City Contribution to MTA Would be $360 Million a Year If It Had Kept Pace With Rate of Inflation,
Says Independent Budget Office

But Contribution Has Stayed Around $100 Million Yearly Since 1982

Straphangers Campaign To City: “Do Better By the Riders”

The NYPIRG Straphangers Campaign today released an analysis conducted by the New York City Independent Budget Office (IBO) of funding by the City to the MTA’s capital program over 30 years. (See attached.)

The fiscal review was in response to a request by the Straphangers Campaign.

The City contribution has instead remained around $100 million per year for most years since 1982.

The IBO found that if the City contribution had kept up with the rate of inflation it “would have reached $363 million in 2014, and provide more than $1.8 billion for the proposed 2015-2019 capital plan.”

The MTA has proposed a capital-spending plan of $32 billion for the five years running from 2015 to 2019. Since 1982, the MTA has spent $105 billion to buy new subway cars, buses and commuter trains; fixed hundreds of stations; and replaced scores of miles of track and signals.

MTA officials say funding is currently $15 billion short.

“Fixing our transit system is critical to New York’s economic health and quality of life,” said Gene Russianoff, staff attorney of the NYPIRG Straphangers Campaign, a transit riders group. “The City should be doing better by the riding public.”

Many transportation groups support increasing the City's contribution to the MTA, including the General Contractors Association, the Regional Plan Association, the Riders Alliance, the Tri-State Transportation Campaign, and the New York State League of Conservation Voters.

—more, more, more—
“A well-functioning public transit system is fundamental to New York City's success. Yet the MTA is facing a $15 billion deficit for its capital plan, even as the City's contribution has remained flat for over three decades,” said New York City Council Member Ydanis Rodriguez, Chair of the Transportation Committee.

Council Member Brad Lander, Deputy Leader for Policy, noted: “We must all do our part. It's time to review the City's commitment, and to consider new ideas like a fair tolling plan, and getting taxi apps to pay towards the MTA tax. At the same time, City contributions must come with more ability to make sure that MTA investments truly meet the needs of New York City residents. As the Council moves through the budget process, we will consider the MTA's needs, and what transit improvements we could make for New Yorkers with additional resources.”

The MTA plan currently assumes an increase of $25 million a year in the City contribution, which would go from $100 million to $125 million in annual capital contributions. The MTA also assumes another $32 million in City matching funds to federal grants supporting the MTA Bus Capital Program.

The MTA’s capital plan will likely be reviewed by the State Legislature, Governor Cuomo and Mayor de Blasio in the coming months.

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The city makes an annual payment to the Metropolitan Transportation Authority (MTA) to support the authority's capital program. NYPIRG’s Straphangers Campaign asked IBO to review the annual contributions to see if they have kept pace with inflation.

- The city’s contribution to the MTA’s first five-year capital plan (1982-1986) averaged $136 million a year. In nominal terms, the city’s contribution was highest during the 1987-1991 and 1992-1999 plans and has remained fairly constant at around $100 million per year since 2000.
- If the city had instead decided to keep its contribution at the 1982-1986 level in real (inflation-adjusted) terms, the contribution would have reached $363 million in 2014, and provide more than $1.8 billion for the proposed 2015-2019 capital plan.
As a Share of Total City-Funded Expenses, the Direct City Contribution To the Metropolitan Transportation Authority Capital Program Has Declined Dramatically Over Time

- The city’s contribution to the MTA’s 1982-1986 capital plan averaged 1.2 percent of total city-funded expenses over the five-year period. Over time the city’s contribution as a share of total city-funded expenses has declined dramatically. The city’s contribution to the MTA capital plan in 2010-2014 averaged just 0.2 percent of total city-funded expenses a year.

New York City and state also provide indirect support to the capital program through dedicated tax revenue—in most cases, revenues predominately collected in the 12-county MTA region—that flow into the MTA’s operating budget. These revenues, which have grown substantially over the past three decades, are used to pay debt service on MTA bonds that finance capital projects as well as the operating expenses of the transit system. IBO estimates that New York City residents alone generated around $3.1 billion in city and state tax revenue for the MTA in 2014, compared with just $235 million in 1983.

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New York City Independent Budget Office

SOURCES: IBO analysis of data from the Metropolitan Transportation Authority, Moody’s Analytics, and the New York City Comptroller’s Office
NOTES: Inflation measured by the local government GDP deflator for the New York City metropolitan region. IBO compares the city’s contribution to the MTA on a calendar year basis to the city’s fiscal year expenditures.