



**Testimony of Reinvent Albany
for State Senate Committees on Transportation and
Corporations, Authorities & Commissions**

September 29, 2021

***Re: Congestion pricing remains essential to MTA fiscal health, and
Hurricane Ida has exposed gaps in MTA resiliency planning and
transparency of project delivery.***

Good afternoon, Chairs Comrie and Kennedy, and other members of the Senate. 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).

Thank you for holding this hearing today, and for your continued oversight of the MTA concerning its finances and capital programs. Knowing that I have limited time today, I would like to summarize the findings and recommendations from my full written testimony:

- 1. The MTA needs congestion pricing revenues ASAP in order to make meaningful progress on its 2020-24 capital plan.** Our [August 2021 report](#) found that funding for the 2020-2024 plan is coming in at the slowest pace of the last three plans. The latest data from MTA shows that only \$3.6B or 6.6% of plan funds have been received as of the end of August 2021.
- 2. The Legislature must seek an updated, publicly released 20-year needs assessment to accompany any proposed amendments to the 2020-2024 capital plan.** The MTA has said that it intends to amend the capital plan to address the impacts of climate change, as recently seen with Hurricane Ida, regarding stormwater management and flooding mitigation.
- 3. The Legislature should ensure that the MTA produces the 2019 legislatively mandated international benchmarking report.** This report [has not been published to date](#), despite the requirement that it be produced in 2020. This type of analysis is important for the MTA in advance of producing its 20-year needs assessment and for producing current and future capital savings.
- 4. Hurricane Sandy capital projects – an important segment of the 2010-14 capital plan – are incredibly difficult to track through the MTA’s Capital Dashboard.** This is partly due to 6 amendments made to the 2010-2014 capital

plan, and unclear information about the changes that have occurred. More recent capital plans do not have separate coding for resiliency projects, making it difficult to track this segment of capital plan activity.

5. **MTA budget and capital plan transparency must improve.**
 - a. **The MTA’s [“budget transparency” website](#) should be updated soon after the release of each financial plan update** (February, July, and November). The site is only current through November 2020, prior to the receipt of federal aid.
 - b. **The State Legislature should pass Senator Ramos’s bill, [S2768](#),** which would increase financial transparency of the MTA and improve its capital dashboard. We and [10 other organizations support](#) the bill, which includes recommendations from our [May 2019 Open MTA report](#).
 - c. **The Legislature should introduce legislation to require that MTA Change Order reports be again released publicly** (which provide lists and rationales for amendments to capital contracts), and this data be integrated into the MTA’s capital dashboard. Reinvent Albany [requested in January 2020 that the MTA reinstate change order reports](#), but to date it has not acted on this request.
 - d. **Governor Hochul should sign Senator Comrie’s MTA Open Data Act, [S4625](#),** which passed both houses of the Legislature in June 2021 and is also [supported by a broad range of groups](#).
6. **The Legislature should review and support the MTA Inspector General’s recent report** recommendations on maintenance of drains and pump trucks.
7. **The Legislature should foster management stability at the MTA. The Transformation Plan has resulted in management chaos and a brain drain. It should be wrapped up.** Under Governor Cuomo, the MTA was politicized, disrupted and demoralized. The topic of MTA transformation, reorganization and governance is so vast it deserves a separate hearing. We are particularly alarmed about [recent findings from the State Comptroller](#) that of the 2,725 positions cut, the vast majority (84%) were in operations/maintenance.
8. **The Legislature should know that earlier this year, the Federal Aviation Administration changed its rules to allow airport fees to be used by transit agencies like the MTA. The Port Authority’s Final EIS for the LaGuardia Airtrain rejected improvements to existing transit.** The Legislature should ask Governor Hochul to halt the LGA Airtrain project and explore better transit options.

My full testimony primarily focuses on two crucial and timely issues: the need for congestion pricing revenues given the slow pace of funds coming in for the 2020-2024 capital plan, and how Hurricane Ida has exposed gaps in resiliency planning and transparency of project delivery.

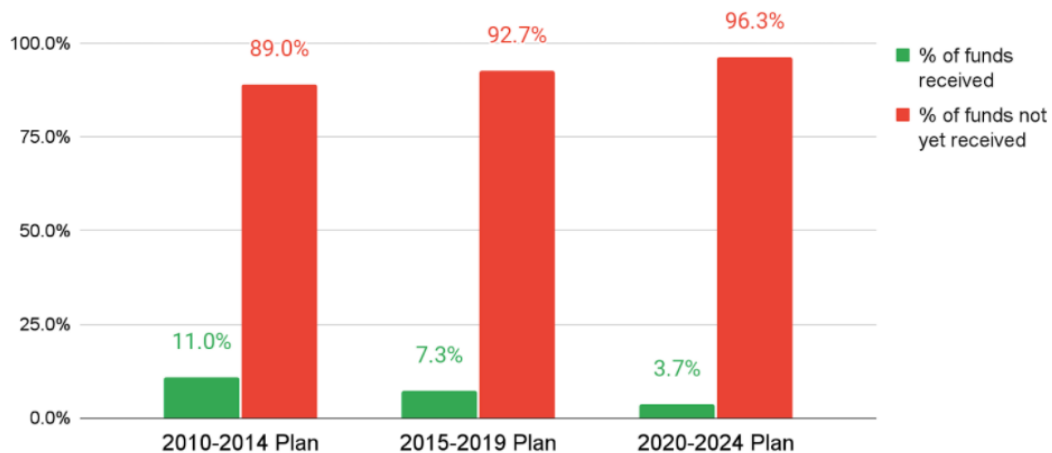
Congestion Pricing Revenues Are Crucial for MTA Financial Stability, and Timely Delivery of 2020-2024 Capital Program

