



Review of State Transit Funding in FY 2025-26 Enacted Budget

5/12/25

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The final state budget for FY 2025-26 has been passed, totaling \$254 billion. Among the items included in the budget is an increase in unemployment benefits and funds to pay off New York's \$6.2 billion in unemployment insurance debt. Following is a review of the budget and related legislation that impacts public transit systems.

Thanks to the advocacy work of NYPTA leaders, our members and staff, the final budget provides increases in funding for the state's transit systems. The budget provides additional operating assistance for all upstate and downstate systems above FY 2024-25 levels.

Significant Increase in Transit Capital Funding

There is good news regarding transit capital funding, which will rise to \$245.5 million for non-MTA systems; this represents a 48% increase over last year and is above the level specified in the 5-Year Non-MTA Capital Program. The budget funds the MTA's \$68.4 billion 5-year capital plan, including a \$3 billion state appropriation to the MTA capital program, to be matched by New York City; there will also be an increase and modifications to the MTA regional payroll mobility tax.

Following is a summary of the funding for transit and related legislation.

State Operating Assistance:

- **Upstate:** Funding will increase by 4.88% from 2024-25 levels. The final budget added \$5 million to the Executive Budget proposal. The STOA increase is funded mostly from general funds and a slight increase in PTOA funds, primarily as a result of an increase in revenue from the auto rental tax. Dedicated Trust Fund appropriations decline by a small amount. CNYRTA will receive an additional \$741,500 for assumption of service in Cortland County, with that amount subtracted from the Upstate Formula appropriation. RGRTA will receive \$250,000 for a BRT study.
- **Downstate Suburban County:** Funding will increase by 6.98% from 2024-25 budget levels. The increase is funded entirely from state dedicated funds. Downstate funding includes \$11 million for the Lower Hudson Transit Link bus service, the same as in 2024-25, a new \$1 million for a study of Hudson Valley transit services, and \$100,000 for the Queenslink project.
- **MTA:** Will receive a total of \$8.2 billion in operating funding, a 3.6% increase from 2024-25 budget levels. This includes state appropriations to the MTA as well as the payroll mobility

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tax and other revenue received directly. State appropriations to the MTA total \$4.41 billion, an increase from \$4.27 billion in the 2024-25 budget.

STOA Appropriations – FYE 2026 Enacted Budget vs FYE 2025 Enacted				
Line Item	FYE 2026 Enacted	FYE 2025 Enacted	Change FYE26- FYE25	% Change FYE26-FYE25
DOWNSTATE				
MTA	\$3,272,110,808	\$3,178,808,702	\$93,302,106	2.94%
MTA Rail	1,108,814,400	1,063,580,300	45,234,100	4.25%
MTA Toll Subsidy	26,000,000	26,000,000	0	0.00%
MTA Total (1)	4,406,925,208	4,268,389,002	138,536,206	3.25%
Rockland	6,398,800	5,981,500	417,300	6.98%
NYC SI Ferry	62,423,700	58,352,300	4,071,400	6.98%
Westchester	104,775,800	97,942,200	6,833,600	6.98%
Nassau	126,724,300	118,459,200	8,265,100	6.98%
Suffolk	49,291,100	46,076,300	3,214,800	6.98%
South Fork Bus Service	750,000	750,000	0	0.00%
NYCDOT	166,818,100	155,938,000	10,880,100	6.98%
NYSDOT Trans-Hudson	11,000,000	11,000,000	0	0.00%
Formula	60,511,300	56,564,600	3,946,700	6.98%
Hudson-Chatham Shuttle	0	200,000	(200,000)	-100.00%
Middletown Free Fare	0	200,000	(200,000)	-100.00%
Queenslink	100,000	0	100,000	
Hudson Valley Transit Study	1,000,000	0	1,000,000	
Supplemental	6,200,000	6,200,000	0	0.00%
Non-MTA Total	595,993,100	557,664,100	38,329,000	6.87%
Downstate Subtotal	5,002,918,308	4,826,053,102	176,865,206	3.66%
UPSTATE				
CDTA	69,195,200	65,975,400	3,219,800	4.88%
CNYRTA (2)	57,171,500	53,804,100	3,367,400	6.26%
RGRTA (3)	68,517,800	65,329,400	3,188,400	4.88%
NFTA	89,006,100	84,864,400	4,141,700	4.88%
Formula (2)	65,531,300	63,189,000	2,342,300	3.71%
Supplemental	2,800,000	2,800,000	0	0.00%
Upstate Subtotal	352,221,900	335,962,300	16,259,600	4.84%
(1) MTA will receive additional operating aid, including Payroll Mobility Tax and other revenues received directly rather than through the state budget.				
(2) CNYRTA receives an additional \$741,500 for takeover of Cortland County transit service which is also subtracted from the Upstate Formula line.				
(3) RGRTA also receives \$250,000 for a study of Bus Rapid Transit				

Transit Capital Funding

The budget provides \$245.5 million in capital appropriations to non-MTA systems in FY 2025-26, an \$80 million (48%) increase as follows:

- \$30.6 m. for state match to federal aid (same as 2024-25)
- \$20 m. for upstate systems (same as 2024-25, **see table below**)
- \$68.9 m. for non-MTA capital (same as 2024-25)
- **\$80 m. for non-MTA capital (new funding)**
- \$20 m. for electrification of non-MTA bus fleets (same as 2024-25)
- \$26 m. for NFTA rail infrastructure (same as 2024-25)

	FYE 2026 Upstate Capital Funding			
	FYE 2026	FYE 2025	Change	% Change
UPSTATE	Enacted	Enacted	FYE26– FYE25	FYE26-FYE25
CDTA	\$3,596,000	\$3,596,000	\$0	0.00%
CNYRTA	\$3,282,600	\$3,282,600	\$0	0.00%
RGRTA	\$3,985,700	\$3,985,700	\$0	0.00%
NFTA	\$5,177,500	\$5,177,500	\$0	0.00%
Formula	\$3,958,200	\$3,958,200	\$0	0.00%
Upstate Subtotal	\$20,000,000	\$20,000,000	\$0	0.00%

The \$20 million to electrify non-MTA bus fleets is the sixth year of this program. NYSDOT has recently solicited zero-emission projects for the first 5 years of this program, totaling \$100 million.

The budget provides a \$3 billion state appropriation to fund the MTA \$68.4 billion 2025-29 Capital Program, to be matched by New York City, and enacts an increase in the MTA region payroll mobility tax to fund plan. The budget also provides \$25 million to make rail improvements to the Hudson Line from NYC to Poughkeepsie, which will benefit MTA commuter rail service.

Article VII Legislation

Transportation, Economic Development and Environmental Conservation:

Part B – Adds a Cortland County contribution to CNYRTA

Part I – Extends MTA tax increment financing for one year

Part J – MTA compulsory arbitration

Part K – Extends MTA property valuation agreement to 12/31/2030

Part L – Makes permanent MTA paratransit reimbursement

Part M – Requires New York City to match the \$3 billion in state aid for MTA’s 2025-29 Capital Plan

Part N – Overweight vehicle enforcement using weigh-in-motion technology

Part Q – Expands work zone speed camera program

Revenue:

Part VV – Modifies the MTA region payroll mobility tax to fund the 2025-29 capital program

Part WW – Modifies the distribution of MTA regional sales tax surcharge to direct 85% of revenue to the MTA. These revenues are currently deposited in the Metropolitan Mass Transportation Operating Assistance Account and fund all downstate transit systems.

Part XX – Extends MTA bonding ability and increases bond cap