



The **\$29.9 billion** MTA capital program includes a record **\$8.6 billion** in New York State funding.

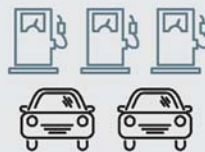
The Budget supports the **\$29.2 BILLION** capital plan for



### MTA SUBWAY ACTION PLAN

**\$836 million** program to stabilize and modernize the system.

The **Second Avenue Subway** and the new **Mario M. Cuomo Bridge** are open for business. →



Open road tolling at all MTA bridges and tunnels is saving commuters up to **21 hours** of drive time every year and conserving approximately **one million gallons of fuel**.

## Budget Highlights

**Support the MTA Subway Action Plan.** The Budget includes capital and operating support to fully fund the State's half of the \$836 million MTA Subway Action Plan to address system failures, breakdowns, delays and deteriorating customer service, and position the system for future modernization.

**Continue Support of the MTA Capital Plan.** The MTA is investing \$29.9 billion in its transit capital program, including \$8.6 billion in funding from New York State.

**Continue Support of the Transportation Capital Plan.** The State's unprecedented \$29.2 billion investment in DOT and Thruway Authority programs, enacted with the FY 2017 Budget, will ensure stronger State and local roads and bridges for years to come.

**Thruway Authority to Implement System-wide cashless tolling.** This initiative will improve customer service with no toll increase through 2020.

**Maintain Record Commitment to Local Highways and Bridges.** Funding for the Consolidated Highway Improvement Program (CHIPS) and the Marchiselli program is maintained at \$477.8 million.

The FY 2019 Executive Budget continues New York State's historic investments in the State's transportation system, which are improving our transit systems, roads and bridges, increasing mobility, and supporting economic growth. The budget reflects the fourth year of a \$59 billion transportation capital plan, which is enhancing and expanding the Metropolitan Transportation Authority (MTA) network, and improving roads, bridges, airports rail facilities, ports and transit systems funded through the Department of Transportation (DOT) budget. This commitment also includes State-funded investments in the Thruway to lessen the capital burden on New York's toll payers.

The Executive Budget also includes the State's half of the \$836 million Subway Action Plan to accelerate subway repair and improve the customer experience.

In addition, legislation included with the Budget provides budgetary reform to accelerate and increase aid to the MTA, removes operating expenses from the Dedicated Highway and Bridge Trust Fund (DHBTF), enhances highway, rail and transit safety, extends testing of autonomous vehicles, and continues to modernize the Department of Motor Vehicles (DMV) by authorizing online testing for the 5-hour pre-licensing course.

## Overview

The State's transportation system is operated, maintained and administered by a network of State and local agencies and public authorities. DOT is responsible for construction, reconstruction, maintenance, and snow and ice removal for approximately 43,700 State highway lane miles and nearly 7,900 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 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 2.7 billion passengers who ride the subways, buses and commuter rail systems each year, and facilitates 300 million annual bridge and tunnel crossings. It includes Metro North and the Long Island Railroad (LIRR) commuter lines.

The State's transportation programs also include the 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 \$2 billion in revenue for the State and localities in FY 2019. 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, which includes the 426-mile mainline from Buffalo to New York City, as well as the new Mario M. Cuomo Bridge crossing the Hudson River.

The New York State Bridge Authority is responsible for five other bridges spanning the Hudson River. These and other transportation-related authorities are primarily financed through toll revenue.

## Investing in a Safe, Reliable Transportation System

By 2017, prior decades of underfunding, questionable management priorities and bureaucratic dysfunction, slow project delivery and excessive cost overruns had brought the MTA subway system to a crisis point. With public transit ridership straining capacity, the system experienced an increasing number of system failures, breakdowns, delays and declining customer service.

The Governor intervened and declared a state of emergency at the MTA to begin the process of reversing the decline. Many projects were already underway through the record \$29.9 billion MTA Capital Program, funded in part through the State's record contribution of over \$8.6 billion. But the subway system required additional immediate investments and, to jump start the turnaround, the Governor committed the State to fund half of a new \$836 million MTA Subway Action Plan for 2017 and 2018. Now underway, the Action Plan will spur immediate improvements for customers, and set the stage for further modernization.

