

DEPARTMENT OF TRANSPORTATION

MISSION

The Department of Transportation directly maintains and improves the State's more than 40,000 highway lane miles and 7,500 bridges. In addition, the Department partially funds locally operated transit systems, local government highway and bridge construction and rail and airport programs.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner appointed by the Governor. The Department's main office is in Albany, with 11 regional offices in Albany, Utica, Syracuse, Rochester, Buffalo, Hornell, Watertown, Poughkeepsie, Binghamton, Hauppauge and New York City. The Department also maintains highway maintenance and equipment repair facilities across the State.

Employees of the Department perform such activities as highway maintenance, snow and ice removal, highway and bridge design and construction inspection. In addition, the Department's staff inspects school and charter buses, regulates commercial transportation, oversees public transportation systems and State-owned airports and provides administrative support for the Department. The Department will reduce its full-time workforce to a total of approximately 9,590 employees by the end of 2003-04.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department is responsible for the implementation of transportation programs related to highways and bridges, transit, aviation, ports, rail and other modes. It is supported primarily by revenues from the Petroleum Business Tax, highway use and motor fuel taxes and motor vehicle fees. Substantial Federal aid is also used to support the programs.

Recommended appropriations for the Department will decrease by a net total of approximately \$508 million. Nearly \$400 million of this reduction, from the elimination of unnecessary Engineering Services Fund dual appropriations that were previously used for inter-fund reimbursements, is technical in nature and will not impact the agency's programs. The remaining net reduction is from a decrease of \$100 million in the construction program, from \$1.75 billion to \$1.65 billion; associated personnel and consultant contract reductions; and increases in Federal appropriations.

The Department's operations are devoted primarily to highway maintenance, particularly snow and ice removal. The 2003-04 Executive Budget maintains the \$224 million snow and ice control and arterial maintenance programs in the Dedicated Highway and Bridge Trust Fund.

The Department's regulatory programs and other operations are primarily funded by fees, miscellaneous revenues and Federal aid. Approximately \$27 million is derived from fees, including those imposed on trucks registered to transport products throughout the State, landing fees and rents levied at Republic Airport, internal service fees paid by other State agencies for consolidated printing services and revenues generated by the sale and rental of Department property, such as commercial leasing of land for parking or storage. These funds support a number of agency activities, including administrative support services, highway safety and aviation programs.

Federal aid of \$9.6 million and dedicated mass transit funds totaling \$5.5 million help finance the Department's remaining operating responsibilities for mass transportation, aviation and motor-carrier safety programs.

Capital appropriations provide funding for construction and reconstruction projects on State highways, bridges, railways and airports, as well as financing the engineering staff and private-sector consultants who work on these projects. The highway and bridge construction level will total \$1.65 billion in 2003-04.

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The centerpiece of the State's Highway and Bridge Program is the Dedicated Highway and Bridge Trust Fund, established in 1993. The Trust Fund derives its revenues from highway user fees, portions of the petroleum business tax, motor fuel tax, motor vehicle registration fees and miscellaneous transportation-related revenues. These funds are used both on a pay-as-you-go basis and to pay debt service on bonds issued by the Thruway Authority to finance portions of the State and local highway programs.

The Department of Transportation's State and local highway capital program is also financed with funds from the Federal Transportation Equity Act for the 21st Century (TEA-21), distributed by Federal formulas and used only for federally approved projects primarily approved by local Metropolitan Planning Organizations. The Federal capital aid appropriation in 2003-04 is available for up to \$1.7 billion of Federal highway funding.

Local highway and bridge capital programs include the Consolidated Highway Improvement Program (CHIPS) and the Municipal Streets and Highways Program ("Marchiselli" Program). These programs are funded by bonds issued by the Thruway Authority with debt service paid from the State's Dedicated Highway and Bridge Trust Fund. The CHIPS capital program will be funded at \$241.8 million, and the Marchiselli program will provide \$39.7 million in 2003-04.

A \$20 million appropriation for rail freight and passenger projects will continue an enhanced rail program that will expand shipping opportunities for New York businesses, reduce costs for consumers and improve passenger transportation. In addition, \$9 million will be provided for the Industrial Access Program to promote job creation and retention by encouraging business expansion with highway, rail and port projects.

