

MTA 2024 Preliminary Budget

July Financial Plan 2024-2027



Volume 1
July 2023



Metropolitan Transportation Authority

OVERVIEW

MTA 2024 Preliminary Budget July Financial Plan 2024-2027 Volume 1

The MTA's July 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 2024 Preliminary Budget and the Financial Plan for 2024 through 2027. 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 **2023 MTA July Financial Plan** (the “July Plan” or “Plan”), which includes the 2023 Mid-Year Forecast, the 2024 Preliminary Budget and a Financial Plan for the years 2024 to 2027, updates the 2023 February Financial Plan (the “February Plan”). This Plan, as with all plans beginning with the 2020 July Plan, reflects the ongoing financial and operational impacts stemming from the pandemic, and the gradual recovery of the MTA Region.

As discussed below in further detail, the July Plan reflects a significant commitment from both New York State and New York City to address the MTA’s fiscal shortfalls, as well as resources for service, safety, and security improvements. The Plan includes fare and toll rate increases to generate an annualized 4.0% net increase in fare revenue and an annualized 5.5% net increase in toll revenue in 2023, followed by biennial fare and toll rate increases that generate a 4% net increase in farebox and toll revenue beginning in 2025 and 2027. The Plan reflects savings from operating efficiencies initiatives, including an increase in the savings target of an additional \$100 million annually starting in 2025.

New York State 2023-2024 Enacted Budget

In the FY 2024 Enacted Budget, the State took substantial action to provide the MTA with additional operating revenues dedicated to help solve the MTA’s fiscal crisis due to the effects of the pandemic. This includes an increase in the metropolitan commuter transportation mobility tax (MCTMT) in New York City, a one-time State subsidy of \$300 million, an increase in New York City’s contribution to the MTA for the costs of paratransit services and directing a portion of future casino revenues to the MTA.

The Enacted Budget increased the maximum rate of the Payroll Mobility Tax for employers with payroll expenses over \$437,500 in any calendar quarter engaging in business in New York City from 0.34% to 0.60%, effective July 1, 2023. The PMT on self-employed individuals with net earnings of \$50,000 in New York City was increased from 0.34% to 0.47% for the tax year ending no later than December 31, 2023, and then increasing to 0.60% for subsequent tax years. No other changes to existing PMT rates were made. The increase in PMT rates is projected to generate approximately \$1.1 billion annually for the MTA.

The Enacted Budget also provided \$300 million in one-time State aid to address the extraordinary impact of the COVID pandemic on MTA operating revenues.

Also included was an extension of an increase in New York City’s contribution to paratransit that had been set to expire on June 30, 2024 and has been extended to June 30, 2030. The Enacted Budget increases the City’s contribution further during the two-year period ending on June 30, 2025: the contribution by the City is increased to eighty percent of net paratransit operating expenses, provided that the City contribution may not exceed \$165 million greater than fifty percent of net paratransit operating expenses. The increase in the City’s share of net paratransit expenses is expected to favorably impact the MTA by approximately \$165 million annually.

The Enacted Budget directs all license fees from the awarding of up to three downstate casinos to MTA which the Plan assumes will provide an estimated \$500 million in both 2026 and 2027.

The Plan assumes the third license will be awarded after 2027 and would generate another \$500 million. The Enacted Budget also provides MTA a share of the gaming taxes from the downstate casinos, but the Plan assumes that will not provide any revenue until after 2027.

A five-year pilot program was included in the NYS 2023-24 Enacted Budget which authorizes MTA and the New York City Department of Transportation to use automated cameras for enforcement of four additional bus operation-related violations including: violation of posted no standing rules at bus stops; general no stopping zones on bicycle lanes; double parking; and general no standing zones on bus lanes; the Enacted Budget also expanded the number of buses outfitted with cameras from just over 400 buses to over 1,100 buses. The current Automated Bus Lane Enforcement (ABLE) program, which was set to expire in 2025, was extended through 2028.

A fare-free bus pilot program was also authorized. Legislation requires that the program include five fare-free bus routes, one in each of New York City's five boroughs, provided that the pilot program not cost more than \$15 million in net operating costs. The selected bus routes are to remain fare-free for six to twelve months.

With the additional State funding, the MTA lowered its proposed fare rate increase to generate a 4 percent annualized increase in farebox revenue, compared with the 5.5 percent proposal included in the February Plan; the proposed toll rate increase, however, remains at 5.5 percent. The lower fare rate increase is projected to reduce MTA farebox revenue by approximately \$65 million on an annualized basis. The MTA is investing approximately \$35 million annually to improve subway service during mid-day hours on weekdays, on weekends, and on weeknights, and is also making \$35 million in annual investments in safety and fare enforcement actions.

Overall, the additional State funding, along with the service-related costs, provide a net improvement to the MTA of \$724 million in 2023, \$1.1 billion in 2024 and \$1.2 billion in 2025, followed by \$1.7 billion in 2026 and 2027.

The July Plan

Ridership continues to recover from the pandemic on a trajectory in line with the midpoint of the McKinsey "high case" and "low case" scenarios that were prepared by McKinsey & Company on behalf of MTA in May 2022. The July Plan continues to assume ridership will continue to track with the midpoint, which is expected to reach a "new normal" of 80 percent of the pre-pandemic level by the end of 2026. Improvements in farebox revenue have exceeded ridership gains as remote work options have changed ticket purchasing dynamics, and these changes are expected to continue and are reflected in the July Plan. The Plan reflects favorable farebox revenue results through April of \$37 million, along with favorable toll revenue of \$45 million, and, for 2024 through 2027, a favorable adjustment of the average fare reflecting current travel patterns and ticket mix being experienced.

The July Plan also includes anticipated farebox and toll revenue derived from the proposed 2023 4% fare rate increase and the 5.5% toll rate increase. The fare and toll increases, expected to go into effect in late August or early September, are expected to generate \$61 million of additional farebox revenue and \$57 million of additional toll revenue in 2023, followed by approximately \$205 million annually of farebox revenue and \$133 million of toll revenue, on average, through the remainder of the Plan. The Plan also includes the resumption of regular biennial fare and toll increases yielding a four percent increase in farebox and toll revenues, which are proposed to be instituted in January 2025 and March 2027. These proposed increases are expected to generate

\$1.15 billion through the Plan period.

MTA operating agencies have been engaged in an ambitious effort to identify and implement innovative ways of conducting business more efficiently, reduce expenses, and improve service to customers. The February Plan included savings targets from operating efficiencies initiatives of \$100 million in 2023, increasing to \$400 million in 2024, \$408 million in 2025 and \$416 million in 2026.