### Performance Profile

**Completing the Mario M Cuomo Bridge.** The \$3.9 billion design-build project to replace the Tappan Zee Bridge is on-budget and the westbound span of the bridge opened to traffic August 2017. The eastbound span is scheduled to open on time in 2018.

**Improving the DMV customer experience.** The DMV continues to enhance the customer experience by 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.

**Saving with Design-build.** The Department of Transportation (DOT) saved \$31.8 million using the design-build project delivery method last year.

**Renewing State Roads and Bridges.** During 2016-17, the Department replaced or rehabilitated a total of 330 State bridges, and completed 5,417 corrective and preventive bridge treatments to slow deterioration. In addition, 1,687 lane miles of State highway were resurfaced or reconstructed.

The Subway Action Plan will be implemented in two phases. Phase One, which is already underway, is stabilizing and improving the system while enhancing the customer experience. This includes actions to expedite track, power and signal repair and dramatically reduce incident response times; increase the reliability and number of subway cars in service by accelerating major car overhauls, and adding cars to increase capacity; improve system safety and cleanliness by seeking additional City police presence, and increasing the frequency of heavy-duty station cleaning by thirty percent; improve customer communications, overhaul digital communications systems, launch an MTA app, and accelerate completion of station countdown clock installations.

Phase 2 will include a long-term system-wide improvement plan including better subway cars, a new signaling system, modern communications technology to facilitate new signaling, and the deployment of new innovations submitted in the MTA's Genius Grant Challenge.

In order to assist the funding of the MTA and their delivery of both the Subway Action Plan and the capital plan, the FY 2019 Budget proposes a budgetary reform to accelerate the MTA's receipt of revenue, lower MTA financing costs, and increase aid to the MTA in 2018 by \$60 million, part of State's contribution to the Subway Action Plan.

In 2018, the MTA will also advance the fourth-year of their Capital Program which is providing major investments throughout the system. To help alleviate overcrowding and address record subway ridership, the MTA will be investing an additional \$500 million in Communications-Based Train Control (CBTC) to allow the MTA to safely operate subway trains more closely together, adding passenger capacity to the century-old subway system.

In addition to the successful new phase of the Second Avenue Subway, which is providing some relief to the overcrowding on the Lexington Avenue line, ongoing capital investments are modernizing and expanding the MTA network. These investments include construction of four new Metro-North stations in underserved areas of the Bronx with service to Penn Station, extension of the Second Avenue Subway to East Harlem, a new fare payment system, advancement of the East Side Access project to bring Long Island Rail Road riders into Grand Central Terminal, and a second track along 18 miles of the LIRR between Farmingdale and Ronkonkoma. The MTA is also moving forward on its Third Track project on one of the busiest sections of the LIRR to increase capacity and speed commutes.

The MTA Capital Program will purchase about 500 new subway cars, over 300 commuter rail cars and over 1,700 state-of-the-art buses equipped with Wi-Fi and USB charging ports. The program also provides financing for the Governor's initiative to reimagine and renovate 31 subway stations throughout the New York Metropolitan area to enhance customer experience with improved lighting, wayfinding signs and modern finishes. The renovated stations will offer charging stations, and all underground subway stations will offer cellular connectivity and Wi-Fi.

Statewide, New York's economy relies on a resilient and efficient transportation infrastructure network of roads and bridges to continue attracting investment and creating jobs. The State's unprecedented \$29.2 billion investment in DOT and Thruway Authority programs, first enacted with the FY 2017 Budget, will continue to ensure stronger State and local roads and bridges for years to come. The plan included new initiatives for BRIDGE NY and PAVE NY, in addition to the \$2 billion in Thruway Stabilization funding that supports capital investments across the entire Thruway system.

Following decades of inaction, the replacement for the Tappan Zee Bridge is nearing completion, with one span already operational. Renamed the Mario M. Cuomo Bridge in honor of the former Governor, the \$3.98 billion design-build construction project remains on budget. To eliminate traffic bottlenecks, delays and pollution, the modernization of toll collection has accompanied the bridge replacement, and cashless tolling is now operational at the Bridge along with removal of the old toll plaza in Tarrytown.

