



Niagara Frontier Transportation Authority
Serving Buffalo Niagara

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October 24, 2024

Hon. April N.M. Baskin
Chair, Erie County Legislature
92 Franklin Street - 4th Floor
Buffalo, New York 14202

Re: Opposition to Proposed Transit Disinvestment in the 2025 Erie County Budget

Dear Chair Baskin:

The NFTA is very grateful to the Erie County Legislature and Erie County Executive Mark Poloncarz for the support that we receive that makes the vital services we provide every day possible. As we look at peer transit systems nationally, the willingness of local leaders to provide dedicated, sustained support for transit is the key determinant of whether transit systems are robust and reliable or whether they are less effective in serving riders' needs. We're working hard to sustain and improve the service that we currently operate, and to roll out exciting new initiatives like Bailey Avenue BRT, a more-than-\$100 million investment in the East Side of Buffalo which will cut travel times for riders by up to 1/3 and reduce vehicle collisions by 2,973 over 20 years, including eliminating fourteen fatal vehicular accidents.

It is in that context that **I write to express the NFTA's opposition to a proposed reduction in transit funding in the proposed 2025 Erie County Budget.** State law dedicates a portion of Mortgage Tax receipts in Erie County to the NFTA¹, but allows the County Clerk to withhold costs associated with collecting it, with the permission of the Erie County Legislature. Next year's draft budget proposal accedes to a request from the Erie County Clerk to significantly increase the Clerk's annual mortgage tax withholdings from \$617,104² to \$1,577,535³, an increase of \$960,431, despite the fact that actual mortgage recording activity is down 2/3 from its 4Q 2020 high⁴. We estimate that this will lead to a net reduction in annual NFTA transit support of \$425,471 (the approximate equivalent of seven bus drivers' salaries) and a reduction in aid to municipalities of \$488,859.40 (a schedule of the projected impact on each municipality is attached).

The budget before you also seeks to upgrade nine document clerks from Job Group 5 to Job Groups 6 and 8 and to eliminate a civil service Job Group 10 Senior Accountant position and replace it with a new Job Group 12 Second Deputy County Clerk position, classified as Managerial and Confidential, for a net increased annual cost of \$134,250. It also seeks to transfer seven of these positions from the "Actions and Proceedings/Pistol Permits" Cost Center to the "Recording" Cost Center, presumably to help justify using the mortgage tax to pay for these existing positions. **The NFTA respectfully requests that the Erie County Legislature amend the budget to stop this proposed disinvestment in transit.**

¹ § 261(b)

² Book B (2024), p. 220.

³ Book A (2025), p. 333; Book B (2025), p. 197.

⁴ https://ycharts.com/indicators/us_mortgage_originations


Given the mobility, housing affordability and climate challenges we face, we should be, and the NFTA is, actively seeking new investment in transit, not cutting back on transit, as this provision would. Transit investments and the subsequent individual and collective land use decisions which result from it profoundly influence everything from the landscapes of our cities and towns, pollution levels, workers' average commute times and even community health outcomes. Pivoting away from subsidizing car travel and toward transit and walkability is a key to fighting not just the climate crisis, but also the housing affordability crisis, as households in auto-dependent neighborhoods on average spend 25% of their income on transportation, while persons in neighborhoods with robust transit spend only 9% of their income on transportation, freeing up household resources for housing and other needs.⁵

We are grateful to the Legislature for not enacting the Clerk's earlier proposal⁶ to take \$1,897,679 in mortgage tax receipts on a one-time basis to finance the replacement of the software suite used in the Registrar Division. The Erie County Comptroller indicates that only 12% of the transactions executed using that software package are related to the Mortgage Tax, so using this source to pay for any more than 12% of the cost of this software would contravene state law.⁷ The current proposal is even more injurious to the provision of public transit in Erie County, however, as the Budget Director has confirmed to the NFTA that this proposed level of funding is not based on the cost of replacing the software package, but rather it is principally tied to a sum purported by the Clerk to represent the personnel costs of employees who participate in the collection of the Mortgage Tax. While the mid-year effort would have been a one-time reduction in transit funding, the proposal advanced in the current draft county budget is an annual recurring reduction in transit funding.

The Legislature can be confident that any funds which continue to flow to the NFTA as a result of the rejection of this proposed reduction in transit funding will be put to good use. Of the four major upstate New York transit agencies, the NFTA has the lowest administrative overhead⁸ and the most effective cost containment.⁹ This has allowed us to keep fares at the same rate since 2012 and allowed us to introduce fare equity through fare capping with our new farebox and MetGo system.

Again, the NFTA respectfully requests that the Erie County Legislature amend the budget to stop this proposed disinvestment in transit. Thank you very much for your consideration, for your leadership, and for your continued support of public transit.

Sincerely,



Kimberley A. Minkel
Executive Director

⁵ HUD, *Creating Connected Communities*, p. 5).

⁶ Comm. 7E-10.

⁷ §262 of the Tax Law.

⁸ FTA National Transit Database, Percent Administrative Overhead, 2022: National average: 19%, NFTA, 14.3%, RTS: 18.3%, CENTRO: 16.6%, CDTA: 21.6%.

⁹ Authorities Budget Office Annual Report, Percent Change in Operating Expenses, 2018-2022: NFTA 2.9%, RTS: 4.2%, CENTRO: 15.7%, CDTA: 24.5%

Cc: Hon. Thomas P. DiNapoli, New York State Comptroller
Hon. Mark C. Poloncarz, Erie County Executive
Hon. Kevin Hardwick, Erie County Comptroller
Your honorable colleagues in the Erie County Legislature
The WNY legislative delegation
The mayors and supervisors of impacted municipalities
The Commissioners of the NFTA
SONYMA
Ms. Amanda Hiller, Commissioner New York State Department of Taxation and Finance
ATU Local 1342
Go Bike Buffalo
Buffalo Transit Riders United
Citizens for Regional Transit
Association of Erie County Governments

MUNICIPAL IMPACTS

Projected recurring annual reduction in Mortgage Tax Revenue for municipalities resulting from the proposed changes in the 2025 Erie County Budget.

City of Buffalo	\$104,203.32
City of Lackawanna	\$5,323.24
City of Tonawanda	\$5,718.43
Town of Alden	\$4,169.93
Town of Amherst	\$70,303.29
Town of Aurora	\$8,870.69
Town of Boston	\$3,636.89
Town of Brant	\$502.49
Town of Cheektowaga	\$44,306.72
Town of Clarence	\$28,343.55
Town of Colden	\$2,773.71
Town of Collins	\$1,494.61
Town of Concord	\$4,580.92
Town of Eden	\$3,532.70
Town of Elma	\$6,720.50
Town of Evans	\$9,696.71
Town of Grand Island	\$17,212.07
Town of Hamburg	\$32,885.73
Town of Holland	\$2,333.40
Town of Lancaster	\$26,971.13
Town of Marilla	\$1,717.83
Town of Newstead	\$12,387.54
Town of N. Collins	\$753.24
Town of Orchard Park	\$23,972.44
Town of Sardinia	\$1,641.26
Town of Tonawanda	\$37,236.98
Town of Wales	\$1,338.98
Town of West Seneca	\$26,231.09