

CURRENT FEDERAL AND STATE SOURCES OF PUBLIC TRANSPORTATION FUNDING



**New NY Bridge
Mass Transportation Task Force
April 26, 2013**



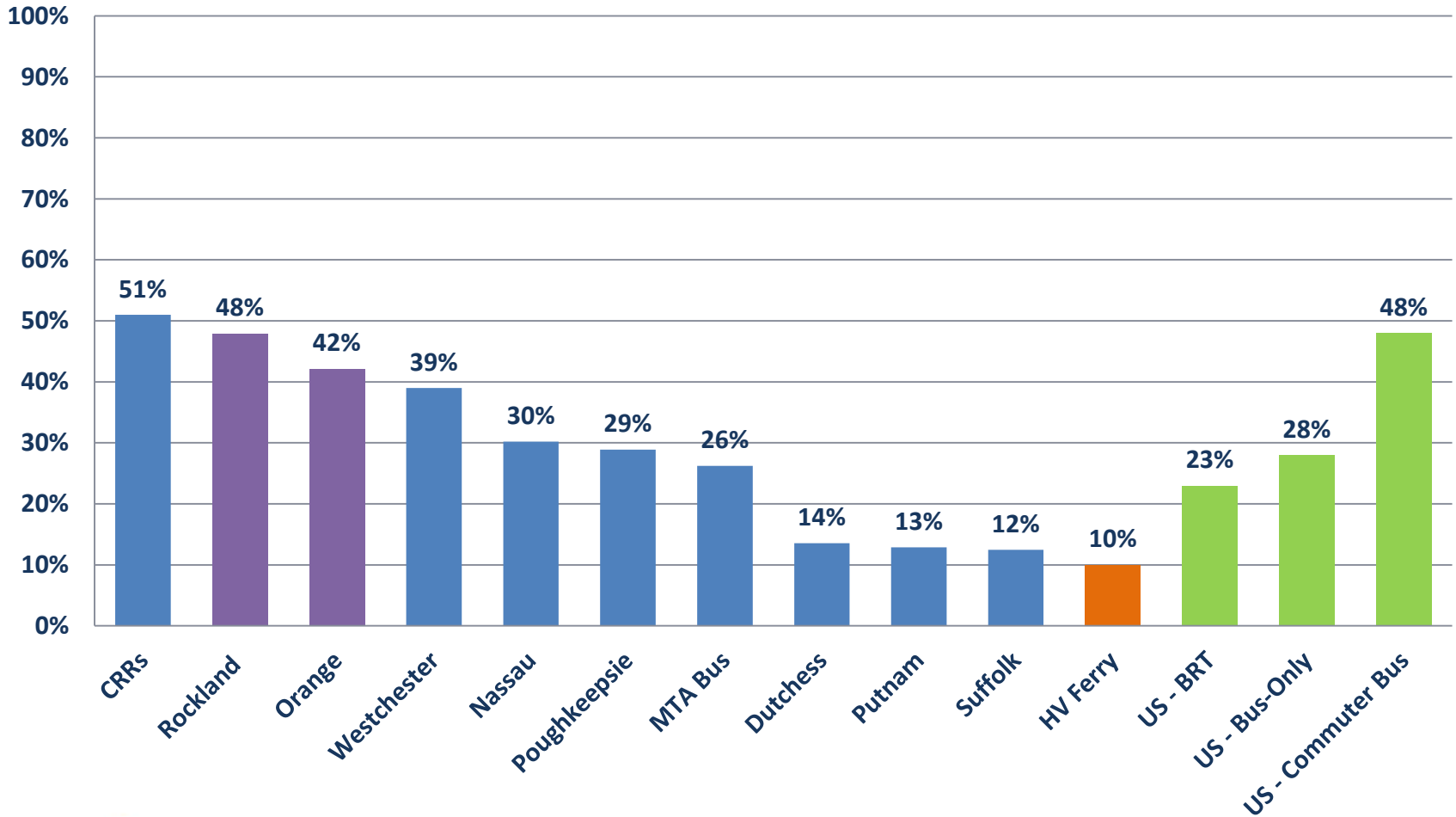
OBJECTIVES...

