

Opening / Acknowledgements

Hello and thank you for having us today. My name is David Keller. I am the MTA's Acting Director for Management and Budget. I'm joined virtually by Jaibala Patel, Chief Financial Officer for New York City Transit, and Steve Berrang, Director of Capital Program Management.

Before I begin, I'd like to thank Chair Rodriguez, Speaker Corey Johnson, and the rest of the Council for the direct aid provided to the MTA in the adopted budget for 2021, and for its continued contributions to the 2015-2019 and 2020-2024 Capital Programs. Your support is very much appreciated as the MTA looks to deliver the 21st century transit system that New Yorkers need and deserve.

Federal Funding Impact / State of MTA Finances

As you know, the last year has been the most difficult period in agency history for the MTA. Our Chairman Pat Foye spoke in detail about the challenges we continue to face last month when he appeared before the Transportation Committee alongside New York City Transit President Sarah Feinberg and Chief Financial Officer Bob Foran.

In the time since that hearing, our problems haven't disappeared – however they have been greatly helped by the passage of the American Rescue Plan. We're grateful to our federal partners – especially President Biden, our hometown hero Senate Majority Leader Schumer, Speaker Pelosi, and the entire New York delegation – for their tireless hard work and support.

This legislation provided an historic level of funding for mass transit, including an estimated \$6.5 billion dollars for the MTA. That's on top of the roughly \$8 billion in emergency aid we received previously between the CARES Act and CRRSSA. We were also able to borrow another \$2.9 billion through the Federal Reserve's Municipal Liquidity Facility. The \$14.5 billion in combined emergency COVID funding has been a critical lifeline for the MTA over the last 12 months and go a long way toward addressing the \$16 billion four-year deficit we were facing--and we are grateful.

As you are aware, we had been looking at 40% cuts in service to the subways and buses as well as thousands of employee layoffs. But the arrival of this latest federal relief package allows us to move away from our worst-case budget scenarios. Additionally, as Chairman Foye has specified, the federal emergency

assistance will enable us to begin contract negotiations with our labor partners and move forward with previously agreed upon contractual obligations.

It's been well documented that COVID's impact on mass transit was enormous – surpassing that of even the Great Depression. Ridership fell by 95% on the subways at the peak of the pandemic and even now, it's still down by about 70%. On buses, we're hovering around 50%. These precipitous declines in ridership and revenue wreaked havoc on our budget, which is half made up of funds raised from fares and tolls. Dedicated taxes and subsidies also dwindled over the course of the pandemic.

But there are some positive signs as we move forward, and the city begins to reopen. We recently announced our subway ridership hit a pandemic-high of 1.9 million and our bus ridership is also showing signs of rebounding, now frequently topping 50% of pre-pandemic levels. While both are still significantly below our pre-pandemic levels, they are heading in the right direction. We look forward to welcoming back more and more customers in the months ahead– so please, wear a mask and take a ride with us. It's still the quickest and safest way to get around.

Moving Forward

Meanwhile, beyond just helping us keep the lights on, the latest round of federal aid brings new possibilities for our historic 2020-2024 Capital Program – which had been on pause because of the pandemic. Important projects like modernizing signals on our subway lines, making more stations accessible, bringing LIRR service to Grand Central Terminal, expanding Metro-North service to Penn Station with four new stations in the Bronx, and extending the Second Avenue Subway to East and Central Harlem are again under funding discussion.

The MTA's goal is to award at least \$6.2 billion in total project work to third-party contractors or in-house teams in 2021. Our goal for the first quarter is \$865 million, and we are on track to meet that target. And if the federal government acts to advance the environmental review process for our Central Business District Program, that's even better news for the Capital Program. We're encouraged that the Biden administration has said it would prioritize review of our application, which sat dormant for more 18 months under the previous administration.

We are committed to advancing progress as much as we can at every level of the MTA in the years ahead. Part of this work includes taking a look at internal

operations to rein in costs. We're doing our part through agency consolidations, significantly cutting overtime, and major reductions in the use of consultants.

Regarding overtime specifically, our latest report shows the MTA has achieved \$244 million in savings since 2018 – a decrease in overtime of 18%. This was the first time in a decade the MTA has achieved two consecutive years of overtime reductions, and we're on track to reduce overtime spending by \$1 billion total between 2020 and 2024. This is great news, but we know our work isn't done yet. To build on this success, we will be moving forward with a range of initiatives to further drive down controllable overtime and address potential abuses as quickly and efficiently as possible.

Conclusion

We're confident there are better days ahead for the MTA, and we look forward to working with the City Council to find the best path forward. A strong MTA is essential to New York and the nation's economic rebound, and we're eager to help get the economy back on track.

Thank you. We're now happy to take your questions.



**Testimony of
Kevin Jones
AARP New York**

**New York City Council
Committee on Transportation**

Preliminary Budget Hearing

3/23/2021

**Remote Hearing
New York, New York**

Contact: Kevin Jones (646) 668-7550 | kjones@aarp.org

Good morning Chair Rodriguez, and members of the Committee on Transportation. My name is Kevin Jones and I am the Associate State Director of Advocacy for AARP New York, representing the 750,000 members of the 50+ community in New York City. Thank you for providing me with the opportunity to testify at today's preliminary budget hearing to discuss the MTA's budget amid the ongoing COVID-19 crisis, as well as our recommendations for how the MTA should utilize its budget to aid in the City's recovery and improve the quality of life for 50+ New Yorkers citywide.

