THE STATE OF THE STATE’S HIGHWAY FINANCES ... is imperiled.
New York’s highway finances were designed to be self-sustaining.

“The American Automobile Association in New York … would favor the increases as long as any taxes or fees were put into a ‘‘dedicated fund’’ with a guarantee that the money would actually be spent on roads and bridges.”

The New York Times,
May 15, 1989
Fiscal independence ...

“The Authority’s power ... to fix collect and alter toll rates is not subject to the approval of any government entity.”

“It is important to note that the Authority’s Board has the power, without approval by the Legislature or the Governor, to increase toll rates ... to maintain and rehabilitate the Thruway system ....”
... enabled borrowing for capital.

Of $2.9 billion in capital expenditures since 2005, 62 percent funded with debt.

Outstanding Thruway debt, billions of $
But the $4 billion New NY Bridge – the Tappan Zee’s successor – will now consume the Thruway’s capital plan.
The debt-burdened bridge

“The New NY Bridge Project financial plan relies upon the issuance of substantial amounts of Junior Indebtedness Obligations by the Authority.”

A year ago, the Thruway issued its first-ever “junior bonds” – $1.6 billion.
What did senior bondholders know that we didn’t know?

The Thruway's annual debt costs are projected to double before 2019.
To balance its budget, the Thruway must nearly double annual tolls.

Annual Thruway toll collections
(millions of $)
How high will tolls go?

In 2012, the Tappan Zee collected $129 million. By 2016, it will need $176.1 million just to pay its debt costs.

Today’s E-ZPass toll: $4.75
Tomorrow’s E-ZPass toll: $14?
How high can tolls go? A political question ...

“Cuomo Against $14 Tappan Zee Toll”

... and an economic question.
Yes, the toll is comparatively low ...
.... But even at a low toll, traffic is down ...

Tappan Zee traffic volumes, millions of vehicles, 2005 - 2019 (projected)
... and not just on the Tappan Zee.
But the Tappan Zee was subsidizing the Thruway ...

The Tappan Zee was 10 percent of Thruway traffic, 20 percent of tolls.
... and the Thruway’s non-debt costs are rising, too.
Meanwhile, what about the dedicated trust fund?

It’s now spending 78 percent of its money on operations and debt.
Conclusion:
New York’s vital highways could become increasingly dependent on the kindness of strangers.

Cuomo: $85M in Thruway aid would avert toll hike

State would take over personnel costs for highway cops

By Associated Press