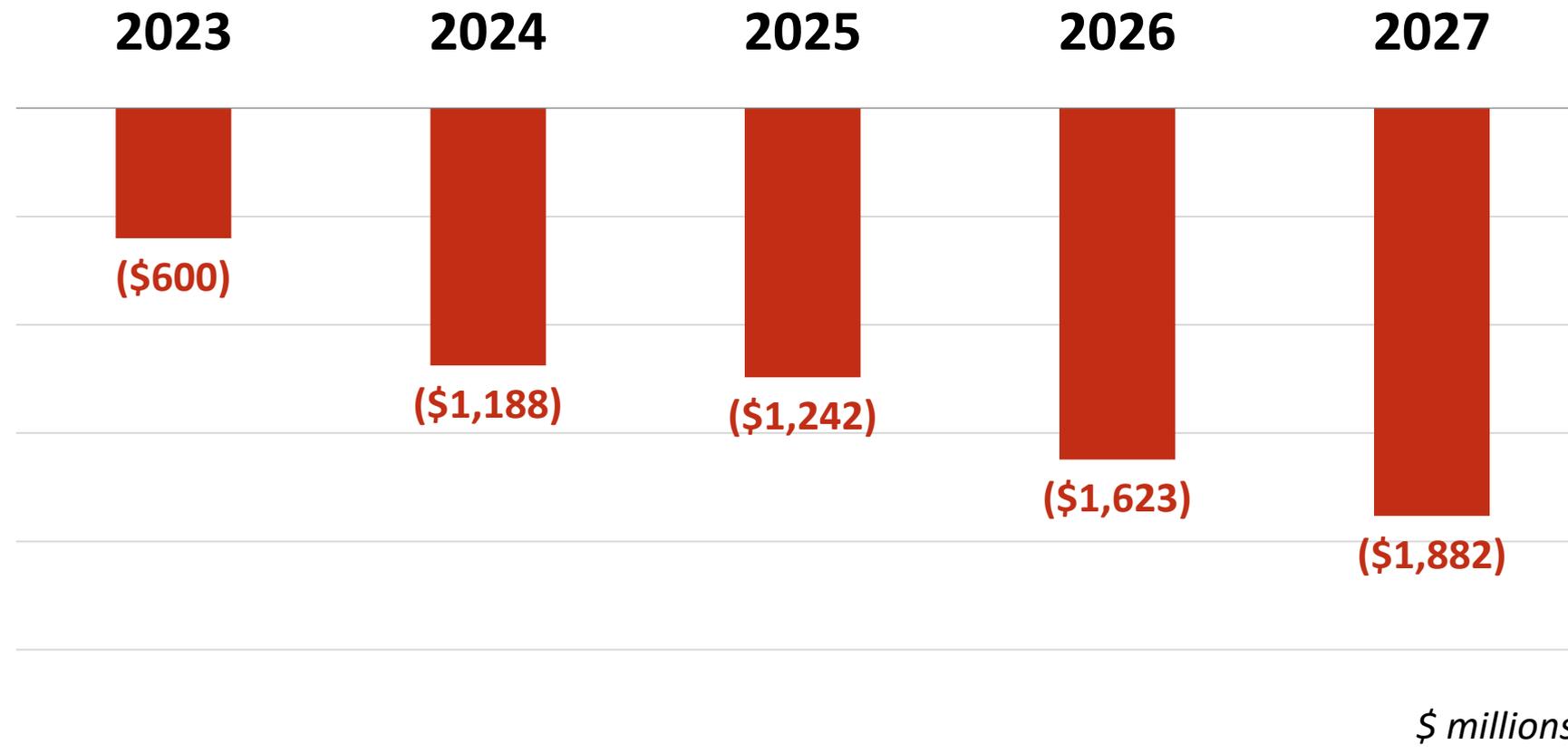

Metropolitan Transportation Authority

July 2023 Financial Plan Presentation

7/17/2023



The prior financial plan had significant unfunded deficits to resolve



...but projected deficits have now been eliminated



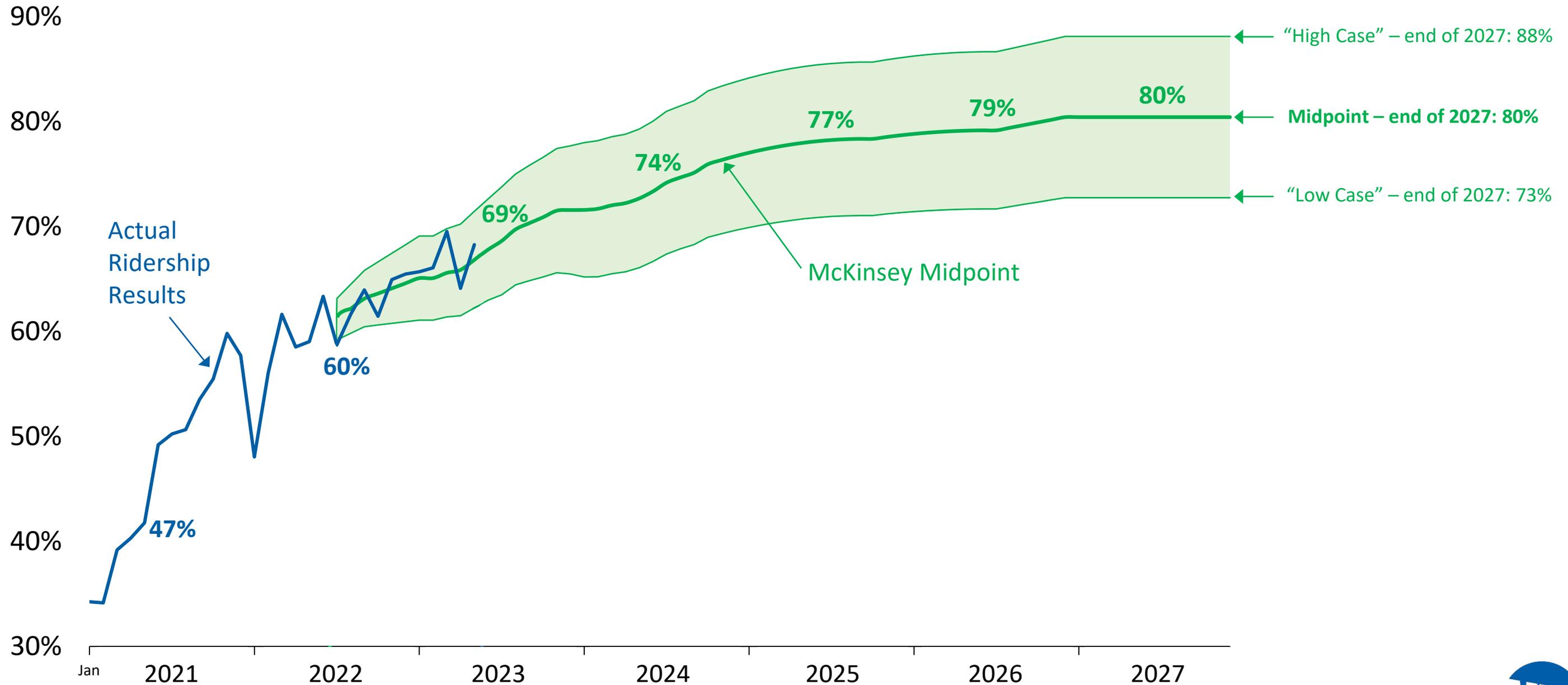
Decisive action by the Governor and Legislature, combined with MTA operating savings and a modest fare and toll increase have addressed these deficits



July Financial Plan

- Forecast period extends one year, giving a preliminary view of 2027 estimates
- Forecast of ridership recovery continues to be based on McKinsey midpoint
- State dedicated revenues reflect State budget agreement and revised receipt estimates
- Re-estimated agency expense budgets and debt service projections
 - Incorporates TWU agreement and pattern MTA-wide
- 4% fare increase and 5.5% toll increase by the end of August
- 4% fare and toll increase assumed in 2025 and 2027

Ridership recovery is tracking the midpoint projection



Note: Includes transit and commuter railroads.



Major changes to July Financial Plan Projections since December budget

For the 5-year period (2023-2027):

- State budget agreement provides **\$6,551 million** to eliminate previous projected deficits
-

- Labor expenses **higher by \$1,150 million**

- Mortgage recording taxes and other real estate taxes **lower by \$1,137 million**
-

- Other dedicated taxes **higher by \$1,517 million**

- Additional tolls and higher fare estimates provide an **additional \$1,242 million**
-

The operating budget is projected to be in balance

<i>\$ millions</i>	2023	2024	2025	2026	2027	Total 2023-2027