- Present factual information on current sources/uses of federal/State revenues for public transportation
- Begin dialogue on the feasibility of current and/or new resources to support expanded trans-Hudson commuter services
- Provide context for the current federal/State funding environment



NO FREE RIDE

Farebox Recovery



FEDERAL TRANSIT FUNDING

- Separate Mass Transit Account (MTA) within the federal Highway Trust Fund (HTF)
- Account receives 20 percent of each increase in the motor fuel tax (beginning in 1983)
- The current motor fuel tax is 18.4 cents, of which 2.86 cents is dedicated to the transit
- Transit program also receives 20% of total funding through general revenues

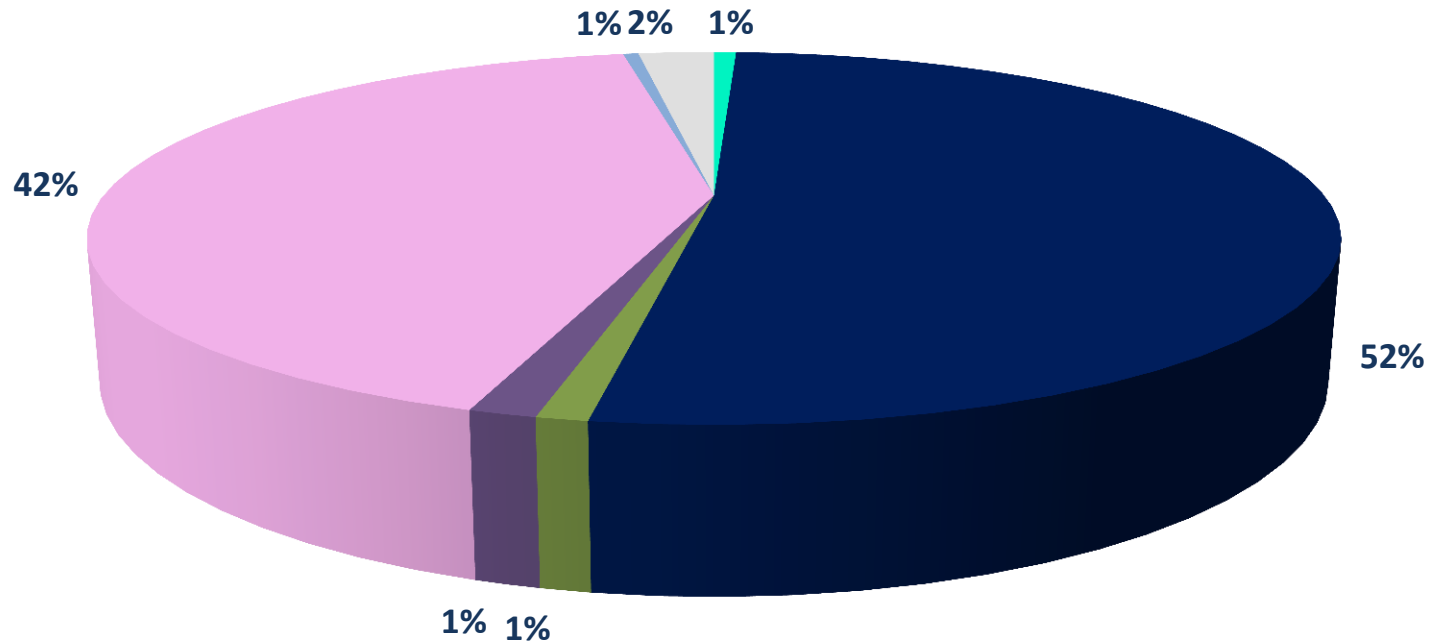


MOVING AHEAD FOR PROGRESS IN THE 21ST CENTURY (MAP-21)

- Authorizes federal transportation funds through September 30, 2014
- Extends federal motor fuel taxes through FFY 2016 and other highway trust fund related taxes through FFY 2017
- Eliminates earmarks; reduces the number of discretionary programs
- Re-focuses highway and transit resources on the repair, rehabilitation and replacement of aging infrastructure, vehicles and equipment



FEDERAL PUBLIC TRANSPORTATION ASSISTANCE



- 5303/5304 Metropolitan/Statewide Planning
- 5307 Urbanized Area Formula
- 5310 Seniors/Individuals with Disabilities
- 5311 Rural Area Formula
- 5309 Fixed Guideway SGR
- 5309 Bus SGR
- 5339 Bus/Bus Facilities Formula



