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State Senate & State Assembly Joint Budget Hearing: Transportation

Public Testimony: The 2021 Executive Budget

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Thank you, Senator Krueger, Assemblymember Weinstein, and your colleagues for the opportunity to testify before you today. We are very glad to continue the conversation on how to move our transportation system forward. I am Lauren Bailey, Director of Climate Policy for Tri-State Transportation Campaign, a 26-year-old organization dedicated to improving people's lives by expanding their access to transit and clean transportation options in New York, New Jersey, and Connecticut.

Transportation contributes over 30 percent of New York's total emissions, making it a critical part of our move to a cleaner, greener New York. Reducing our state's reliance on fossil fuels by improving public transit and vehicle electrification are necessary and feasible steps to meeting our climate goals.

At Tri-State, much of our time focuses on the Metropolitan Transportation Authority, and for years, Tri-State has called for increased funding to improve subways, buses, and commuter rail. This includes the state of good repair fixes nine million daily riders need as well as expansion of the system to reach communities that are underserved by transit. We are pleased to see the MTA's 2020-2024 Capital Program proposes the kinds of systemwide improvements necessary. We appreciate seeing the full \$3 billion the MTA has called on the state to contribute towards this Program in the executive budget and look forward to the Assembly and Senate's inclusion as well.

We also want to reiterate our support for a strong, fair Central Business District tolling program to further support these historic investments in our transit system. Again, we thank you for taking this transformative action last session, and the inclusion of state support to get this program off the ground this year. We await the Traffic Mobility Review Board appointments and the additional framing needed to implement this transformative concept in New York City.

We are also glad to see the MTA's commitment to an all-electric bus fleet by 2040, which we know will not only mean cleaner air for New Yorkers, but a wholesale change in the way bus manufacturers do business. This, along with the five largest transit authorities in upstate New York tasked with electrifying their fleets by 2035, is a clear signal to the electric bus industry that the shift to electric is ramping up. Electric buses are not just good for cleaner air and better maintenance, but a necessity for modern bus service. We are encouraged to see upstate New York transportation authorities modernizing ahead of their counterparts in other states. And we



are glad to see discussion in Albany around another proposal that has been successful elsewhere: a low-carbon fuel standard that would drive down pollution from gasoline-powered vehicles during our required transition to clean energy vehicles by 2050 under the Climate Leadership and Community Protection Act.

But all the investments in capital improvements raise a critical question: how will the MTA find the resources to staff new buses and railcars? We have seen this cycle before. Raising the debt cap almost 100 percent to fund critical improvements must have been a tough decision that is now bringing more tough choices. How is the MTA supposed to pay almost 20 percent of its operating budget in debt service while maintaining a solid workforce, good service, and expansions? The authority faces a potentially crippling operations budget funding shortfall that must be resolved before it balloons to almost a billion dollars by 2022—and that is not including the MTA's ill-conceived plan to hire 500 new police officers, at a cost of over \$260 million between 2020 to 2023, according to the Citizens Budget Commission. While the MTA's reorganization efforts should result in operations cost savings, this budget deficit still looms—and you must help the MTA close the gap before service cuts become the authority's only recourse.

The Capital Program also includes over \$7 billion in expansion projects, including Penn Access, East Side Access, LIRR's Main Line Expansion, and the Second Avenue Subway's second phase. These are critical expansions that will bring subway and commuter rail service to low-income neighborhoods and increase LIRR service to Manhattan from Long Island and Queens by as much as 50 percent. As the region continues to grow, these expansion projects are critical to help transit scale up.

This budget is focused on giving our transportation authorities the resources they need to implement New York's vision for the future. We know the legislature will be watching closely to see if they make good on their promises. However, the MTA has only managed to spend roughly six and a half billion dollars successfully in even its best years of capital expenditures, according to research from Reinvent Albany. A critical question for the Legislature to the MTA is: how will they demonstrate their plan for efficiently building these important projects over the next five years? While MTA Capital Construction has made significant strides in streamlining workflows, the MTA should be clear with you and the riding public on how it plans to complete the proposed work in the Capital Program on time, including improving its Capital Program dashboard and creating a detailed online project tracker that allows anyone to see not only when projects are expected to be completed, but at what cost. We should also understand how the authority plans to handle both state of good repair projects and expansion projects, and what gets prioritized in the inevitable moments of capacity crunch.

We at Tri-State additionally want to express our concerns with Public Authorities Law Section 1279-h, more commonly known as the debarment clause. Debarment is already having a

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chilling effect among contractors, limiting the pool of contractors both capable and willing to do work with the MTA. While cost overruns have long been a major problem for the MTA and drain on public resources, debarment from all state work is not the appropriate way to manage this problem. That being said, cost containment at the MTA is crucially important, and we need to hear more from the authority about how it plans to bring its project costs in line with peer cities from around the world. We look forward to hearing more from the MTA about its plans to reduce project costs—and your oversight in the process.

Though we are looking forward to funding for state of good repair, modernization, and environmental support, we still look to the Legislature to oversee our transportation systems not just during the budget process, but throughout the year. We hope the Legislature will commit to at least quarterly hearings specifically on the MTA's progress toward its Capital Program goals. With climate change looming and communities feeling trapped in their cars, it is imperative to take bold steps to maintain, improve, and transform transportation for all New Yorkers. Thank you.