

## **Another Time Around**

In prior [posts](#), Keep NYC Free, noted the interesting [bookkeeping](#) used by the MTA when it claims shortfalls. And more often than not, the MTA relies on revenue and expense projections that support what it wants to do. Further, the MTA's chair also indicated a refusal, during the state budget process, to accept resources to apply to reverse planned cuts that took affect this summer. What signal does that give to the public and their lawmakers when the transit agency makes up its latest numbers?

This makes it important that news accounts accurately report on the numbers. Keep NYC Free recognizes this could be difficult but we remain available to help (whether one asks or not). Thus, we correct the record when Crain's, in a story on outgoing Lt. Gov. Ravitch's plans to "tackle" transportation, reported a shortfall of \$900 million in the MTA payroll tax. Clearly, the reporter confused (or perhaps the MTA encouraged this) this with other MTA numbers. It could be the projected operating deficit for the agency. It could also be the cumulative shortfall in all dedicated tax revenues and state operating subsidies for all of 2009 and 2010.

No question, it will "[be back sometime, but you don't know when.](#)

September 24, 2010, Crains New York Business

### **After Medicaid, Ravitch to tackle transportation**

Lt. Gov. Richard Ravitch burnished his reputation as a fiscal first-responder by creating the Metropolitan Transportation Authority's capital program in the early 1980s. In one of his final acts before leaving office at the end of this year, Ravitch plans to release a report bringing attention to the state's aging transportation infrastructure.

Ravitch is concerned that the capital plans for the state Department of Transportation and the Metropolitan Transportation Authority are unfunded. Earlier this week, he sounded an alarm over the state's \$52 billion Medicaid tab, which is expected to grow 18% annually through 2014. With a third of the state budget devoted to Medicaid, it's no surprise that little is left over to fund aging infrastructure, he says.

A spokesman says the goal of the infrastructure report will be "to get a dialogue going about how to address this serious situation."

The challenge is formidable. Only the first two years of the MTA's \$25.5 billion 2010-14 capital program are funded. Likewise for the state's five-year \$25.7 billion transportation capital plan.

The state's share of stimulus money dedicated to transportation projects was never huge—about 10% of the \$33.47 billion the Obama administration allocated. In the end, nearly two-thirds went to health care and education.

Ravitch last came to the rescue of the MTA two years ago as chairman of the commission that helped the authority develop a plan, passed last year, to fund the MTA's operations with a new mobility payroll tax.

The tax presents one of the challenges for Ravitch as he seeks transportation funding solutions: The tax's expected revenue, plus state appropriations, have fallen short by more than \$900 million since November 2009, suggesting that the state cannot plug the shortfall in transportation funding with new taxes and fees. Republican candidates in suburban Senate districts have made their criticism of the tax an election issue.