SECTION 5307 - URBANIZED AREA FORMULA PROGRAM

- Apportionment to urbanized areas of more than 200,000 in population based on multi-tiered formula, including:
 - Population and population density
 - Bus revenue vehicle miles
 - Fixed guideway revenue vehicle miles
 - Fixed guideway route miles
 - Incentive tier based on bus/fixed guideway passenger miles and operating costs
- Eligible activities include:
 - Replacement of buses/rollingstock
 - Construction/rehabilitation of passenger/maintenance facilities
 - Communications and fare collection systems
 - Preventive maintenance
- Federal share for eligible capital activities is 80 percent
- In FFY 2011, the ten-county urbanized area received \$680 million; 95% of which was generated by services in the five-boroughs

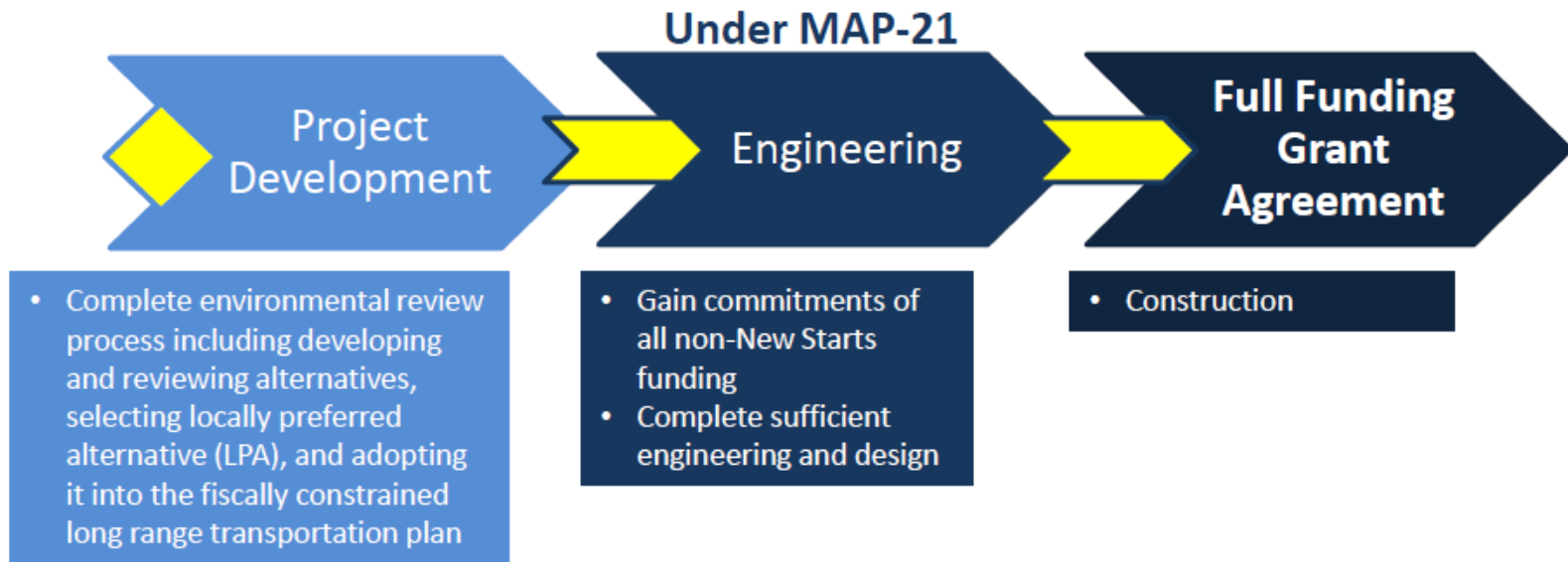


SECTION 5309 - NEW START PROGRAM

- Provides the federal share of new/extensions to existing fixed-guideway systems
- Eligible projects include:
 - Busways/high occupancy vehicle (HOV) facilities
 - Bus Rapid transit
 - Subway systems/extensions
 - Commuter rail systems/extensions
 - Light rail systems/extensions
 - Vintage trolleys
 - Ferries
 - Other
- Federal share for eligible capital activities is 80 percent; however, practice is a maximum of 60 percent



SECTION 5309 - NEW STARTS PROGRAM



SECTION 5309 - NEW STARTS PROGRAM

- Projects become candidates by completing the appropriate steps in the major capital investment planning and project development process
- Project must be based on the results of an Alternatives Analysis, justified against a set of statutory criteria, and supported by an *adequate* degree of local financial commitment
- Funds provided pursuant to a full funding grant agreement (FFGA) that defines the project scope/specifies the multi-year federal commitment; any additional costs are the responsibility of the project sponsor
- Funding allocation recommendations are made in an annual report to Congress: “Annual Report on New Starts”
- Significant pipeline/lengthy process



