



TRANSPORTATION



The Executive Budget will continue to make historic investments in the State's transportation system, to improve our transit systems, increase mobility, and grow our economy. These investments are improving roads, bridges, airports, rail facilities, transit systems, and ports, as well as enhancing and expanding the **Metropolitan Transportation Authority (MTA)** network.

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 removal of snow and ice for approximately 43,700 State highway miles and 7,700 State highway bridges. DOT provides funding for rail, airport, bicycle, pedestrian, and canal programs as well as local government highway and bridge construction.

DOT also provides coordination and funding for more than 130 public transportation operators including the MTA and four major Upstate regional transportation authorities, among other local transit systems. These systems provide bus, subway, and commuter/light rail services, as well as paratransit services to meet the needs of those with disabilities.

In 2023, the MTA provided transit and commuter services in the New York City region to over 1.7 billion passengers who rode subways, buses, Metro North Railroad (MNR) and Long Island Rail Road (LIRR). They also facilitated over 335 million bridge and tunnel crossings.

The **New York State Thruway Authority** operates the 570-mile highway system that extends across the State from Buffalo to the New York City line and includes 817 bridges, 134 interchanges, and 27 service areas. In 2023, motorists took over 376 million trips on the Thruway.

The State's transportation programs also include the **Department of Motor Vehicles (DMV)**, which operates 28 district and branch offices, and provides services via county clerk offices acting as DMV agents at 100 locations throughout the State. DMV issues licenses, nondriver identification cards, and vehicle registrations; conducts road tests, monitors driver training, and performs various enforcement activities.

In a typical year, DMV conducts more than 35 million customer transactions and collects over \$2 billion in revenue for the State and localities. New Yorkers rely on credentialing and identification documents issued by DMV to, among other things, conduct financial transactions, obtain employment, and board aircraft.

INVESTING IN SAFE, RELIABLE TRANSPORTATION SYSTEMS

Addressing the MTA's Financial Crisis

The pandemic caused severe declines in MTA ridership and traffic in 2020, and while rising steadily, ridership remains below pre-pandemic levels. Despite the challenges brought about by the coronavirus, the MTA has continued to provide reliable service while ensuring a safe public transportation system for all riders and fulfilling its essential role in supporting the region's recovery.

To offset operating losses to MTA's Financial Plan from the estimated fare, toll, and dedicated revenue loss attributable to COVID-19, the MTA received significant Federal operating aid from the CARES Act (\$4 billion), the CRRSA Act (\$4.1 billion) and the ARP (\$7 billion). Despite this additional federal funding, the MTA's Financial Plan showed a long-term structural imbalance.

To solve the MTA's fiscal crisis and avoid drastic cuts to service, the FY 2024 Enacted Budget included the following extraordinary package of additional funding, while ensuring continued progress in rider safety:

- Over \$400 million in MTA operating efficiencies to reduce expenses and improve service to customers.
- Increasing the top rate of the Payroll Mobility Tax for the largest businesses in New York City, generating an additional \$1.1 billion annually.
- Increasing New York City's share of funding for paratransit services for two years, generating nearly \$165 million each year.
- \$300 million in one-time State aid to address the extraordinary impact of the pandemic on MTA operating revenues.
- \$35 million in investment to improve subway

service on weekday middays, weekends and weeknights.

- \$65 million to reduce the proposed fare increase on the MTA from 5.5 percent to 4 percent.
- \$35 million in safety investments to protect riders.
- Dedicating \$1.5 billion in licensing fees if three downstate casino licenses are awarded, and a share of an estimated \$231 to \$413 million in incremental annual tax revenue from the casinos for MTA operations.
- \$15 million to fund a pilot program providing five fare-free bus routes in New York City and expand the Automated Bus Lane Enforcement program to increase bus speeds and decrease collisions.

MTA's Capital Program

The MTA remains committed to its Capital Program. The MTA's \$52.1 billion Capital Program, executed from 2020-2024, represents the largest investment in MTA infrastructure in state history, almost 70 percent larger than the previous program. The program will revitalize the subway system and prioritize improving signal technology, increasing accessibility, ensuring investment in the Metro North (MNR) and Long Island Rail Roads (LIRR), upgrades to bus service, and advancing quality of life for those served.

The 2020-24 Capital Program will advance several major initiatives including:

Central Business District Tolling Program. The Central Business District (CBD) congestion pricing plan is the first of its kind in the nation. It will combat gridlock and deliver \$15 billion in financing to support the Capital Plan.

Accessibility. This initiative will make an additional 70 subway stations ADA-accessible, making over 60 percent of passenger stations accessible.

Second Avenue Subway Phase 2. The project will provide three new fully accessible stations, extending service from 96th street to 125th street, and a providing a connection with Metro-North.

