



Testimony of Nadine Lemmon, Tri-State Transportation Campaign
Joint Legislative Public Hearing on 2015-2016 Executive Budget Proposal: Topic "Transportation"
January 29, 2015

Thank you Chairman DeFrancisco, Chairman Farrell, and members of the Senate Finance and Assembly Ways and Means Committees for giving Tri-State Transportation Campaign (TSTC) the opportunity to present testimony on the SFY 2015-2016 Executive Budget. My name is Nadine Lemmon, and I am the NY & Federal Policy Coordinator at TSTC, a non-profit policy and advocacy organization working for a more sustainable transportation system. I would like to address: 1) statewide transit needs, 2) the Thruway Authority, and 3) NYSDOT's capital plan.

1. Statewide Transit Operating and Capital Needs

We urge you to assure that the operating and capital needs of our transit systems, upstate and down, are met. The SFY 2015-2016 New York State Executive Budget falls far short of that goal. Most importantly, the Governor's budget fails to fully-fund 5-year capital plans for the MTA, and for suburban and upstate transit systems.

Ahead of the release of the Executive Budget, statewide transit systems identified \$33 billion in capital needs over the next five years (\$32 billion for the MTA, \$1 billion for suburban and upstate transit systems). Roughly half of the \$33 billion has identified revenue sources—a combination of fares, increased debt, and other revenues. Across the state, transit systems are dependent on the state budget to fill the gap in these capital plans.

For the MTA, the Executive Budget proposes using just \$400 million of the bank settlement funds for transit infrastructure. There is an additional \$750 million general fund transfer for MTA capital. And, in an unprecedented and troubling move, the Budget takes \$121.5 million of dedicated operating revenues from the Metropolitan Mass Transportation Operating Assistance program (MMTOA), and repurposes those funds for capital expenditures—at a time that suburban county bus systems could use that money to avoid service cuts. The final sleight of hand in this shell game is another diversion of dedicated funds to pay off state debt, this time \$20 million from MMTOA, and a promise to repeat those diversions through 2019.

All totaled, this leaves a gap of roughly \$14 billion in unfunded capital needs over 5 years (almost \$3 billion annually) for the MTA, and \$141 million taken from the MMTOA fund that should be going to downstate operating needs.

For upstate systems, the picture is equally bleak: \$5 million from the NY Works fund will go to matching federal dollars for upstate capital needs (leaving a \$95 million annual gap), and the State Transportation Operating

Assistance (STOA) is flat, as it has been since 2009—despite increasing operating costs, and despite rising ridership. Because of the structural imbalance of revenues to STOA, upstate systems are considering cutting service and raising fares to cover the shortfalls. Since 2009, they have increased their use of capital funds to fill operating gaps by 45%—a fiscally shaky move that essentially destabilizes their future.

In place of addressing the nuts and bolts of our transportation infrastructure and continuing federally-supported projects such as East Side Access and the Second Avenue Subway, the Executive Budget allocates \$450 million on an Air Train to Laganardia—a proposal not included in the \$33 billion capital plans. This is a short-sighted proposal that siphons money away from critical transit needs today without having made the time savings case that this investment is warranted. A new bus service launched in spring of 2014 has increased the transit trips to Laganardia airport by 20%; the price of this service will likely be much less than air train service.

At a minimum, we propose that this Air Train money be used for transit capital programs, upstate and down. We request that the legislature stop the diversion of MTA operating funds—both the new \$121 million used for capital, and the \$20 million used for state debt—and find a way to fully-fund capital and operating needs across the state.

Additionally, while expanded capacity for Metro-North is big news, the progress to jumpstart development opportunities around the proposed 4 Bronx stations is undermined by the fact that the Governor’s definition of “Transit-Oriented Development” (TOD) in the suburbs appears to be limited to vertical parking only. While the Governor does acknowledge that vertical parking structures free-up land for mixed-use development, he fails to note the indisputable fact that providing parking encourages driving, thus negating the value of nearby transit.

We encourage the Legislature to make sure these funds are used for true, equitable and affordable TOD. A good example is our neighbor in Connecticut where, in 2014, Governor Dannel Malloy designated \$15 million to kick-start mixed-use development along new commuter rail and bus rapid transit corridors, and in 2011, launched a \$5 million planning grant program for TOD near rail stations.

2. Thruway Authority/New NY Bridge

We still do not have the financial plan for the New NY Bridge. The lack of disclosure about how this bridge will be paid for, and how high the tolls will need to be to cover the costs is a severe impediment to any kind of public policy discussion about the bridge. The Executive Budget takes \$1.3 billion of the bank settlement funds for the NYS Thruway Authority, and uses it to help subsidize drivers’ toll costs—*for one year*. What happens after that year? Also noticeably absent are capital funds for the seven new bus routes proposed in the Mass Transit Task Force recommendations for the New NY Bridge, despite the promise the system will launch in 2018, which falls within the five-year capital plan window. The Budget documents state that federal funds are being sought, but no matching state dollars are provided in the Budget.

We ask that the Legislature assure that capital funds are included in the suburban/upstate transit capital plan for this crucial bus service, and for the suburban counties on both sides of the bridge. A robust transit system in the Hudson Valley will be the only way to provide substantial relief to commuters and residents who will (eventually) be facing higher tolls on the bridge. **Additionally, we feel it is imperative that the Legislature secure the public disclosure of the financial plan before any budget deal is reached this coming year.**

3. NYSDOT and Local Roads

The MTA has a statutory date on which they must release their proposed 5-year Capital Plan; NYSDOT does not. With the last two-year capital plan, not even key transportation staff within the legislature saw the 50-page

“Memorandum of Understanding” (MOU), before it was signed. **We call on the Legislature to establish a more open budgeting process for NYSDOT’s operating and capital budgets, including an established date for releasing its budget.**

We have concerns about the proposed \$150 million fund for State and Local Bridges. It is not clear who will be selecting the projects that will be tackled, and it is not clear whether these dollars will be spent on the highest need projects in the state. Additionally, local town and county highway superintendents need the flexibility to use this additional funding for roads, culverts, pedestrian and bicycling infrastructure. **In addition to the \$150 million proposed, we ask that the legislature assure that there is dedicated funding for pedestrian and bicycling infrastructure; \$20 million annually, in SFY 2015-2016 and beyond, would be a solid investment in vibrancy of our local roads and downtowns.**

Finally, I’d like to read the final paragraph of written testimony submitted to you today on behalf of the *Southern Bronx Watershed Alliance* concerning the construction of direct highway access into the Hunts Point peninsula.

This project can be a game-changer for hundreds of thousands of residents and hundreds of businesses in the area and region as well as serve as a turning point on the path to a better, healthier and more economically vital future for residents and businesses of The South Bronx. This is a crucial moment for all parties involved and the solutions are clear. **Specifically, \$5 million are needed to perform the environmental analysis (an Environmental Impact Statement or EIS) that is the necessary next step in making the recommendations a reality.** This would be a good use of the settlement funds to support economic development in the Bronx. The businesses of the Hunts Point Food Distribution Center and throughout the Hunts Point peninsula have been waiting for decades to gain direct highway access; the South Bronx community has been suffering under unhealthy and dangerous conditions just as long. Consensus has been achieved on the solution, and the time is now for New York State to address this issue.