

**Testimony of Reinvent Albany  
for the Joint Legislative Hearing on Transportation,  
2020-2021 Executive Budget  
January 28, 2020**

***Re: Legislature Must Take Steps to Ensure a Transparent, as well as  
Financially and Organizationally Stable MTA***

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 Metropolitan Transportation Authority (MTA).

First, I would like to thank the Legislature for holding the joint oversight hearing in November 2019 on the MTA's 2020-24 Capital Plan. We hope that you hold additional hearings this year on the Capital Plan and other topics, as your oversight helps to hold the MTA accountable.

Congestion pricing was an important victory for the MTA and the metropolitan region as a whole, as it will fund critically needed fixes to the subways, buses, and commuter rails. Yet while the MTA 2020-24 Capital Plan is fully funded by the state with \$3B additional from the FY 2020-21 Executive Budget, debt remains a large concern. The state's \$3B contribution will likely come as state-supported payments on more MTA debt, and it is unclear how this borrowing — as well as the borrowing it must undertake to receive the state's \$7.3B 2015-19 capital plan contribution — will count toward MTA and state debt tallies. Further, the planned \$10B of MTA borrowing for its Capital Plan may force fare increases, which could negatively affect bond ratings. Fares are becoming increasingly unaffordable to riders given income inequality, according to Moody's, one MTA credit rater.

Given that the MTA has a number of challenges regarding its budget and operations, we ask the State Legislature to do the following to ensure a more transparent and stable MTA:

- 1. Follow up on the commitments made by the MTA during your November oversight hearing, such as the pledge by MTA staff to provide preliminary schedules/sequencing of all active capital projects within 60 days, and full implementation plan details within six months.**

2. **Ask the MTA to produce their 20-Year Needs Assessment, federal Transit Asset Management Plan, or whatever was used to determine their state of good repair needs for the 2020-24 Capital Plan.**
3. **Ask the MTA to release a detailed debt plan** to explain how its operating budget will accommodate new capital debt, and the sequencing of funding needed so the MTA's annual debt service payments don't increase.
4. **Ask the State Comptroller to independently assess the MTA's debt affordability.**
5. **Ask the MTA and Governor for a full rationale for the changes proposed in the Executive Budget to MTA procurement processes, and ensure changes don't reduce transparency of bidding or contract awards, or limit needed competition for contracts.**
6. **Publicly disclose "Set-Aside" 2020-24 Capital Plan and outerborough fund projects** as they are finalized by the Legislature and Capital Program Review Board in the coming months.
7. **Ask the Governor for the full costs and financing plan for the Penn/Empire Station Complex project to ensure the MTA is not on the hook for new capital or operating costs.** Additionally, the Legislature should ensure any PILOTs or tax abatements do not siphon away funding from NYC — which already has lost out on \$555M in tax payments from Madison Square Garden.
8. **Ensure that non-fiscal changes such as the Subway Sex Offender Ban are considered outside the budget process** via separate legislation.

The MTA also needs to do the following, which we urge the Legislature to oversee:

9. **Ensure recommendations for congestion fees and tolls are made openly available by its Traffic Mobility Review Board, which should be promptly appointed and follow the NYS Open Meetings Law.**
10. **Revise the emergency regulations that require mandatory debarment of contractors to create a fair process, as it is driving away bidders and reducing competition for contracts.**
11. **Bring back quarterly change order reports, which show millions of dollars worth of amendments to contracts.** The MTA quietly eliminated these transparency reports when it raised its threshold for Board approval of change orders to \$1M. The threshold increase was required by last year's (FY 2019-20) state budget.
12. **Create a more detailed and user-friendly capital dashboard, which allows the public to track progress made on capital projects.**

Our full testimony and analysis is available at <http://reinventalbany.org>

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148 Lafayette, 12th Floor, New York, NY 10013