The Public Ought To Know

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By Corey Bearak

Funding the MTA Capital Plan

Much discussion around the MTA Capital plan revolves around its size proposed by the MTA and the revenues identified to fund it. Back in the day, the state and city stepped up much more from their own general budgets.

On average federal funds cover some 30% of the costs. A time occurred – not over the last several plans – when the state covered about half that – 15%. The city contribution ran about 10-12% of that. Most City capital funding in the last plans addressed the #7 Subway extension west of Times Square – and the prior mayoral administrations's deal for that funding envisioned UNREALIZED revenues from development on the Far West Side of Manhattan to fund those dollars; thus crediting the city for those dollars makes no sense.

Forgetting budget issues the city and state face (or not – I leave that to readers.), a real argument exists for the City and State to up the ante – A LOT – to fund the plan.

Some folks argue tolling schemes I find based more on ideology than real merit. Substantial revenue opportunities exist to help the State and City fund a reasonable obligation from their own tax levy and also to support any bonding the MTA might undertake. Assembly Member David Weprin proposes new non-resident income tax at one percent – originally called for by the borough-wide Queens Civic Congress – which could raise some $2 billion. A variant of the car registration surcharge proposed by then Comptroller William Thompson targeting heavy and expensive cars could fund an annual state capital contribution reaching 1.5 billion over the course of the plan; another $200 million/ year from general tax levy seems reasonable. A new city fee structure for closing streets – current fees make regulated rents seem prohibitive – would enable the city to easily contribute $2.5 billion over the plan's course.

Corey Bearak can be reached at StrategicPublicPolicy.com. Find his ebook, The Public Ought To Know, at Kindle, Nook and Apple iBooks.