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**Testimony Before Joint – Senate Standing Committees
on Transportation & Corporations, Authorities and Commissions
Hearing on the MTA Budget, Ridership, and Penn Station Revitalization
Delivered by Lisa Daglian, Executive Director
Permanent Citizens Advisory Committee to the MTA (PCAC)
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Good morning. My name is 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 – the transit upon which they rely. That is why we are here today. Thank you for holding this hearing and for the work you do every day; the outcomes provide tangible results for millions of New Yorkers.

MTA Budget

Driven in large part by the precipitous drop in ridership both during and after the pandemic, the MTA is facing a huge deficit that will lead to devastating cuts in bus, subway, and rail service, or crippling fare increases if not addressed. We are reassured that you understand the severity of the situation and know that none of us want to see the horrific fare hikes and horrendous service cuts that could be the unfortunate reality without adequate funding – and which would significantly hinder the return of riders to transit and have far-reaching negative consequences for the region's economy, and for riders themselves. It is imperative that you, our leaders in the State Assembly and Senate, work together and with Governor Hochul to ensure that transit is fully funded in the final state budget, and that the revenue sources are both sustainable and not susceptible to raids.

To this end, we support the funding proposals that Governor Hochul put forth in her Executive Budget as a great starting point for budget negotiations. The \$300 million direct payment to the MTA will be an important lifeline for transit, and we hope to see this vital contribution made annual, baselined, moved off-budget, and adjusted for inflation. Even better would be to double the initial investment in transit to \$600 million – particularly this year, with the state's funding surplus.

We support the Governor's proposed increase in the Payroll Mobility Tax (PMT) for just the top 5-percent of large businesses as 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. Our entire regional—even national—economy runs on the backs of the millions of riders who use transit to get to work, to school, to appointments, to shop and to patronize those very businesses. Leaders of the business community have spoken in support of this PMT increase, because they know that the financial center of the country only works because its transit does. We all must pitch in for a better transit system, from Montauk to Wassaic, so riders on all MTA modes can travel throughout the region. To this end, we also support asking the city to pay more to fully fund Access-A-Ride and cover the current costs of student MetroCards, as well as to help the State offset revenue losses that result from exemptions to the PMT.

There is an urgent need. Not just this year's budget, but enough to address the long-time structural issues as well.

But even beyond the Governor's proposals, we believe that there are additional revenue alternatives that are worth including in the conversation. Below and [linked here](#) is a list of sourced additional potential funding alternatives with you on our [website at www.PCAC.org](http://www.PCAC.org) in the form of a funding tool that allows you to consider different combinations of revenue streams. As we mentioned in our budget testimony last month, some of them are:

- 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
- Progressive income tax increases for high income earners – \$12-18 billion
- Progressive tax on inheritances over \$250,000 – \$8 billion

Above all, our work to display and add up different potential funding sources is meant to show you—the elected leaders who can make it happen—that there are dozens of options and billions of potential dollars that could be used to support transit and its millions of daily riders. Regardless of the options you decide, our top priority is that you find the funding to adequately support the MTA and fill the budget gap not just in this immediate budget year, but in the long term. Without it, riders bear the cost in the form of service cuts or fare hikes as the MTA lurches from financial crisis to financial crisis. We hope that our funding tool can help make your decision easier as budget negotiations move along.

Other Areas of Support

We support the following proposed legislation:

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.

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.

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’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.

As we work to rebuild and recover from the pandemic, it is crucial that we prioritize the needs of transit riders and invest in the infrastructure that makes it all possible. Public transit is essential to the success and vitality of New York City, connecting millions of New Yorkers to their jobs, schools, and communities. Funding transit means investing in the riders who move our region, including many who cannot afford to drive or take other modes of transportation. With more investment in the MTA for better service, even more riders will discover that transit is truly the best, safest, and most reliable way to get around.

Penn Station Revitalization

Last week, we spoke urgently before Community Board 5 about Madison Square Garden's application for a new special permit. The issue is not just about MSG, but about the millions of New Yorkers who rely on Penn Station, the busiest train station in the country, situated directly beneath the arena. Before the pandemic, Penn Station was already over capacity, serving over 640,000 passengers daily. With the MTA, New Jersey Transit, and Amtrak each planning to expand service, we must prioritize the station's redesign now in advance to minimize disruptions to riders.

Unfortunately, MSG's location atop Penn Station makes it impossible to implement a wholesale rebuild of the station below it. This limitation has prompted the MTA to put forth a plan to redesign Penn that works around the arena's existing structure. However, the MTA has identified several property interests from MSG that are critical to their redesign of Penn, including the former taxiway and the space around the 8th Avenue entrances. If the City renews MSG's permit and the Dolans decide to stay, it's crucial that MSG grants the MTA

permission to alter the arena's structure, as this is necessary for a transformative station redesign. Furthermore, MSG would benefit greatly from these improvements, since most attendees of their events arrive by train.

We cannot afford to miss this opportunity. The consequences of prioritizing the short-term interests of one tenant over the long-term needs of millions of riders are dire. Delays to the redesign of Penn Station will leave millions of riders, including those attending MSG events, to suffer the consequences.

Redesigning Penn is fundamental to our city's economy, culture, and global stature, and ensuring its long-term success requires a comprehensive and holistic vision that considers the needs of all stakeholders. This vision should prioritize long-term investments over short-term gains and be guided by a mandate to solve regional problems. We must act now because the success and vitality of New York and the region are inextricably linked to the future of these two city blocks.

Thank you.

