S&P Global Ratings

RatingsDirect®

Metropolitan Transportation Authority; Joint Criteria; Transit

Primary Credit Analyst:
Joseph J Pezzimenti, New York + 1 (212) 438 2038; joseph.pezzimenti@spglobal.com

Secondary Contact:
Paul J Dyson, Austin + 1 (415) 371 5079; paul.dyson@spglobal.com

Table Of Contents

Metropolitan Transportation Authority; Joint Criteria; Transit

Credit Profile		
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transportation Authority transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AMBAC)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded

Credit Highlights

- S&P Global Ratings raised its long-term rating and SPUR on the Metropolitan Transportation Authority (MTA), N.Y.'s transportation revenue bonds (TRBs) outstanding to 'A-' from 'BBB+'.
- We upgraded the long-term component of our dual ratings on various MTA variable-rate TRBs with enhancement by letters of credit (LOCs) from The Toronto-Dominion Bank to 'AA' from 'AA-', while the short-term component remained at 'A-1+'.
- We upgraded the long-term component of our dual ratings on various MTA variable-rate TRBs with enhancement by LOCs from Bank of America N.A., Bank of Montreal, Barclays Bank PLC, and PNC Bank N.A. to 'AA' from 'AA-', while the short-term component remained at 'A-1'.
- The outlook, where applicable, is positive.
- The upgrade is driven by a combination of improving ridership, increased financial flexibility and operating stability resulting from the State of New York's decision to increase the Payroll Mobility Tax (PMT) to enhance one of MTA's recurring revenue sources to help offset lower fare revenues, and the demonstrated essentiality of the transit system as evidenced by repeated strong support of the authority at the federal, state, and local levels during and following the pandemic.
- The positive outlook reflects our opinion that there is at least a one-in-three chance we could raise the rating over the two-year outlook period if MTA is able to meet or exceed near-term expectations. Better clarity regarding the cost and funding plan of the authority's next capital program will also be an important consideration.

Security

The TRBs are secured by MTA gross revenue before payment of expenses of MTA, the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA), the Long Island Rail Road Co. (LIRR), Metro-North Commuter Railroad Co. (MNCRC), and MTA Bus Co. The pledged revenue consists of fares and other operating receipts from MTA subsidiaries (MTA Bus, LIRR, and MNCRC) and affiliates (the New York City Transit Authority and MaBSTOA). Also securing the bonds are MTA nonoperating revenue, which consists of

Triborough Bridge and Tunnel Authority (TBTA) surplus revenue, various tax revenue, subsidies, interest, and other miscellaneous MTA income. The authority also receives a cash subsidy from the U.S. Treasury for its Build America Bonds. The subsidy payments are not part of the trust estate of the transportation resolution.

TRB provisions include a gross revenue pledge and a rate covenant that requires sufficiency, whereby pledged revenue, along with other available money or money anticipated to be available, is sufficient to cover annual operating expenses and debt service. The authority is statutorily required to operate on a self-sustaining basis each year, which MTA officials interpret as a balanced budget (using cash balances carried over from previous years in some years) for financial planning purposes. Although the bonds lack a debt service reserve fund, MTA's liquidity, including lines of credit, and strong market access offset this.

As of Sept. 14, 2023, the authority had consolidated, all-inclusive debt of approximately $49.2 billion, which includes a $2.9 billion deficit financing completed in December 2020 in the form of PMT bond anticipation notes (BANs) to ensure a budgetary balance. As a result of the added support provided by the State of New York and New York City along with other actions taken by the authority internally in the form of raising fares and toll rates and cost savings from operational efficiencies, the BAN proceeds are no longer necessary. As a result, MTA is planning to redeem the BANs with MTA funds and unspent proceeds at or before the BANs mature in December 2023.

Credit overview

The rating action is spurred by improving ridership performance as well as increased financial flexibility and operating stability resulting from the State of New York's decision to raise the PMT to enhance one of MTA's recurring revenue sources to help offset lower fare revenues. The essentiality of the transit system, evidenced by the strong support provided to the authority at the federal, state, and local levels during and following the pandemic, was also a key consideration.