We encourage the Legislature to continue to closely monitor the MTA’s implementation of congestion pricing, because it is crucial for the MTA’s financial stability and meaningful delivery of its 2020-2024 capital program. Time is money, and every day the MTA fails to get congestion pricing revenue, the MTA loses funds that could go to modern subway signals, new train cars, new buses and station accessibility.

The single biggest piece of capital plan funding – \$15 billion – is supposed to come from congestion pricing. But the pricing program, which was slated to launch in January 2021, won’t bring in revenue until 2023 at the earliest, according to the MTA’s latest financial plan.

In [August 2021, we released a report](#) that found that the 2020-2024 capital plan funding is coming in at a historically slow pace compared to the last two capital plans, which were also slow starters. Eighteen months in, the 2020 plan was only 4% funded versus 7% and 11% for the previous plans, as seen in the chart below.

Reinvent Albany Analysis: MTA Capital Dollars Received 18 Months After Start of Plan



The most current data from the September 2021 MTA [Capital Program Oversight Committee book](#), shows that only \$3.6B or 6.6% of 2020-2024 plan funds have been received as of the end of August 2021, 20 months into the plan.

Given the sluggish pace of capital dollars coming in, the report identifies a number of risks if congestion pricing revenues are delayed further, including:

- decreasing the MTA’s financial stability; delays to the capital plan, including critical maintenance work conducted by MTA workers (i.e. TWU Local 100 members) that is reimbursed from the capital plan; and
- increased congestion on the roads, with fewer reasons to get people out of their cars and back onto mass transit—bringing in needed fare revenues.

Congestion pricing is exactly what New York needs now to recover from COVID to boost transit ridership and revenue, and reduce the costs of traffic congestion.

Hurricane Ida Exposed Gaps in Resiliency Planning, Transparency and Project Delivery

We also encourage the Legislature to closely examine the MTA’s delivery of projects related to resiliency and Hurricane Sandy, given the recent impacts of Hurricane Ida. It should also consider what transparency mechanisms should be strengthened or newly put in place for the public and Legislature to better hold the MTA accountable.

Federal reporting on Hurricane Sandy capital project implementation shows that projects are lagging in the NYC metropolitan region. A [report from the Inspector General of the U.S. Department of Transportation](#) found that of the nearly \$10 billion set aside for the MTA, New Jersey Transit, Port Authority of New York and New Jersey (PANYNJ), and New York City Department of Transportation, only \$4.3 billion has actually been disbursed. Federal funding is reimbursed to agencies, meaning that if it hasn’t been disbursed, it hasn’t been spent by the state or local agencies.

Capital Dashboard Needs Improvement

A review of the MTA Hurricane Sandy projects in the 2010-2014 capital plan by Reinvent Albany has shown that it is incredibly difficult to fully understand what progress the MTA has made to complete them, and advance resiliency projects generally. There are a number of reasons for this:

- **The 2010-2014 capital plan has been amended 6 times**, and the change narratives provided in the capital dashboard do not provide sufficient detail to explain why Hurricane Sandy projects have been changed, superseded, or moved between capital plans.
- **The status updates provided in the capital dashboard are unclear.** A project might be coded as “complete,” yet also state that it is only 60% or 0% finished. Indeed, 63 of 209 “completed” Hurricane Sandy projects are less than 90% complete according to data on the capital dashboard. Many listed as both “complete” and 0% finished have actually been canceled, changed, reprogrammed, or split from other projects.
- **Resiliency projects in the 2015-2019 and 2020-2024 capital plans are not separately coded.** Because Hurricane Sandy projects were federally

funded, they are separately coded in the 2010-2014 capital plan. There is no similar coding for resiliency projects in future plans. Some projects described as related to resilience - like Penn Access and the 2nd Avenue Subway – are actually network expansions. While redundancy and expansion of service can help when lines shut down due to flooding or hurricanes, these projects are not about hardening vulnerable infrastructure or improving drainage or pumping systems.

