



NEW YORK STATE SENATOR

Stephen M. Saland

## Saland Admonishes the Mta for Their Runaway Spending

STEPHEN M. SALAND September 13, 2010

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### **Testimony from Senator Steve Saland**

Charging more in fares and taxes and offering less is not working. It's not working for the MTA and it's certainly not working for those who must support the transit system with billions in taxes and fares. What would work is for the MTA to get their fiscal house in order before turning to the public for more money.

In 2009, the Democrat State Leadership rushed to impose a bail-out plan to avoid steep fare hikes which not only raised motor vehicle fees on every car owner in the Metro-North region but imposed the outrageous payroll tax on every taxpayer in Dutchess, Orange, Putnam and Rockland counties. As if the egregious \$10 billion in job killing taxes enacted in 2009 wasn't enough, is it any wonder that when compounded with the \$2.2 billion bail-out, we witnessed a loss of business, loss of jobs and a diminishing ridership.

The bail-out plan was not only unfair and excessive, it did not take into account ridership in Connecticut.

Keep in mind, Dutchess, Orange, Putnam and Rockland counties only comprise 10% of the Metro-North ridership, while Connecticut's New Haven Line ridership makes up 26%. So, in effect, the taxpayers of these four counties are subsidizing Connecticut. I pointed this out to

the MTA last year and informed them they could collect from Connecticut without State Legislative action. But the MTA would prefer to raise fares on riders and raise taxes on residents who do not use their system. So if Connecticut's not getting a free ride, they're getting a cheap ride on New York's dime. And adding insult to injury, according to the MTA, these proposed fare hikes being discussed at this hearing would not apply to the Connecticut ridership.

Only in a distorted accounting system, which seems to be what is favored by the MTA, could anyone conjure the fantasy that Dutchess County reaps financial benefits from being part of the MTA.

In fact, roughly 98% of Dutchess County residents have never or almost never used Metro-North, but are forced to support the transit system. To impose tens of millions of dollars in taxes, fees and fares on the residents of Dutchess, Orange, Putnam and Rockland to support the MTA is absurd and unjust.

But little of what MTA does makes sense.

Since the egregious bail-out was enacted unfairly imposing millions in taxes on residents in the Hudson Valley, we have learned of a number of expenditures that position the MTA in a fashion that leaves much to be desired.

Last year, I questioned the MTA's decision to re-locate and spend \$20 million on a new employee lounge in the midst of a financial crisis. The MTA defended their decision saying federal stimulus funds would cover the lion's share of the project. Frankly, I fail to see how a new employee lounge is more important than capital projects which would improve services

for the public.

Soon after, I brought to the public's attention, MTA's proposal to purchase land in Dutchess County for a canine facility. Not only was the MTA taking privately owned land off the local tax rolls at a cost of roughly \$1 million, but they were spending \$7 million on a new facility again during a financial crisis.

And just months ago, we all read about the abuses of sick leave and overtime pay which is costing taxpayers more every year.

Finally, after I and many of my colleagues from the Hudson Valley repeatedly requested a forensic audit, the current Comptroller has finally decided that a forensic audit is warranted.

I have long said that a forensic audit should have taken place **before** any bail-out measure was considered.

And a forensic audit should be complete **before** more fare hikes are considered.

We need to demand more fiscal accountability from the MTA and put an end to their runaway spending.