Testimony of Rachael Fauss, Reinvent Albany
Before MTA Audit Committee

May 20, 2019

Good morning. I am Rachael Fauss, Senior Research Analyst for Reinvent Albany. We advocate for more transparent and accountable state government, including for state authorities like the MTA. We have a special interest in using technology to foster open government, and have worked with numerous New York State and New York City agencies to implement open data websites and Freedom of Information Law (FOIL) portals.

We have two broad comments on the the Information Technology (IT) report the Audit Committee is receiving today:

First, we hope the MTA and its agencies will continue to strive to use IT—especially low cost, open source FOIL and open data platforms—to foster transparency and accountability at the MTA. We appreciate CEO/Chairman Foye's commitment to do that via improved open data and FOIL processes.

Second, after looking at MTA IT contracts and public facing IT, we are concerned that the MTA is in an "outsourcing trap." That is, the MTA has outsourced so much of its core IT systems management activity and application development that it lacks the nucleus of in-house talent or a product development pipeline to do things on its own, or even properly scope and RFP IT contracts. Compared to the app development and system management of even small NYC agencies like the Department of City Planning, the MTA's internal capacity appears rudimentary. A December 2015 bundled procurement approval of 25 IT contracts[1] by the MTA Board noted that the MTA did not have the "resources or expertise to support" its IT systems, and even contracted out IT project management. That was *before* 187 positions were permanently eliminated, according to your report today.

---

[1] http://web.mta.info/mta/news/books/archive/151214_1230_Finance.pdf, see page 169

The consensus of government technology experts is that large government agencies that lack the capacity and internal expertise to do some application development and independently manage core systems are extremely vulnerable to being overcharged for IT services and are often "locked-in" to certain vendors.

This leads us to two questions we think Audit Committee should ask:

1. How big of an impact is the hiring freeze having on the MTA's IT staff and is it actually fueling higher IT costs through outsourcing?
2. Given the pending reorganization, what can be learned from the Business Service Center IT consolidation? Has the consolidation led to the decline of the MTA's internal IT capacity and expertise? Are there hidden costs and does the MTA now have dependence on major vendors which have huge leverage over MTA?

Thank you for your consideration.