Penn Station Access. The project will carry the New Haven line and East Bronx residents directly into Penn Station, and create four new, ADA-accessible Metro-

North commuter railroad stations at Co-op City, Morris Park, Parkchester/Van Nest, and Hunts Point.

East Side Access. The project will provide Long Island Rail Road riders with 40 miles of new tracks and a new terminal, called Grand Central Madison, which opened to the public in January 2023. This new service from Long Island to Grand Central Madison saves commuters up to 40 minutes of travel time per day.

LIRR Third Track. The project, which was completed in 2022, added 10 miles of mainline between Floral Park and Hicksville, improved capacity, and shortened service disruptions for 41 percent of LIRR ridership.

The FY 2025 Executive Budget includes funding to advance transformative projects to further expand the MTA's transit system, including:

The Interborough Express. The Executive Budget includes \$45 million in new funding to advance design and engineering for this project, which will connect neighborhoods along a 14-mile existing freight right-of-way from Bay Ridge, Brooklyn, to Jackson Heights, Queens. The Interborough Express planning and environmental linkages study recommended light rail as the preferred option for providing fast, frequent service, connecting the Interborough with up to 17 different subway lines and the Long Island Railroad.

Second Avenue Subway—Expanding West.

With Phase 2 underway, the next major potential expansion of this project is extending the Q line west along 125th Street, with three new stops at Lenox Avenue, St. Nicholas Avenue, and Broadway. The Executive Budget includes \$16 million in funding to advance a feasibility study, environmental review, and preliminary engineering for this project.

NEW YORK STATE ROADS AND BRIDGES

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 renewal and modernization of transportation infrastructure is fundamental to rejuvenating and enhancing the economic

competitiveness of the State's communities. During FY 2023, the DOT replaced or rehabilitated more than 70 State bridges and completed over 5,000 corrective and preventive bridge treatments to slow deterioration. Additionally, approximately 2,000 lane miles of State highway were resurfaced or reconstructed.

Building on unprecedented DOT investments, the Executive Budget reflects the third year of a record \$32.9 billion, five-year DOT Capital Plan that ensures stronger State and local roads and bridges for years to come. This record level of investment provides DOT with resources necessary to continue to renew, modernize, and drive economic development in local communities.

- The five-year Capital Plan is aligned with Federal funding commitments made in the Infrastructure Investment and Jobs Act (IIJA). New York will receive an estimated \$13.5 billion in highway and bridge formula aid over five years from the IIJA (an increase of \$4.6 billion compared to the five-year Fixing America's Surface Transportation (FAST) Act). The total includes a projected \$1.9 billion of formula funding for bridges.
- Major projects funded in this plan include phases of the Hunts Point Interstate Access Improvement and the replacement of I-81 in Syracuse. The plan also advances priorities across the State including modernizing the Livingston Avenue Bridge in Albany, reconnecting neighborhoods across the Kensington Expressway in Buffalo, converting Route 17 to I-86 in Orange and Sullivan Counties, and assessing ways to improve road capacity at the Oakdale Merge in Suffolk County.
- The DOT Capital Plan includes a \$1 billion program, Pave Our Potholes (POP), designed to improve state and local road conditions and prevent deterioration. The statewide "Bridge NY" program has also been increased by \$1 billion over five years, which will serve to rehabilitate or replace structures that are susceptible to recurring flooding or foundation scour.

The Thruway system is now a fully cashless system,

which provides customers with a seamless travel experience. The Thruway Authority operates and maintains the system and in 2023 invested \$359 million in capital projects including pavement repairs, and bridge improvements and replacements. The Thruway is also continuing its multi-year initiative to redevelop all 27 service areas through a public private partnership. There are currently 13 newly reconstructed service areas open across the system, with work continuing at the remaining locations.

PROPOSED FY 2025 TRANSPORTATION BUDGET ACTIONS

Continuing Road, Bridge, and Safety Improvement

DOT Capital Plan. The Executive Budget provides almost \$7.6 billion for the third year of a record \$32.9 billion, five-year DOT Capital Plan that will facilitate the improvement of highways, bridges, rail, aviation infrastructure, non-MTA transit, and DOT facilities. Compared to the last five-year DOT Capital Plan, this is an increase of \$9.5 billion, or 41 percent.

Local Highways and Bridges. The Executive Budget continues the State's record commitments to funding local highway and bridge projects. Funding for the Consolidated Highway Improvement Program (CHIPS) and the Marchiselli program is maintained at the planned level of \$577.8 million. The budget provides the third year of an annual \$100 million for the local Pave Our Potholes program, \$150 million in highway aid through the PAVE NY program, and \$200 million to fund local projects from the BRIDGE NY program. The Extreme Winter Recovery and State Touring Route programs are funded at \$100 million each and are further improving conditions on State and local roads and bridges.