SECTION 5309 - NEW STARTS PROGRAM

- *Adequate* degree of local financial commitment, as measured by:
 - The proposed share of total project costs from sources other than from the New Starts program (overmatch)
 - The strength of the proposed project's capital financing plan
 - The ability of the sponsoring agency to fund operation and maintenance of the entire system – existing and planned

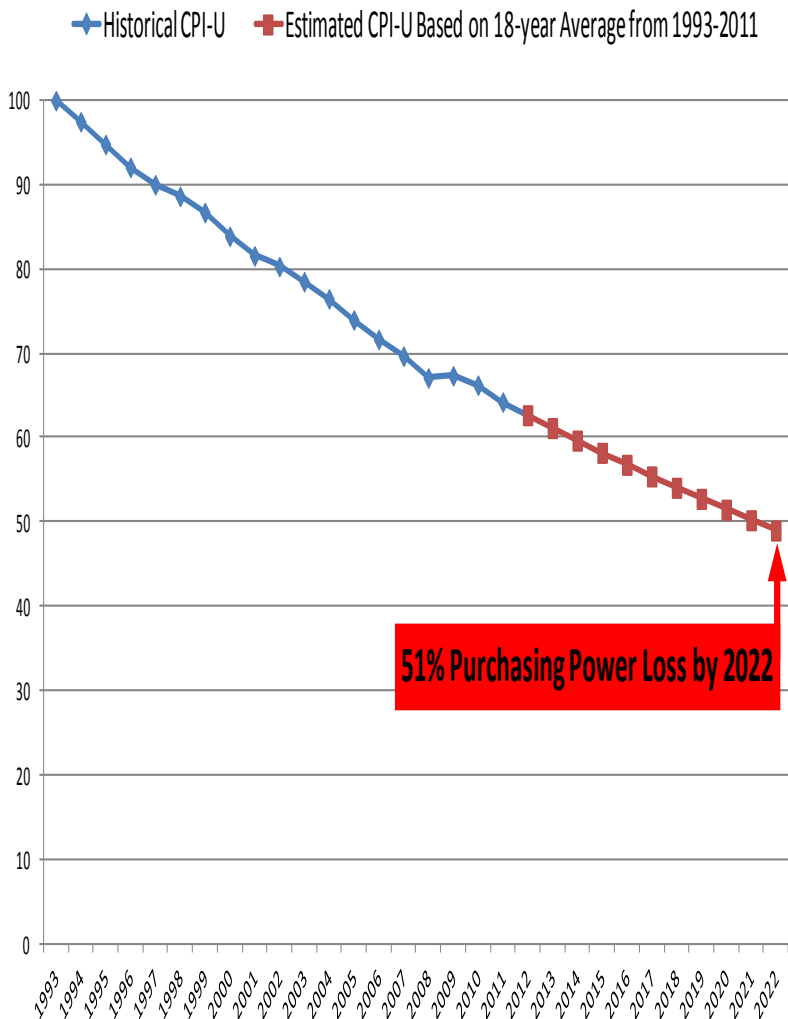


FUTURE HAS NEVER LOOKED MURKIER

- ➔ Sequestration
- ➔ Continuing Resolutions
- ➔ Solvency of HTF
- ➔ New House T&I Leadership/Policy Direction