For the 2023 July Financial Plan, New York City Transit, Long Island Rail Road and Metro-North Railroad each have compiled detailed lists of operating efficiencies initiatives totaling, over the Plan period, \$688 million at NYCT, \$139 million at the LIRR and \$140 million at MNR, with \$94 million of the MNR savings accruing to the MTA and the remaining \$46 million impacting the CDOT subsidy for Connecticut service. These identified savings have been incorporated into Agency financial plans. The remainder of the annual savings targets, along with an annual \$100 million increase in the savings target beginning in 2025, remain below-the-line in Volume 1 of the Plan. Among the initiatives identified:

- The Division of Subways at NYCT, working with their Operations, Maintenance and Procurement stakeholders, is addressing critical station infrastructure planning and (\$204M); has extended car equipment maintenance cycles (\$163M); is obtaining efficiencies in rail material acquisition (\$55M); and is lengthening crew tours to right-size train operations staff (\$8M).
- The Division of Buses at NYCT has identified changes to bus maintenance schedules utilizing predictive maintenance tools (\$35M); and improved analysis of vehicle condition and performance to allow for better maintenance planning (\$15M). Aligned with these operational efficiencies are the revenues and schedule savings from Automated Bus Lane Enforcement (ABLE) measures through camera installation on 700 additional buses and expanded enforcement, as permitted through the State 2023-24 Enacted Budget (\$80M). Paratransit trip-booking improvements utilizing self-service functionality will create savings and provide a better Paratransit customer experience (\$16M).
- Long Island Rail Road and Metro-North Railroad have been working together over the past year to identify and incorporate industry best practices in their equipment shops as well as scheduling work along the rail right-of-way. Improved rail equipment scheduling for required maintenance and inspections along with ensuring proper staffing at shop locations will result in reductions to overtime (\$51M). Both railroads are working to ensure appropriate inventory is available for required maintenance (\$42M). Shop-specific practices are being adjusted for more efficient workflow to reduce the impacts of unplanned events (\$36M). Management oversight of operating contracts is better aligning third-party services at work locations along the right-of-way (\$24M). Finally, equipment and crew are being more efficiently scheduled to match with demand (\$26M).

The Plan also recognizes the recent negotiated settlement with TWU Local 100. While the settlement awaits ratification of the bargaining unit's membership and the MTA Board, the net economic value of that agreement informs the Plan's assumptions for growth in labor costs for all represented MTA bargaining units. The fiscal impact throughout the MTA has been estimated and is included as a below-the-line adjustment to this Plan. If the TWU Local 100 contract is ratified, the settlement – and the impact of the agreement on other bargaining units – will be incorporated into each Agency's baseline financial plans in the November Plan. Previous financial plans had assumed two percent annual wage increases, while the pending TWU Local 100 agreement calls

for annual increases of three percent annually for the first two years and 3.5 percent for the third year. Over the Plan period, the additional net labor expenses are estimated to increase by \$1.15 billion. Other costs and savings from the agreement, likewise, will be incorporated into the November Plan.

The Plan includes several actions that were taken to reduce current and future expenses and aid in eliminating annual deficits through 2027 and in years beyond the Plan period. These actions include pre-paying 2023 and 2024 pension expenses for employees covered by MTA-sponsored pension plans (\$1.06 billion), pre-paying of debt and debt service expenses (\$1.37 billion) and funding the OPEB (Other Post-Employment Benefits) Trust, which will cover retiree health benefits (\$1.32 billion).

Additionally, the Plan anticipates two additional actions to be taken: a 2024 pre-payment of \$500 million towards 2025 pension expenses for MTA-sponsored plans; and the use of \$258 million over the Plan period from the OPEB Trust for retiree health benefits.

Other local subsidy resources freed up from the receipt of Federal COVID funding will also be applied to close remaining annual deficits. The Plan assumes \$1.24 billion of resources will be used to close the 2023 deficit, followed by \$17 million in 2024, \$38 million in 2025, \$218 million in 2026 and \$548 million in 2027.

The “Bottom Line”

The July Plan presents a balanced budget annually through 2027. This is due to the collective impacts of additional and recurring dedicated revenue provided to MTA in the NYS Enacted Budget, proposed modest toll and fare increases, savings expected to be achieved by MTA implementing operating efficiencies without reducing service and other actions taken by MTA to reduce the burden of debt and other liabilities on the MTA operating budget.

Risks to MTA’s Financial Future

Additional risks to the Plan include:

Continued paid ridership recovery. The Plan assumes a 10 percent increase in paid ridership by 2026. The potential cost for 5 percent lower recovery is estimated at \$325 million per year.

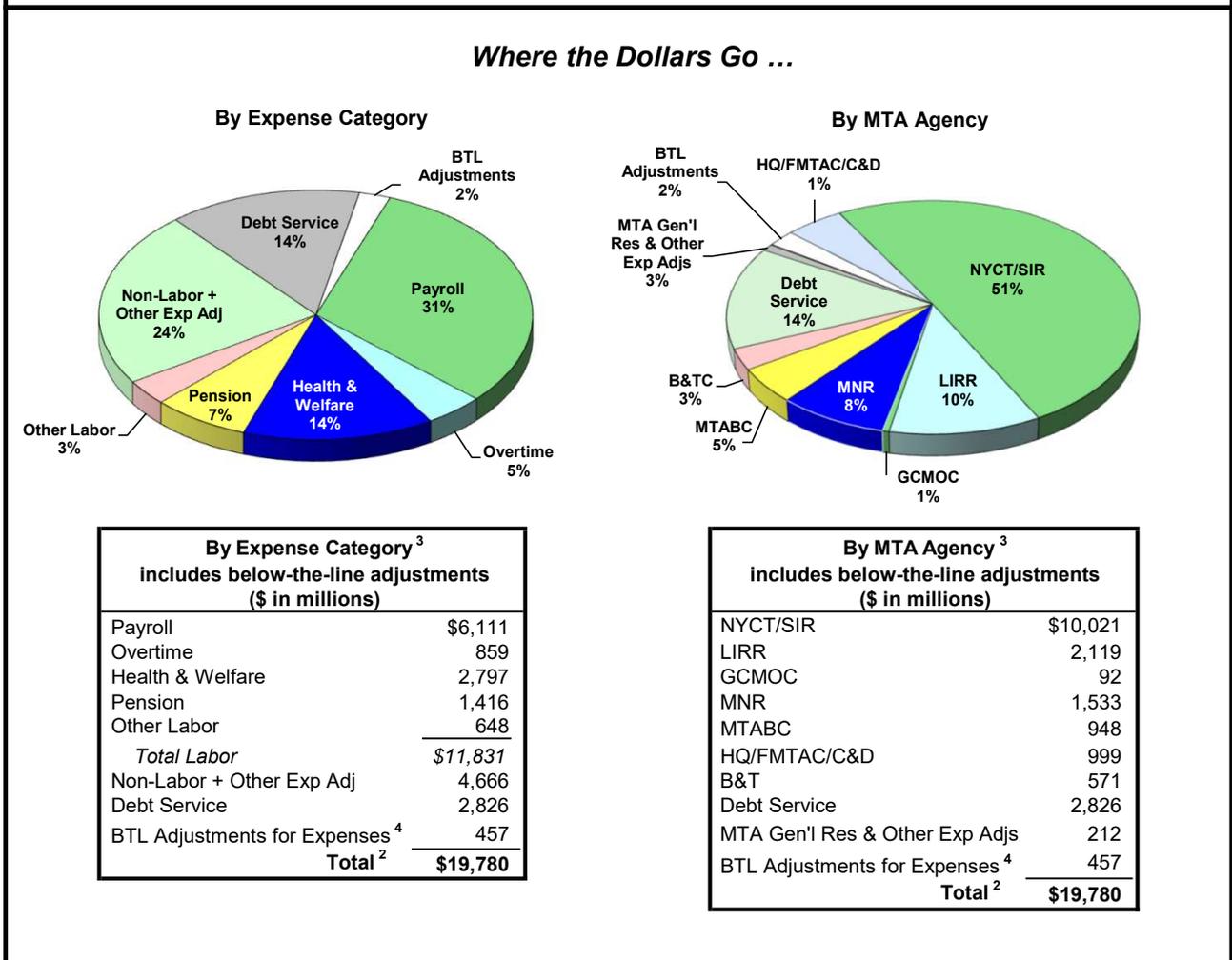
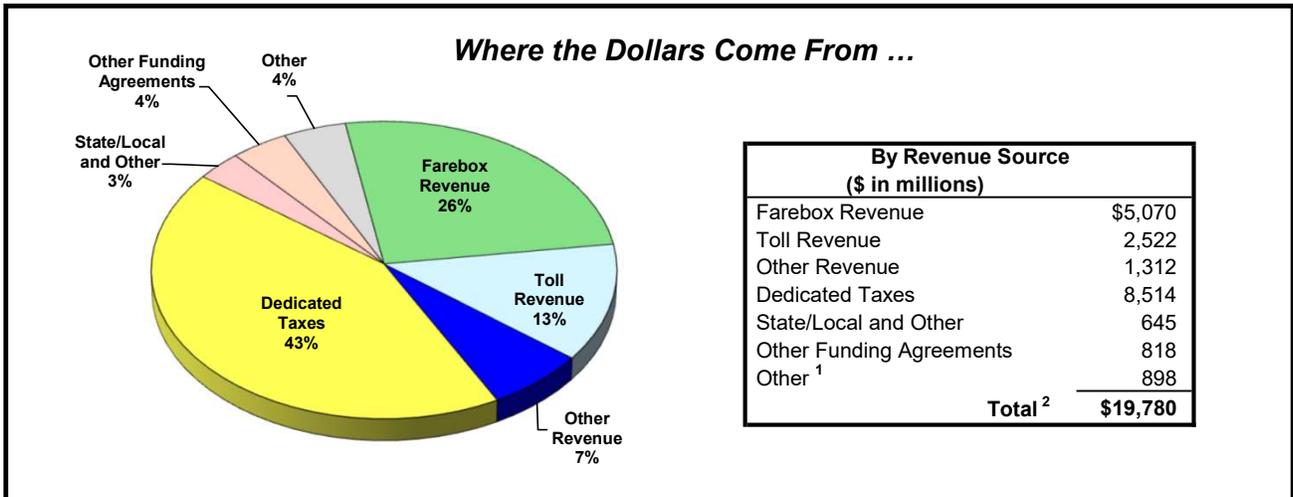
Dedicated tax receipts. An economic slowdown or recession could have a significant impact on the level of dedicated tax receipts received by MTA.

