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Testimony on Testimony on Intro. No. 113

For an Online Database of Pending Construction Projects

*Submitted to the New York City Council Committee on Finance
and the Subcommittee on Capital Budget*

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The Citizens Budget Commission, a nonpartisan, nonprofit think tank whose mission is to achieve constructive change in the finances and services of New York State and New York City government, submits this testimony in support of Intro No. 113.

Intro No. 113 would require the City of New York to produce an online database of all pending construction projects that includes initial and current completion dates and costs. The database would also provide the current project phase, borough, and managing and project agencies.

The City's annual capital investments have grown substantially; in fiscal year 2014, the City committed \$7.4 billion, which increased to \$11.8 billion in fiscal year 2018. The recently released February 2019 Preliminary Capital Commitment Plan forecasts \$83.8 billion in capital commitments from fiscal years 2019 through 2023. Yet tracking and assessing capital project costs currently is challenging. Accurate data on the total cost of projects is hard to acquire because projects are often funded across budget lines with multiple project ID codes for which there are no publicly available data on actual capital commitments. Additional challenges exist with regard to determining the cause of project delays and cost escalation.

The database proposed in Intro. No. 113 would improve substantially the quality and accessibility of public data on capital project costs and delays by requiring reporting on all capital projects in a machine readable format and would address three shortcomings in the existing Capital Projects Dashboard: 1) data are provided only on current capital projects greater than \$25 million, which limits the scope; 2) data are not downloadable for analysis, which constrains usefulness as an analytic tool; and 3) data are not kept up to date, which limits timeliness.

Intro. No. 113 could be enhanced by using the existing Capital Projects Dashboard as the basic platform, while requiring the broader scope of projects, downloadable format, and up-to-date data already envisioned in the Introduction.

However, Intro. No. 113 is not sufficient since it does not include additional data elements that would facilitate capital analysis. The Introduction should consider expanding the existing Capital Projects Dashboard because it would leverage an existing platform that already includes more data elements than would be required under Intro. No. 113. For example, the Capital Projects Dashboard maintains historical data on changes to each project's budget, rather than just the initial and current values.

Two amendments to Intro. No. 113 would further enhance its benefit to elected officials, advocates, fiscal monitors, and the public. First, requiring inclusion of each project's associated capital budget lines and project ID codes would allow the database to be linked to budget documents. Second, the database should retain data on completed projects to allow for retrospective assessment of performance.

The capital budget is just as important as the operating budget and should be subject to the same monitoring and scrutiny. The reporting requirements proposed in Intro. No. 113, along with the enhancements outlined above, would allow for greater oversight of the City's more than \$10 billion annual capital commitments.