

# **MTA 2023**

# **Final Proposed Budget**

**November Financial Plan 2023-2026**



**Volume 1**  
**November 2022**



**Metropolitan Transportation Authority**

## **OVERVIEW**

### **MTA 2023 Final Proposed Budget November Financial Plan 2023-2026 Volume 1**

The MTA's November Plan is divided into two volumes:

**Volume 1** consists of financial schedules supporting the complete MTA-Consolidated Financial Plan, including an Executive Summary, the baseline forecast (as detailed in Volume 2 and described below) and certain adjustments captured below the baseline. These “below-the-line” adjustments include: Fare/Toll Increases, Policy Actions, and any MTA Efficiencies and Re-estimates. Volume 1 also includes descriptions of the “below-the-line” actions as well as the required Certification by the Chair/CEO, and a description of the MTA Budget Process.

**Volume 2** includes MTA-Consolidated detailed financial and position schedules as well as the narratives that support the baseline projections included in the 2023 Final Proposed Budget and the Financial Plan for 2023 through 2026. Also included are the Agency sections which incorporate descriptions of Agency Programs with supporting baseline tables and required information related to the MTA Capital Program.

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# **I. Introduction**

## **Executive Summary**

The **2022 MTA November Financial Plan** (the “November Plan” or “Plan”), which includes the 2022 November Forecast, the 2023 Final Proposed Budget and a Financial Plan for the years 2023 to 2026, updates the 2022 July Financial Plan (the “July Plan”). This Plan, as with all plans beginning with the 2020 July Plan, reflects the ongoing financial impact of the novel coronavirus (COVID-19) outbreak and the ensuing pandemic on the MTA Region, with the MTA providing the service needed to keep the region moving while focusing on financial survival.

Prior to the outbreak of the Omicron variant in late 2021, the MTA region was taking significant strides towards the post-pandemic “new normal.” The rollout of COVID-19 vaccines, in combination with continued measures to control the spread of the virus, allowed businesses to reopen throughout 2021; New York City public schools began the 2021-2022 school year in September with full in-person instruction, while Broadway theaters and other entertainment, sports, dining, and cultural venues returned to operating at capacity. Over the course of 2021, ridership and traffic volumes continued to gradually increase until close to year end, when Omicron took hold.

In the spring of 2022, the impact from the pandemic became more entrenched and MTA re-engaged with McKinsey & Co. to develop an updated post-pandemic recovery analysis. Two scenarios, which centered around behavioral changes that began during the pandemic and the degree to which those changes become more permanent or longer lasting were prepared – a “high case” and a “low case”. The “high case” scenario is more optimistic regarding ridership recovery, where in-person work increases during the projection period from current levels for the sectors that have the ability for hybrid work arrangements. Non-work trips from factors such as e-commerce, telehealth, etc. also resume over time. Additional consumer sentiment factors, such as COVID concerns and safety perception, also improve over time. It should be noted that even under this “high case” scenario, a lower “new normal” in ridership, compared with the original McKinsey analysis, is forecast reflecting the more permanent impact of these factors. The “low case” scenario is more cautious regarding ridership recovery, where higher levels of remote work persist, non-work trips rebound more slowly, and other customer factors lead to slower return to transit over time.

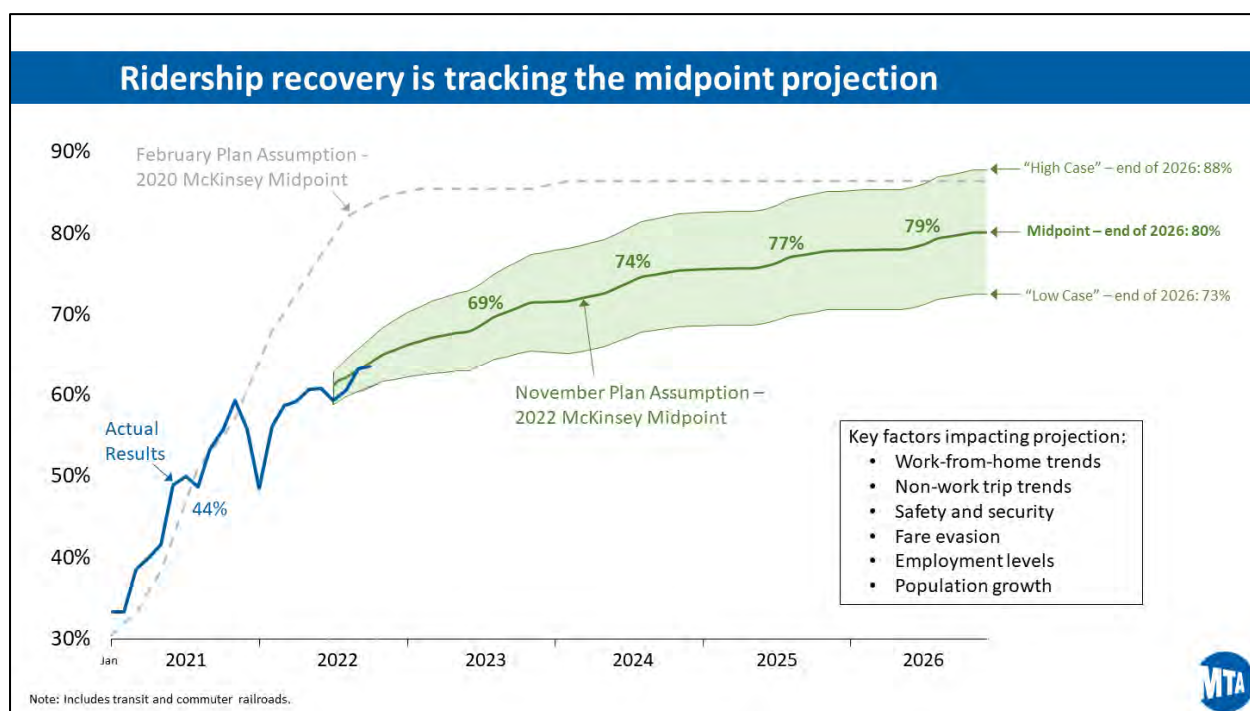
The new “midpoint” of these two recovery scenarios was incorporated in the July Plan for transit and commuter rail farebox revenue; due to the full recovery with respect to bridge and tunnel traffic, toll revenue is forecast based on traffic at approximately 100% of pre-pandemic levels. The result of these revisions were lower consolidated fare and toll revenue compared with the February Plan totaling \$3.9 billion from 2022 through 2026.

### **The July Plan**

The July Plan projected annual balanced budgets through 2024, with unfunded deficits of approximately \$2.5 billion in both 2025 and 2026. The balanced budgets were only achieved with the federal COVID relief funds awarded to the MTA, which totaled \$15.1 billion since the start of the pandemic. MTA received \$4.0 billion in 2020 from the Coronavirus Aid, Relief and Economic Security (CARES) Act, \$4.1 billion in 2021 from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and \$7.0 billion in 2022 from the American Rescue Plan Act of 2021 (ARPA).

This federal funding covers the structural imbalance in MTA's finances in the near-term. Without federal COVID relief funds, each year of the Plan would be in substantial deficit. In addition, the deficits in the July Plan would have been higher without the assumed 4% fare and toll increases in 2023 and 2025 that were built into the Plan. The 2026 annual deficit would have reached approximately \$3 billion without such increases being implemented.

Since the July Plan, ridership recovery remained steady at about 61% of the pre-pandemic level through the summer, and then moved upwards to 63% in September and 64% in October and is tracking the midpoint projection based on the recent McKinsey updated analysis.