Casino revenue. The approval, and awarding, of downstate casino licenses is uncertain in both outcome and timing, which risks the \$500 million assumed to be received by MTA in 2026 and 2027.

MTA operating efficiencies. The Plan could fall short of balance if the \$400 million to \$500 million of operating efficiencies is not successfully implemented by the MTA.

II. MTA Consolidated Financial Plan

MTA 2024 Preliminary Budget
Baseline Revenues and Expenses After Below-the-Line (BTL) Adjustments
Non-Reimbursable



¹ Includes cash adjustments and prior-year carryover.

² Totals may not add due to rounding.

³ Expenses exclude Depreciation, GASB 68 Pension Adjustment, GASB 75 OPEB Adjustment, GASB 87 Lease Adjustment and Environmental Remediation.

⁴ 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
July Financial Plan 2024-2027
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

<u>Non-Reimbursable</u>	Actual 2022	Mid-Year Forecast 2023	Preliminary Budget 2024	Plan 2025	Plan 2026	Plan 2027
Operating Revenues						
Farebox Revenue	\$4,024	\$4,602	\$5,070	\$5,216	\$5,366	\$5,538
Toll Revenue	2,332	2,449	2,522	2,526	2,529	2,532
Other Revenue	7,657	892	962	977	1,002	1,021
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	\$14,014	\$7,943	\$8,554	\$8,719	\$8,897	\$9,091
Operating Expenses						
<u>Labor:</u>						
Payroll	\$5,414	\$5,909	\$6,111	\$6,247	\$6,402	\$6,587
Overtime	1,127	927	859	884	904	923
Health & Welfare	1,423	1,716	1,863	1,986	2,123	2,280
OPEB Current Payment	752	851	934	1,019	1,110	1,209
Pensions	1,339	1,379	1,416	1,557	1,613	1,690
Other-Fringe Benefits	1,009	1,069	1,112	1,168	1,222	1,289
Reimbursable Overhead	(400)	(453)	(464)	(463)	(477)	(460)
Total Labor Expenses	\$10,666	\$11,398	\$11,831	\$12,398	\$12,898	\$13,519
<u>Non-Labor:</u>						
Electric Power	\$556	\$565	\$641	\$670	\$681	\$717
Fuel	283	222	220	217	213	218
Insurance	9	30	32	48	67	96
Claims	376	384	410	422	435	444
Paratransit Service Contracts	412	511	512	544	575	604
Maintenance and Other Operating Contracts	806	997	939	951	928	954
Professional Service Contracts	555	736	660	650	651	652
Materials & Supplies	561	708	771	807	799	904
Other Business Expenses	246	283	278	291	293	295
Total Non-Labor Expenses	\$3,804	\$4,435	\$4,463	\$4,598	\$4,640	\$4,882
<u>Other Expense Adjustments:</u>						
Other	\$100	\$14	\$12	\$13	\$13	\$13
General Reserve	0	185	190	200	205	210
Total Other Expense Adjustments	\$100	\$199	\$202	\$213	\$218	\$223
Total Expenses before Non-Cash Liability Adj.	\$14,570	\$16,032	\$16,496	\$17,209	\$17,756	\$18,625
Depreciation	\$3,286	\$3,464	\$3,507	\$3,558	\$3,612	\$3,666
GASB 68 Pension Expense Adjustment	(393)	(124)	(192)	(149)	(207)	(158)
GASB 75 OPEB Expense Adjustment	1,093	1,254	1,273	1,291	1,311	1,329
GASB 87 Lease Adjustment	21	5	5	5	5	5
Environmental Remediation	17	6	6	6	6	6
Total Expenses after Non-Cash Liability Adj.	\$18,594	\$20,637	\$21,096	\$21,920	\$22,482	\$23,473
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$4,024)	(\$4,605)	(\$4,600)	(\$4,711)	(\$4,726)	(\$4,848)
Debt Service (excludes Service Contract Bonds)	3,121	2,683	2,826	2,928	2,986	3,303
Total Expenses with Debt Service	\$17,691	\$18,715	\$19,323	\$20,137	\$20,741	\$21,928
Dedicated Taxes and State/Local Subsidies	\$8,556	\$9,125	\$9,921	\$10,211	\$11,050	\$11,374
Net Surplus/(Deficit) After Subsidies and Debt Service	\$4,879	(\$1,647)	(\$847)	(\$1,206)	(\$794)	(\$1,463)
Conversion to Cash Basis: GASB Account	0	0	0	0	0	0
Conversion to Cash Basis: All Other	(6,045)	1,603	898	172	410	797
Cash Balance Before Prior-Year Carryover	(\$1,166)	(\$44)	\$51	(\$1,035)	(\$384)	(\$666)
Below-the-Line Adjustments	0	44	(51)	1,035	384	666
Prior Year Carryover Balance	1,166	0	0	0	0	0
Net Cash Balance	\$0	\$0	\$0	\$0	\$0	\$0