Key credit strengths of MTA are:

- Its monopolistic business position, high essentiality, and strong political support at the federal, state, and local levels because of its status as a critical service provider to the New York metropolitan area.
- Extremely strong service area economic fundamentals, including favorable levels of economic activity as measured by GDP per capita and a populous service area that more than offsets low expected population growth.
- Greater financial flexibility and stability with approximately 60% of revenues from relatively stable tax-supported subsidies, up from 40%, improving MTA's ability to maintain steady financial metrics, raising fares and toll rates, and adjusting expenses and capital spending as needed.
- Continued extremely strong management and governance reflected in the current financial plan through 2027 demonstrating balanced budgets through a combination of added financial support, fare and toll rate increases, and cost savings initiatives with a goal of limiting annual debt service growth to 3% as the authority issues debt to fund capital needs.

MTA's key credit weaknesses are:

- The potential for financial metrics to be pressured if permanent changes in remote work arrangements cause ridership levels to plateau soon or recover slower than planned and the congestion pricing program (starting in May

2024) causes material toll traffic declines across the authority's tunnels and bridges.

- Ongoing significant capital needs that require substantial additional debt to finance, pressuring financial metrics.

For the first time in many years, MTA projected balanced operating budgets through 2027 as detailed in its July financial plan. Although this outcome is contingent on many below-the-line adjustments that might not be fully realized, we view potential resulting deficits as manageable and much smaller than those forecast in previous financial plans. Nevertheless, some uncertainties remain. Where ridership levels will ultimately settle is still unclear. The impact of congestion pricing on TBTA revenues, which provide some support to MTA operations, also creates a measure of uncertainty, potentially causing a new revenue gap should it reduce traffic volume on MTA's tunnels and bridges. Furthermore, the authority is developing its next multiyear capital program for which the cost and funding plan will not be known until the fall of 2024. These unknowns currently constrain the rating. Nevertheless, there is potential for MTA's overall creditworthiness to improve over the two-year outlook period if we believe the authority can maintain financial metrics consistent with a higher rating. We expect to have more clarity on ridership levels, congestion pricing program effects, and the cost and financing plan of MTA's next multiyear capital program over our outlook horizon.

As of July 26, 2023, MTA had liquidity resources of approximately $8.1 billion, which we expect will drop to about $5 billion, a level management would like to hold near, after it pays off its $2.9 billion PMT BANs before the December 2023 maturity date.

Net preliminary year-to-date operating results for eight months ended Aug. 31, 2023, are trending favorably, $277 million or 8% higher than the midyear forecast for 2023 included in the July financial plan. Lower operating expenses and debt service expenses more than offset slightly lower operating revenue, and subsidies contributed to these year-to-date results.

Environmental, social, and governance

For the SPUR on MTA's debt, we analyzed the authority's governance risks and view them as largely credit neutral. We view the authority's comprehensive financial planning and disclosure practices as credit supportive. However, we view environmental and social capital risks as a potential weakness in terms of recovery and exposures to extreme weather events as well as various climate hazards over the long term. More specifically, portions of the MTA system are exposed to the coastline and the acute and chronic effects of sea level rise and severe weather events that could disrupt operations, which is consistent with transportation infrastructure providers in other coastal municipalities. The authority and the city have mitigated this risk by implementing infrastructure projects to harden assets and raising sea walls to protect vulnerable areas of the city and buffer residents from the effects of climate change. We believe ridership could be slow to return to pre-pandemic levels due to potential modifications to working conditions that result in a gradual return to the office and flexibility to work remotely. Furthermore, despite the city's elevated social risks stemming from its high cost of living and housing affordability concerns, we believe MTA somewhat mitigates this risk as a low-cost and reliable provider of transportation. We will monitor how these risks could affect MTA's credit profile over the long term.

