


# Taxpayers on hook for \$163 billion worth of project overruns, including controversial Fed renovations, Senate report shows

 [nypost.com/2025/07/30/us-news/taxpayers-on-hook-for-163-billion-worth-of-project-overruns-including-controversial-fed-renovations-senate-report-shows/](https://nypost.com/2025/07/30/us-news/taxpayers-on-hook-for-163-billion-worth-of-project-overruns-including-controversial-fed-renovations-senate-report-shows/)

By Ryan King

July 30, 2025



Taxpayers are stuck with a \$162.9 billion tab for cost overruns on more than a dozen infrastructure projects, including pricy work on a Queens intersection that handles LIRR and Amtrak coaches, [renovations of the Federal Reserve](#) headquarters, [Air Force One upgrades](#), and other “boondoggles,” according to a report out Wednesday.

The scathing 48-page report from Sen. Joni Ernst’s office included in its hall of shame the expansion of the Harold Interlocking Junction in Long Island City, meant to streamline rail travel between Boston, the Big Apple, and out east.

That project was originally estimated to cost \$400 million, but is now estimated to cost \$1.4 billion by the time it is completed later this year, for reasons that aren’t fully clear.

The Federal Railroad Administration found that California does not have a viable path to deliver the high-speed rail it promised. Office of Sen. Joni Ernst

“For too long, taxpayers have been taken for a ride by budget-busting boondoggles,” Ernst told The Post. “Even getting the list of these delayed and over-budget taxpayer-funded projects was delayed two years by deep state bureaucrats.”

The Iowa Republican wants Congress to consider clawing back up to \$13 billion of unspent funding after lawmakers [approved a \\$9 billion rescissions package earlier this month](#).

The bulk of the nearly \$163 billion is attributed to two white elephants: [California’s notorious high-speed rail project](#), which is tracking to be more than \$95 billion over budget; and an effort to transition the Department of Veterans Affairs to an electronic health record system, which is set to be \$33.7 billion more expensive than initially projected.

The California rail project was initially supposed to cost \$33 billion and be finished by 2020, with a main line linking Los Angeles and San Francisco (about 380 miles). Years later, it remains unfinished and is now [projected to cost](#) at least \$128 billion while connecting the Central Valley cities of Merced and Bakersfield (about 160 miles).

On July 16, the Trump administration announced it was [pulling the plug](#) on about \$4 billion worth of unspent federal dollars attached to the project.

Meanwhile, the VA has already begun implementing its new electronic health record system, but the projected cost of getting the system online and sustaining it has jumped from \$16.1 billion to \$49.8 billion.

Some of the projects have already gained national attention, such as the controversial renovations at the Fed and Air Force One upgrades, the delays for which have prompted President Trump to accept a [“flying palace” luxury jet from Qatar](#) to use in the interim.

California’s high-speed rail project has been notorious for delays and cost overruns. Office of Sen. Joni Ernst

During Trump’s first term, he negotiated the upgrade to the presidential plane as a \$3.9 billion contract to be completed by 2024. Now it’s projected to cost \$5.6 billion and be completed by 2029.

Last week, Trump swung by the Fed to tour the renovations amid his public pressure campaign to get the central bank to ease up on interest rates so that he can refinance about \$9 trillion worth of the national debt over the coming months.

The central bank’s renovations were originally supposed to cost \$1.9 billion, but Fed Chair Jerome Powell has now pegged it [at \\$2.5 billion](#) due to overruns.

Transportation Secretary Sean Duffy has released a list of 14 such projects, several of which have been bogged down by over a decade’s worth of delays — including the Camden Direct Connection project in southern New Jersey, which was supposed to get done in 2021 but

won't be finished until 2032.

The Honolulu High-Capacity Transit Corridor Project is projected to be over 11 years behind schedule and \$5 billion over budget. Office of Sen. Joni Ernst

Other cash-eating monsters in the report have their origins in the bipartisan 2021 Infrastructure Investment Act, which had a provision requiring the Department of Transportation to track taxpayer-funded projects that are \$1 billion or more over budget or are at least five years behind schedule.

Transportation Secretary Sean Duffy has released a list of 14 such projects, including a plan to resurrect the LIRR's abandoned Rockaway Beach line, which was originally estimated to cost \$400 million, but is now estimated to cost \$1.4 billion.

Several of the projects have also been bogged down by over a decade's worth of delays, including the Camden Direct Connection project in New Jersey, which was supposed to get done in 2021 but won't be finished until 2032.

Many of the projects bogged down by overruns and delays that Sen. Joni Ernst spotlighted were in blue states. Office of Sen. Joni Ernst

"If you're receiving taxpayer dollars, you should expect to be held accountable by the American people. No more boondoggles!" Duffy told The Post in response to the report.

## What explains these overruns?

---

DOT blamed many of the overruns on litigation, red tape, supply chain snarls and late-stage adjustments in some of the designs of the projects.

"What kind of design change would add more than \$1 billion to the bottom line of any project? That's a pretty big add-on," Ernst's team asked in the report, which found a pattern of mismanagement, waste and abysmal planning.

On a transit project in Honolulu, for example, [workers were paid \\$200 million](#) to be idle due to design flaws and incomplete designs.

Sen. Joni Ernst is championing legislation for broader disclosures across the federal government about projects with massive delays and cost overruns. AP

The Hawkeye State Republican, who leads the Senate DOGE Caucus, is championing the Billion Dollar Boondoggle Act, which would require the entire government to report projects that are \$1 billion over budget or at least five years behind schedule.

Another bill, the Bogus Bonus Ban Act, would restrict the feds from giving future bonuses or awards to contractors if a project is over budget and running behind.

“The American people should not be forced to continue writing a blank check for pet projects that keep costing more but never seem to be completed,” Ernst added.