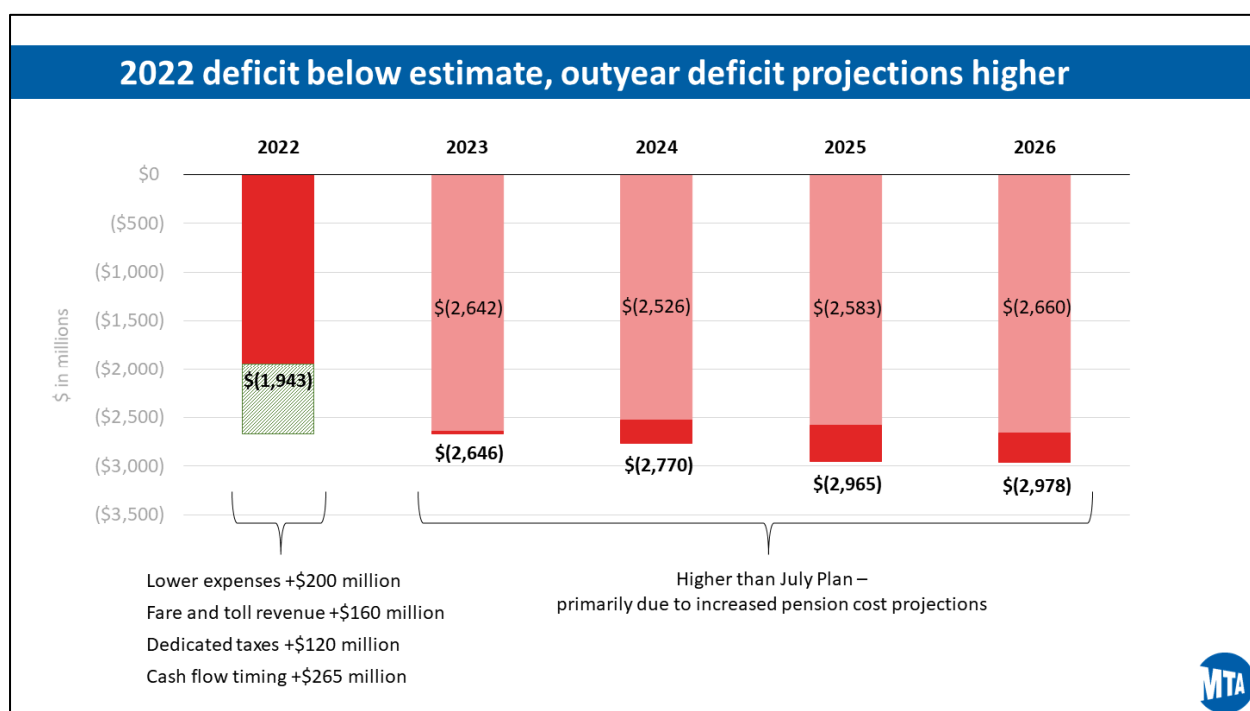


## The November Plan

Before the use of federal COVID relief funds to offset deficits, the July Plan had projected deficits of \$2.6 billion in 2022, \$2.4 billion in 2023, \$2.3 billion in 2024, \$2.6 billion in 2025, and \$2.6 billion in 2026. These deficits included the favorable impacts from two actions proposed in the July Plan: fare and toll yield increases of four percent effective in both March 2023 and March 2025, which were expected to generate \$1.5 billion through 2026; and operating efficiency savings (“Fiscal Baseline Reset”) expected to generate \$400 million in lower expenses through 2026.

The November Plan will use the same ridership forecast that was set forth in the July Plan based on the midpoint ridership recovery derived from the McKinsey analysis dated July 2022.

The November Plan, before the use of federal COVID aid, shows improvement in 2022, but worsening deficits in the out-years of the Plan, as illustrated below:



At the start of 2023, approximately \$5.6 billion of COVID funds will remain. This funding will cover only a portion of the deficits projected for 2023 through 2026, which total \$11.4 billion. The November Plan proposes to lower these deficits through a series of MTA actions, including applying COVID funds to offset MTA liabilities and cover a portion of the deficits in each year of the Plan. Alternatively, the remaining federal COVID funds could be spent to fully cover deficits in 2023 and 2024. This would result in much larger deficits starting in 2025.

To close the 2023 deficit, and reduce the deficits in the out-years, several actions are being proposed beyond the actions proposed in the July Plan:

#### MTA Operating Efficiencies

MTA operating agencies are engaged in an ambitious effort to identify innovative ways of doing business more efficiently and as a result reduce expenses and improve service to customers. Operating Agency and Headquarters leadership have identified concrete initiatives to generate sizeable savings and help address the fiscal cliff. The operating efficiency initiatives will generate \$100 million in 2023, increasing to \$400 million in 2024, \$408 million in 2025 and \$416 million in 2026.

#### Savings from Deficit Note Repayment

MTA will use a portion of federal COVID aid to repay, rather than long-term bond, the Federal Reserve Municipal Liquidity Facility Bond Anticipation Note at maturity, eliminating debt service costs of \$558 million during the Plan period.

#### Increase 2023 Fare and Toll Revenue Targets

MTA is proposing a 2023 fare and toll increase yielding approximately 5.5% in additional fare and toll revenue. This action is estimated to generate a total of \$1,309 million, which includes an additional \$350 million over the Plan period and is reflected in Other Below-the-Line Adjustments in the Plan Adjustments section.

### Applying federal COVID funds to reduce debt and operating costs through 2026


MTA is proposing to use the remaining federal COVID funds to both offset a portion of the deficits in 2023 and reduce debt and liability costs throughout the entire financial plan period.

### New Government Funding or Additional MTA Actions

The 2023 budget assumes \$600 million in additional government funding and/or additional MTA actions, both of which have not yet been specified. If no additional government funding is made available, MTA actions could include further expense reduction, additional revenues, or acceleration of federal COVID aid to achieve balance for 2023 that would have otherwise been used to reduce deficits in the years after 2023.

Proposed actions to reduce deficits					
	November Forecast 2022	Proposed Budget 2023	Plan 2024	Plan 2025	Plan 2026
\$ millions					
<b>Projected Deficits Before Actions</b>	<b>(\$1,943)</b>	<b>(\$2,646)</b>	<b>(\$2,770)</b>	<b>(\$2,965)</b>	<b>(\$2,978)</b>
<b>MTA Actions to Close Deficit</b>					
MTA Operating Efficiencies		100	400	408	416
Savings from Deficit Note Repayment*		111	178	190	190
Additional Fare and Toll Revenue Above Base Assumption		50	100	100	100
Federal COVID Funds for Operating and Debt Costs	1,943	1,785	902	1,028	650
<b>MTA Actions to Close Deficit</b>	<b>1,943</b>	<b>2,046</b>	<b>1,580</b>	<b>1,726</b>	<b>1,356</b>
<b>Remaining Deficit</b>	<b>\$0</b>	<b>(\$600)</b>	<b>(\$1,190)</b>	<b>(\$1,239)</b>	<b>(\$1,622)</b>
<b>New Government Funding or Additional MTA Actions</b>		600	TBD	TBD	TBD
<b>Net Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,190)</b>	<b>(\$1,239)</b>	<b>(\$1,622)</b>

\* Includes proposed redemption account earnings.



### The “Bottom Line”

The cumulative impact of changes since the July Plan is a balanced budget in 2023 assuming \$600 million of additional government funding or MTA actions as discussed above. Annual deficits of \$1.2 billion in 2024 and 2025, and a deficit of \$1.6 billion in 2026 remain. The deficit reductions are achieved through MTA operating efficiencies, the use of federal COVID funds to reduce debt and operating costs throughout the Plan period, and the cash repayment (rather than long-term bonding) of the Federal Reserve loan. The MTA Board will be updated in February on the outlook for legislative actions with respect to the assumed \$600 million of additional funding and whether additional cost savings actions, revenue generation, or a rescheduling of the use of federal COVID funds over the financial plan period is required.



## Risks to MTA's Financial Future

Even with federal funding, the financial plan is out of balance, with ridership forecast to recover slowly over the Plan period and remain substantially below pre-pandemic levels. Additional risks to the Plan include:

***New government funding does not materialize.*** The Plan anticipates \$600 million in new government funding to balance the 2023 budget, but if that does not materialize the MTA will need to take actions to replace this assumed funding in order to achieve budget balance in 2023.

***Ridership improvements can fall short of projections.*** Should ridership be lower than the midpoint forecast between the “high case” and “low case” McKinsey scenarios, loss of projected revenue could be significant.

***Economy slows or falls into recession.*** The dedicated taxes MTA relies on to cover its operating budget are sensitive to economic downturns, and a significant and sustained decline in economic activity could reduce dedicated tax receipts.

***Inflation remains stubbornly high.*** The Plan assumes inflation subsides to just under 5 percent in 2023 and reverts to about two percent annually in 2024 from current levels.

***Achieving affordable wage settlements.*** The MTA is committed to honoring the terms of its existing contracts and is committed to negotiating affordable wage settlements with its unions. At the conclusion of existing labor contracts, the Plan assumes annual wage increases of two percent.

***Implementation of biennial fare and toll increases in 2023 and 2025.*** Through 2026, the Plan assumes a combined \$1.8 billion in additional fare and toll revenue from the projected 2023 and 2025 fare and toll increases, including an approximate 5.5% fare and toll increase in 2023, followed by a 4% fare and toll increase in 2025.

***Finding and implementing innovative operational efficiencies.*** The MTA must remain focused on existing cost control efforts, not only to avoid “backsliding” but also address the expectation of achieving operational efficiencies.