AARP New York believes that the MTA's network of subways and buses remains the lifeblood of New York City, and we stand committed to ensuring that the system provides safe and reliable transit for our members and all New Yorkers citywide.

Despite the unprecedented challenges that the MTA faces as a result of the pandemic, the MTA's system prior to COVID-19 was far from perfect and plagued with a host of issues, especially as they relate to the overall accessibility of the transit network.

The overwhelming majority of the New York City's subway stations remain inaccessible for people with disabilities and older adults with mobility issues. In a 2018 study published by the New York City Comptroller's office, they found that only 24% of the subway's 472 stations were accessible. The Comptroller also found the majority of neighborhoods that lack access to a single ADA accessible station are predominantly communities of color in the outer boroughs of the Bronx, Brooklyn, and Queens.

In addition, thousands of residents in the outer boroughs of the Bronx, Queens, and Brooklyn also lack access to nearby public transit options entirely, essentially rendering their neighborhoods as "transit deserts."

These pervasive accessibility issues diminish the quality of life for 50+ New Yorkers and often limit an individual's access to quality employment and healthcare opportunities, as well as other critical services that the City provides.

The MTA has made notable commitments to address these issues in recent years by prioritizing ADA station accessibility projects in the 2020-2024 Capital Plan, as well as undertaking the "New York City Transit – Fast Forward Plan", yet these projects remain suspended due to the unprecedented impact that COVID-19 pandemic has had on the agency's finances.

We commend the work of the Senate Majority Leader Chuck Schumer, the New York Congressional Delegation, and the Biden Administration in passing the American

Rescue Plan and are eager to see that the MTA is receiving an additional \$6.5 billion in emergency aid to offset the financial losses caused by the pandemic.

As the MTA becomes more financially stable and looks ahead to restart many of the projects outlined in the 2020-2024 Capital Plan, we urge the agency to begin by prioritizing the completion of the ADA station accessibility projects outlined in the Capital Plan. While New York City slowly begins the process of reopening and recovering from COVID-19, it will be critical to continue improving the overall accessibility of the City's transit network as part of the recovery process.

AARP New York applauds the collaborative efforts between the City and MTA in their recent launch of the 'Zoning for Accessibility' initiative, which will allow for the MTA to secure private financing from developers in order to complete ADA station accessibility projects citywide, thereby reducing some of the financial costs associated with station accessibility projects. AARP urges the City Council to work with City Hall and the MTA to pass this land use proposal quickly in order to make transit accessibility a central component of the City's overall recovery and economic development efforts in the years ahead.

AARP also calls upon the Mayor and City Council to restore the \$65 million cut from the Fair Fares program in the City's FY21 budget and fully fund the program in FY22 budget. Although the City Council and City Hall still face significant financial hurdles in this year's budget, the City must do everything in its power to avoid any further cuts and preserve the program's funding in order to guarantee that thousands of low income New Yorkers still have the opportunity to access public transit amid the City's recovery.

Last, we call on the MTA and the City DOT to work collaboratively on the Bus Network Redesign initiative to expand bus services to more New Yorkers in an equitable manner, as well as improve the overall reliability and speed of the City's bus network. As studies from transit advocates have found that New York City's bus ridership tends to be older and lower income, it will be critical for the City and MTA to work together to improve bus routes, install more bus lanes, and increase bus lane enforcement in order to provide better and more reliable transit services to 50+ New Yorkers citywide.

Thank you for allowing me the opportunity to testify today. I am happy to answer any questions you may have.

For the record, I'm HP, a World War II veteran and director of UMEWE a veteran organization representing 12,000 veterans attending colleges in NY city.

My sole mission for the last 4 years was to get the MTA to charge veterans the same price as seniors. 3 years ago The council and Mayor approved giving veterans attending college a 50% discount .

Unfortunately after 3 years, of the 12,000 eligible veterans, only 700 have received discounted fares. Because of restrictions imposed by the Mayor. So we decided to do something about it.

3 bills were created in the state legislature A00774,S1287,S3372 which **enable all veterans** to purchase discounted fares. The bills stipulate, the money will be supplied by the State and can only be used for a Veterans Discount.

Sadly though supported by the public and a majority of the legislature. They have languished in committees. Why lack of money and a commitment to fund them.

Veterans need help; they are vital to our economy. We have lost 25-35% of our veterans over the last ten years contributing factors, the high cost of housing and transportation.

The American Relief Act is supplying the State and MTA with billions of Dollars. It is estimated it would take as little as 2 cents from every fare to fund a veterans discount. Yet the Governor and the MTA have not taken any action to pass the Bills.

If you want to Thank veterans for our service” Then give meaning to the words, by demanding the Mayor keep his promise.... Demanding the MTA put a Veteran discount in its budget.

And Demanding the Governor pass the Bills and announce On Memorial Day a Veterans Discount on the MTA.

Isn't the service and sacrifice of veterans for the country, worth 2 cents!!!

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So Pat Foye the Governor as well as the mayor. My brother and sister veterans ask.

Give meaning to the Words " Thank you for your Service " Do the right thing. Stop making us pay full fare.