program of over \$3.5 billion in 2015-16 that will provide for capital improvement of all modes of transportation infrastructure, including highways, rail, aviation, ports, local roads and bridges and non-MTA transit. It provides an additional \$750 million for a State and local bridge improvement initiative, which will strategically accelerate the rehabilitation, reconstruction or replacement of approximately 100 bridges serving critical commercial, travel and agricultural corridors.
- **Preserve Local Capital Aid.** Capital aid to local governments for highway and bridge projects is preserved at record-high 2014-15 levels, with \$438.1 million provided for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program.

- **Upgrade DOT Fleet.** DOT will invest \$50 million to accelerate planned fleet upgrades including the purchase of new snow plows, up-fitting heavy pickups that can assist with snow removal with plows and the installation of GPS/Vehicle Management Systems in DOT vehicles involved with snow management. This investment coupled with the installation of additional traffic cameras in critical areas throughout the State will assist DOT in responding quickly and in a coordinated fashion to the most severe weather events.

Transit

- **Increase Transit Aid Levels.** The Budget proposes \$4.8 billion of transit operating aid for systems throughout the State. The MTA will receive over \$4.35 billion, an increase of almost \$37 million from 2014-15. Other transit systems will receive over \$464 million, which reflects no change from prior year operating aid levels.
- **Create a Downstate Transit Capital Program.** The Budget proposes \$121.5 million in resources drawn from downstate taxes dedicated to the mass transportation operating assistance fund to pay for capital expenses of the MTA and the non-MTA Downstate Transit Systems.
- **Clarify Funding Source for Verrazano Bridge Rebate Programs.** Language submitted with the Budget will clarify that existing commercial and Staten Island resident rebate programs are funded in accordance with the original

agreement between the Executive and the Legislature.

- **Use Transit Funds to Pay Transit Debt Service Costs.** The Budget will continue the use of \$20 million in surplus mass transportation operating assistance funds to pay for a portion of the debt service associated with previously issued MTA service contract bonds.

Thruway Authority

- **Invest in Infrastructure.** The Executive Budget includes a new capital appropriation of \$1.285 billion to fund the Thruway Stabilization Program for expenses related to both the New NY Bridge, and the statewide system.
- **Mutual Aid and Shared Services.** Proposed legislation will authorize DOT and the Thruway Authority to provide mutual aid and enter into shared service agreements that will improve emergency response and allow for efficiencies between the agencies.
- **Operational and Administrative Efficiencies at the Thruway Authority.** The Budget reduces the amount of the State's subsidy to the Thruway by \$2.5 million on a recurring basis in anticipation of management and cost efficiencies attained by the Authority. The State will continue to provide \$85 million in overall support to the Authority, including \$21.5 million via direct appropriation.