Outlook

The positive outlook reflects our opinion that there is at least a one-in-three chance we could raise the rating over the two-year outlook period.

Downside scenario

We could revise the outlook to stable if weaker fare revenue and toll revenue performance causes persistently weaker all-in net debt service coverage (S&P Global Ratings-calculated) trends or if we believe the funding of the authority's next multiyear capital program will pressure financial metrics.

Upside scenario

We could raise the SPUR over the two-year outlook period if MTA is able to meet or exceed near-term expectations and can maintain all-in coverage (S&P Global Ratings-calculated) near 1x as it debt finances a portion of its capital programs. The impact of congestion pricing on tunnel and bridge tolled traffic, details regarding the cost and funding plan of MTA's next capital program, and where ridership ultimately settles will be important considerations. Additional enhancement to recurring revenue streams or establishing new recurring revenue streams are examples of management actions that would give us assurances of MTA's ability to maintain all-in coverage close to 1x, per our calculations, on a sustainable basis should ridership levels and toll traffic volumes trend lower than expected. One-time or temporary actions to achieve a balanced budget would be less compelling, in our view, to raise the rating.

Credit Opinion

Enterprise Risk Profile: Now Extremely Strong

We have revised our enterprise risk profile assessment back to the pre-pandemic level of extremely strong from very strong, reflecting MTA's strong political support at the federal, state, and local levels; and the immense size of the system, with activity levels (though slowly recovering) that still rank it among the busiest transit systems in the world, providing essential mobility options to the New York City metro area.

Ridership recovery supports operating improvements

MTA's subway, bus, and commuter rail ridership numbers continue to improve, but are still materially lower than pre-pandemic levels, while tunnel and bridge tolled traffic remains at or above pre-pandemic levels (see chart 1). The lower ridership, in our opinion, is now attributable to remote work patterns and, to a lesser extent, the reluctance of passengers to return to mass transit because of reliability, service levels, or safety concerns. Improvements in farebox revenue, however, have exceeded ridership gains as remote work options have changed ticket purchasing behaviors with patrons paying more, on average, per trip, because of purchasing full price tickets instead of discounted multitrip tickets. MTA's 2024 preliminary budget and July 2024-2027 financial plan include a mid-2023 forecast that assumes a gradual annual ridership recovery to 80% of pre-pandemic levels by the end of 2026. By comparison, our current baseline and downside activity estimates for 2023-2026 show ridership for the mass transit sector improving to 80% of pre-pandemic levels by 2025 (baseline) and by 2026 (downside). For additional information, see "U.S. Transportation

Infrastructure 2023 Activity Estimates Show Air Travel Likely To Fully Recover, With Transit Ridership Still Lagging," published Jan 9, 2023, on RatingsDirect, and "U.S. Transportation Infrastructure Transit Update: End Of The Line Nears For Federal Assistance As Low Ridership Pressures Operators," Sept. 28, 2023.

Financial and political support at all levels

We consider the level of support the authority has received at the federal, state, and local levels significant. MTA received approximately $15.1 billion of combined federal relief under the CARES Act, Coronavirus Response and Relief Supplemental Appropriations Act, and American Rescue Plan Act, which allowed management time to assess the recovery in ridership and meet with key stakeholders to work out a solution to create a more resilient and sustainable business model, one that relies less on farebox revenues, which are sensitive to changes in ridership. The state had issued debt under its credit to help fund a part of MTA's capital program. It also agreed in its enacted budget this year to raise the PMT, increasing the amount of revenues MTA will receive each year by about $1.1 billion; and it has also agreed to allocate casino revenues to MTA, starting in 2026. Finally, New York City has agreed to extend and increase its commitment to covering paratransit expenses. The actions by these parties underscore the significance and importance this system has on a national, state, and local level.

