



**Written Testimony of Reinvent Albany
for the Joint Legislative Hearing on Transportation,
2019-2020 Executive Budget
January 30, 2019**

**Re: Where is the \$7.3B the state pledged to the MTA for the 2015-2019
Capital Plan?**

This testimony is provided in writing to the State Senate and State Assembly in reference to the Joint Hearing on the Executive Budget concerning Transportation. We are focusing our remarks on the components of the Executive Budget related to the Metropolitan Transportation Authority (MTA).

Our staff have been following the MTA finances for more than twenty years. We believe the MTA faces an extreme fiscal crisis and has nowhere near the revenue to pay for ongoing operations or capital projects. For the first time since the late 1960's, the MTA is vulnerable to a "death spiral" in which the collapse of transit service due to disinvestment leads to plummeting ridership and further loss of revenue. For many years, the Governor and State Legislature have forced the MTA to borrow to pay for its capital plan. Today, the MTA is very near maxing its credit card, and debt payments are gobbling up the MTA's operating budget: 16% of the MTA's 2019 operating budget is eaten up by debt service.¹

We join with those advocating for congestion pricing □ it is absolutely imperative for the Legislature to pass it. However, the inconvenient fiscal truth here is that congestion pricing will only pay for about a third of the MTA's current capital needs (the Executive Budget specifies that it would be for the 2020-2024 capital plan), or if dedicated to operating support, it would only stave off a fare hike for a few years with nothing left over for the next capital plan. This is not a choice between congestion pricing and a fare hike, the MTA needs both and much more.

¹ MTA 2019 Final Proposed Budget. See Page 14.
<http://web.mta.info/news/pdf/MTA-2019-Final-Proposed-Budget-Nov-Financial-Plan-2019-2022-Vol1.pdf>

We urge this committee and future oversight hearings to have an actual honest discussion about MTA finances. The state owns the MTA, it is a state authority and it is the biggest direct state service provided to New York City metro area residents. MTA dysfunction is state dysfunction □ and you are the state.

While the Governor has included Congestion Pricing in the budget as Part BB of the Article VII TED legislation, [S.1508/A.2008](#), this is significantly tarnished by the Governor's inclusion of conditional language in the Capital Appropriation bill that holds hostage \$7.3 billion of already-promised state funds for the MTA upon passage of congestion pricing, MTA "organizational reform", and legislation regarding speed camera. While we support Congestion Pricing as a means to fund the MTA, it will only apply to future MTA Capital Plans as drafted in the legislation.

As part of the FY 2016-2017 Budget, the state included \$8.3 billion in funds for the MTA for its 2015-2019 Capital Plan, \$7.3 billion of which has not yet been given to the MTA. The state budget legislation provided that the \$7.3 billion be made available only "after MTA capital resources planned for the capital program, not including additional city and state funds, have been exhausted, or when MTA capital resources planned for the capital program are not available," with funds provided by fiscal year 2025-2026, or by the completion of the capital program.² This means that the funding will be provided only *after* the MTA has borrowed more money, and likely far past the final year of the capital program in 2019.

Even worse, this funding is now being held hostage for the passage of congestion pricing. The [Capital Projects Appropriations Bill](#), page 422, that states the following:

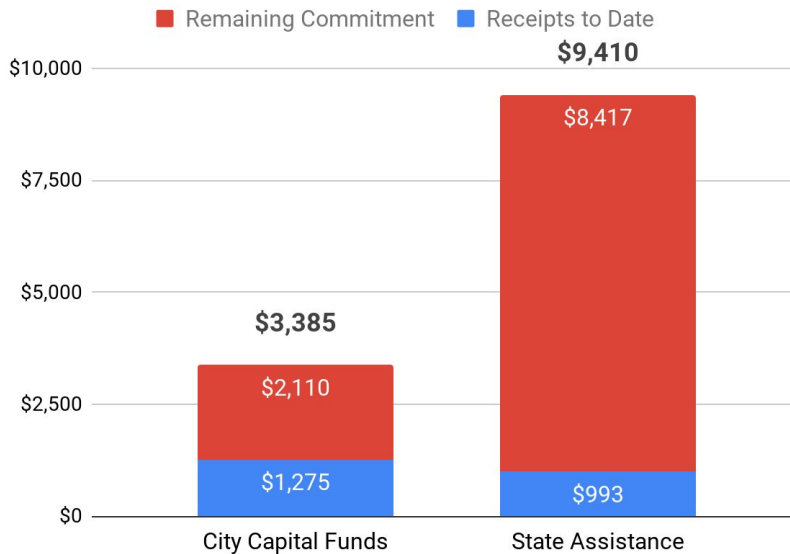
"funds from this appropriation shall not be used or spent unless, (i) the legislature has enacted ... legislation ... regarding the congestion tolling program in the city of New York, the metropolitan transportation authority organizational reform, and the speed violation monitoring system as submitted by the governor pursuant to article VII of the New York constitution as legislative bill numbers S.1508 and A.2008."

We understand that the Legislature is limited in its ability to amend appropriations legislation under *Silver v. Pataki*. It is therefore incumbent upon the Legislature to use its oversight powers to hold the Governor accountable for the promise to deliver \$7.3 billion to the MTA.

² Article VII 2016 Budget Legislation, S6406-C/A 9006-C PART NN - available at: <https://www.nysenate.gov/legislation/bills/2015/a9006/amendment/c>

To date, the MTA has received less than \$1 billion in state assistance for both its 2010-2014 and 2015-2019 Capital Plans, according to the MTA’s latest documents.³ In contrast, New York City has provided \$1.275 billion of the \$3 billion it has committed.

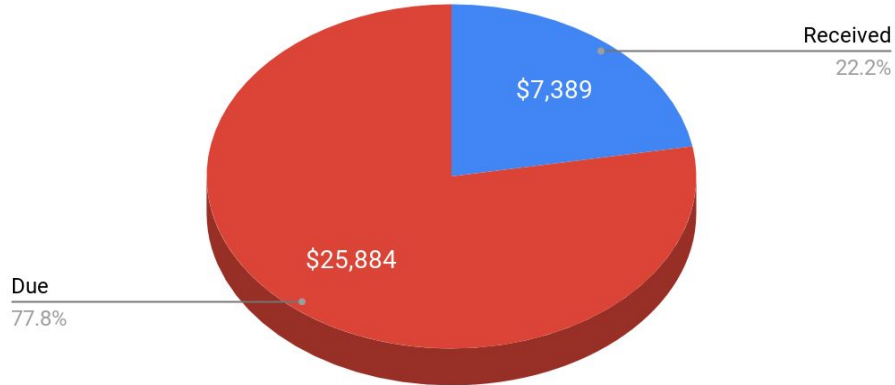
Reported Receipts to MTA Capital Plans, 2010-2014 and 2015-2019 as of December 31, 2018



In total, the MTA has only received \$7 billion of the \$33 billion in planned spending for the 2015-2019 capital plan, which is now in its last year.

³ See MTA Capital Program Oversight Committee Materials, January 2019. Page 74
http://web.mta.info/mta/news/books/pdf/190122_1400_CPOC.pdf

Receipts for MTA 2015-2019 Capital Plan, in Millions
(as of December 31, 2018)



While congestion pricing will be important to ensuring the success of New York City Transit President Andy Byford's *Fast Forward* plan, the MTA has significant current needs that are not being fulfilled.

We thank you for attention to this matter.