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2024 - 2027
Plan Adjustments
(\$ in millions)

	Actual 2022	Mid-Year Forecast 2023	Preliminary Budget 2024	2025	2026	2027
Cash Balance Before Prior-Year Carryover	\$(1,166)	(\$44)	\$51	(\$1,035)	(\$384)	(\$666)
Fare and Toll Increases:						
<i>Fare/Toll Increase - January 2025 (4% Yield)</i>		<i>0</i>	<i>0</i>	<i>299</i>	<i>305</i>	<i>312</i>
<i>Subsidy Impacts - Fare/Toll Increase, January 2025</i>		<i>0</i>	<i>0</i>	<i>(14)</i>	<i>(8)</i>	<i>(8)</i>
<i>Fare/Toll Increase - March 2027 (4% Yield)</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>277</i>
<i>Subsidy Impacts - Fare/Toll Increase, March 2027</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(13)</i>
Subtotal:		\$0	\$0	\$285	\$297	\$568
MTA Initiatives:						
<i>MTA Operating Efficiencies</i>		<i>0</i>	<i>193</i>	<i>302</i>	<i>298</i>	<i>348</i>
Subtotal:		\$0	\$193	\$302	\$298	\$348
Management and Policy Actions:						
<i>Additional Labor Expense - TWU Settlement and Pattern</i>		<i>(235)</i>	<i>(140)</i>	<i>(230)</i>	<i>(270)</i>	<i>(275)</i>
<i>Safety and Security actions to be allocated</i>		<i>(11)</i>	<i>(11)</i>	<i>(11)</i>	<i>(11)</i>	<i>(11)</i>
<i>Additional Pension Pre-payment</i>		<i>0</i>	<i>(500)</i>	<i>515</i>	<i>0</i>	<i>0</i>
<i>Reimbursement from OPEB Trust</i>		<i>39</i>	<i>56</i>	<i>57</i>	<i>70</i>	<i>36</i>
Subtotal:		(\$206)	(\$594)	\$331	(\$211)	(\$250)
Other:						
<i>FEMA COVID Reimbursement</i>		<i>250</i>	<i>350</i>	<i>117</i>	<i>0</i>	<i>0</i>
Subtotal:		\$250	\$350	\$117	\$0	\$0
TOTAL ADJUSTMENTS		\$44	(\$51)	\$1,035	\$384	\$666
<i>Prior Year Carryover Balance</i>	<i>\$1,166</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Net Cash Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	\$0

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2024 - 2027
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2022	Mid-Year Forecast 2023	Preliminary Budget 2024	2025	2026	2027
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$3,996	\$4,592	\$5,061	\$5,207	\$5,356	\$5,528
Other Revenue	1,365	2,171	1,124	1,174	1,086	1,037
Capital and Other Reimbursements	1,879	2,449	2,188	2,200	2,249	2,211
Total Receipts	\$7,240	\$9,211	\$8,374	\$8,580	\$8,691	\$8,776
Expenditures						
Labor:						
Payroll	\$5,837	\$6,674	\$6,726	\$6,973	\$6,995	\$7,155
Overtime	1,304	1,135	1,052	1,074	1,103	1,116
Health and Welfare	1,495	1,779	1,917	2,041	2,180	2,337
OPEB Current Payments	740	843	923	1,007	1,097	1,196
Pension	1,426	2,120	864	1,644	1,701	1,780
Other Fringe Benefits	1,159	1,101	1,118	1,158	1,190	1,248
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	0	0	0	0	0
Total Labor Expenditures	\$11,961	\$13,651	\$12,600	\$13,896	\$14,267	\$14,833
Non-Labor:						
Electric Power	\$566	\$573	\$648	\$676	\$685	\$720
Fuel	280	218	214	212	207	212
Insurance	(11)	46	28	47	61	89
Claims	231	325	332	330	330	329
Paratransit Service Contracts	411	509	510	542	573	602
Maintenance and Other Operating Contracts	710	1,000	851	862	829	842
Professional Services Contracts	620	885	687	689	699	685
Materials and Supplies	662	834	900	929	912	1,006
Other Business Expenses	227	264	252	265	288	290
Total Non-Labor Expenditures	\$3,696	\$4,654	\$4,422	\$4,551	\$4,585	\$4,777
Other Expenditure Adjustments:						
Other	\$126	\$168	\$90	\$107	\$138	\$123
General Reserve	0	185	190	200	205	210
Total Other Expenditure Adjustments	\$126	\$353	\$280	\$307	\$343	\$333
Total Expenditures	\$15,783	\$18,658	\$17,302	\$18,754	\$19,194	\$19,942
Net Cash Balance before Subsidies and Debt Service	(\$8,542)	(\$9,447)	(\$8,929)	(\$10,174)	(\$10,503)	(\$11,166)
Dedicated Taxes & State and Local Subsidies	\$9,796	\$11,354	\$11,069	\$11,216	\$12,227	\$12,876
Debt Service	(2,420)	(1,950)	(2,089)	(2,077)	(2,108)	(2,375)
Cash Balance Before Prior-Year Carryover	(\$1,166)	(\$44)	\$51	(\$1,035)	(\$384)	(\$666)
Adjustments	\$0	\$44	(\$51)	\$1,035	\$384	\$666
Prior-Year Carryover Balance	1,166	0	0	0	0	0
Net Cash Balance	\$0	\$0	\$0	\$0	\$0	\$0

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METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2024-2027
MTA Consolidated July Financial Plan Compared with February Financial Plan
Cash Reconciliation after Below-the-Line Adjustments
(\$ in millions)