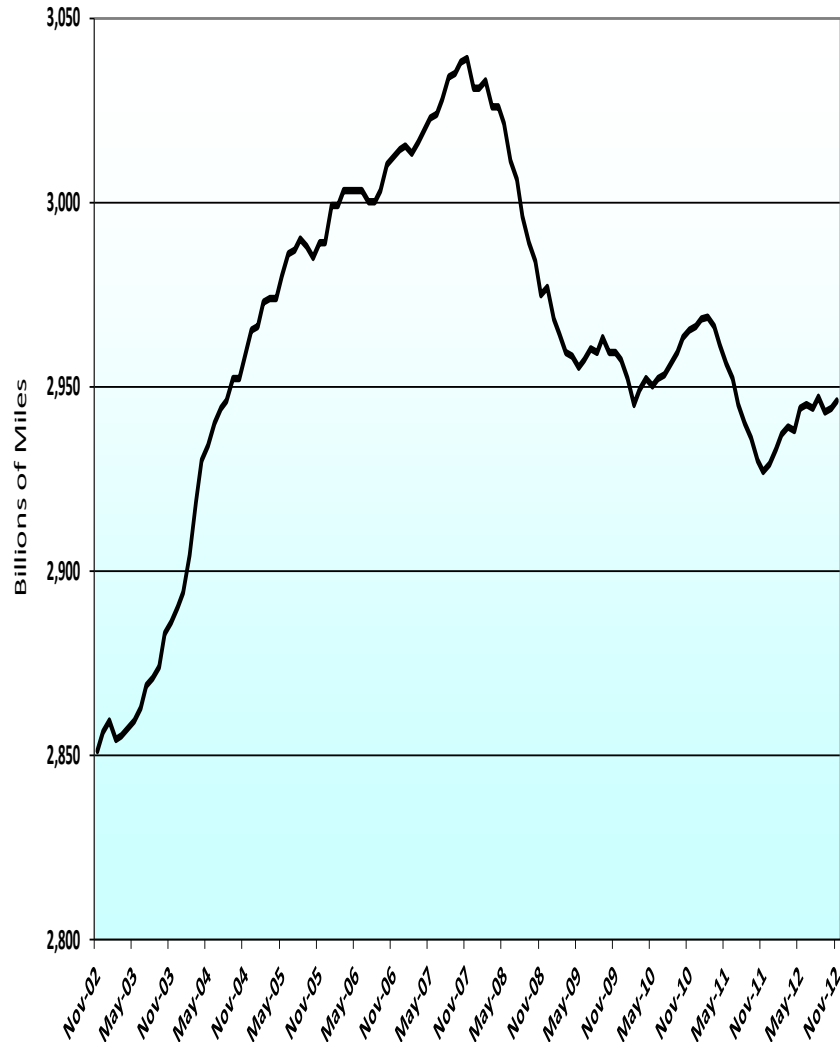


PURCHASING POWER LOSS OF GAS TAX DUE TO INFLATION



Vehicle Miles Traveled - Nov 2002 to Nov 2012

(Moving 12 Month Total)



