NEW YORK PUBLIC TRANSIT ASSOCIATION, INC.

NYPTA 3-YEAR OPERATING ASSISTANCE PLAN TO RESTORE SERVICE

Recommendation – Increase STOA by 30% in FY 2027-28, and a total of 60% over the next 3 years, for all non-MTA transit systems to allow them to eliminate budget gaps and restore service hours.

Transit Service is Declining

The cost to operate upstate and suburban downstate transit services has exceeded the growth in revenues for many years, leading to operating shortfalls that required extraordinary steps to eliminate. Since 2020, transit agencies balanced their budgets using one-time federal Covid-19 relief funds, modest increases in STOA and targeted reductions in vehicle hours of service. Since 2020, vehicle hours of service have declined by 16% on NFTA's bus network, 11% at Centro, 7% at RTS, and 6% at BC Transit. CDTA has reduced hours of service by 7% this year to respond to revenue shortfalls.

Now relief funds are exhausted, operating expenses are rising due to labor costs, fuel, and inflation, and passenger revenue is only growing slowly. Rapidly rising paratransit service further strains budgets.

Without significant increases in assistance, transit agencies will be forced to continue to reduce hours of service and consider increases in fares, both of which will drive away customers. Systems cannot afford to add back service that their communities need, impacting the ability to meaningfully grow ridership. Continued degrading of services will leave transit networks unprepared to support emerging economic development such as Micron in Syracuse and others across the state. Less transit service will not provide the mobility essential to achieve state affordability and energy goals. A financial plan to stabilize finances and reverse transit service reductions is urgently needed now.

Future Operating Gaps

NYPTA has reviewed the budget gaps forecasted over the next 3 years by the 4 upstate regional transportation authorities to restore transit service hours that were cut due to lack of funding. The operating gap to restore service for these 4 authorities, assuming flat governmental revenues, is $180 million in 2029-30 translating to a 60% increase in STOA. Adding services that communities need and deserve beyond restoration, or that supports new economic development requires additional investment.

3-Year Operating Plan

The STOA increase required for the 4 upstate authorities is a guide to the increase needed for all upstate and suburban downstate transit systems to eliminate structural budget gaps and restore services. This will allow transit systems to plan for and make immediate and meaningful improvements that will reverse the loss in service and benefit riders and communities throughout the state.

NYPTA recommends phasing in the increase in statewide STOA over the next 3 years, with an immediate 30% increase in SFY 2027-28, followed by two successive increases of 15%.

This plan requires an increase in upstate transit appropriations of $112 million in 2027-28 to a level of $487 million, and an increase in downstate non-MTA appropriations of $192 million to a level of $832 million. Appropriations would need to grow by 15% per year in following two years to maintain service.