The Aid to Localities budget is comprised primarily of appropriations supported by State taxes dedicated to public transportation through the Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund. Mass Transportation Operating Assistance Fund revenues are derived from a 1/4 percent sales tax; a business tax surcharge levied in the New York City metropolitan region; and a portion of statewide taxes on transmission, transportation and petroleum-related businesses. Dedicated Mass Transportation Trust Fund revenues are derived from a share of the revenues deposited in the Transportation Dedicated Funds Pool which includes portions of the Petroleum Business Tax, the Motor Fuel Tax and motor vehicle fees. New appropriations to transit systems will total approximately \$1.73 billion, maintaining 2002-03 aid levels.

Nearly \$1.46 billion of new operating aid appropriations are recommended for the Metropolitan Transportation Authority (MTA) in 2003-04. This includes \$490 million from the Dedicated Mass Transportation Trust Fund in support of the MTA capital program. The operating assistance also includes \$45 million in General Fund support for the MTA as the State's contribution to reduced fares for New York City school children. The City will match this contribution.

Transit operators other than the MTA will receive a total of \$274 million in new appropriations in 2003-04. Of this amount, \$111.3 million is targeted for upstate transit systems. Capital funding of \$30 million is recommended for transit systems other than the MTA from the Dedicated Mass Transportation Trust Fund. This capital program funds a variety of transit-related needs, primarily bus purchases and a portion of the required match to Federal transit capital aid.

PROGRAM HIGHLIGHTS

HIGHWAYS AND BRIDGES

Improving the State's vital transportation infrastructure remains the agency's highest priority. During the most recently completed fiscal year (2001-02), the Department delivered significant improvements in our highway infrastructure. A total of 191 State bridges were replaced or rehabilitated and 6,931 preventive bridge treatments were completed to slow deterioration. Over 9,600 lane miles of State highway were resurfaced, rehabilitated or given preventive maintenance treatment. These accomplishments, coupled with new materials

technology, have improved the State's bridge conditions and maintained our good pavement ratings. The 2003-04 Budget will continue emphasizing strategic investments in critical infrastructure needs. As in previous years, preventive maintenance performed by State forces and private sector contractors will be an area of significant concentration. Appropriations for the preventive maintenance program will total \$386 million in 2003-04.

State staff and private-sector consultants perform the planning, property acquisition, design engineering, environmental reviews, surveying, materials and soils testing and construction inspection associated with the Department's capital program. Construction of virtually all highway and bridge projects is performed by private firms.

The State makes a significant investment in helping localities maintain safe roads and bridges through its CHIPS and Marchiselli capital programs. These programs fund local construction projects, with the majority performed by private firms.

Through its safety inspections of school and charter buses and its regulation of commercial transport, the Department also focuses its resources on passenger safety and environmental issues. The Executive Budget includes legislation to increase the allowable number of annual permits for divisible loads (overweight trucks), require new safety equipment and axle configurations and amend the current fine schedules for vehicle weight violations. These actions will increase highway safety, reduce highway deterioration and increase State revenues.

PUBLIC TRANSPORTATION

The Department provides oversight and funding for more than 70 locally operated public transportation systems, including the Metropolitan Transportation Authority, the four upstate regional transportation authorities and other (usually county-sponsored) transit systems. These systems provide bus, subway, light rail and commuter rail services, as well as "paratransit" services designed to meet the needs of disabled people, as required by the Federal Americans with Disabilities Act.

State financial assistance to transit systems is supported by the Mass Transportation Operating Assistance Fund, the Dedicated Mass Transportation Trust Fund and the General Fund. In addition, State law authorizes the imposition of an additional mortgage recording tax in regions covered by the Metropolitan Transportation Authority and the four upstate transit authorities. These moneys are collected by the affected counties and transmitted directly to the transit systems.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