	Favorable/(Unfavorable)			
	2023	2024	2025	2026
FEBRUARY FINANCIAL PLAN 2023-2026				
NET CASH SURPLUS/(DEFICIT)	\$1	(\$1,188)	(\$1,242)	(\$1,623)
Agency Baseline Re-estimates	\$754	\$1,224	\$775	\$676
Farebox and Toll Revenue	216	607	634	644
NYC Paratransit Reimbursement	104	172	177	178
Electric Power and Fuel	127	(11)	(46)	(39)
Health & Welfare (including retirees)	(27)	(72)	(87)	(105)
Pensions	90	73	(39)	(75)
Timing	(286)	(41)	-	-
2024 Pension Prepayment	(629)	629	-	-
Local Subsidy to Cover 2023 and 2024 Pension prepayments 1	1,056	-	-	-
Local Subsidy - MTA Bus Adjustment	(63)	(122)	136	68
Other Baseline Re-estimates (including timing) 2	166	(11)	0	6
New Needs/Investments 3	(\$27)	(\$84)	(\$68)	(\$57)
Maintenance	(6)	(14)	(7)	(7)
Safety & Security	(1)	(38)	(30)	(21)
Service/Service Support	(2)	(5)	(5)	(3)
All Other New Needs	(18)	(27)	(26)	(26)
Savings Programs	\$69	\$140	\$141	\$144
New Operating Efficiencies and Re-estimates 4	69	140	141	144
MTA Adjustments	\$5	\$5	\$0	\$0
General Reserve	5	5	-	-
B&T Adjustments	(\$149)	(\$208)	(\$206)	(\$206)
B&T Net Baseline Impacts 5	(149)	(208)	(206)	(206)
Debt Service (Cash)	\$298	\$384	\$472	\$286
Subsidies (Cash)	\$159	\$642	\$330	\$1,618
Metropolitan Mass Transportation Operating Assist (MMTOA)	75	228	228	228
Petroleum Business Tax (PBT) Receipts	0	4	4	4
Real Estate Taxes	(399)	(218)	(211)	(163)
Payroll Mobility Tax (PMT)	452	1,191	1,276	1,361
For-Hire Vehicle (FHV) Surcharge	(14)	-	-	-
Automated Bus Lane Enforcement (ABLE) Violations	7	42	38	35
Peer-to-Peer Car Sharing Trip Tax	0	0	0	0
Station Maintenance	(2)	(1)	(1)	(1)
State General Fund Subsidy	300	-	-	-
Casino License Revenues	-	-	-	500
Forward Energy Contracts Program	(18)	(7)	-	-
Local Subsidy Available Due to Federal COVID Aid	(548)	(885)	(990)	(432)
City Subsidy for MTA Bus	5	(8)	(267)	(168)
City Subsidy for Staten Island Railway	293	290	248	249
CDOT Subsidy for Metro-North Railroad	8	7	6	6
Below-the-Line (BTL) Adjustments	(\$1,107)	(\$913)	(\$202)	(\$839)
<i>Base Fare/Toll Increases:</i>				
Fare/Toll Increase - June 2023 (4% Yield) (incorporated ATL)	(159)	(271)	(277)	(283)
Subsidy Impacts - Fare/Toll Increase, June 2023 (incorporated ATL)	8	9	7	7
Fare/Toll Increase - January 2025 (4% Yield)	-	-	79	13
Subsidy Impacts - Fare/Toll Increase, January 2025	-	-	(4)	1
<i>MTA Efficiencies:</i>				
MTA Operating Efficiencies	(100)	(207)	(106)	(118)
<i>Management and Policy Actions:</i>				
Additional Fare Increases (from February Plan)	(50)	(100)	(100)	(100)
Additional Labor Expense - TWU Settlement and Pattern	(235)	(140)	(230)	(270)
Safety & Security Actions to be Allocated	(11)	(11)	(11)	(11)
Additional Pension Pre-payment	-	(500)	515	-
Reimbursement from OPEB Trust	39	56	57	70
<i>Other:</i>				
FEMA COVID Reimbursement	-	250	(133)	(149)
New Government Funding or Additional MTA Actions (from February Plan)	(600)	-	-	-
Prior Year Carryover	(\$3)	(\$1)	\$0	\$0
JULY FINANCIAL PLAN 2024-2027				
NET CASH SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0

Footnotes for Cash Reconciliation (after Below-the-Line Adjustments)

¹ Local Subsidy Available Due to Federal COVID Funding was used to prepay 2023 and 2024 MTA Sponsored pension plan expenses for Long Island Rail Road, Metro-North Railroad and New York City Transit.

² Includes OTPS and reimbursable adjustments, adjusted fare media liability, operating capital, adjusted COVID-related expenditures and cash adjustments.

³ Expenses related to the expansion of the ABLE program are incorporated in All Other New Needs and are offset by additional revenue from fines, which are captured in Subsidies.

⁴ Additional unidentified operational efficiencies are captured in Volume 1.

⁵ 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.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2024 - 2027
Consolidated Subsidies
Cash Basis
(\$ in Millions)