CASH TRANSFERS TO HIGHWAY TRUST FUND TO MAINTAIN CURRENT FUNDING

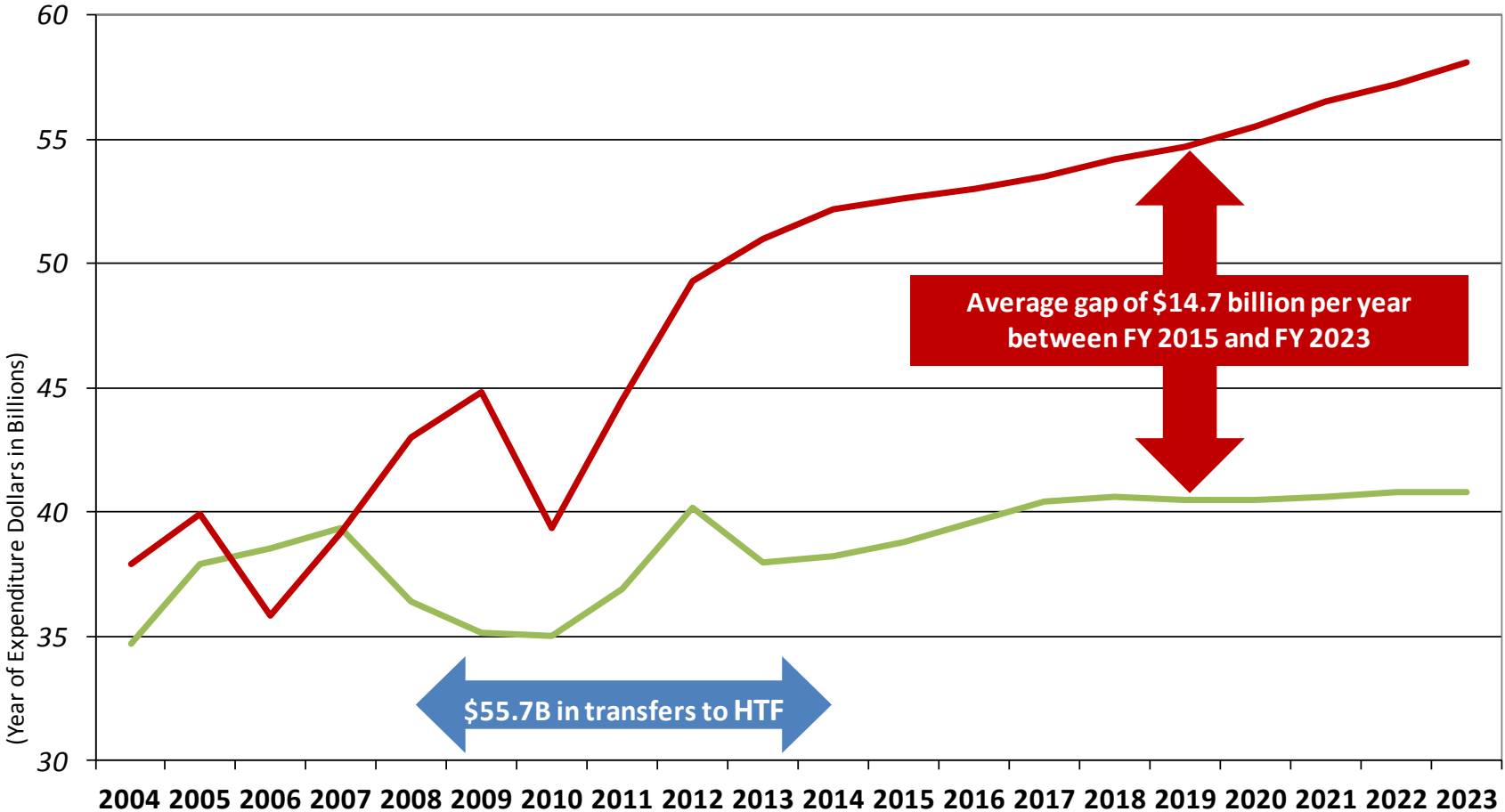
- ➔ Required General Fund transfer to the Highway Trust Fund
 - September 2008 - \$8 billion
 - August 2009 - \$7 billion
 - March 2010 - \$19.5 billion
 - July 2012 - \$2.4 billion (Leaking Underground Storage Tank Trust Fund)
 - FFY 2013 - \$6.2 billion General Fund transfer to HTF (scheduled)
 - FFY 2014 - \$12.6 billion General Fund transfer to HTF scheduled
 - 2014 budget proposes to increase by \$2.6 billion

- ➔ Total transfers to HTF: \$55.7 billion since 2008



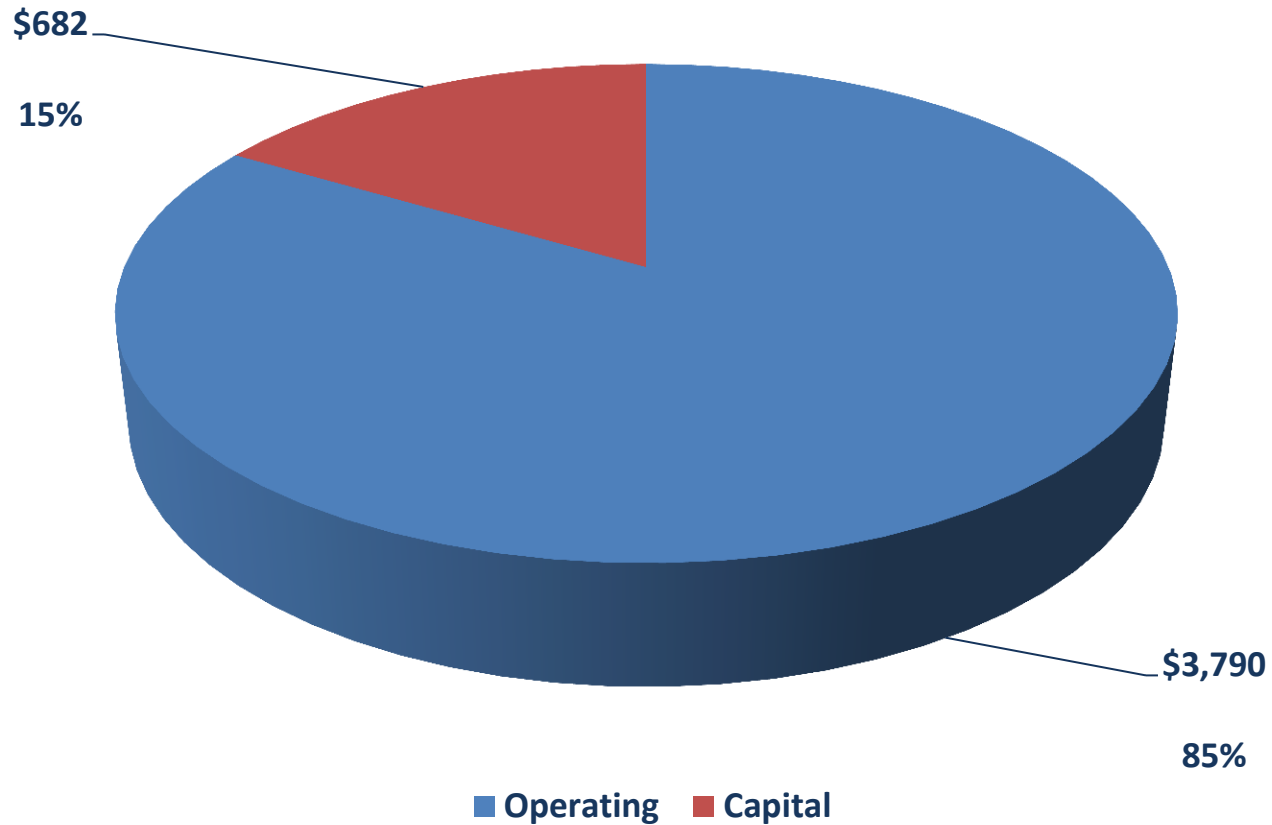
Highway Trust Fund Receipts and Outlays Discrepancy