<u>Category</u>	<u>Available 2002-03</u>	<u>Appropriations Recommended 2003-04</u>	<u>Change</u>	<u>Reappropriations Recommended 2003-04</u>
State Operations	47,523,000	42,470,000	(5,053,000)	22,563,000
Aid To Localities	1,752,408,700	1,747,988,000	(4,420,700)	95,750,300
Capital Projects	3,870,338,000	3,372,236,000	(498,102,000)	9,626,990,000
Total	<u>5,670,269,700</u>	<u>5,162,694,000</u>	<u>(507,575,700)</u>	<u>9,745,303,300</u>

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ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2002-03	2003-04	FTE Change
	Estimated FTEs 03/31/03	Estimated FTEs 03/31/04	
Design and Construction			
Capital Projects Funds - Other	3,973	3,538	(435)
New York Metropolitan Transportation Council			
Special Revenue Funds - Other	76	76	0
Operations			
Special Revenue Funds - Other	10	10	0
Internal Service Funds	36	36	0
Passenger and Freight Transportation			
Special Revenue Funds - Federal	79	79	0
Special Revenue Funds - Other	133	133	0
Capital Projects Funds - Other	89	89	0
Planning and Program Management			
Capital Projects Funds - Other	593	528	(65)
Preventive Maintenance			
Capital Projects Funds - Other	4,909	4,909	0
Real Estate			
Capital Projects Funds - Other	215	192	(23)
Total	<u>10,113</u>	<u>9,590</u>	<u>(523)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
Special Revenue Funds - Federal	9,377,000	9,609,000	232,000
Special Revenue Funds - Other	33,642,000	28,357,000	(5,285,000)
Internal Service Funds	4,504,000	4,504,000	0
Total	<u>47,523,000</u>	<u>42,470,000</u>	<u>(5,053,000)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
Operations			
Special Revenue Funds - Other	16,261,000	10,761,000	(5,500,000)
Internal Service Funds	4,504,000	4,504,000	0
Passenger and Freight Transportation			
Special Revenue Funds - Federal	9,377,000	9,609,000	232,000
Special Revenue Funds - Other	17,381,000	17,596,000	215,000
Total	<u>47,523,000</u>	<u>42,470,000</u>	<u>(5,053,000)</u>

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**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Operations	15,265,000	(5,500,000)	2,013,000	0
Passenger and Freight Transportation	27,205,000	447,000	11,763,000	88,000
Total	42,470,000	(5,053,000)	13,776,000	88,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	3,161,000	18,000	10,091,000	(5,518,000)
Passenger and Freight Transportation	11,216,000	359,000	4,226,000	0
Total	14,377,000	377,000	14,317,000	(5,518,000)

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	164,736,700	161,616,000	(3,120,700)
Special Revenue Funds - Federal	33,931,000	33,931,000	0
Special Revenue Funds - Other	1,553,741,000	1,552,441,000	(1,300,000)
Total	1,752,408,700	1,747,988,000	(4,420,700)

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2002-03	Recommended 2003-04	Change
Additional Mass Transportation Assistance Program			
General Fund	55,600,000	55,600,000	0
Special Revenue Funds - Other	20,000,000	0	(20,000,000)
Dedicated Mass Transportation Trust Program			
Special Revenue Funds - Other	433,300,000	489,800,000	56,500,000
Federal Highway Administration Local Planning			
Special Revenue Funds - Federal	10,566,000	10,566,000	0
Urban Mass Transportation Administration Local Planning			
Special Revenue Funds - Federal	2,917,000	2,917,000	0
Mass Transportation Assistance General Fund	45,000,000	45,000,000	0
Mass Transportation Special Assistance Program			
General Fund	3,000,000	3,000,000	0
Inter City Rail Passenger Service General Fund	820,000	0	(820,000)
Passenger and Freight Transportation General Fund	58,016,000	58,016,000	0
Special Revenue Funds - Federal	20,448,000	20,448,000	0
Special Revenue Funds - Other	887,095,000	836,295,000	(50,800,000)
Section 18-B Program			
Special Revenue Funds - Other	165,989,000	165,989,000	0
Special Transit Aid			
Special Revenue Funds - Other	47,357,000	60,357,000	13,000,000
Community Projects General Fund	2,300,700	0	(2,300,700)
Total	1,752,408,700	1,747,988,000	(4,420,700)