	Actual 2022	Mid-Year Forecast 2023	Preliminary Budget 2024	2025	2026	2027
MMTOA, PBT, Real Estate Taxes and Other						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$2,601.0	\$2,838.5	\$2,991.0	\$2,991.0	\$2,991.0	\$3,050.8
Petroleum Business Tax (PBT)	585.7	611.2	615.3	615.3	615.3	615.3
Mortgage Recording Tax (MRT)	647.9	365.5	455.4	498.6	540.9	569.6
<i>MRT Transfer to Suburban Counties</i>	<i>(20.9)</i>	<i>(18.0)</i>	<i>(11.7)</i>	<i>(13.0)</i>	<i>(14.5)</i>	<i>(15.8)</i>
<i>MTA Bus Debt Service</i>	<i>(12.2)</i>	<i>(12.3)</i>	<i>(12.3)</i>	<i>(12.6)</i>	<i>(14.5)</i>	<i>(13.6)</i>
<i>Interest on MRT Receipts</i>	<i>9.3</i>	<i>6.2</i>	<i>6.2</i>	<i>6.2</i>	<i>6.2</i>	<i>6.2</i>
Urban Tax	<u>729.5</u>	<u>374.7</u>	<u>511.9</u>	<u>542.7</u>	<u>575.5</u>	<u>578.9</u>
	\$4,540.4	\$4,166.0	\$4,555.8	\$4,628.2	\$4,699.8	\$4,791.3
PMT and MTA Aid						
Payroll Mobility Tax (PMT)	\$1,796.9	\$2,238.2	\$3,020.5	\$3,150.1	\$3,277.7	\$3,403.7
Payroll Mobility Tax Replacement Funds	244.3	244.3	244.3	244.3	244.3	244.3
MTA Aid	<u>263.3</u>	<u>282.7</u>	<u>282.9</u>	<u>283.1</u>	<u>283.3</u>	<u>283.5</u>
	\$2,304.5	\$2,765.2	\$3,547.7	\$3,677.5	\$3,805.3	\$3,931.5
For-Hire Vehicle (FHV) Surcharge						
Subway Action Plan Account	\$300.0	\$300.0	\$300.0	\$300.0	\$300.0	\$300.0
Transfer from OBTA into Operating Budget Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
General Transportation Account	<u>0.0</u>	<u>15.1</u>	<u>47.6</u>	<u>67.5</u>	<u>69.6</u>	<u>71.7</u>
	\$300.0	\$315.1	\$347.6	\$367.5	\$369.6	\$371.7
Automated Bus Lane Enforcement (ABLE) Violations	\$4.4	\$9.9	\$45.3	\$40.8	\$38.2	\$38.2
Peer-to-Peer Car Sharing Trip Tax	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Capital Program Funding from Lockbox Revenues						
Central Business District Tolling Program (CBDTP)	\$0.0	\$0.0	\$600.0	\$1,000.0	\$1,000.0	\$1,000.0
Real Property Transfer Tax Surcharge (Mansion Tax)	524.4	311.7	320.6	332.8	335.7	335.8
Internet Marketplace Tax -NYS	152.6	154.2	155.7	157.3	158.8	160.4
Internet Marketplace Tax - NYC	<u>173.0</u>	<u>174.7</u>	<u>176.5</u>	<u>178.2</u>	<u>180.0</u>	<u>181.8</u>
Subtotal:	850.0	640.6	1,252.8	1,668.3	1,674.5	1,678.0
<i>Less: Debt Service on Lockbox Bonds</i>	<i>(13.4)</i>	<i>(96.2)</i>	<i>(155.6)</i>	<i>(399.6)</i>	<i>(733.2)</i>	<i>(1,020.1)</i>
<i>Less: Lockbox Allocated to PAYGO</i>	<i>(838.9)</i>	<i>(544.4)</i>	<i>(1,097.1)</i>	<i>(1,268.7)</i>	<i>(941.3)</i>	<i>(657.9)</i>
	(\$2.3)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
State and Local Subsidies						
State Operating Assistance	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	189.3	187.9	187.9	187.9	187.9	187.9
Station Maintenance	190.7	197.6	202.3	206.8	211.3	216.1
State General Fund Subsidy	<u>0.0</u>	<u>300.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$567.9	\$873.5	\$578.1	\$582.7	\$587.2	\$591.9
Casino License Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$500.0	\$500.0
Investment Income	\$10.7	\$8.0	\$7.0	\$6.0	\$6.0	\$6.0
Other Subsidy Adjustments						
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)	63.7	1.3	(6.9)	0.0	0.0	0.0
Committed to Capital Program Contributions	(120.2)	(114.1)	(108.8)	(103.8)	(99.0)	(94.4)
Local Subsidy Available Due to Federal COVID Funding	598.8	1,237.1	16.9	38.1	217.9	548.3
Local Subsidy to Cover Labor Reserve	(278.8)	0.0	0.0	0.0	0.0	0.0
Local Subsidy to Cover General Reserve	<u>(185.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$67.0	\$1,112.8	(\$110.4)	(\$77.2)	\$107.4	\$442.4
Subtotal: Taxes & State and Local Subsidies	\$7,792.5	\$9,250.6	\$8,971.3	\$9,225.6	\$10,113.6	\$10,673.1
Other Funding Agreements						
City Subsidy for MTA Bus Company	\$521.5	\$524.8	\$527.9	\$529.6	\$671.4	\$809.8
City Subsidy for Staten Island Railway	24.4	55.1	63.0	49.4	71.9	70.9
CDOT Subsidy for Metro-North Railroad	<u>264.0</u>	<u>260.3</u>	<u>258.0</u>	<u>279.1</u>	<u>285.9</u>	<u>301.4</u>
	\$810.0	\$840.2	\$848.9	\$858.1	\$1,029.2	\$1,182.1
Subtotal, including Other Funding Agreements	\$8,602.5	\$10,090.8	\$9,820.2	\$10,083.7	\$11,142.9	\$11,855.2
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	<u>\$1,193.2</u>	<u>\$1,263.1</u>	<u>\$1,248.4</u>	<u>\$1,131.9</u>	<u>\$1,083.9</u>	<u>\$1,020.4</u>
	\$1,193.2	\$1,263.1	\$1,248.4	\$1,131.9	\$1,083.9	\$1,020.4
TOTAL SUBSIDIES	\$9,795.7	\$11,353.9	\$11,068.6	\$11,215.6	\$12,226.7	\$12,875.6

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

	2023	2024	2025	2026
MMTOA, PBT, Real Estate Taxes and Other				
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$75.2	\$227.6	\$227.6	\$227.6
Petroleum Business Tax (PBT)	0.5	3.6	3.6	3.6
Mortgage Recording Tax (MRT)	(267.4)	(193.6)	(176.1)	(143.9)
MRT Transfer to Suburban Counties	(6.4)	0.4	(0.6)	(2.1)
Interest on MRT Receipts	0.0	0.0	0.0	0.0
Urban Tax	<u>(125.4)</u>	<u>(25.2)</u>	<u>(34.1)</u>	<u>(17.1)</u>
	(\$323.5)	\$12.8	\$20.5	\$68.1
PMT and MTA Aid				
Payroll Mobility Tax (PMT)	\$452.3	\$1,190.7	\$1,275.8	\$1,361.0
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0
MTA Aid	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$452.3	\$1,190.7	\$1,275.8	\$1,361.0
For-Hire Vehicle (FHV) Surcharge				
Subway Action Plan Account	\$0.0	\$0.0	\$0.0	\$0.0
Transfer from OBTA into Operating Budget Subsidies	0.0	0.0	0.0	0.0
General Transportation Account	<u>(13.6)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$13.6)	\$0.0	\$0.0	\$0.0
Automated Bus Lane Enforcement (ABLE) Violations				
	\$7.0	\$42.4	\$37.9	\$35.3
Peer-to-Peer Car Sharing Trip Tax				
	\$0.2	\$0.2	\$0.2	\$0.2
Capital Program Funding from Lockbox Revenues				
Central Business District Tolling Program (CBDTP)	\$0.0	(\$150.0)	\$0.0	\$0.0
Real Property Transfer Tax Surcharge (Mansion Tax)	0.0	0.0	0.0	0.0
Internet Marketplace Tax - NYS	0.0	0.0	0.0	0.0
Internet Marketplace Tax - NYC	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal:	0.0	(150.0)	0.0	0.0
Less: Debt Service on Lockbox Bonds	34.4	20.0	41.1	83.2
Less: Lockbox Allocated to PAYGO	<u>(34.4)</u>	<u>130.0</u>	<u>(41.1)</u>	<u>(83.2)</u>
	\$0.0	\$0.0	\$0.0	\$0.0
State and Local Subsidies				
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance	0.0	0.0	0.0	0.0
Station Maintenance	(2.3)	(1.4)	(0.8)	(0.9)
State General Fund Subsidy	<u>300.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$297.7	(\$1.4)	(\$0.8)	(\$0.9)
Casino License and Gaming Tax Revenues				
	\$0.0	\$0.0	\$0.0	\$500.0
Investment Income				
	\$7.7	\$6.7	\$5.7	\$5.7
Other Subsidy Adjustments				
NYCT Charge Back of MTA Bus Debt Service	\$0.0	\$0.0	\$0.0	\$0.0
Forward Energy Contracts Program - Gain/(Loss)	(17.6)	(6.9)	0.0	0.0
Committed to Capital Program Contributions	0.0	0.0	0.0	0.0
Local Subsidy Available Due to Federal COVID Funding	<u>(548.3)</u>	<u>(884.7)</u>	<u>(989.9)</u>	<u>(432.1)</u>
	(\$565.9)	(\$891.6)	(\$989.9)	(\$432.1)
Subtotal: Taxes & State and Local Subsidies	(\$138.0)	\$359.8	\$349.3	\$1,537.3
Other Funding Agreements				
City Subsidy for MTA Bus Company	\$8.8	\$11.9	(\$245.9)	(\$143.5)
City Subsidy for Staten Island Railway	2.4	3.4	(4.3)	(6.0)
CDOT Subsidy for Metro-North Railroad	<u>(6.7)</u>	<u>(23.7)</u>	<u>(17.1)</u>	<u>(18.6)</u>
	\$4.5	(\$8.4)	(\$267.4)	(\$168.2)
Subtotal, including Other Funding Agreements	(\$133.5)	\$351.5	\$82.0	\$1,369.1
Inter-agency Subsidy Transactions				
B&T Operating Surplus Transfer	<u>\$292.7</u>	<u>\$290.2</u>	<u>\$248.0</u>	<u>\$248.6</u>
	\$292.7	\$290.2	\$248.0	\$248.6
TOTAL SUBSIDIES	\$159.2	\$641.7	\$330.0	\$1,617.7