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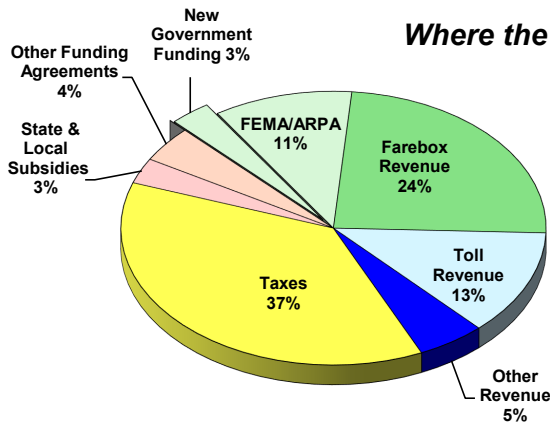
## **II. MTA Consolidated Financial Plan**

# MTA 2023 Final Proposed Budget

## Baseline Revenues and Expenses After Below-the-Line (BTL) Adjustments

### Non-Reimbursable

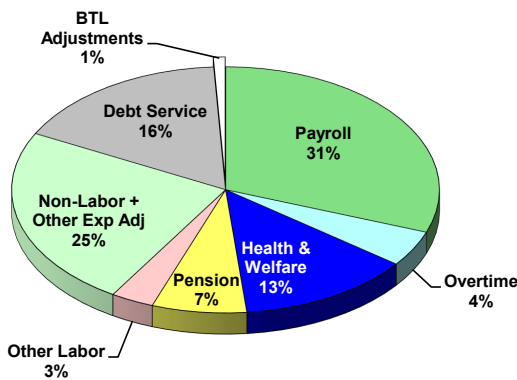
#### Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$4,647
Toll Revenue	2,397
Other Revenue	996
Taxes	7,150
State and Local	579
Other Funding Agreements	825
Other <sup>1</sup>	0
New Government Funding	600
FEMA/ARPA	2,035
<b>Total <sup>2</sup></b>	<b>\$19,230</b>

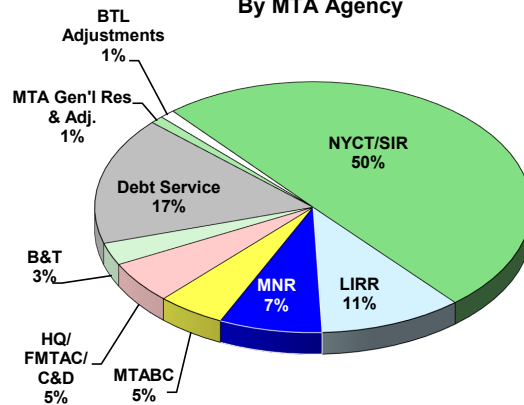
#### Where the Dollars Go ...

##### By Expense Category



By Expense Category <sup>3</sup> includes below-the-line adjustments (\$ in millions)	
Payroll	\$5,934
Overtime	911
Health & Welfare	2,539
Pension	1,386
Other Labor	631
<b>Total Labor</b>	<b>\$11,402</b>
Non-Labor + Other Exp Adj	4,791
Debt Service	3,210
BTL Adjustments for Expenses <sup>4</sup>	(172)
<b>Total <sup>2</sup></b>	<b>\$19,230</b>

##### By MTA Agency



By MTA Agency <sup>3</sup> includes below-the-line adjustments (\$ in millions)	
NYCT/SIR	\$9,724
LIRR	2,070
GCMCOC	85
MNR	1,486
MTABC	981
HQ/FMTAC/C&D	1,063
B&T	565
Debt Service	3,210
MTA Gen'l Res & Adjs	218
BTL Adjustments for Expenses <sup>4</sup>	(172)
<b>Total <sup>2</sup></b>	<b>\$19,230</b>

<sup>1</sup> Includes cash adjustments and prior-year carryover.

<sup>2</sup> Totals may not add due to rounding.

<sup>3</sup> Expenses exclude Depreciation, GASB 75 OPEB Adjustment, GASB 68 Pension Adjustment and Environmental Remediation.

<sup>4</sup> The "BTL Adjustments for Expenses" cannot be segmented by expense category or by Agency.

**Note:** The revenues and expenses reflected in these charts are on an accrued basis.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2023 - 2026**  
**MTA Consolidated Accrued Statement of Operations By Category**  
(\$ in millions)

	Actual 2021	November Forecast 2022	Final Proposed Budget 2023	2024	2025	2026
<b><u>Non-Reimbursable</u></b>						
<b>Operating Revenues</b>						
Farebox Revenue	\$3,048	\$3,989	\$4,513	\$4,653	\$4,773	\$4,913
Toll Revenue	2,170	2,323	2,323	2,332	2,335	2,338
Other Revenue	4,706	679	996	1,059	845	822
Capital and Other Reimbursements	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$9,924</b>	<b>\$6,991</b>	<b>\$7,832</b>	<b>\$8,045</b>	<b>\$7,953</b>	<b>\$8,073</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$5,214	\$5,516	\$5,934	\$6,103	\$6,237	\$6,392
Overtime	965	1,129	911	877	908	927
Health and Welfare	1,405	1,479	1,693	1,807	1,922	2,049
OPEB Current Payments	722	764	846	918	995	1,079
Pension	1,410	1,368	1,386	1,313	1,256	1,195
Other Fringe Benefits	816	1,051	1,071	1,119	1,173	1,228
Reimbursable Overhead	(372)	(399)	(440)	(443)	(432)	(437)
<b>Total Labor Expenses</b>	<b>\$10,160</b>	<b>\$10,909</b>	<b>\$11,402</b>	<b>\$11,694</b>	<b>\$12,060</b>	<b>\$12,433</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$430	\$587	\$655	\$619	\$622	\$634
Fuel	163	287	260	231	219	221
Insurance	26	43	68	101	124	157
Claims	426	433	449	458	469	483
Paratransit Service Contracts	346	407	475	505	527	561
Maintenance and Other Operating Contracts	765	903	1,007	940	984	960
Professional Services Contracts	499	711	641	633	618	627
Materials and Supplies	486	610	755	830	867	861
Other Business Expenses	200	251	262	254	266	267
<b>Total Non-Labor Expenses</b>	<b>\$3,341</b>	<b>\$4,232</b>	<b>\$4,572</b>	<b>\$4,570</b>	<b>\$4,696</b>	<b>\$4,770</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	\$21	\$17	\$28	\$23	\$24	\$25
General Reserve	(335)	185	190	195	200	205
<b>Total Other Expense Adjustments</b>	<b>(\$314)</b>	<b>\$202</b>	<b>\$218</b>	<b>\$218</b>	<b>\$224</b>	<b>\$230</b>
<b>Total Expenses Before Non-Cash Liability Adjs.</b>	<b>\$13,187</b>	<b>\$15,343</b>	<b>\$16,192</b>	<b>\$16,482</b>	<b>\$16,980</b>	<b>\$17,433</b>
Depreciation	\$3,159	\$3,176	\$3,203	\$3,249	\$3,299	\$3,349
GASB 75 OPEB Expense Adjustment	1,075	1,405	1,456	1,455	1,451	1,445
GASB 68 Pension Expense Adjustment	(917)	(69)	(53)	(147)	(73)	(124)
Environmental Remediation	37	6	6	6	6	6
<b>Total Expenses After Non-Cash Liability Adjs.</b>	<b>\$16,541</b>	<b>\$19,861</b>	<b>\$20,804</b>	<b>\$21,045</b>	<b>\$21,663</b>	<b>\$22,109</b>
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,354)	(\$4,518)	(\$4,611)	(\$4,563)	(\$4,683)	(\$4,676)
Debt Service	2,787	3,145	3,210	3,320	3,464	3,339
<b>Total Expenses with Debt Service</b>	<b>\$15,974</b>	<b>\$18,488</b>	<b>\$19,402</b>	<b>\$19,802</b>	<b>\$20,444</b>	<b>\$20,771</b>
Dedicated Taxes & State and Local Subsidies	\$7,679	\$8,689	\$8,562	\$8,680	\$9,072	\$9,210
<b>Net Surplus/(Deficit) After Subsidies and Debt Service</b>	<b>\$1,628</b>	<b>(\$2,808)</b>	<b>(\$3,009)</b>	<b>(\$3,077)</b>	<b>(\$3,419)</b>	<b>(\$3,488)</b>
Conversion to Cash Basis: GASB Account	\$0	\$0	\$0	\$0	\$0	\$0
Conversion to Cash Basis: All Other	(961)	865	0	252	132	291
<b>Cash Balance Before Prior-Year Carryover</b>	<b>\$668</b>	<b>(\$1,943)</b>	<b>(\$3,008)</b>	<b>(\$2,825)</b>	<b>(\$3,287)</b>	<b>(\$3,197)</b>
Below the Line Adjustments	\$0	\$776	\$3,008	\$1,635	\$2,048	\$1,575
Prior Year Carryover Balance	499	1,166	0	0	0	0
<b>Net Cash Balance</b>	<b>\$1,166</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,190)</b>	<b>(\$1,239)</b>	<b>(\$1,622)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2023 - 2026**  
**Plan Adjustments**  
(\$ in millions)

