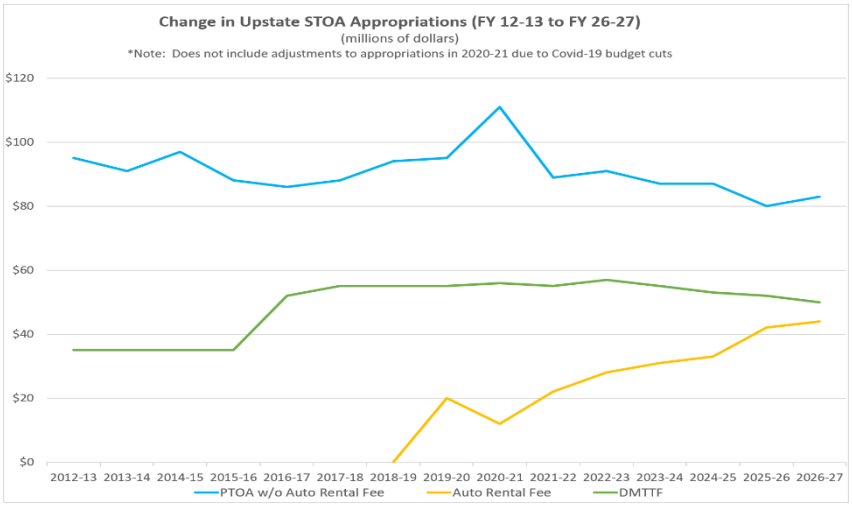
## Address Upstate Transit Funding

State aid is the largest revenue source for most upstate public transit systems, comprising 50% or more of upstate transportation authority budgets. However, the growth in upstate STOA funding lags well behind the growth in downstate aid, with **upstate aid growing by 131% over the past 15 years while downstate aid grew by 168%**. This difference between upstate and downstate is not related to financial need, but rather the lack of sustainable dedicated revenue to fund upstate transit.

**Upstate Transit Deserves Dedicated Funding -** Transit systems across the state face financial challenges to keep pace with rising operating expenses, inflation, and demand for better service. **Upstate systems face a further hurdle of being overly reliant on state enacted fuel-based revenues which are declining.** Over 98% of state transit aid for the MTA or other downstate systems comes from growing revenues of a robust set of state enacted dedicated taxes, while only 47% of upstate aid is from dedicated revenues. NYPTA has highlighted this broken funding system and it remains unresolved.

The chart below shows the lack of growth of the two largest dedicated revenue sources that fund upstate transit (PTOA and Dedicated Mass Transportation Trust Fund). Only the Auto Rental fee is a growing revenue source but comprises only 25% of dedicated revenues. The result is that upstate transit is much more reliant on the uncertainty of annual state general fund appropriations to achieve increased funding.




Upstate systems need additional revenues to avoid service reductions and plan future service levels their communities need. Fixing the upstate transit funding problem requires new, growing dedicated revenues to replace or supplement underperforming sources such as motor fuels taxes. Downstate transit enjoys many sustainable, growing sources of dedicated revenues; upstate transit does not have the benefit of these sources**.** The existence of state enacted revenue sources for downstate transit provides proven models for supplementing upstate funding, just as the MTA region auto rental fee was extended in 2018 to fund upstate transit.

**NYPTA recommends enactment of sustainable, dedicated revenues to support upstate transit**. For example, extending the state enacted MTA region $25 annual supplemental vehicle registration fee to upstate counties or dedicating a small portion of state taxes on corporations would provide needed revenue to support upstate transit service.

Increasing state investment in public transit and providing dedicated revenues to upstate transit supports the state's goals for economic development, affordable housing, downtown revitalization and access to health care and education.