Receipts Outlays



Excludes \$8.017 billion transfer from General Fund to Highway Account of HTF in September 2008; \$7 billion transfer from General Fund to Highway Account of HTF in August 2009; \$19.5 billion transfer from General Fund to Highway and Mass Transit Accounts of HTF in March 2010; \$2.4 billion transfer from Leaking Underground Storage Tank Trust Fund to HTF in July 2012; \$6.2 billion transfer from General Fund to Highway Account of HTF in FY 2013; \$10.4 billion transfer from General Fund to Highway Account of HTF in FY 2014; \$2.2 billion transfer from General Fund to Mass Transit Account of HTF in FY 2014.

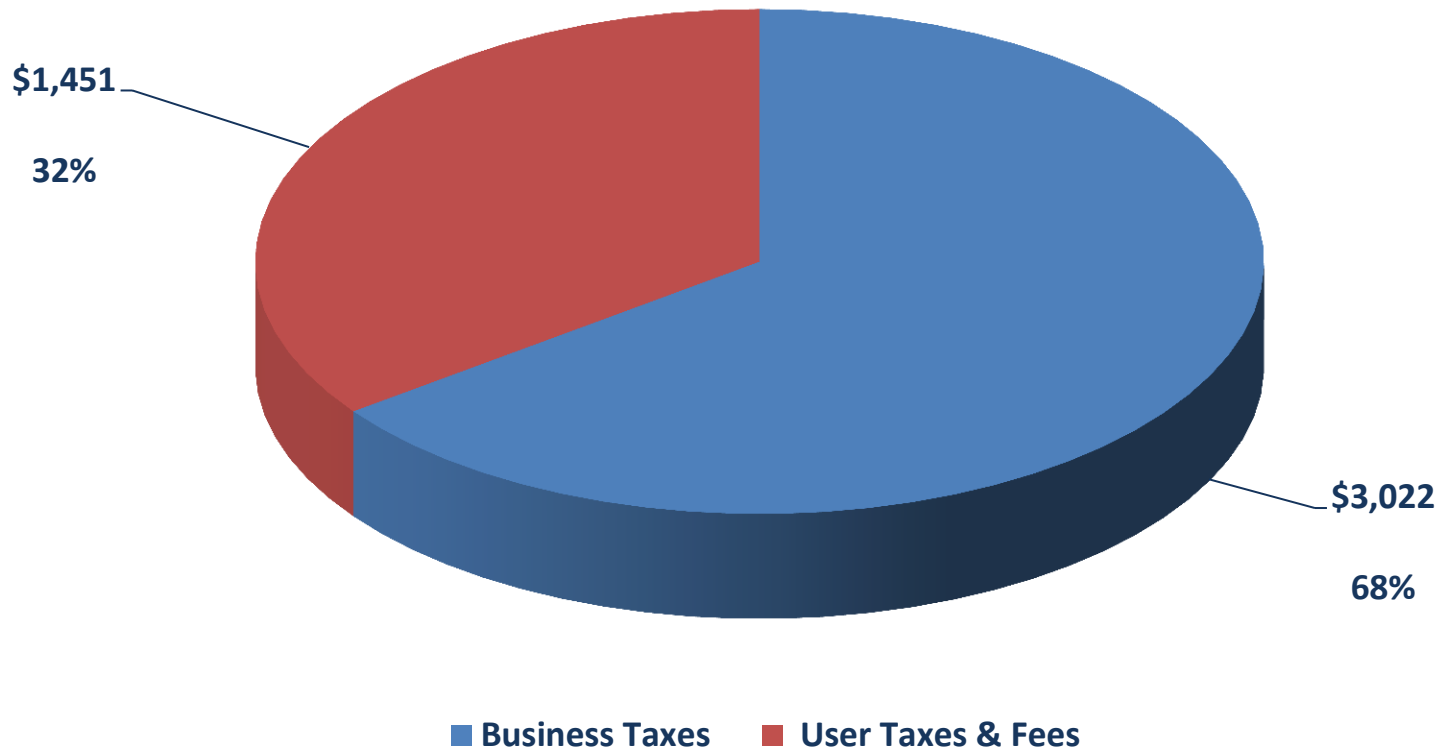
WHAT TYPE OF STATE ASSISTANCE IS PROVIDED?



