



Testimony to MTA Board

Transparency Strengthens MTA's Credibility: Resubmission of Capital Plan and New State Funding Calls for More Cost Disclosure and New Dashboard

May 28, 2025

Good afternoon. I am Rachael Fauss, Senior Policy Advisor for Reinvent Albany. We advocate for a more transparent and accountable New York government.

We strongly support the MTA as an institution and believe your current management team is among the best, if not the best, of any major agency in New York. That said, we believe the MTA's ongoing ability to win Albany's approval for new taxes and fees is rooted in your credibility, which in turn depends on you being fully transparent about future revenue and cost assumptions. We follow the MTA capital plan very closely and we believe the two most important things you can do to increase transparency and public confidence in the MTA are to create a new capital dashboard, and be fully transparent about your cost and revenue assumptions for the 2025-2029 Capital Plan.

New Capital Dashboard

Today's [resubmission of the 2025-2029 Capital Plan](#) is a reminder that, like the MTA's other aging assets, the capital dashboard really needs a major upgrade. The capital dashboard is a critical transparency tool that should show the status of capital projects without the shifting sands of "rebaselining." For example, we expect the dashboard to show the forecasted start and completion dates for projects in the 2025-2029 plan and projects funded by congestion pricing in the 2020-2024 plan.

Transparency for 2025-2029 Capital Plan Revenue and Cost Assumptions

We are glad to hear the MTA and Governor's Office believe the 2025-29 Capital Plan is fully funded, and we hope it is. We are frequently asked by journalists and elected officials to comment on the Capital Plan. However, from the outside, we cannot determine whether the plan is funded unless the MTA fully discloses its assumptions about both the financing and the costs. For instance, if \$1.4 billion in annual PMT revenue was bonded over 30 years at MTA's assumed Total Interest Cost (TIC) of 4.42%, it would raise \$23.7 billion, which is far short of the Governor and MTA's assurance that PMT-backed bonds will raise \$31.5 billion. However, if PMT revenue increases annually and is not bonded until 2025, the PMT could finance \$31.5 billion. Point is, this is speculation, and we do not know what the MTA or the Governor's office is assuming. Therefore, in the interest of transparency and assuring

stakeholders the 2025-29 plan is viable, we ask the MTA to fully disclose the following revenue and cost assumptions.

MTA Revenue Assumptions

1. Assumed annual revenue growth from the expanded Payroll Mobility Tax, as a percentage and dollar amount, including base year and expanded PMT revenue in 2026, 2027, 2028, etc.
2. Schedule of PMT-backed borrowing.

MTA Cost Assumptions

The MTA is transparent about borrowing costs. The adopted budget includes a chart showing MTA believes it will pay a 4.42% interest rate on bonds ([MTA Adopted 2025 budget Page III-25](#)). However, the MTA is not transparent about the inflation assumptions baked into capital project costs. This makes it impossible for the public to determine whether the Capital Plan is fully funded, because if costs increase faster than revenue from dedicated taxes, there will not be enough money to pay for the plan. Please disclose:

1. Cost inflation assumptions for components of the Capital Plan, and the basis of those assumptions. (For example, [Turner Cost Index](#).)
2. Assumed impact of Trump administration's tariff threats on costs of elements of the 2025-29 plan.
3. Specific inflation costs for various components, railcars, signals, tunnels etc.

Thank you for your consideration.