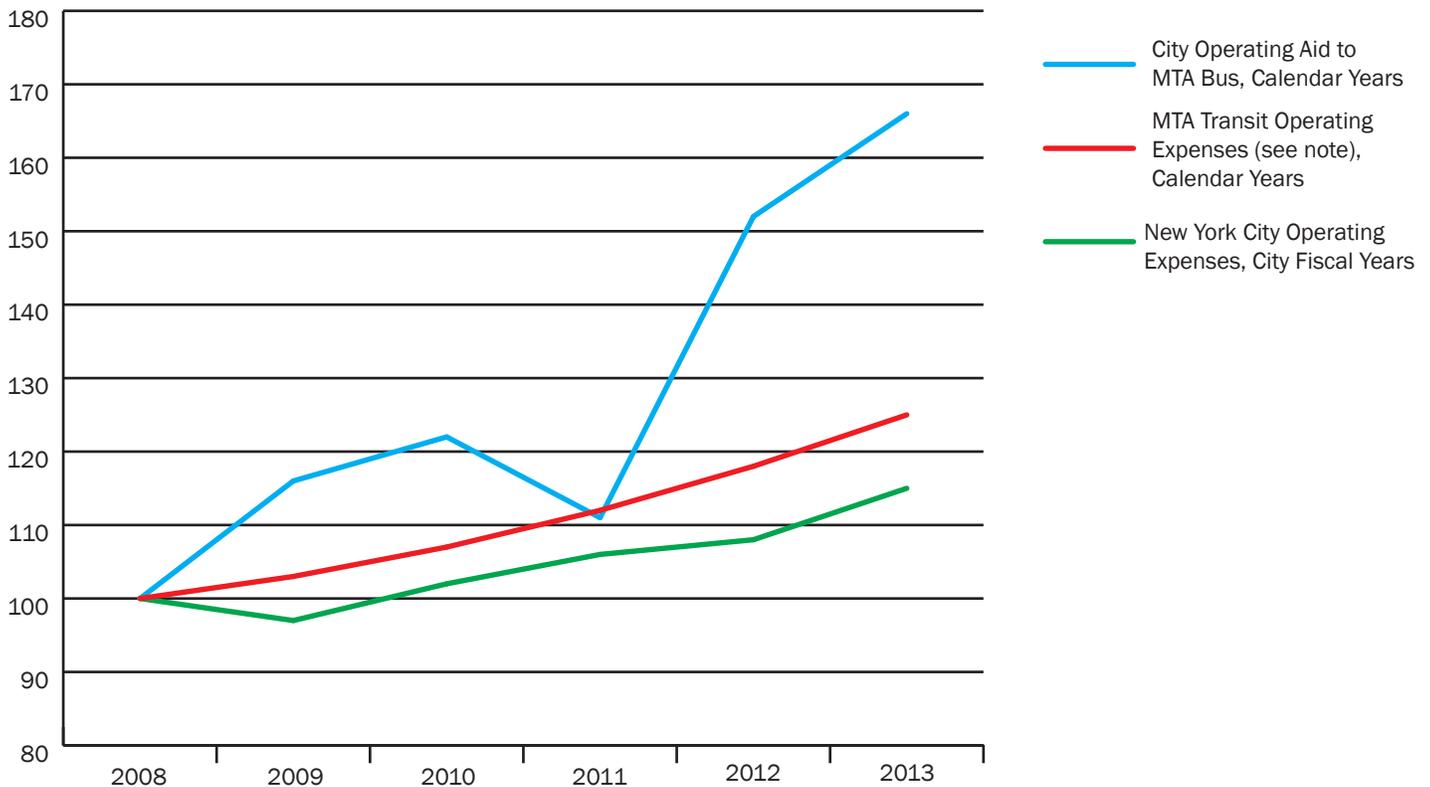


## Did the City's Subsidy for the Former Private Bus Lines Rise or Fall After Their Takeover by the Metropolitan Transportation Authority?

### City Operating Aid to MTA Bus Has Grown Faster Than Overall City Spending

Index of Spending (2008=100)



NOTE: Metropolitan Transportation Authority transit operating expenditures include expenses for all MTA divisions except Bridges and Tunnels, MTA Bus (the former franchise bus lines), and Long Island Bus (no longer part of the MTA). Years 2006 and 2007 are not included due to incomplete data and the existence of substantial start-up costs.

- In 2002, Mayor Bloomberg urged that the Metropolitan Transportation Authority (MTA) take over the 82 express and local bus routes (most based in Queens) operated by seven private companies under franchise agreements that included city subsidies. He initially suggested that a takeover by the MTA could mean an end to city operating subsidies, which at that point totaled roughly \$150 million to \$175 million per year.
- After reaching an agreement in 2004, the MTA took over the last of the routes in 2006. Under the new arrangement, the city reimburses the MTA for any operating expenses not covered by fares or a small amount of taxes dedicated to the bus lines.
- Thanks in part to an influx of new buses, service has improved, but savings have not materialized. The city subsidy to MTA Bus—the subsidiary set up to run the lines—grew from \$237 million in fiscal year 2008 to \$393 million in 2013. The city's payments to MTA Bus since 2008 have outpaced the growth in the operating budgets of both the city and the MTA's other transit divisions.
- The city also pays rent to some of the companies that had run the buses for use of their depots at a cost of about \$17 million in fiscal year 2013, up from \$14 million in 2008.

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