Following the Governor’s call for additional modernization, to reduce traffic congestion and improve the customer experience, the Thruway Authority is embarking on a Plan to implement cashless tolling system-wide, while continuing its pledge of no toll increases through 2020.

**Table 17: Summary of State Funds Spending**

Category	FY 2018 (millions)	FY 2019 (millions)	Change	
			Dollar (millions)	Percent
Department of Transportation	3,985	4,075	90	2.3
Metropolitan Transportation Authority	5,480	5,261	-219	-4.0
Department of Motor Vehicles	297	313	16	5.4
Transportation Spending (Total)	9,763	9,650	-113	-1.2
For comparability MTA aid includes \$1.4 billion of PMT revenues proposed to be taken “off-budget.” Total new MTA aid increases by \$334 million operating and \$174 million capital offset by capital aid payment timing.				

## Proposed FY 2019 Transportation Budget Actions

### Department of Transportation

In support of the transportation plan period that began in FY 2016, the Executive Budget provides \$4.3 billion for the fourth year of DOT’s capital program, which will facilitate the improvement of highways, bridges, rail, aviation infrastructure, non-MTA transit, and DOT facilities. Progress continues on two new initiatives launched in FY 2017 – BRIDGE NY and PAVE NY which are further improving conditions on State and local roads and bridges.

The Executive Budget continues Governor Cuomo’s record commitment to funding local highway and bridge projects. Funding for the Consolidated Highway Improvement Program (CHIPS) and the Marchiselli program is maintained at last year’s level of \$477.8 million. The Budget also continues \$100 million in highway aid through the PAVE NY program, and \$100 million to fund local bridge projects from the BRIDGE NY program.

DOT’s capital program is supported by Federal aid, State capital projects funds, financial settlement funds, dedicated taxes and fees deposited in the Dedicated Highway and Bridge Trust Fund, and the State’s General Fund.



To ensure that more DHBTF revenues are used for transportation projects, the Budget includes reform legislation that would reassign DOT and DMV operating costs to the General Fund. Currently, approximately \$394 million of such costs would be paid for out of the DHBTF. This realignment of operating and capital functions will keep operating cost growth from consuming future capital funds.

## Transit

New York State provides transit system operating assistance through the Statewide Mass Transportation Operating Assistance (STOA) program. This multi-billion-dollar aid program reflects the importance of transit system services that provide an estimated 3.8 billion rides annually. State transit aid accounts for approximately one-third of the operating resources used to support the State's transit systems.

The FY 2018 Executive Budget provides almost \$5.4 billion in operating support to transit systems. The MTA will receive more than \$4.8 billion from all State sources, an increase of \$334 million (7.4 percent) over the FY 2018 Enacted Budget.

The \$29.9 billion 2015-2019 MTA Capital Program is the largest and most expansive plan in the authority's history. The State's \$8.6 billion contribution to the plan was solidified in state law with the FY 2017 Enacted Budget, and the FY 2019 Executive Budget includes the 4<sup>th</sup> year of appropriation authority – \$1.5 billion – to support the plan. The FY 2019 Executive Budget contributes another \$174 million for half of the capital commitments in the MTA's Subway Action Plan, bringing the total State contribution up to \$8.6 billion. This unprecedented level of State support is many times greater than under any previous MTA capital plan.

With the subway system in crisis, the MTA has launched the first phase of the Subway Action Plan to stabilize and improve the system and lay the foundation for long-overdue modernizations. The plan was initiated less than 30 days after Governor Cuomo declared a state of emergency and directed the chairman to come up with a plan for immediate action. The first phase, focused on a better customer experience, began immediately and will increase reliability and capacity, enhance stations and safety, and help provide more clear and accurate communication.

The Subway Action Plan includes an immediate investment of \$836 million, including \$508 million of operating costs (2017 and 2018) and \$348 million of capital (2017 thru 2019). In the FY 2019 Executive Budget, the State commits to fully fund half of the plan's cost, including \$254 million in operating aid and \$174 million of capital assistance.