Extremely strong management and governance

We view MTA's overall management team and organizational governance as extremely strong, based on management's commitment to achieving sustainable structural balance, as reflected in the current financial plan through 2027 that shows a balanced budget in each year. This balance was achieved by a combination of added financial support from key stakeholders, fare and toll rate increases, pre-paying debt service, and cost-saving initiatives to offset anticipated labor expense increases from recent outcome of labor negotiations, and a goal of limiting annual debt service growth to 3% as it issues debt to fund capital needs. Like actions taken in response to weaker revenue performance during the Great Recession, MTA's management team has taken steps to fortify the finances to reduce the authority's exposure to revenue sources that are sensitive to changes in ridership and toll traffic volumes by obtaining more recurring support from New York State and New York City to offset the revenue gap from lower ridership levels. This, and MTA's decision to be the first transit authority to implement a congestion pricing program in the U.S., exemplify the fiscally responsible and innovative measures taken to fund ongoing capital needs, while maintaining service levels.

Management has a record of implementing policies and strategies to mitigate key operational and financial risks, adjusting rates, capital spending, operating costs, cash management, accessing the capital markets, and obtaining local or federal support, when necessary, to achieve a balanced budget and funding for critical capital needs. In addition, management incorporates climate risk assessments into planning and operations. We consider MTA's budgeting and financial forecasting assumptions generally reasonable. The authority maintains multiyear financial forecast on a rolling basis that includes a series of gap-closing proposals to achieve budgetary balance, capital needs, justification for them, and a summary of the most likely capital improvement plan funding sources.

Financial Risk Profile: Improving but Still Vulnerable

Our financial risk profile assessment remains vulnerable, reflecting our expectation that MTA's all-in financial metrics, especially with S&P Global Ratings-calculated coverage hovering near break-even, will be pressured because of potentially slow recovering or plateauing ridership levels and significant ongoing capital needs that require a substantial amount of additional debt to finance.

Our expectations of breakeven operating performance

Although the July plan shows a balanced budget, such outcomes rely on many actions not yet realized. Over the plan period, we calculate all-in coverage that is less than or near 1x in each year, which we consider weak and consistent with a vulnerable financial risk profile, similar to coverage levels in 2018 and 2019 (see table 1). Our coverage calculation excludes use of cash reserves and nonrecurring revenue sources.

However, we view the permanent increase in PMT revenues authorized by the state, which substantially offsets the revenue gap from lower ridership, as a material and positive credit development, providing the authority with greater financial stability, flexibility, and revenue diversity. The increase in PMT revenues, in our opinion, stabilizes finances and operating performance by reducing the authority's sensitivity and reliance on fare revenues that are sensitive to changes in ridership. Our assessment also reflects our expectation that MTA's debt to net revenues will generally be within 15x-20x; and that the authority will hold $4 billion-$5 billion of available liquidity, equating to about 90 to 110 days' cash on hand and more than about 7.5% of debt (see table 2).

New York State's fiscal 2023-2024 enacted budget provides the authority with permanent revenue, including increases to the PMT, which is projected to generate approximately $1.1 billion more annually for MTA; extending the increase in NYC's contribution to MTA for paratransit services costs to June 30, 2030 from June 30, 2024, which is estimated to benefit MTA by about $165 million annually; and allocating a portion of casino revenues to the authority, providing $500 million in both 2026 and 2027 under the July plan, from license fees related to awarding two downstate casinos and another $500 million after 2027 from a third awarded license. In addition, a share of the gaming taxes from the downstate casinos after 2027 is also assumed in the July plan. However, the plan, shows a reliance on nonrecurring Federal Emergency Management Agency (FEMA) reimbursements of $250 million, $350 million, and $117 million in 2023, 2024, and 2025, respectively. The state's enacted budget also provides the authority with a one-time state subsidy of $300 million in 2023.