According to MTA capital dashboard data, of 377 Hurricane Sandy projects:

- 209 projects worth \$3.6B have been completed, with an average completion rate of 80%
- 43 projects worth \$2.4B are in construction, with an average completion rate of 56%
- 26 projects worth \$739 million are in design, with an average completion rate of 6%
- 23 projects worth \$902 million are in planning, with an average completion rate of 0%
- 76 projects worth \$8 million have been superseded (generally this means reprogrammed and moved to other projects or capital plans)

Given deficiencies in the capital dashboard, we ask that the Legislature pass Senator Ramos’s bill, [S2768](#), which is supported by Reinvent Albany and 10 other organizations, which would improve capital dashboard reporting and require additional financial transparency. (We thank the Legislature for passing Senator Comrie’s [MTA Open Data Act](#), which now awaits Governor Hochul’s signature.)

The Legislature should also introduce legislation to require that MTA Change Order reports be again released publicly (which provide lists and rationales for amendments to capital contracts), and this data be integrated into the MTA’s capital dashboard. Reinvent Albany [requested in January 2020 that the MTA reinstate change order reports](#), but to date it has not acted on this request.

Budget Transparency Website Out of Date

On a related note, the Legislature should be aware that the MTA’s current [budget transparency dashboard](#) does not have current information. The MTA’s “budget transparency” website should be updated soon after the release of each financial plan update (February, July, and November). The site is only current through November 2020, prior to the receipt of federal aid.

20-Year Needs Assessment Should be Published Before Any Capital Plan Amendments Are Proposed

At the September 2021 MTA Board meeting, Acting MTA CEO and Chairman Janno Lieber stated that the MTA was looking at possible amendments to the 2020-2024 capital plan to address stormwater and flooding. We do not dispute that more needs to be done to protect the MTA's aging infrastructure from the effects of climate change. However, the Legislature through its members on the Capital Program Review Board should not approve any amendments without the MTA publicly releasing an updated 20-year needs assessment. It is next due in 2023, thanks to the Legislature passing a law in 2019 requiring it be produced for the 2025-2029 capital plan, but should be released sooner if the MTA is planning to amend its existing capital plans.

The 20-year needs assessment should have been the basis by which the public and Legislature evaluated the 2020-2024 capital program. Unfortunately, it was never publicly released, as the MTA has said it was updating the assessment to be a better, more accurate and useful document. Janno Lieber also said at the September 2021 Board Meeting that the MTA intends to incorporate the recommendations from the [December 2019 forensic audit](#) of its capital planning processes.

As an example of why the 20-year needs assessment could be an important tool for evaluating the MTA's resiliency needs, the last assessment included a description of the planned pump plant maintenance:

“While all pump rooms will have been modernized by the end of the 2010-2014 plan, 26 pump rooms currently exhibit conditions that are sufficiently deficient that they are considered out of good repair and therefore necessitate investment; these rooms will be addressed by 2024. After 2024, investment in pump rooms will shift to normal replacement, and NYCT will address an additional 38 pump rooms by 2034.”¹

International Benchmarking Report Should be Produced

The Legislature should also request that the MTA produce and release the international benchmarking report required by the Legislature in 2019, but [not yet released by the MTA](#). It is more important than ever for the MTA to identify cost savings and best practices from its peer agencies given the financial impact of COVID-19 and the urgent need for capital improvements to fix our subways, buses, and commuter rails.

¹ See page 41 of the 2015-2034 Needs Assessment, released in 2013: <https://new.mta.info/document/11976>

Recommendations from MTA IG Reports on Maintenance of Pump Trucks and Drain Cleaning Should be Implemented and Tracked

Beyond capital project delivery, we also note that the MTA's Inspector General recently released two audits related to maintenance work conducted by the MTA in order to prepare for major storms related to drain cleaning and the Subway Action Plan, and proper maintenance of pump trucks:

- August 2021 - Subway Drain Cleaning: NYC Transit Must Maintain Effort– [Final Report](#)
- August 2021 - Pump Trucks at NYC Transit Bus Depots: A Maintenance Plan And Training Needed – [Final Report](#)

The Legislature should carefully review MTA Inspector General reports on maintenance of drains and pump trucks, and ensure that their recommendations are implemented.

Lastly, the MTA's Transformation Plan has resulted in management chaos and a brain drain. It should be wrapped up. According to [reporting by The City](#), the MTA should be finished with the plan by the end of October of this year. Based on extensive conversations with MTA staff and board members, we believe that it contributed to the further politicization of the MTA, and disrupted and demoralized the MTA workforce.

We are particularly alarmed about [recent findings from the State Comptroller](#) that of the 2,725 positions cut, the vast majority (84% or 2,295) were in operations/maintenance, and 1,840 of those positions were non-administrative positions. The MTA is now hiring back many of these operations staff due to service delivery problems. The intent of the Transformation Plan was to bring about more efficiencies to allow the MTA to better serve the public - not hinder its ability to perform its key mission, to provide transit service.

The Legislature should foster management stability at the MTA. The topic of MTA transformation, reorganization and governance is so vast it deserves a separate hearing.

Thank you for the opportunity to provide testimony to the committees.