Funding Sources. 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.

Enacting Stretch Limousine Passenger Safety Task Force Recommendations. The Executive Budget includes legislation that will amend sections of the Transportation Law and Vehicle and Traffic Law as

part of a comprehensive limousine safety package based upon recommendations from the Stretch Limousine Passenger Safety Task Force.

Investing in Transit

New York State provides transit operating assistance through the Statewide Mass Transportation Operating Assistance (STOA) program. Transit systems provide an estimated 2.7 billion rides annually. State transit aid typically accounts for approximately 40 percent of transit systems' operating resources.

The Executive Budget provides \$8.8 billion in mass transit operating support:

MTA. The MTA will receive \$7.9 billion in State operating aid in FY 2025, including resources collected by the State and sent directly to the MTA without appropriation. Traditional on-budget MTA assistance will increase 3.4 percent, from \$4.1 billion to \$4.2 billion.

Upstate. Upstate transit systems are slated to receive \$323 million, representing an overall 5.4 percent regional increase.

Downstate. Downstate systems will receive \$551 million, representing an overall 5.4 percent regional increase.

The Executive Budget also invests in transit capital needs:

MTA Capital. The \$52.1 billion 2020-24 MTA Capital Program remains the largest and most expansive plan in its history. In addition to the \$25 billion secured in the FY 2020 Budget, the Executive Budget continues the State's \$3.1 billion contribution to the Capital Program.

Non-MTA Capital. Non-MTA transit capital will receive \$140 million, which once again includes \$20 million for bus electrification.

Additional MTA-related budget actions include the following:

Fare Enforcement. The Executive Budget proposes to implement several recommendations made by the MTA's Blue-Ribbon Panel Report on Fare and Toll Evasion in May 2023, including increasing the maximum fines, authorizing a written warning in lieu of a fine for a first offense, and forgiving fare evasion penalties for violators who qualify and enroll in NYC's Fair Fares program.

Toll Enforcement. The Executive Budget proposes to improve toll collections throughout the State by increasing fines and penalties for toll evasion, prohibiting the selling or distribution of license plate covers that obscure plates, and restricting DMV registration transactions for vehicles with suspended registrations for failure to pay tolls or failing to remove plate-obscuring materials.

Toll Fraud Deterrence. The Executive Budget also includes legislation to reduce fraudulent attempts to claim credits, discounts, or exemptions from MTA tolls by creating new misdemeanor and felony offenses.

Transforming DMV Customer Service

Accounting for the steady increase in the volume and complexity, 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, over 8 million transactions per year are processed through the DMV website, and this number is expected to continue to rise as customers take advantage of additional online transactions.

Building on the success of previous customer service initiatives, DMV continues to use an enhanced call center, expansion of online transaction capabilities, and the implementation of a reservation system to reduce customer foot traffic in district and online offices. DMV's website is continuously improving to provide a more responsive design for its customers. Additionally, DMV is seeking to upgrade internal systems to improve transactions and customer experience.

Additional DMV-related Budget actions include:

Online Insurance Verification. The Executive Budget includes legislation for DMV to replace its current insurance verification system to allow for quicker and easier verification of driver insurance coverage by staff and law enforcement officers.

Allow NYC to Lower Its Speed Limit. The Executive Budget also includes legislation to give NYC the authority to adjust its speed limits to account for the dangers of fast driving in urban environments. This will allow NYC to designate speed limits of no less than 20 MPH, and as low as 10 MPH in school zones and areas where traffic calming measures exist.

| STATE OPERATING FUNDS SPENDING | | | | |
|---------------------------------------|--|--|--|-----------------------------------|
| CATEGORY | FY 2024 (MILLIONS OF DOLLARS) | FY 2025 (MILLIONS OF DOLLARS) | Dollar Change (MILLIONS OF DOLLARS) | PERCENT CHANGE (%) |
| Department of Transportation | \$1,219 | \$1,270 | \$51 | 4.2% |
| Metropolitan Transportation Authority | \$7,080 | \$7,897 | \$817 | 11.5% |
| Department of Motor Vehicles | \$95 | \$93 | (\$2) | (2.1%) |
| TRANSPORTATION SPENDING TOTAL | \$8,394 | \$9,260 | \$866 | 10.3% |

MTA includes certain revenues that are directed to MTA without appropriation: Payroll Mobility Tax, For-Hire Vehicle surcharges, and former MTA Aid Trust revenues. The MTA amounts above do not reflect the one-time \$300 million State aid in FY 2024 for extraordinary impacts resulting from the pandemic.