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2024-2027
Debt Affordability Statement after Below-the-Line Adjustments ⁽¹⁾
 \$ in millions

Forecasted Debt Service and Borrowing Schedule		Notes	2022 ACTL	2023	2024	2025	2026	2027
Combined MTA/TBTA Forecasted Debt Service Schedule		1, 2, 3	\$3,121.2	\$2,683.1	\$2,826.1	\$2,928.1	\$2,985.6	\$3,302.8
Forecasted New Long-Term Bonds Issued		4	-	515.0	2,039.6	545.7	572.7	559.8
Forecasted Debt Service by Credit ⁹		Notes	2022 ACTL	2023	2024	2025	2026	2027
Transportation Revenue Bonds								
Pledged Revenues		5	\$12,763.4	\$14,948.9	\$15,595.6	\$15,872.6	\$16,222.7	\$16,483.7
Debt Service		10	1,720.7	1,397.2	1,310.7	1,267.9	1,325.4	1,436.4
Debt Service as a % of Pledged Revenues			13%	9%	8%	8%	8%	9%
Dedicated Tax Fund Bonds								
Pledged Revenues		6	\$585.7	\$611.3	\$615.3	\$615.3	\$615.3	\$615.3
Debt Service		10	474.8	234.0	268.3	284.7	245.1	319.6
Debt Service as a % of Pledged Revenues			81%	38%	44%	46%	40%	52%
Payroll Mobility Tax Bonds								
Pledged Revenues		7	\$2,060.2	\$2,520.9	\$3,303.5	\$3,433.2	\$3,561.0	\$3,687.2
Debt Service		10	231.0	355.9	549.1	562.6	577.8	659.3
Debt Service as a % of Pledged Revenues			11%	14%	17%	16%	16%	18%
Triborough Bridge and Tunnel Authority General Revenue Bonds								
Pledged Revenues		8	\$1,870.9	\$1,887.7	\$1,948.1	\$1,927.7	\$1,914.5	\$1,899.4
Debt Service		10	587.2	607.4	656.6	772.0	821.3	872.5
Debt Service as a % of Total Pledged Revenues			31%	32%	34%	40%	43%	46%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds								
Pledged Revenues		9	\$1,283.7	\$1,280.3	\$1,291.5	\$1,155.6	\$1,093.3	\$1,026.9
Debt Service		10	102.7	75.7	18.3	16.0	-	-
Debt Service as a % of Total Pledged Revenues			8%	6%	1%	1%	0%	0%
Triborough Bridge and Tunnel Authority 2nd Subordinate Revenue Bonds								
Pledged Revenues		11	\$1,181.0	\$1,204.6	\$1,273.2	\$1,139.6	\$1,093.3	\$1,026.9
Debt Service		10	-	8.6	18.5	20.9	12.9	12.9
Debt Service as a % of Total Pledged Revenues			0%	1%	1%	2%	1%	1%
2 Broadway Certificates of Participation								
Lease Payments			\$4.7	\$4.4	\$4.7	\$3.9	\$3.0	\$2.1
Cumulative Debt Service (Excluding State Service Contract Bonds)		Notes	2022 ACTL	2023	2024	2025	2026	2027
Total Debt Service before Below-the-Line Adjustments:		1, 2, 3	\$3,121.2	\$2,683.1	\$2,826.1	\$2,928.1	\$2,985.6	\$3,302.8
Fare and Toll Revenues before Below-the-Line Adjustments			\$6,356.1	\$7,051.4	\$7,592.3	\$7,742.0	\$7,894.8	\$8,070.1
Total Debt Service as a % of Fare/Toll Revenue			49.1%	38.1%	37.2%	37.8%	37.8%	40.9%
Operating Revenues (including Fare/Toll Revenues) and Subsidies			\$22,569.5	\$17,329.4	\$18,667.2	\$19,103.9	\$20,089.2	\$20,568.6
Total Debt Service as a % of Operating Revenues and Subsidies			13.8%	15.5%	15.1%	15.3%	14.9%	16.1%
Non-Reimbursable Exp with Debt Service without Non-Cash Liabilities			\$17,690.7	\$18,715.0	\$19,322.5	\$20,136.9	\$20,741.2	\$21,927.5
Total Debt Service as % of Non-reimbursable Expenses			17.6%	14.3%	14.6%	14.5%	14.4%	15.1%
Total Debt Service <u>after</u> Below the Line Adjustments:		12	\$3,121.2	\$2,683.1	\$2,826.1	\$2,928.1	\$2,985.6	\$3,302.8
Fare and Toll Revenues after Below the Line Adjustments		12	\$6,356.1	\$7,051.4	\$7,592.3	\$8,040.9	\$8,199.9	\$8,659.4
Total Debt Service as a % of Fare and Toll Revenue after BTL Adjustments			49.1%	38.1%	37.2%	36.4%	36.4%	38.1%
Operating Revenues and Subsidies after Below the Line Adjustments		12	\$22,569.5	\$17,618.7	\$19,073.6	\$19,562.6	\$20,456.0	\$21,172.5
Total Debt Service as a % of Operating Rev/Subsidies after BTL Adjs.			13.8%	15.2%	14.8%	15.0%	14.6%	15.6%
Non-reimbursable Exp with DS after Below the Line Adjustments		12	\$17,690.7	\$18,960.6	\$19,779.7	\$19,560.8	\$20,723.6	\$21,865.4
Total Debt Service as a % of Non-Reimbursable Exp after BTL Adjs.			17.6%	14.2%	14.3%	15.0%	14.4%	15.1%

Notes on the following page are integral to this table.

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

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

³ All debt service numbers reduced by Build America Bonds (BAB) subsidy.

⁴ 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, which are 30-year bonds, amortized on a level debt service basis over 20 years, from year 11 to year 30.

⁵ 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.

⁶ 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 SIRTOA.

⁷ Payroll Mobility Tax Obligations pledged revenues consist of Payroll Mobility Tax and Aid Trust Account Receipts.

⁸ 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.

⁹ 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.

¹⁰ A debt service schedule for each credit is attached as addendum hereto, net of investment income.

¹¹ 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.

¹² 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

The February Plan included a proposed 2023 increase in fare and toll rates that would generate an annualized 5.5 percent increase in farebox and toll revenue, effective in June 2023. Additional State financial support has resulted in an amended proposed 2023 increase, of 4 percent for farebox revenue and 5.5 percent for toll revenue effective in August. The additional revenue from these actions is included in Agency baseline financial plans presented in Volume 2 of this Plan. This Plan includes proposed fare and toll increases in 2025 and 2027, and the additional revenue anticipated from these actions are below-the-line in Volume 1.

