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What NYC Pays the MTA (It's Far More Than the State Does)

The city sent \$10.1 billion to the MTA in fares, tolls and a variety of taxes, fees and other costs, according to a report by Comptroller Scott Stringer.

By Andrew J. Hawkins

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The Metropolitan Transportation Authority wants the city to cough up additional funding, but a new analysis reveals the city's government, residents and businesses already send it more cash than anyone.

Those city constituencies sent a total of \$10.1 billion to the MTA in fiscal year 2014: \$5.3 billion in fares and tolls and \$4.8 billion in indirect fees like taxes, subsidies and debt service. Comptroller Scott Stringer said the latter amount equates to \$130 per month per household before anyone steps onto a subway platform.

That "invisible fare," as Mr. Stringer calls it, includes the payroll mobility tax paid by most businesses in the MTA's service region, the \$0.50 surcharge on taxi trips, sales tax, and contributions from the city's budget for the MTA's debt service, security and capital costs.

"Now the MTA may be a creature of the state," Mr. Stringer said, "but the weight of running our transit network falls squarely on the shoulders of working New Yorkers and businesses."

The MTA is a state authority and the governor appoints a plurality of its board members, allowing him to essentially control the agency, which covers New York City and reaches seven suburban counties.

Mr. Stringer's report will add fuel to the debate over how much money the city should contribute to public transit. Earlier this month, Mayor Bill de Blasio agreed to an MTA request to increase the city's contribution to the agency to \$125 million in fiscal year 2016 from an average of \$100 million in previous years. When combined with a \$32 million city match to a federal grant, the funding will reach the \$657 million in capital contributions from the city that the MTA had requested last fall.

But days before that number was made official, the MTA upped its request to \$1.5 billion, citing a massive \$14 billion gap in its five-year capital plan and years of what it considers to be underinvestment in the public transit system by the city.



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"Now, at this critical juncture, is the right time for the city to acknowledge the need for significantly increased investment in the MTA, and in the city's future," MTA Chairman Thomas Prendergast wrote in a letter to Mr. de Blasio's administration.

On Monday, Mr. Stringer called the MTA's request "incredible," given that the state, which controls the authority, only sent \$603.5 million in operating revenue to the MTA in fiscal year 2014, or 4% of the agency's operating budget and one-eighth the amount the city sends to the MTA, excluding fares and tolls. Including those revenues, 68% of the MTA's operating budget comes from the city, Mr. Stringer's report found.

"We are indeed at a critical juncture, and it's the juncture at which Tom must acknowledge the city's already massive and disproportionate contribution to the MTA, it's the juncture at which Albany needs to step up to the plate," the comptroller said. "Because we all know you can't close a \$14 billion gap in the capital budget on the backs of subway riders."

He added, "It is hypocrisy that city residents have lived with for years. It makes no sense."

The MTA responded to the report by questioning the comptroller's data, but not directly contradicting any specific figure.

"It is incredible that the Comptroller acknowledges in the very first paragraph of his report that 'the MTA needs more funding from every level of government,' but uses fuzzy math to justify letting the city off the hook for using some of its billions in future surpluses to pay its fair share for mass transit," an MTA spokesman said.

Indeed, others have tried to quantify the city's contribution to the MTA, with varying results. Mr. Stringer's estimate of \$10.1 billion in city contributions to the MTA vastly exceeds a Citizens Budget Commission analysis from earlier this month, which found that New York City taxpayers provide the MTA \$4.5 billion annually.

Mr. de Blasio, who has clashed with Mr. Stringer over education funding and prekindergarten contracts, praised the comptroller's report for undercutting the argument that the city has lagged in its contributions to the MTA.

"We welcome the comptroller's report, which underscores a fundamental reality: New York City and its taxpayers have disproportionately subsidized the MTA, particularly after years of declining state investment," a spokeswoman for the mayor said. "As the mayor has made clear, we're committed to working with the state and our regional partners to find a long-term plan for this vital state authority."

Mr. Stringer's report comes on the heels of a critical audit conducted by his office of the MTA's efforts to clean subway tracks and stations. The two reports, taken together, paint an unflattering portrait of the transit system, he said.



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"The transit system is dirty. The transit system is underfunded," he said. "It's starting the same things it showed back in the 70s when I was growing up and the A train was a rolling crime scene."

By taking pressure off the city to give more to the MTA, the comptroller is aiming get the state to increase its contribution. The downside is that if the city stands pat and the transit system ends up underfunded, city residents who depend on trains and buses would suffer.

To get a full picture of New York City's total contribution to the MTA, the comptroller's office said it conducted a "thorough examination" of the myriad payments to the MTA, including fares, tolls, and 25 tax and subsidy streams. Operating the MTA costs almost \$14 billion a year, and its capital plan calls for \$32 billion in spending over five years.

Earlier this year, the Independent Budget Office released a study that found the city's contribution to the MTA has "declined dramatically" over the years and now only accounts of 0.2% of city-funded expenses.

The MTA's five-year capital budget has been the focus of much speculation and debate, after the authority revealed last year it was \$15 billion shy of being fully-funded. Since then, the state has dedicated \$1 billion in surplus cash from bank settlements to the MTA, bringing the budget gap down to \$14 billion.

State leaders are still struggling with how to close the remaining deficit. The capital plan, which calls for about \$22 billion in spending just to maintain a state of good repair, begins this year and runs through 2019. The remaining \$10 billion is for enhancement and expansion, such as the westward extension of the No. 7 train, the East Side Access project and construction of the 2nd Avenue Subway. All three of those projects are underway.

Some projects could be axed or curtailed if full funding is not allocated. Mr. Prendergast has rejected raising fares any more than already planned to help fund the capital plan.