We view MTA's assumptions as reasonable

The authority's preliminary 2024 budget and July financial plan for 2024-2027 show a balanced budget through 2027 as a result of a baseline increase of farebox revenues, toll revenue, and dedicated taxes, and state and local subsidies of 20%, 3%, and 25%, respectively, from 2023 to 2027. This in combination with $1.15 billion in additional farebox and toll revenues collected 2025-2027 from fare and toll rate increases assumed in January 2025 and March 2027; $1.14 billion of accumulated cost savings from MTA operating efficiencies implemented 2024-2027; $467 million from non-recurring FEMA reimbursements in 2024 ($350 million) and 2025 ($117 million); a $500 million prepayment of 2025 pension expenses in 2024, resulting in $515 million in savings in 2025; and recurring reimbursements from MTA's OPEB trust fund, totaling $219 million 2024-2027. The July financial plan, in our opinion, does a good job of incorporating higher operating expenses, resulting from recent negotiated settlement with TWU Local 100, helping management better anticipate growth in labor costs for all represented MTA bargaining units. 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.

The July financial plan also includes several actions that were taken to reduce current and future expenses to achieve balanced budgets through 2027 and beyond. Such 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 other postemployment t benefits (OPEB) Trust, which will cover retiree health benefits ($1.32 billion). The July plan contains two additional actions. A 2024 pre-payment of $500 million toward 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 pandemic relief funding will also be applied to close remaining annual deficits with the plan assuming $1.24 billion of resources to close the 2023 deficit, followed by $17 million in 2024, $38 million in 2025, $218 million in 2026, and $548 million in 2027.

Ongoing significant capital needs could pressure financial metrics

The authority's currently approved $55.4 billion 2020-2024 capital program, of which $35 billion or 60% is debt financed, is over 65% higher than the 2015-2019 program. We expect the cost and funding plan for MTA's 2025-2029 capital program will be released in the fall of 2024 and will address key priorities detailed in the 20-year (2025-2044) needs assessment released later this month.

Significant tax support provides credit stability

MTA benefits from a significant amount of support from various dedicated taxes and state and local subsidies. It uses these revenues to support operations and pay debt service. Pre-pandemic combined farebox and toll revenues covered about 60% of MTA's consolidated operating expenses.

As a result of New York State's enacted budget that included an increase to the PMT rates, along with assumed growth in this source of revenue, PMT revenue is projected to account for more than half of MTA's total revenues and fare revenues and toll revenues will account for about 40%. Total dedicated taxes, state, and local subsidies are projected to increase from about $9.1 billion to $11.4 billion over the July financial plan period (from 2023-2027). Tax-supported subsidies make up the bulk of these revenues, projected to total about $7.1 billion in 2023, rising to about $9.8 billion, making up 38% of total revenues in 2023 and about 45% of total revenues in 2027, up from about 35% pre-pandemic. We view this higher proportion of tax-supported subsidies to total revenues and less reliance on revenues subject to volume risk as a positive credit trend that will improve the authority's financial flexibility and stability.