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CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Aviation				
Airport or Aviation Program				
Capital Projects Fund - Aviation (Bondable)	0	0	0	3,161,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,325,000
Airport or Aviation Program -- Bondable				
Capital Projects Fund - Aviation (Bondable)	0	0	0	936,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	8,000,000	8,000,000	0	27,617,000
Regional Aviation Fund	0	0	0	21,212,000
Aviation				
Transportation Capital Facilities Bond Fund - Aviation	0	0	0	8,822,000
Federal Airport or Aviation				
Federal Capital Projects Fund	0	0	0	18,886,000
Canals and Waterways				
Canals and Waterways - Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	485,000
Economic Development				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	15,000,000	9,000,000	(6,000,000)	47,150,000
Health and Safety				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	4,211,000	6,024,000	1,813,000	2,394,000
Highway Facilities				
Accelerated Capacity and Transportation Improvements Fund				
Accelerated Capacity and Transportation Improvements Fund	0	0	0	70,363,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	0	0	0	1,634,000
Engineering Services				
Engineering Services Fund	620,221,000	0	(620,221,000)	859,620,000
NY Metro Transportation Council Account	10,229,000	10,312,000	83,000	23,044,000
Federal Aid Highways - Bondable Purpose				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	8,886,000
Federal Aid Highways - Federal Purpose				
Federal Capital Projects Fund	1,491,000,000	1,697,000,000	206,000,000	4,978,606,000
Highway Facilities				
Dedicated Highway and Bridge Trust Fund	0	0	0	40,753,000
Infrastructure Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	7,746,000
Multi-Modal				
Dedicated Highway and Bridge Trust Fund	0	0	0	128,285,000
Municipal Highway - Railroad Crossing Alterations				
Capital Projects Fund - Advances	0	0	0	331,000
Dedicated Highway and Bridge Trust Fund	0	0	0	1,568,000
New York State Agency Fund				
Miscellaneous New York State Agency Fund	52,000,000	50,000,000	(2,000,000)	136,400,000
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	1,570,862,000	1,491,785,000	(79,077,000)	2,785,344,000
Other Highway Aid				
Dedicated Highway and Bridge Trust Fund	0	0	0	4,864,000
Other Transportation Aid				
Dedicated Highway and Bridge Trust Fund	0	0	0	345,000
Priority Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	12,897,000
Road and Bridge Improvements - Bondable				
Capital Projects Fund - A.C. and T.I. Fund (Bondable)	0	0	0	69,478,000

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CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Small and Minority and Women-Owned Small Business Assistance				3,500,000
Dedicated Highway and Bridge Trust Fund	0	0	0	
Transportation Infrastructure Renewal Bond Fund				46,438,000
Transportation Infrastructure Renewal Bond Fund	0	0	0	
Maintenance Facilities				
Maintenance Facilities				
Dedicated Highway and Bridge Trust Fund	31,000,000	31,000,000	0	53,818,000
Mass Transportation and Rail Freight				
Marine Projects				
Dedicated Mass Transportation Fund	0	0	0	954,000
Mass Transportation				
Dedicated Mass Transportation Fund	15,815,000	15,815,000	0	78,650,000
Mass Transportation and Rail Freight				
Capital Projects Fund - Energy Conservation (Bondable)	0	0	0	2,036,000
Dedicated Highway and Bridge Trust Fund	20,000,000	20,000,000	0	41,956,000
Dedicated Mass Transportation Fund	32,000,000	33,300,000	1,300,000	56,361,000
Federal Capital Projects Fund	0	0	0	20,885,000
Mass Transportation and Rail Freight Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	12,313,000
Rail Freight				
Capital Projects Fund - Advances	0	0	0	22,446,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,908,000
Dedicated Mass Transportation Fund	0	0	0	4,173,000
Rail Preservation and Development Fund				
Energy Conservation Through Improved Transportation Bond Fund	0	0	0	2,048,000
Small and Minority and Women-Owned Small Business Assistance				
Dedicated Mass Transportation Fund	0	0	0	5,000,000
Special Rail and Aviation Program				
Dedicated Mass Transportation Fund	0	0	0	12,295,000
Port Development				
Port Development Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	57,000
Total	3,870,338,000	3,372,236,000	(498,102,000)	9,626,990,000