	Actual 2021	November Forecast 2022	Final Proposed Budget 2023	2024	2025	2026
<b>Cash Balance Before Prior-Year Carryover</b>	<b>\$668</b>	<b>(\$1,943)</b>	<b>(\$3,008)</b>	<b>(\$2,825)</b>	<b>(\$3,287)</b>	<b>(\$3,197)</b>
<b>Fare and Toll Increases:</b>						
<i>Fare/Toll Increase, June 2023 (4% Yield)</i>		\$0	\$159	\$271	\$277	\$283
<i>Subsidy Impacts - Fare/Toll Increase, June 2023</i>		0	(8)	(9)	(7)	(7)
<i>Fare/Toll Increase, April 2025 (4% Yield)</i>		0	0	0	220	292
<i>Subsidy Impacts- Fare/Toll Increase, April 2025</i>		<u>0</u>	<u>0</u>	<u>0</u>	<u>(10)</u>	<u>(9)</u>
<b>Subtotal</b>		<b>\$0</b>	<b>\$151</b>	<b>\$262</b>	<b>\$479</b>	<b>\$558</b>
<i>MTA Operating Efficiencies Phase 1</i>		\$0	\$44	\$48	\$46	\$46
<i>FEMA COVID Reimbursement</i>		0	250	100	250	149
<i>Provision for Increased Pension Costs</i>		0	(83)	(176)	(263)	(344)
<i>Debt Service from Long-Term Deficit Financing</i>		<u>0</u>	<u>0</u>	<u>(178)</u>	<u>(190)</u>	<u>(190)</u>
<b>Subtotal</b>		<b>\$0</b>	<b>\$211</b>	<b>(\$207)</b>	<b>(\$157)</b>	<b>(\$339)</b>
<b>Subtotal: Remaining Cash Deficit</b>		<b>(\$1,943)</b>	<b>(\$2,646)</b>	<b>(\$2,770)</b>	<b>(\$2,965)</b>	<b>(\$2,978)</b>
<b>MTA Actions to Close Deficit</b>						
<i>MTA Operating Efficiencies Phase 2</i>		\$0	\$100	\$400	\$408	\$416
<i>Additional Fare/Toll Revenue Above Base Assumptions</i>		0	50	100	100	100
<i>Savings from Deficit Note Repayment*</i>		0	111	178	190	190
<i>Federal COVID Funds for Operating and Debt Costs</i>		<u>776</u>	<u>1,785</u>	<u>902</u>	<u>1,028</u>	<u>650</u>
<b>Subtotal</b>		<b>\$776</b>	<b>\$2,046</b>	<b>\$1,580</b>	<b>\$1,726</b>	<b>\$1,356</b>
<b>Total Identified Below-the-Line Adjustments</b>		<b>\$776</b>	<b>\$2,408</b>	<b>\$1,635</b>	<b>\$2,048</b>	<b>\$1,575</b>
<b>Subtotal: Remaining Cash Deficit</b>		<b>(\$1,166)</b>	<b>(\$600)</b>	<b>(\$1,190)</b>	<b>(\$1,239)</b>	<b>(\$1,622)</b>
<b>New Government Funding or Additional MTA Actions</b>		<b>\$0</b>	<b>\$600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL ADJUSTMENTS</b>		<b>\$776</b>	<b>\$3,008</b>	<b>\$1,635</b>	<b>\$2,048</b>	<b>\$1,575</b>
<i>Prior Year Carryover Balance</i>	\$499	\$1,166	\$0	\$0	\$0	\$0
<b>Net Cash Surplus/(Deficit)</b>	<b>\$1,166</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,190)</b>	<b>(\$1,239)</b>	<b>(\$1,622)</b>

\* includes proposed Redemption Account earnings.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2023 - 2026**  
**Cash Receipts and Expenditures**  
(\$ in millions)

	Actual 2021	November Forecast 2022	Final Proposed Budget 2023	2024	2025	2026
<b><u>Cash Receipts and Expenditures</u></b>						
<b>Receipts</b>						
Farebox Revenue	\$3,079	\$3,981	\$4,509	\$4,649	\$4,768	\$4,908
Other Revenue	4,048	1,422	986	1,080	866	845
Capital and Other Reimbursements	1,831	2,282	2,128	2,142	2,123	2,142
<b>Total Receipts</b>	<b>\$8,958</b>	<b>\$7,684</b>	<b>\$7,623</b>	<b>\$7,871</b>	<b>\$7,757</b>	<b>\$7,895</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$5,651	\$6,011	\$6,571	\$6,665	\$6,943	\$6,957
Overtime	1,132	1,331	1,103	1,060	1,094	1,123
Health and Welfare	1,451	1,527	1,741	1,857	1,972	2,098
OPEB Current Payments	701	754	835	906	983	1,066
Pension	1,486	1,483	1,463	1,395	1,341	1,282
Other Fringe Benefits	1,178	1,156	1,087	1,108	1,155	1,186
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	0	0	0	0	0
<b>Total Labor Expenditures</b>	<b>\$11,599</b>	<b>\$12,262</b>	<b>\$12,800</b>	<b>\$12,991</b>	<b>\$13,487</b>	<b>\$13,711</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$433	\$593	\$661	\$625	\$629	\$638
Fuel	152	280	254	226	214	216
Insurance	5	59	68	95	128	152
Claims	239	315	309	316	326	338
Paratransit Service Contracts	344	405	473	503	525	559
Maintenance and Other Operating Contracts	689	883	960	873	884	858
Professional Services Contracts	544	859	709	657	650	662
Materials and Supplies	639	701	901	958	988	980
Other Business Expenses	177	230	242	239	258	267
<b>Total Non-Labor Expenditures</b>	<b>\$3,222</b>	<b>\$4,325</b>	<b>\$4,576</b>	<b>\$4,491</b>	<b>\$4,600</b>	<b>\$4,669</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	\$12	\$53	\$110	\$70	\$74	\$83
General Reserve	(335)	185	190	195	200	205
<b>Total Other Expenditure Adjustments</b>	<b>(\$323)</b>	<b>\$238</b>	<b>\$300</b>	<b>\$265</b>	<b>\$274</b>	<b>\$288</b>
<b>Total Expenditures</b>	<b>\$14,498</b>	<b>\$16,825</b>	<b>\$17,675</b>	<b>\$17,746</b>	<b>\$18,361</b>	<b>\$18,668</b>
<b>Net Cash Balance before Subsidies and Debt Service</b>	<b>(\$5,539)</b>	<b>(\$9,141)</b>	<b>(\$10,051)</b>	<b>(\$9,875)</b>	<b>(\$10,604)</b>	<b>(\$10,772)</b>
Dedicated Taxes & State and Local Subsidies	\$8,295	\$9,633	\$9,417	\$9,541	\$9,884	\$9,988
Debt Service	(2,089)	(2,434)	(2,374)	(2,491)	(2,567)	(2,413)
<b>Cash Balance Before Prior-Year Carryover</b>	<b>\$668</b>	<b>(\$1,943)</b>	<b>(\$3,008)</b>	<b>(\$2,825)</b>	<b>(\$3,287)</b>	<b>(\$3,197)</b>
Adjustments	\$0	\$776	\$3,008	\$1,635	\$2,048	\$1,575
Prior-Year Carryover Balance	499	1,166	0	0	0	0
<b>Net Cash Balance</b>	<b>\$1,166</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,190)</b>	<b>(\$1,239)</b>	<b>(\$1,622)</b>

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**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2023-2026**  
**MTA Consolidated November Financial Plan Compared with July Financial Plan**  
**Cash Reconciliation after Below-the-Line Adjustments**  
(\$ in millions)

	Favorable/(Unfavorable)				
	2022	2023	2024	2025	2026
<b>JULY FINANCIAL PLAN 2023-2026</b>					
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,457)</b>	<b>(\$2,458)</b>
<b>Agency Baseline Re-estimates</b>	<b>\$699</b>	<b>\$281</b>	<b>\$299</b>	<b>\$25</b>	<b>(\$23)</b>
Revenue					
Farebox Revenue	153	186	(48)	(48)	(47)
Toll Revenue	7	-	-	-	-
Other Operating Revenue	29	238	262	37	(9)
Health & Welfare (including retirees)	160	75	80	92	103
Energy	36	(30)	(13)	(7)	(22)
Pensions <sup>1</sup>	1	(8)	1	5	10
Timing	363	(210)	(37)	(70)	(55)
Other Baseline Re-estimates (including Timing) <sup>2</sup>	(52)	29	53	16	(4)
<b>New Needs/Investments</b>	<b>(\$48)</b>	<b>(\$259)</b>	<b>(\$167)</b>	<b>(\$143)</b>	<b>(\$126)</b>
Grand Central Madison Concourse Operating Company	(20)	(85)	(87)	(88)	(91)
Maintenance	(17)	(84)	(27)	(18)	(3)
Safety & Security	(4)	(59)	(25)	(21)	(21)
Service/Service Support	(0)	(14)	(15)	(11)	(7)
All Other New Needs	(6)	(17)	(11)	(5)	(5)
<b>Savings Programs</b>	<b>\$0</b>	<b>(\$30)</b>	<b>(\$30)</b>	<b>(\$30)</b>	<b>(\$30)</b>
Additional Savings Actions Re-estimates <sup>3</sup>	-	(30)	(30)	(30)	(30)
<b>B&amp;T Adjustments</b>	<b>(\$19)</b>	<b>\$10</b>	<b>\$9</b>	<b>\$12</b>	<b>\$14</b>
B&T Net Baseline Impacts <sup>4</sup>	(19)	10	9	12	14
<b>Debt Service (Cash)</b>	<b>(\$119)</b>	<b>\$225</b>	<b>\$40</b>	<b>\$73</b>	<b>\$139</b>
<b>Subsidies (Cash)</b>	<b>\$130</b>	<b>(\$341)</b>	<b>(\$304)</b>	<b>(\$68)</b>	<b>(\$113)</b>
Petroleum Business Tax (PBT) Receipts	(8)	(9)	(9)	(9)	(9)
Real Estate Taxes	125	6	6	6	6
MTA Aid	-	(28)	(28)	(28)	(28)
Lockbox Revenues to fund Debt Service	(14)	(41)	(61)	(104)	(160)
Forward Energy Contracts Program	(7)	(4)	(0)	-	-
City Subsidy for MTA Bus	(12)	(286)	(252)	23	24
City Subsidy for Staten Island Railway	-	(24)	(16)	(22)	(4)
CDOT Subsidy for Metro-North Railroad	(1)	31	40	48	42
B&T Surplus Transfer	29	(1)	2	4	2
Other Subsidies and Subsidy Adjustments	13	14	14	14	14
<b>Below-the-Line (BTL) Adjustments</b>	<b>(\$644)</b>	<b>\$114</b>	<b>(\$1,038)</b>	<b>\$1,350</b>	<b>\$977</b>
Base Fare/Toll Increases:					
Fare/Toll Increase - June 2023 (4% Yield)	-	(62)	1	14	14
Subsidy Impacts - Fare/Toll Increase, June 2023	-	5	(1)	1	0
Fare/Toll Increase - April 2025 (4% Yield)	-	-	-	(19)	6
Subsidy Impacts - Fare/Toll Increase, April 2025	-	-	-	2	(0)
Subtotal:	-	(57)	(0)	(3)	19
MTA Operating Efficiencies Phase 1	-	(56)	(52)	(54)	(54)
FEMA COVID Reimbursement	-	15	(135)	15	149
Provision for Increased Pension Costs	-	(83)	(176)	(263)	(344)
Debt Service from Long-Term Deficit Bonding	-	-	0	0	0
Subtotal:	-	(124)	(364)	(303)	(249)
MTA Actions to Close Deficit:					
MTA Operating Efficiencies Phase 2	-	100	400	408	416
Additional Fare/Toll Revenue Above Base Assumptions	-	50	100	100	100
Savings from Deficit Note Repayment*	-	111	178	190	190
Federal COVID Funds for Operating and Debt Costs	(722)	(857)	(1,624)	902	449
Subtotal:	(722)	(596)	(946)	1,600	1,155
Other:					
Grand Central Madison	19	32	32	33	33
City Subsidy Revision (MTA Bus/SIR) due to ARPA	59	260	240	23	19
Subtotal:	78	292	272	56	52
New Government Funding or Additional MTA Actions	-	600	-	-	-
<b>Prior Year Carryover</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>
<b>NOVEMBER FINANCIAL PLAN 2023-2026</b>					
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,190)</b>	<b>(\$1,239)</b>	<b>(\$1,622)</b>

