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**Testimony Before Joint Legislative Budget Hearing
on the FY2023-2024 Executive Budget
Delivered by Lisa Daglian, Executive Director
Permanent Citizens Advisory Committee to the MTA (PCAC)
February 6, 2023**

Good afternoon, I am Lisa Daglian, Executive Director of the Permanent Citizens Advisory Committee to the MTA, PCAC. Created by the legislature in 1981 to represent riders on the MTA's Long Island Rail Road, Metro-North Railroad and New York City's subways, buses and Staten Island Railway, our work primarily focuses on advocating on behalf of riders and advising the MTA on operational performance and capital projects through reports and policy recommendations. Importantly, our work also includes support for adequate funding and improving transparency for all to have a better understanding of the MTA. That is why we are here today. Thank you for holding this hearing today and for the work you do every day; the outcomes provide tangible results for millions of New Yorkers.

The MTA is facing a huge deficit that, if not addressed, will lead to devastating cuts in bus, subway, and rail service and/or crippling fare increases – any of which would significantly hinder the return of riders to transit and have far-reaching negative consequences for the regional economy and for riders themselves. Ensuring that there is sufficient and ongoing funding for a safe, reliable, affordable and accessible transit system is the linchpin to getting riders back onboard and our region back on track.

That's why we are very pleased that twenty-twenty-three is shaping up to be the year of the train – and bus – rider. Simply put, the mechanisms for funding the MTA elucidated by the Governor have our support. At the same time, we believe that the proposals laid out in the Executive Budget can be even better. We are seeing a refreshing new approach to funding transit as the essential service it is, recognizing it as the economic engine of the New York region and the entire northeast. An investment in the MTA is a wise investment. Having a fiscally-sound path forward after the topsy-turvy, uncertain past few years will be reassuring – for riders and our regional economy.

Ensuring that there is sufficient, dedicated and ongoing operating aid for the MTA is our number one priority. We hope you will agree and will seek ways to fully fund transit in the final budget in a way that is sustainable and not susceptible to raids. Transit is an essential service and it's time to fund it as such.

A commitment of \$8.3 billion in total state operating aid, with \$3.9 billion directly remitted, will go a long way toward keeping the MTA away from the edge of the fiscal cliff. The more dedicated funds that are remitted directly, of course, the less chance they will be diverted – as we have seen happen with 18-b and PMT. Those funds should be restored and adjusted for inflation, as our colleagues at Reinvent Albany have pointed out in their report [Skipping Out](#), and in testimony today. Having the MTA contribute to being part of the solution by reducing its expenses and finding efficiencies should help bolster support and trust among the riding public and its funders.

The Governor's Proposals

The \$300 million direct payment to the MTA is a great start – and one we believe should be carried over annually, off budget, and adjusted for inflation. When the gas tax “holiday” was enacted and the MTA was held harmless, we contended that if the money was available to give to the MTA under those circumstances, it should always be directed to the MTA, even as the gas tax reverts.

We believe that using future casino revenue is a smart gamble and will be a win for riders. These new as-yet-to-be-sited destination locations will be a huge draw, and transit will be the best way to get to the tables. Using profits to support subways, buses and commuter trains is a sure bet. A slight increase in the Payroll Mobility Tax is a small price to pay for ensuring we have a strong and stable system that will get riders to the jobs that support the region's economy. Getting New York City to contribute \$500 million a year for paratransit and student MetroCard programs and to help the State offset revenue losses that result from exemptions to the PMT could also be a winning proposition. However, each of these comes with its own political landmines, and we believe there are additional revenue alternatives that are worth including in the conversation.

Other Potential Funding Considerations

By the end of next week, we will be able to share a list of sourced additional potential funding alternatives with you on our website at www.PCAC.org in the form of a funding thermometer that allows you to consider different combinations of revenue streams. A number of them came through your houses. As examples, some of them are:

- ✓ Progressive income tax increases for high income earners – \$12-18 billion
- ✓ Progressive tax on inheritances over \$250,000 – \$8 billion
- ✓ Sales Tax increase in NYC to MTA to 0.75% – \$1 billion
- ✓ Increasing sales tax for alcohol sales in NYC by 3% – \$150 million
- ✓ Tax of \$.01 per ounce of sweetened beverage – \$288 million

Other Areas of Support

We support the following proposed legislation:

TED Part A (and Senator Krueger and Assemblymember Hyndman's bill): Relating to Automated Bus Lane Enforcement (ABLE) – Our bus network currently has some of the slowest speeds in the nation, and improvements like bus lanes will help—but only if cars get out of the way. ABLE will help the MTA keep buses and their many riders moving: the cost of slow buses, according to the Citizens Budget Commission, is \$268 million— the estimated amount the MTA could save by speeding up buses by 15%— but the dollar amount for time saving for riders is almost incalculable.