Fare and Toll Increase in January 2025 – An increase in fares and tolls, yielding a 4 percent overall increase in farebox and toll revenues, is assumed for implementation in January 2025 and is projected to generate \$299 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase \$299 million in 2025, \$305 million in 2026 and \$312 million in 2027. Factoring in subsidy impacts for MTA Bus, SIR and B&T (10 percent 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 \$285 million in 2025, \$297 million in 2026 and \$304 million in 2027. Compared with the February Plan, net projections are favorable by \$75 million in 2025 and \$14 million in 2026. These changes are primarily driven by higher baseline farebox and toll revenues, and the proposed implementation date advancing from April to January.

Fare and Toll Increase in March 2027 – An increase in fares and tolls, yielding a 4% overall increase in farebox and toll revenues, is assumed for implementation in March 2027 and is projected to generate a \$325 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by \$277 million in 2027. Factoring in the subsidy impacts for MTA Bus, SIR and B&T, the net increase to the MTA is \$265 million in 2027.

MTA Consolidated Utilization

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

		Mid-Year Forecast	Preliminary Budget	2025	2026	2027
		<u>2023</u>	<u>2024</u>			
Fare Revenue						
Long Island Rail Road	Baseline	\$559.1	\$630.7	\$652.2	\$673.2	\$687.9
	2025 Yield Increase	0.000	0.000	26.087	26.929	27.515
	2027 Yield Increase	0.000	0.000	0.000	0.000	24.463
		\$559.1	\$630.7	\$678.3	\$700.2	\$739.9
Metro-North Railroad ¹	Baseline	\$515.4	\$556.2	\$564.0	\$571.8	\$580.9
	2025 Yield Increase	0.000	0.000	12.011	12.210	12.445
	2027 Yield Increase	0.000	0.000	0.000	0.000	11.207
		\$515.4	\$556.2	\$576.0	\$584.0	\$604.6
MTA Bus Company ²	Baseline	\$172.4	\$190.0	\$196.2	\$202.9	\$208.1
	2025 Yield Increase	0.000	0.000	7.850	8.117	8.325
	2027 Yield Increase	0.000	0.000	0.000	0.000	7.380
		\$172.4	\$190.0	\$204.1	\$211.0	\$223.8
New York City Transit ³	Baseline	\$3,351.2	\$3,688.3	\$3,799.4	\$3,913.5	\$4,056.7
	2025 Yield Increase	0.000	0.000	151.745	156.541	162.269
	2027 Yield Increase	0.000	0.000	0.000	0.000	143.291
		\$3,351.2	\$3,688.3	\$3,951.1	\$4,070.1	\$4,362.3
Staten Island Railway ²	Baseline	\$4.3	\$4.8	\$5.0	\$5.1	\$5.3
	2025 Yield Increase	0.000	0.000	0.199	0.205	0.212
	2027 Yield Increase	0.000	0.000	0.000	0.000	0.187
		\$4.3	\$4.8	\$5.2	\$5.3	\$5.7
Total Farebox Revenue	Baseline	\$4,602.3	\$5,070.1	\$5,216.8	\$5,366.6	\$5,538.9
	2025 Yield Increase	0.000	0.000	197.892	204.002	210.766
	2027 Yield Increase	0.000	0.000	0.000	0.000	186.528
		\$4,602.3	\$5,070.1	\$5,414.7	\$5,570.6	\$5,936.2
Toll Revenue						
Bridges & Tunnels ⁴	Baseline	\$2,449.1	\$2,522.4	\$2,525.7	\$2,529.0	\$2,532.3
	2025 Yield Increase	0.000	0.000	101.029	101.160	101.292
	2027 Yield Increase	0.000	0.000	0.000	0.000	90.845
		\$2,449.1	\$2,522.4	\$2,626.7	\$2,630.2	\$2,724.4
TOTAL FARE & TOLL REVENUE						
	Baseline	\$7,051.4	\$7,592.5	\$7,742.5	\$7,895.6	\$8,071.2
	2025 Yield Increase	0.000	0.000	298.920	305.162	312.058
	2027 Yield Increase	0.000	0.000	0.000	0.000	277.373
		\$7,051.4	\$7,592.5	\$8,041.4	\$8,200.7	\$8,660.6

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

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

³ New York City Transit utilization figures include Paratransit and Fare Media Liability.

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

Below-the-Line Adjustments

MTA Operating Efficiencies – The February Plan included anticipated savings from operating efficiencies initiatives of \$100 million in 2023, \$400 million in 2024, \$408 million in 2025 and \$416 million in 2026. Significant progress has been made to identify initiatives, and savings from those identified initiatives are included in Agency baseline financial plans. There remain, however, savings targets of \$193 million in 2024, \$202 million in 2025, \$196 million in 2026 and \$244 million in 2027 still to be identified. Additionally, savings targets have been increased by \$100 million beginning in 2025, with the additional savings target growing to \$102 million in 2026 and \$104 million in 2027.

Additional Labor Expense – TWU Settlement and Pattern – The Plan also recognizes the recent negotiated settlement with TWU Local 100. While the settlement awaits ratification of the bargaining unit's membership and the MTA Board, the net economic value of that agreement informs the Plan's assumptions for growth in labor costs for all represented MTA bargaining units. The fiscal impact throughout the MTA has been estimated and is included as a below-the-line adjustment to this Plan. If, as expected, the TWU Local 100 contract is ratified, the settlement – and the impact of the agreement on other bargaining units – will be incorporated into each Agency's baseline financial plans in the November Plan. Previous financial plans had assumed two percent annual wage increases, while the pending TWU Local 100 agreement calls for annual increases of three percent annually for the first two years and 3.5 percent for the third year. Over the Plan period, the additional net labor expenses are estimated to increase by \$1.15 billion. Other costs and savings from the agreement, likewise, will be incorporated into the November Plan.

Reimbursement from OPEB Trust – In 2023, MTA deposited \$1.32 billion of Local Subsidy into its OPEB Trust to provide for future retiree health expenses. This Plan anticipates the use of \$258 million towards OPEB Current Payment expenses to partially cover retiree health benefits costs over the Plan period.

Safety & Security Actions to be Allocated – With the additional State funding, the MTA is making \$35 million in annual investments in safety and fare enforcement efforts. In this Plan, \$24 million in investments have been identified and are included in Agency baseline financial plans, with the remaining \$11 million to be allocated shortly.

Additional Pension Pre-payment – A \$500 million pre-payment of 2025 Pension expense will be made in 2024, which is expected to save \$15 million.

FEMA COVID Reimbursement – MTA is assuming reimbursement of direct COVID-related expenses through the Federal Emergency Management Agency (FEMA) of \$250 million in 2023, \$350 million in 2024, and \$117 million in 2025. The \$717 million total expected in FEMA Reimbursement is unchanged from the February Plan, although earlier receipt of these funds is assumed.

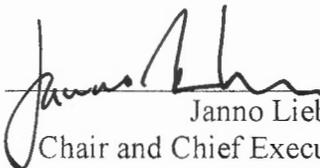
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IV. Appendix

**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: 1.14.23

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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.