<sup>1</sup> Reflecting recent information provided in the City of New York's November 2022 Financial Plan, which anticipates higher NYCERS pension costs, a Provision for Increased Pension Costs has been included as a Plan Adjustment in Volume 1 of this Plan.

<sup>2</sup> Includes OTPS and reimbursable adjustments, operating capital, adjusted COVID-related expenditures, and cash adjustments.

<sup>3</sup> Restoration of bus operator and bus maintainer overtime at NYCT.

<sup>4</sup> While B&T Operating Surplus Transfer is captured as a subsidy, B&T's baseline impacts are captured in individual reconciliation categories in the Agency Baseline Adjustments above. To avoid duplication, B&T's baseline impacts are eliminated within this line. Included within this B&T Net Baseline Impacts are reversals for higher toll revenue in 2022 and unfavorable OTPS adjustments which are captured above.

\* Includes proposed Redemption Account earnings.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2023 - 2026**  
**Consolidated Subsidies**  
**Cash Basis**  
(\$ in Millions)

	Actual 2021	November Forecast 2022	Final Proposed Budget 2023	2024	2025	2026
<b>MMTOA, PBT, Real Estate Taxes and Other</b>						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$2,247.5	\$2,601.0	\$2,763.4	\$2,763.4	\$2,763.4	\$2,763.4
Petroleum Business Tax (PBT)	584.6	588.5	610.8	611.6	611.6	611.6
Mortgage Recording Tax (MRT)	647.6	669.5	633.0	649.0	674.7	684.8
MRT Transfer to Suburban Counties	(13.3)	(20.9)	(11.6)	(12.0)	(12.4)	(12.4)
MTA Bus Debt Service	(12.3)	(12.3)	(12.3)	(12.3)	(12.6)	(14.5)
Interest on MRT Receipts	0.3	6.2	6.2	6.2	6.2	6.2
Urban Tax	<u>429.3</u>	<u>729.1</u>	<u>500.1</u>	<u>537.1</u>	<u>576.8</u>	<u>592.6</u>
	<b>\$3,883.6</b>	<b>\$4,561.4</b>	<b>\$4,489.5</b>	<b>\$4,543.0</b>	<b>\$4,607.7</b>	<b>\$4,631.8</b>
<b>PMT and MTA Aid</b>						
Payroll Mobility Tax (PMT)	\$1,713.2	\$1,781.6	\$1,785.9	\$1,829.8	\$1,874.3	\$1,916.6
Payroll Mobility Tax Replacement Funds	293.1	244.3	244.3	244.3	244.3	244.3
MTA Aid	<u>263.3</u>	<u>258.9</u>	<u>282.7</u>	<u>282.9</u>	<u>283.1</u>	<u>283.3</u>
	<b>\$2,269.7</b>	<b>\$2,284.8</b>	<b>\$2,312.8</b>	<b>\$2,357.0</b>	<b>\$2,401.7</b>	<b>\$2,444.2</b>
<b>For-Hire Vehicle (FHV) Surcharge</b>						
Subway Action Plan Account	\$235.8	\$300.0	\$300.0	\$300.0	\$300.0	\$300.0
Less: Transfer to Committed to Capital for SAP	0.0	0.0	0.0	0.0	0.0	0.0
Outerborough Transportation Account (OBTA)	0.0	41.4	50.0	50.0	50.0	50.0
Less: OBTA Projects	0.0	(41.4)	(50.0)	(50.0)	(50.0)	(50.0)
General Transportation Account	<u>0.0</u>	<u>0.0</u>	<u>28.7</u>	<u>47.6</u>	<u>67.5</u>	<u>69.6</u>
	<b>\$235.8</b>	<b>\$300.0</b>	<b>\$328.7</b>	<b>\$347.6</b>	<b>\$367.5</b>	<b>\$369.6</b>
<b>Bus Lane Violations (General Transportation Account)</b>	<b>\$4.4</b>	<b>\$2.9</b>	<b>\$2.9</b>	<b>\$2.9</b>	<b>\$2.9</b>	<b>\$2.9</b>
<b>Capital Program Funding from Lockbox Revenues</b>						
Central Business District Tolling Program (CBDTP)	\$0.0	\$0.0	\$0.0	\$1,000.0	\$1,000.0	\$1,000.0
Real Property Transfer Tax Surcharge (Mansion Tax)	374.5	495.2	311.7	320.6	332.8	335.7
Internet Marketplace Tax -NYS	173.6	152.6	154.2	155.7	157.3	158.8
Internet Marketplace Tax - NYC	<u>171.3</u>	<u>173.0</u>	<u>174.7</u>	<u>176.5</u>	<u>178.2</u>	<u>180.0</u>
<b>Subtotal:</b>	<b>719.4</b>	<b>820.8</b>	<b>640.6</b>	<b>1,652.8</b>	<b>1,668.3</b>	<b>1,674.5</b>
Less: Debt Service on Lockbox Bonds	(2.3)	(13.4)	(130.6)	(175.6)	(440.7)	(816.4)
Less: Lockbox Allocated to PAYGO	<u>(714.7)</u>	<u>(809.7)</u>	<u>(509.9)</u>	<u>(1,477.2)</u>	<u>(1,227.5)</u>	<u>(858.1)</u>
	<b>\$2.3</b>	<b>(\$2.3)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$225.5	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	184.9	193.4	187.9	187.9	187.9	187.9
Station Maintenance	<u>178.5</u>	<u>190.7</u>	<u>199.9</u>	<u>203.7</u>	<u>207.6</u>	<u>212.2</u>
	<b>\$588.9</b>	<b>\$572.0</b>	<b>\$575.8</b>	<b>\$579.5</b>	<b>\$583.5</b>	<b>\$588.1</b>
<b>Other Subsidy Adjustments</b>						
NYCT Charge Back of MTA Bus Debt Service	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)
Forward Energy Contracts Program - Gain/(Loss)	14.4	62.3	18.9	0.0	0.0	0.0
Fuel Hedge Collateral	(40.0)	0.0	0.0	0.0	0.0	0.0
Committed to Capital Program Contributions	<u>(367.3)</u>	<u>(120.2)</u>	<u>(114.1)</u>	<u>(108.8)</u>	<u>(103.8)</u>	<u>(99.0)</u>
	<b>(\$404.4)</b>	<b>(\$69.4)</b>	<b>(\$106.7)</b>	<b>(\$120.3)</b>	<b>(\$115.3)</b>	<b>(\$110.5)</b>
<b>Other Investment Income</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Subtotal: Taxes &amp; State and Local Subsidies</b>	<b>\$6,580.6</b>	<b>\$7,649.6</b>	<b>\$7,603.2</b>	<b>\$7,709.9</b>	<b>\$7,848.3</b>	<b>\$7,926.3</b>
<b>Other Funding Agreements</b>						
City Subsidy for MTA Bus Company	\$455.3	\$521.5	\$516.0	\$516.0	\$780.1	\$817.2
City Subsidy for Staten Island Railway	18.6	24.4	52.7	59.5	53.7	77.9
CDOT Subsidy for Metro-North Railroad	<u>312.8</u>	<u>255.6</u>	<u>266.5</u>	<u>282.2</u>	<u>296.6</u>	<u>305.0</u>
	<b>\$786.7</b>	<b>\$801.6</b>	<b>\$835.1</b>	<b>\$857.7</b>	<b>\$1,130.5</b>	<b>\$1,200.2</b>
<b>Subtotal, including Other Funding Agreements</b>	<b>\$7,367.3</b>	<b>\$8,451.2</b>	<b>\$8,438.4</b>	<b>\$8,567.6</b>	<b>\$8,978.8</b>	<b>\$9,126.5</b>
<b>Inter-agency Subsidy Transactions</b>						
B&T Operating Surplus Transfer	<u>\$928.0</u>	<u>\$1,181.7</u>	<u>\$979.0</u>	<u>\$973.8</u>	<u>\$905.0</u>	<u>\$861.9</u>
	<b>\$928.0</b>	<b>\$1,181.7</b>	<b>\$979.0</b>	<b>\$973.8</b>	<b>\$905.0</b>	<b>\$861.9</b>
<b>TOTAL SUBSIDIES</b>	<b>\$8,295.3</b>	<b>\$9,632.9</b>	<b>\$9,417.3</b>	<b>\$9,541.4</b>	<b>\$9,883.9</b>	<b>\$9,988.4</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**Summary of Changes Between November and July Financial Plans**  
**Consolidated Subsidies**  
**Cash Basis**  
(\$ in Millions)