Previously forecast MTA deficits (reduced by efficiencies, etc.)	(600)	(1,188)	(1,242)	(1,623)	(1,882)	(6,535)
Enacted State budget forecasted net benefit	724	1,127	1,188	1,734	1,779	6,551
PMT increase	419	1,112	1,158	1,204	1,249	5,141
Increase funding for paratransit	80	165	165	165	165	740
One-time direct State subsidy	300					300
Casino license revenue				500	500	1,000
Additional service-related expenses and lower fare increase	(75)	(150)	(135)	(135)	(135)	(630)
Other forecasted changes since December	(124)	61	54	(111)	103	(17)
Labor settlement vs. plan assumption	(235)	(140)	(230)	(270)	(275)	(1,150)
Lower real estate tax receipts	(393)	(219)	(210)	(161)	(154)	(1,137)
Change in health & welfare, and other non-payroll labor expenses	83	36	(78)	(124)	(221)	(304)
Change in non-labor expenses	116	81	74	106	81	458
Higher other dedicated taxes	82	344	387	423	281	1,517
Additional tolls from traffic growth and higher fare estimates	106	270	281	283	302	1,242
Additional MTA operating efficiencies above \$400 million per year			100	102	104	306
OPEB Trust disbursements deferred					(600)	(600)
Timing shift of cash resources and other net changes	118	(311)	(270)	(470)	584	(349)
MTA Revised (Deficit)/Surplus	0	0	0	0	0	0

Risks to the financial plan

Assumption	Risk	Potential Annual Cost
1 Continued paid ridership recovery	Lower growth vs 10% increase assumed by 2026	(\$325 million) per year for 5% lower recovery
2 Dedicated tax receipts	Slower economy / recession	(\$250 to \$750 million) per year
3 Casino revenue	Timing slower than anticipated	(\$500 million) per year in 2026 and 2027
4 MTA operating efficiencies	Less than full implementation	(\$400 to \$500 million) per year