



**Testimony of Rachael Fauss, Reinvent Albany
To Capital Program Oversight Committee of the MTA
On Financial Commitments to 2015-19 Capital Plan**

May 21, 2018

Good afternoon, 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.

As the Capital Program Oversight Committee (CPOC), you are responsible for oversight of the MTA's Capital Plans, and receive updates from staff about major projects, like the CBTC upgrades and East Side Access. We thank you for your service as volunteers in overseeing these important issue.

However, in paying close attention to individual projects - even these important mega projects - it seems like the forest has been lost for the trees.

On the last page of your materials for today, page 83 titled "Capital Funding Detail"¹ there is data that provides reason to be seriously concerned about the future of the 2015-19 Capital Plan. More than three years into a five year capital plan:

- The MTA has only received \$3.5 billion, despite a total funding plan of \$32.8 billion (11%). Of this:
 - The State has provided only \$65 million of the \$8.5 billion in state assistance it has promised. To reiterate, three years into the plan, the state

¹ MTA Capital Planning Oversight Committee. Meeting Materials, April 2018.
http://web.mta.info/mta/news/books/pdf/180521_1400_CPOC.pdf

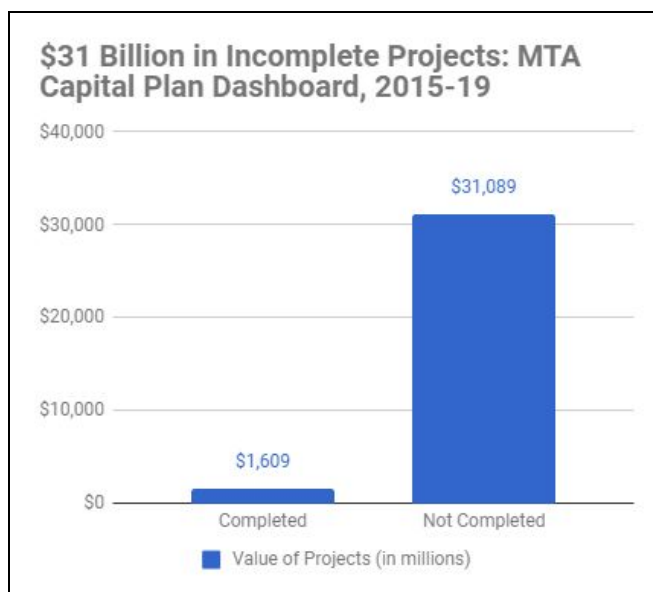
provided less than 1% of its commitment and will need to find \$8.5 billion more in the next year and a half. Where is this money coming from? It's your job to know. Do you?

- Slightly better, the City has provided 11% or \$271 million of the nearly \$2.5 billion in capital funds it promised.

We would like this committee to ask: what does a capital plan mean when most of the funding and spending occur outside of plan years? How will the MTA ask the legislature and the public for more funds for the 2020 capital plan when it has barely begun the 2015 plan?

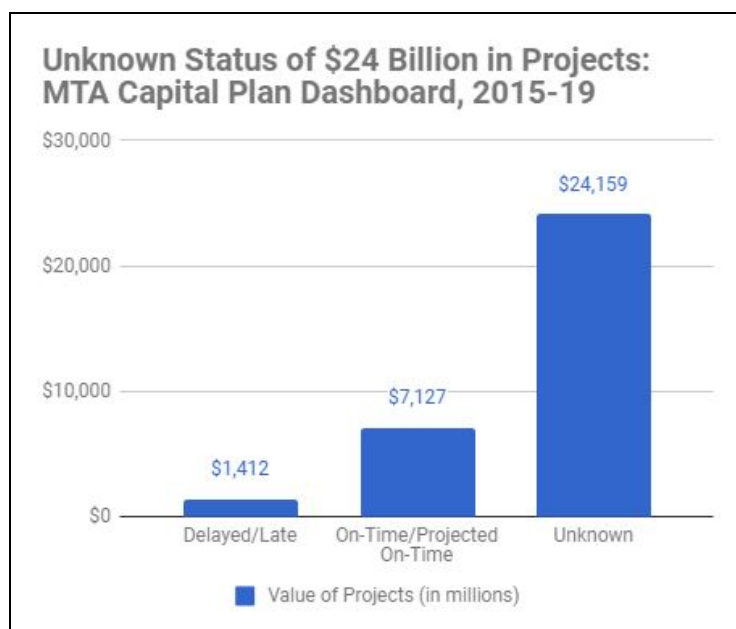
We understand that the state's assistance is to come after MTA capital resources have been "exhausted." Our understanding is that the MTA will have to borrow \$7.9 billion before it gets these state funds. When will the MTA borrow this money, and what will its bond ratings look like when it is burdened by this debt? With only 19 months left for this 5-year capital plan, we are concerned by the lack of discussion of this issue.

According to the MTA's 2015-2019 Capital Plan Dashboard², only \$1.6 billion worth of projects have been completed, with \$31 billion worth of projects not yet completed with 19 months left in the plan (see chart at right).



² <http://web.mta.info/capitaldashboard/CPDHome.html>

Further, the Dashboard provides a window in to the on-time status of these projects, but yet still leaves the public in the dark about the status of a large number of



projects. \$1.4 billion of projects are either delayed or were delivered late, \$7.1 billion were completed on time or are projected to be on-time, and for \$24 billion of projects, it is impossible to tell their status based on the data provided (see chart at left).

Given the large amount of the plan that is unfinished, and the lack of funds for the projects, we ask the CPOC, as stewards of the MTA's Capital Plan, to provide the public with an explanation of your plans to ensure timely funding for the plan.