	2022	2023	2024	2025	2026
<b>MMTOA, PBT, Real Estate Taxes and Other</b>					
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax (PBT)	(8.3)	(8.7)	(8.7)	(8.7)	(8.7)
Mortgage Recording Tax (MRT)	42.8	0.0	0.0	0.0	0.0
MRT Transfer to Suburban Counties	0.0	0.0	0.0	0.0	0.0
Interest on MRT Receipts	6.0	6.0	6.0	6.0	6.0
Urban Tax	<u>76.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$116.7</b>	<b>(\$2.7)</b>	<b>(\$2.7)</b>	<b>(\$2.7)</b>	<b>(\$2.7)</b>
<b>PMT and MTA Aid</b>					
Payroll Mobility Tax (PMT)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0	0.0
MTA Aid	<u>0.0</u>	<u>(27.8)</u>	<u>(28.0)</u>	<u>(28.0)</u>	<u>(27.8)</u>
	<b>\$0.0</b>	<b>(\$27.8)</b>	<b>(\$28.0)</b>	<b>(\$28.0)</b>	<b>(\$27.8)</b>
<b>For-Hire Vehicle (FHV) Surcharge</b>					
Subway Action Plan Account	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Less: Transfer to Committed to Capital for SAP	0.0	0.0	0.0	0.0	0.0
Outerborough Transportation Account (OBTA)	0.0	0.0	0.0	0.0	0.0
Less: OBTA Projects	0.0	0.0	0.0	0.0	0.0
General Transportation Account	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Bus Lane Violations (General Transportation Account)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Capital Program Funding from Lockbox Revenues</b>					
Central Business District Tolling Program (CBDTP)	\$0.0	(\$250.0)	\$0.0	\$0.0	\$0.0
Real Property Transfer Tax Surcharge (Mansion Tax)	80.5	0.0	0.0	0.0	0.0
Internet Marketplace Tax - NYS	0.0	(0.1)	1.0	1.1	1.1
Internet Marketplace Tax - NYC	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Subtotal:</b>	<b>80.5</b>	<b>(250.1)</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>
Less: Debt Service on Lockbox Bonds	(1.5)	(89.3)	(114.6)	(336.7)	(656.4)
Less: Lockbox Allocated to PAYGO	<u>(93.3)</u>	<u>298.1</u>	<u>52.6</u>	<u>231.6</u>	<u>495.4</u>
	<b>(\$14.2)</b>	<b>(\$41.3)</b>	<b>(\$61.0)</b>	<b>(\$104.0)</b>	<b>(\$159.9)</b>
<b>State and Local Subsidies</b>					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance	5.5	0.0	0.0	0.0	0.0
Station Maintenance	<u>8.5</u>	<u>14.2</u>	<u>14.2</u>	<u>13.9</u>	<u>14.0</u>
	<b>\$14.0</b>	<b>\$14.2</b>	<b>\$14.2</b>	<b>\$13.9</b>	<b>\$14.0</b>
<b>Other Subsidy Adjustments</b>					
NYCT Charge Back of MTA Bus Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Forward Energy Contracts Program - Gain/(Loss)	(7.3)	(4.1)	(0.1)	0.0	0.0
MNR Repayment of 525 North Broadway	4.9	0.0	0.0	0.0	0.0
Committed to Capital Program Contributions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>(\$2.4)</b>	<b>(\$4.1)</b>	<b>(\$0.1)</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Other Investment Income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Subtotal: Taxes &amp; State and Local Subsidies</b>	<b>\$114.0</b>	<b>(\$61.7)</b>	<b>(\$77.6)</b>	<b>(\$120.9)</b>	<b>(\$176.5)</b>
<b>Other Funding Agreements</b>					
City Subsidy for MTA Bus Company	(\$12.0)	(\$286.5)	(\$252.1)	\$23.2	\$23.6
City Subsidy for Staten Island Railway	0.0	(23.9)	(16.3)	(22.1)	(4.0)
CDOT Subsidy for Metro-North Railroad	<u>(1.1)</u>	<u>31.3</u>	<u>39.9</u>	<u>47.7</u>	<u>41.6</u>
	<b>(\$13.1)</b>	<b>(\$279.1)</b>	<b>(\$228.5)</b>	<b>\$48.9</b>	<b>\$61.2</b>
<b>Subtotal, including Other Funding Agreements</b>	<b>\$100.9</b>	<b>(\$340.8)</b>	<b>(\$306.1)</b>	<b>(\$72.0)</b>	<b>(\$115.3)</b>
<b>Inter-agency Subsidy Transactions</b>					
B&T Operating Surplus Transfer	<u>\$29.1</u>	<u>(\$0.5)</u>	<u>\$2.3</u>	<u>\$4.2</u>	<u>\$1.8</u>
	<b>\$29.1</b>	<b>(\$0.5)</b>	<b>\$2.3</b>	<b>\$4.2</b>	<b>\$1.8</b>
<b>TOTAL SUBSIDIES</b>	<b>\$130.0</b>	<b>(\$341.3)</b>	<b>(\$303.8)</b>	<b>(\$67.8)</b>	<b>(\$113.5)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2023-2026**  
**Debt Affordability Statement after Below-the-Line Adjustments <sup>(1)</sup>**  
\$ in millions