Metropolitan Transportation Commuter District



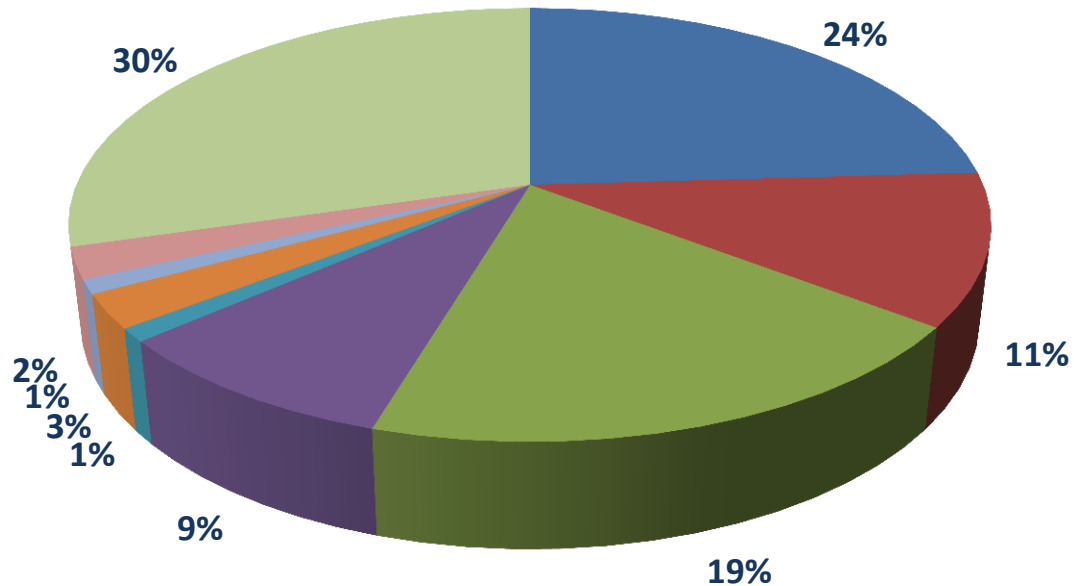
HOW ARE STATE RESOURCES FOR PUBLIC TRANSPORTATION GENERATED?



Metropolitan Transportation Commuter District



WHAT ARE THE SOURCES THAT SUPPORT STATE ASSISTANCE?



- Corporate Franchise/Surcharge
- Petroleum Business Tax
- MTA District Sales Tax
- Motor Vehicle Fees
- Miscellaneous
- Motor Fuel Tax
- Auto Rental Tax
- Taxi Surcharge
- Payroll Tax

Metropolitan Transportation Commuter District



SYSTEM REVENUES/EXPENSES

- State Operating Aid and Passenger Revenue account for +/- 66% of TOE
- State taxes and fees supporting public transportation are economically sensitive
- System labor, health, legacy and fuel costs are fastest growing components of operating budgets
- Increasing pressure on locally-derived revenues
- Growing demand fueled by changing demographics