TED Part B and Part F: Relating to Enforcement on TBTA Facilities – Tolls provide substantial revenue for the MTA and the transit system. Catching those who commit infractions, whether speeding or attempting to evade payment, is key to a stronger transit network and sustainable transportation network. This is especially the case in advance of Congestion Pricing.

TED H and I: Relating to Safety of Workers and Riders – Strengthening laws to better protect those who work in and ride transit is critical to getting riders back on board and ensuring there are enough workforce to run the essential service we require. Both of these proposed bills would strengthen existing laws and add more teeth to enforcement options.

Investment in mental health, housing, and gun safety is an investment in ensuring that riders are safer in the system, and that they feel safer when using transit. A continuum of care that also addresses the root causes of many problems experienced by those in mental health and/or homeless crisis will go far to make a real difference. We support the Governor's proposed investment in these services.

Fix The MTA

As part of larger efforts to improve and fund the MTA for its millions of riders, we are supportive of some of the key legislative priorities of the Fix the MTA package. We thank Assemblymember Mamdani for proposing this transformative package that can help bring riders the 21st century transit system we deserve.

We're particularly excited about Senator Gounardes and Assemblymember Dinowitz's legislation to give riders a voting seat on the MTA Board. It's important that the Board members who vote make decisions about the future of the MTA have riders' best interests in mind—that means they should ride transit and have a deep level of understanding of the issues that face riders every day. This bill would do just that, by giving a vote—a much stronger voice—to the existing MTA Board representatives from the New York City Transit Riders Council (NYCTRC), Long Island Rail Road Commuter Council (LIRRCC), and Metro-North Railroad Commuter Council (MNRCC). Our three rider councils have a legacy of advocating for improvements that have helped riders around the MTA region since the financial crisis of the 1970s, but their MTA Board representatives currently do not have a vote.

This vital legislation would also give Access-A-Ride users a voice on the MTA Board for the first time—crucial at a time when only 25% of subway stations are currently accessible, although many more are in the works. Taken together, the four new voting MTA Board members representing regular users of NYC Transit, LIRR, Metro-North, and Access-A-Ride are critical to creating an MTA and transit system for riders, by riders, and with riders.

Senator Gounardes and Assemblymember González-Rojas's bill to remit the Internet Marketplace Sales Tax directly to the MTA, which is expected to deliver \$329 million in 2023, will help ensure that transit funding stays transit funding by creating another dedicated funding stream.

The Capital Side

Other key pieces of legislation in the Fix the MTA package to improve transparency are important to ensuring that advocates, riders, and elected officials like yourselves can hold the MTA accountable when we need to. Senator Ramos and Assemblymember Carroll's bill to strengthen reporting requirements for capital projects would make a big difference. Currently, it's hard to understand project timelines, purposes, and budgets through the MTA's Capital Program Dashboard. Improvements as simple as requiring the dashboard to state whether projects are resiliency or accessibility improvements, where funding comes from, and whether there are delays would help all of us help the MTA and its riders—it can be hard to do without clear, updated information on exciting projects in the works.

In speaking about the Capital Program, we'd be remiss not to mention the critical need for Congestion Pricing and its expedient implementation. We're hopeful that a FONSI will be delivered by the federal government in the next weeks and that we can finally look forward to the benefits it will bring. One of the major projects that is of regional significance and importance is the Penn Station project.

At PCAC, our priority is that the MTA fixes what it can that's broken in the immediate term, as the state and its partners make plans for the station's long-term solution. We can all agree that the current state

of Penn Station is not acceptable, and that something must be done to address the overcrowding, disorganization, and lack of access for those with disabilities. We believe that it is essential for all parties involved, including the MTA and Amtrak, to work together toward a common goal of creating a Penn Station that serves the needs of the riding public and the wider community.

As Senator Comrie recently noted, Amtrak's current plan for the redevelopment of Penn Station is not ideal. It is cost prohibitive and does not consider long-term economic development for the broader area. Fixing Penn Station now for the riders of today is critical; fixing it for the longer view that includes a more regional approach to rail should be considered for the long term.

We also support some of the legislation in the Fix the MTA package to improve the MTA's efficiency, including Senator Comrie and Assemblymember Mamdani's bill to speed up the MTA's construction processes through streamlining utility relocations. Improving the construction process is key to building, fixing, and maintaining the transit system at a time with major capital projects in the works, and this bill is a common-sense measure to help the MTA get work done for riders.

Most critically, we've called on our city and state leaders to invest in the essential service it is, and we're glad that many of you here today support doing just that. Thank you.