To support of the Subway Action Plan and expedite the transfer of Payroll Mobility Tax revenue to the MTA so that funds may be used more quickly, The FY 2019 Budget moves the MTA Payroll Mobility Tax (PMT) "off-budget." This reform has a number of advantages for the MTA. By moving PMT revenues out of the State Financial Plan, a natural payment processing lag is eliminated. For 2018, this accelerates \$60 million of additional revenues for immediate use. Taking the PMT revenues off-budget will also provide credit enhancement for the MTA, which will lower capital financing costs as the revenues will flow more frequently and will not be subject to legislative appropriation. Lower borrowing costs will also help the MTA finance any capital costs that might result from the recommendations of the Fix NYC Advisory Panel.

The Budget also includes additional MTA reform legislation that:

- Establishes an additional financing option for major MTA construction in NYC;
- Clarifies the ongoing obligation of New York City to fund the capital needs of the New York City subway system and establishes a mechanism for emergency capital funding; and
- Provides procurement reforms for the MTA to increase the sealed bidding threshold to \$1 million for purchases and public work, eliminates the 15-day Notice Period under the Omnibus Procurement Act, and vests special termination powers with the MTA board.

For other transit systems, the FY 2019 Budget provides \$205 million in operating support for upstate transit and \$321 million for downstate systems other than the MTA. For the first year, downstate transit aid includes \$8 million to fund the first phase of the Lower Hudson Transit Link serving the Mario M. Cuomo Bridge and parts of Rockland and Westchester counties.

### **Thruway Authority**

The Thruway is a vital transportation artery that connects people to their jobs and their families, and moves billions of dollars of products to market. The FY 2019 Executive Budget includes reappropriations of nearly \$2 billion from the Special Infrastructure Account for the Thruway Stabilization program. This money will continue to support capital investments, including the Mario M. Cuomo Bridge and other capital projects throughout the system.

In 2012, the Thruway awarded a \$3.9 billion design-build contract for the replacement of the Tappan-Zee Bridge. The Mario M. Cuomo 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 Transportation Infrastructure Finance and Innovation (TIFIA) loan, the largest in TIFIA program history. Construction began in the spring of 2013, and the Bridge is on-budget. The westbound span of the bridge opened to traffic August 2017, and the eastbound span is scheduled to open on time in 2018.

### **Department of Motor Vehicles**

Accounting for the steady increase in the volume and complexity of its transactions, DMV has utilized electronic and internet-based services to increase the efficiency of transaction processing. These services also provide customers with a faster and more convenient alternative to visiting DMV offices. Currently, close to seven 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 continues to enhance the customer experience by 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 is continuously improving to provide a more responsive design for its customers.

Through the NYS Lean Program, the DMV reduced the wait time to register a vehicle acquired through a casual sale and, in select pilot offices, to obtain a driver's permit as part of a broader effort to reduce office wait times by more than 50 percent.

Additional motor vehicle Budget actions include the following:

- **License Renewal Cycle.** The Budget continues funding for the second year of the license renewal cycle and programmatic mandates that include an aggregate of 89 FTE's for approximately \$18 million to cover increased transaction volumes in DMV State Offices. These additional employees will help keep customer wait times low.
- **Omnibus Public Safety.** As part of a public safety initiative, the Budget proposes legislation to require all back seat passengers to wear seat belts, require children under the age of 8 who are passengers in a school car or van to be properly restrained in an appropriate child restraint system, to ban hands-free mobile phone use for junior permit and junior license holders, to allow junior license holders to drive in NYC between 5am – 9pm with a supervised licensed driver in a vehicle with dual control brakes, and to promote railroad grade crossing safety by authorizing local governments in the Metropolitan Transportation Authority (MTA) district to work with the MTA to undertake demonstration programs using remote control photo monitoring equipment.
- **Autonomous Vehicles.** Expands on the 2017 Autonomous Vehicle legislation to encourage more autonomous vehicle manufacturers to operate in New York, removing legal barriers.
- **Online Pre-licensing (5 hour) Course.** This Budget creates an online pilot pre-licensing course to obtain a New York State license, offering more flexibility in hours and locations for course participants. Each participant is assessed a fee of \$8, for estimated annual revenue of \$895,000.