Forecasted Debt Service and Borrowing Schedule	Notes	2021 ACTL	2022	2023	2024	2025	2026
Combined MTA/TBTA Forecasted Debt Service Schedule	1, 2, 3	\$2,787.4	\$3,145.0	\$3,210.0	\$3,320.3	\$3,463.7	\$3,338.7
Forecasted New Long-Term Bonds Issued	4	-	421.1	1,337.7	1,577.7	651.6	629.9
Forecasted Debt Service by Credit <sup>9</sup>	Notes	2021 ACTL	2022	2023	2024	2025	2026
Transportation Revenue Bonds							
Pledged Revenues	5	\$10,936.2	\$12,684.2	\$13,091.3	\$13,438.4	\$13,569.6	\$13,760.1
Debt Service	10	1,649.5	1,751.7	1,603.2	1,718.5	1,679.6	1,527.6
Debt Service as a % of Pledged Revenues		15%	14%	12%	13%	12%	11%
Dedicated Tax Fund Bonds							
Pledged Revenues	6	\$584.6	\$588.5	\$610.8	\$611.6	\$611.6	\$611.6
Debt Service	10	388.4	477.1	329.2	408.5	403.5	396.8
Debt Service as a % of Pledged Revenues		66%	81%	54%	67%	66%	65%
Payroll Mobility Tax Bonds							
Pledged Revenues	7	\$1,976.6	\$2,040.6	\$2,068.6	\$2,112.7	\$2,157.5	\$2,200.0
Debt Service	10	47.9	221.9	490.1	407.8	530.9	534.0
Debt Service as a % of Pledged Revenues		2%	11%	24%	19%	25%	24%
Triborough Bridge and Tunnel Authority General Revenue Bonds							
Pledged Revenues	8	\$1,726.1	\$1,790.2	\$1,747.9	\$1,756.0	\$1,743.5	\$1,735.6
Debt Service	10	592.4	585.1	666.0	668.6	733.1	788.7
Debt Service as a % of Total Pledged Revenues		34%	33%	38%	38%	42%	45%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds							
Pledged Revenues	9	\$1,133.7	\$1,205.2	\$1,081.9	\$1,087.4	\$1,010.4	\$946.9
Debt Service	10	102.1	103.3	103.1	93.7	91.7	75.7
Debt Service as a % of Total Pledged Revenues		9%	9%	10%	9%	9%	8%
Triborough Bridge and Tunnel Authority 2nd Subordinate Revenue Bonds							
Pledged Revenues	11	\$1,031.6	\$1,101.9	\$978.8	\$993.7	\$918.6	\$871.2
Debt Service	10	-	-	12.9	18.5	20.9	12.9
Debt Service as a % of Total Pledged Revenues		0%	0%	1%	2%	2%	1%
2 Broadway Certificates of Participation							
Lease Payments		\$7.0	\$5.9	\$5.5	\$4.7	\$3.9	\$3.0
Cumulative Debt Service (Excluding State Service Contract Bonds)	Notes	2021 ACTL	2022	2023	2024	2025	2026
<b>Total Debt Service before Below-the-Line Adjustments:</b>	1, 2, 3	<b>\$2,787.4</b>	<b>\$3,145.0</b>	<b>\$3,210.0</b>	<b>\$3,320.3</b>	<b>\$3,463.7</b>	<b>\$3,338.7</b>
Fare and Toll Revenues before Below-the-Line Adjustments		\$5,217.5	\$6,311.8	\$6,835.7	\$6,985.6	\$7,108.2	\$7,250.9
Total Debt Service as a % of Fare/Toll Revenue		53.4%	49.8%	47.0%	47.5%	48.7%	46.0%
Operating Revenues (including Fare/Toll Revenues) and Subsidies		\$17,602.6	\$15,679.8	\$16,393.5	\$16,724.8	\$17,024.8	\$17,283.2
Total Debt Service as a % of Operating Revenues and Subsidies		15.8%	20.1%	19.6%	19.9%	20.3%	19.3%
Non-Reimbursable Expenses with Non-Cash Liabilities		\$16,540.6	\$19,860.5	\$20,803.5	\$21,044.8	\$21,662.8	\$22,108.6
Total Debt Service as % of Non-reimbursable Expenses		16.9%	15.8%	15.4%	15.8%	16.0%	15.1%
<b>Total Debt Service <u>after</u> Below the Line Adjustments:</b>	12	<b>\$2,787.4</b>	<b>\$3,145.0</b>	<b>\$3,099.0</b>	<b>\$3,320.3</b>	<b>\$3,463.7</b>	<b>\$3,338.7</b>
<b>Fare and Toll Revenues <u>after</u> Below the Line Adjustments</b>	12	<b>\$5,217.5</b>	<b>\$7,088.2</b>	<b>\$9,079.9</b>	<b>\$8,358.4</b>	<b>\$8,983.0</b>	<b>\$8,724.5</b>
<i>Total Debt Service as a % of Fare and Toll Revenue after BTL Adjustments</i>		<i>53.4%</i>	<i>44.4%</i>	<i>35.4%</i>	<i>39.7%</i>	<i>38.6%</i>	<i>38.3%</i>
<b>Operating Revenues and Subsidies <u>after</u> Below the Line Adjustments</b>	12	<b>\$17,602.6</b>	<b>\$16,456.2</b>	<b>\$19,229.9</b>	<b>\$18,088.4</b>	<b>\$18,882.0</b>	<b>\$18,740.4</b>
<i>Total Debt Service as a % of Operating Rev/Subsidies after BTL Adjs.</i>		<i>15.8%</i>	<i>19.1%</i>	<i>16.7%</i>	<i>18.4%</i>	<i>18.3%</i>	<i>17.8%</i>
<b>Non-reimbursable Expenses <u>after</u> Below the Line Adjustments</b>	12	<b>\$16,540.6</b>	<b>\$19,860.5</b>	<b>\$20,742.5</b>	<b>\$20,773.4</b>	<b>\$21,472.3</b>	<b>\$21,990.7</b>
<i>Total Debt Service as a % of Non-Reimbursable Exp after BTL Adjs.</i>		<i>16.9%</i>	<i>15.8%</i>	<i>15.5%</i>	<i>16.0%</i>	<i>16.1%</i>	<i>15.2%</i>

Notes on the following page are integral to this table.

<sup>1</sup> Floating rate notes assumed at the variable rate assumption plus the current fixed spread to maturity.

<sup>2</sup> Synthetic fixed-rate debt assumed at swap rate; floating rate notes assumed at swap rate plus the current fixed spread to maturity.

<sup>3</sup> All debt service numbers reduced by Build America Bonds (BAB) subsidy.

<sup>4</sup> All bonds to be issued assume 30-year level debt service with the principal amortized over the life of the bonds, with the following exceptions: PMT Bonds for MTA Bond funded portion of the 2020-24 capital program (\$8,037 million portion), which are 30-year bonds, amortized on a level debt service basis over 20 years, from year 11 to year 30.

<sup>5</sup> Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies; funds contributed to the General Transportation Account of the NYC Transportation Assistance Fund; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds, and the Payroll Mobility Tax Obligation Resolution Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses. Starting in 2006, revenues, expenses and debt service for MTA Bus have also been included.

<sup>6</sup> Dedicated Tax Fund pledged revenues as shown above consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; in addition, while not reflected in the DTF pledged revenue figures above, the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Transportation Operating Assistance Account for the benefit of the MTA are also pledged. After the payment of debt service on the MTA Dedicated Tax Fund Bonds, these subsidies are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTQA.

<sup>7</sup> Payroll Mobility Tax Obligations pledged revenues consist of Payroll Mobility Tax and Aid Trust Account Receipts.

<sup>8</sup> Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.

<sup>9</sup> Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.

<sup>10</sup> A debt service schedule for each credit is attached as addendum hereto.

<sup>11</sup> Triborough Bridge and Tunnel Authority Second Subordinate (2nd SUB) Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue and Subordinate Revenue Bonds.

<sup>12</sup> These totals incorporate the Plan's Below-the-Line Adjustments.

Note: Does not include debt service to be paid by CBDTP Lockbox.

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### **III. Plan Adjustments**



## **Plan Adjustments**

The discussion that follows reflects proposed Plan Adjustments to the Baseline.

### **Fare/Toll Increases**

Fare and Toll Increase in June 2023 – The July Plan had the standard assumption of biennial 4% yielding fare and toll increases included in the Plan Adjustments. The November Plan includes a 5.5% fare and toll increase assumption with the 2023 increase beginning in June and the 2025 increase beginning in April. However, the November Plan shows higher additional revenue from the 2023 fare and toll increase to begin to address the fiscal cliff. This additional revenue is discussed below in “Other Below-the-Line Adjustments”. For the portion of the proposed fare and toll increase representing the July Plan assumption of 4%, such increase is projected to generate a \$271 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by \$159 million in 2023 (due to the partial year increase), \$271 million in 2024, \$277 million in 2025, and \$283 million in 2026. Factoring in the “Subsidy Impacts from 2023 Fare/Toll Increases” for MTA Bus, SIR and B&T (10% of all B&T surplus toll revenues are delayed for distribution to NYCT and the Commuter Railroads, per MTA Board policy, until B&T results are audited), the net increase to the MTA is \$151 million in 2023, \$262 million in 2024, \$269 million in 2025, and \$275 million in 2026. Compared with the July Plan, net projections are unfavorable by \$57 million in 2023, unchanged in 2024 and favorable by \$14 million in 2025 and 2026. These changes are primarily driven by delaying the start date of the 2023 increase from March to June.

Fare and Toll Increase in April 2025 – An increase in fares and tolls, yielding a 4% overall increase in farebox and toll revenues, is assumed for implementation in April 2025 and is projected to generate a \$292 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by \$220 million in 2025 and \$292 million in 2026. Factoring in the “Subsidy Impacts from 2025 Fare/Toll Increases” for MTA Bus, SIR and B&T, the net increase to the MTA is \$210 million in 2025 and \$283 million in 2026. Compared with the July Plan, net projections are unfavorable by \$17 million in 2025 and favorable by \$5 million in 2026. These changes are primarily driven by delaying the start date of the 2025 increase from March to April.

# MTA Consolidated Utilization

## MTA Agency Fare and Toll Revenue Projections, in millions Including the Impact of Fare & Toll Yield Increases

		November Forecast <b>2022</b>	Final Proposed Budget <b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Fare Revenue</b>						
Long Island Rail Road	Baseline	\$451.398	\$540.661	\$577.547	\$603.136	\$627.002
	2023 Yield Increase	0.000	13.080	23.102	24.125	25.080
	2025 Yield Increase	0.000	0.000	0.000	19.372	26.083
		<b>\$451.398</b>	<b>\$553.742</b>	<b>\$600.649</b>	<b>\$646.633</b>	<b>\$678.165</b>
Metro-North Railroad <sup>1</sup>	Baseline	\$430.898	\$508.372	\$503.468	\$509.968	\$517.287
	2023 Yield Increase	0.000	7.781	12.847	13.015	13.205
	2025 Yield Increase	0.000	0.000	0.000	9.040	11.910
		<b>\$430.898</b>	<b>\$516.152</b>	<b>\$516.315</b>	<b>\$532.023</b>	<b>\$542.402</b>
MTA Bus Company <sup>2</sup>	Baseline	\$156.300	\$170.684	\$172.348	\$177.954	\$184.099
	2023 Yield Increase	0.000	4.043	6.894	7.118	7.364
	2025 Yield Increase	0.000	0.000	0.000	5.666	7.659
		<b>\$156.300</b>	<b>\$174.726</b>	<b>\$179.242</b>	<b>\$190.738</b>	<b>\$199.121</b>
New York City Transit <sup>3</sup>	Baseline	\$2,946.875	\$3,288.699	\$3,395.012	\$3,476.762	\$3,579.693
	2023 Yield Increase	0.000	77.108	135.015	138.756	143.188
	2025 Yield Increase	0.000	0.000	0.000	110.047	148.915
		<b>\$2,946.875</b>	<b>\$3,365.807</b>	<b>\$3,530.027</b>	<b>\$3,725.566</b>	<b>\$3,871.796</b>
Staten Island Railway <sup>2</sup>	Baseline	\$3.508	\$4.510	\$4.864	\$5.011	\$5.165
	2023 Yield Increase	0.000	0.107	0.195	0.200	0.207
	2025 Yield Increase	0.000	0.000	0.000	0.159	0.215
		<b>\$3.508</b>	<b>\$4.617</b>	<b>\$5.059</b>	<b>\$5.370</b>	<b>\$5.586</b>
<b>Total Farebox Revenue</b>						
	Baseline	\$3,988.979	\$4,512.925	\$4,653.238	\$4,772.831	\$4,913.245
	2023 Yield Increase	0.000	102.119	178.053	183.215	189.043
	2025 Yield Increase	0.000	0.000	0.000	144.284	194.782
		<b>\$3,988.979</b>	<b>\$4,615.044</b>	<b>\$4,831.291</b>	<b>\$5,100.329</b>	<b>\$5,297.070</b>
<b>Toll Revenue</b>						
Bridges & Tunnels <sup>4</sup>	Baseline	\$2,322.776	\$2,322.793	\$2,332.317	\$2,335.350	\$2,337.687
	2023 Yield Increase	0.000	56.570	93.293	93.414	93.507
	2025 Yield Increase	0.000	0.000	0.000	75.919	97.248
		<b>\$2,322.776</b>	<b>\$2,379.363</b>	<b>\$2,425.610</b>	<b>\$2,504.683</b>	<b>\$2,528.442</b>
<b>TOTAL FARE &amp; TOLL REVENUE</b>						
	Baseline	\$6,311.755	\$6,835.718	\$6,985.555	\$7,108.181	\$7,250.932
	2023 Yield Increase	0.000	158.688	271.345	276.629	282.551
	2025 Yield Increase	0.000	0.000	0.000	220.203	292.029
		<b>\$6,311.755</b>	<b>\$6,994.407</b>	<b>\$7,256.900</b>	<b>\$7,605.012</b>	<b>\$7,825.513</b>

<sup>1</sup> Metro-North Railroad utilization figures include both East of Hudson and West of Hudson services.

<sup>2</sup> MTA Bus and Staten Island Railway revenues from fare increases are used to reduce NYC subsidies to MTA Bus and SIR.

<sup>3</sup> New York City Transit utilization figures include Paratransit and Fare Media Liability.

<sup>4</sup> Distribution of 10% of B&T surplus toll revenue is delayed to subsequent year per MTA Board resolution.

## **Other Below-the-Line Adjustments**

MTA Operating Efficiencies Phase 1 – The July Plan included “Fiscal Baseline Reset” targets of \$100 million in annual saving re-estimates in each year of the Plan beginning in 2023. The MTA re-estimated expenses from the optimization of COVID cleaning and sanitization efforts, and the remaining Phase 1 targets are \$44 million in 2023, \$48 million in 2024 and \$46 million in 2025 and 2026.

FEMA COVID Reimbursement – Reimbursement of direct COVID-related expenses through the Federal Emergency Management Agency (FEMA) are expected to increase by \$44 million to \$749 million in this Plan, reflecting reimbursable expenses incurred through July 2022. It is anticipated that the MTA will receive \$250 million in 2023, \$100 million in 2024, \$250 million in 2025 and \$149 million in 2026.

Provision for Increased Pension Costs – To conform with the increase in pension costs for NYCERS in New York City’s November Financial Plan, the MTA is including a provision for higher NYCERS pension costs of \$83 million in 2023, \$176 million in 2024, \$263 million in 2025 and \$344 million in 2026.

Debt Service from Long-Term Deficit Bonding – The debt service associated with long-term deficit bonding would retire the Federal Reserve Municipal Liquidity Facility Bond Anticipation Note. This was shown as a below-the-line adjustment in the July Plan. This debt service expense is reversed out by the “Savings from Deficit Note Repayment” discussed below.

MTA Operating Efficiencies Phase 2 – Proposed operating efficiencies continue to be evaluated, and savings targets are being increased by \$100 million in 2023, \$400 million in 2024, \$408 million in 2025 and \$416 million in 2026.

Additional Fare and Toll Revenue above Base Assumptions – The November Plan includes a proposal for an additional fare and toll increase in June 2023 over the 4% base assumption to 5.5%. This will produce additional revenue of \$50 million in 2023 and \$100 million each year thereafter above the additional fare and toll revenue under the base assumption.

Savings from Deficit Note Repayment – This proposed action by the Board would be to repay from the unspent proceeds of the borrowing, and not long-term bond, the Federal Reserve Municipal Liquidity Facility Bond Anticipation Note at maturity. This proposed action would eliminate debt service costs of \$178 million in 2024, and \$190 million in 2025 and 2026.

Federal COVID Funds for Operating and Debt Costs – Remaining CRSSA funds of \$1,166 million and \$777 million of ARPA federal funds will be used to offset the expected deficit in 2022. Throughout the financial plan period, \$598 million of ARPA funds will be applied against MTA Bus and SIR deficits, reducing New York City subsidies by the same amount and therefore not available to offset MTA deficits. This leaves \$5,620 million of ARPA funds available to offset MTA deficits in 2023 and thereafter. The November Plan proposes applying \$4,365 million of ARPA funds to reduce deficits through 2026 and \$1,255 million to offset liabilities beyond the financial plan period to moderate the potential growth of deficits beyond the plan period.

New Government Funding or Additional MTA Actions – The Plan includes \$600 million for 2023 in new government funding or further MTA actions to achieve a balanced budget in 2023. If new government funding does not materialize, MTA will take additional actions beyond what is currently included in this Plan, to offset the new funding of \$600 million not materializing. Such actions could include the use of additional remaining federal COVID funds that otherwise would be used to reduce deficits after 2023.

The following item was a Plan Adjustment in the July Plan and is now incorporated into the baseline financial reports (above the line) in the November Plan:

Grand Central Madison – The costs associated with the terminal and right-of-way operating, maintenance, safety and security expense for Grand Central Madison, the concourse below Grand Central Terminal for LIRR service, has been incorporated above the line in the November Plan in the financial reports a new MTA entity, Grand Central Madison Concourse Operating Company (GCMCOC).

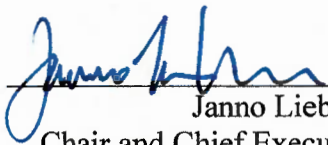
## **IV. Appendix**

**Certification of the Chair and Chief Executive Officer  
of the Metropolitan Transportation Authority  
in accordance with Section 202.3(l) of the  
State Comptroller's Regulations**

I, Janno Lieber, Chair and Chief Executive Officer of the Metropolitan Transportation Authority ("MTA") hereby certify, to the best of my knowledge and belief after reasonable inquiry, including certifications from senior management at the MTA agencies, that the attached budget and financial plan is based on reasonable assumptions and methods of estimation and that the requirements of Section 202.3 and 202.4 of the Regulations referenced above have been satisfied.

Metropolitan Transportation Authority

By: \_\_\_\_\_



Janno Lieber

Chair and Chief Executive Officer

Dated: \_\_\_\_\_

11.29.22

## **V. Other**

## **The MTA Budget Process**

MTA budgeting is a rigorous and thorough on-going process and culminates with the passage of the Budget in December. In the course of a year, MTA prepares a February, July and November Financial Plan, and Adoption Materials in December. In addition to the existing year, each Plan requires Agencies to prepare four-year projections which include the upcoming and three following calendar years.

Both the July and November Financial Plans are divided into two distinct volumes:

- Volume I summarizes the complete financial plan, including the baseline as well as policy items and other “below-the-line” items;
- Volume II includes detailed Agency information supporting baseline revenue, expense, cash and headcount projections. Also included is detailed information supporting actions taken to increase savings as well as individual Agency deficit reduction programs.

### **July Plan**

The July Financial Plan provides the opportunity for the MTA to present a revised forecast of the current year’s finances, a preliminary presentation of the following year’s proposed budget, and a three year re-forecast of out-year finances. This Plan may include a series of gap closing proposals necessary to maintain a balanced budget and actions requiring public hearings. The Mid-Year Forecast becomes the basis on which monthly results are compared for the remainder of the year.

### **November Plan**

After stakeholders weigh in and the impact of new developments and risks are quantified, a November Plan is prepared, which is an update to the July Financial Plan. The November Plan includes a revised current year and finalization of the proposed budget for the upcoming year and projections for the three out-years.

### **December Adopted Budget**

In December, the November Plan is updated to capture further developments, risks and actions that are necessary to ensure budget balance and is presented to the MTA Board for review and approval.

### **February Plan**

Finally, certain below-the-line policy issues included in the December Adopted Budget are moved into the baseline and technical adjustments are made. This results in what is called the February Plan. The Adopted Budget is allocated over the 12 month period and becomes the basis on which monthly results are compared.