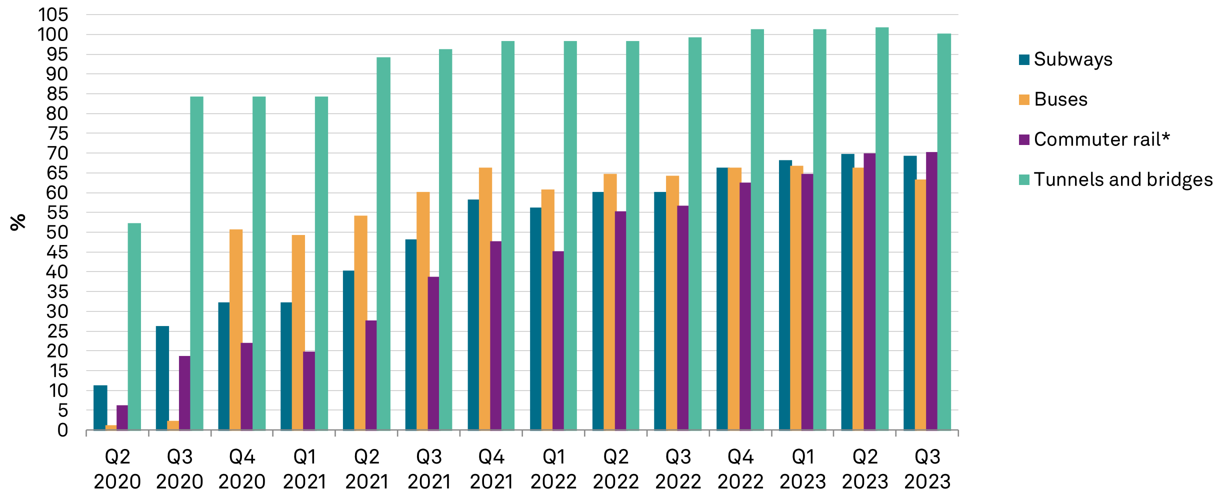
Bonds With Dual Ratings

The dual ratings reflect the application of our joint criteria, assuming low correlation, and our 'A-' SPUR on the MTA's existing TRBs. More specifically, the long-term component of the dual ratings reflects the application of our joint criteria and assumes low correlation between the obligor, MTA, and our long-term issuer credit rating (ICR) on the LOC provider and addresses our expectation of full and timely interest and principal payments when the bondholders have not exercised the put option; the short-term component of the dual ratings is based on our short-term ICR on the LOC provider and addresses our expectation of full and timely interest and principal payments when the bondholders have exercised the put option. In view of the bond structure, changes to our dual ratings can result from, among other things, changes to our ratings on the LOC provider, the obligor, or amendments to the transaction's terms. We will maintain dual ratings as long as the bonds are in the rated mode and the LOC has not expired or otherwise terminated.

Environmental, social, and governance (ESG) factors that affect the rating on an LOC provider could also affect the ratings on TRB bonds that are based on the application of our joint criteria. Our assessment of the creditworthiness of LOC providers incorporates any material ESG credit factors. In our view, exposure to ESG factors in these transactions is limited to the factors related to the support provider.

Quarterly median recapture rates

(% of pre-pandemic levels)



*Average median for Long Island Rail Road and Metro North Commuter Railroad. Source: https://data.ny.gov.

Table 1

New York Metropolitan Transportation Authority, New York -- financial and operating data

	--Fiscal year ended Dec. 31--				
	2022	**2021**	**2020**	**2019**	**2018**
Financial performance					
Total operating revenue ($000)	7,005,000	5,779,000	4,728,000	9,043,000	8,736,000
Plus: other committed recurring revenue sources ($000)	9,519,000	9,126,000	6,952,000	7,737,000	7,238,000
Less: total O&M expenses excluding noncash expenses ($000)	14,570,000	13,187,000	13,443,000	13,952,000	13,539,000
Numerator for S&P Global Ratings' coverage calculation ($000)	1,954,000	1,718,000	(1,763,000)	2,828,000	2,435,000
Total debt service ($000)	2,906,000	3,136,000	3,248,000	2,966,000	2,999,000
Denominator for S&P Global Ratings' coverage calculation* ($000)	3,000,000	3,218,000	3,248,000	2,966,000	2,999,000
S&P Global Ratings-calculated coverage§ (x)	0.7	0.5	(0.5)	1.0	0.8
Debt and liabilities					
Debt† ($000)	49,589,000	54,615,000	49,386,000	44,348,000	40,422,000
S&P Global Ratings-calculated net revenue ($000)	1,954,000	1,718,000	(1,763,000)	2,828,000	2,435,000

Table 1

New York Metropolitan Transportation Authority, New York -- financial and operating data (cont.)

	--Fiscal year ended Dec. 31--				
	2022	**2021**	**2020**	**2019**	**2018**
Debt to net revenue (x)	25.4	31.8	(28.0)	15.7	16.6
Liquidity and financial flexibility					
Unrestricted cash and investments ($000)	12,458,000	7,638,000	4,633,000	3,675,000	3,250,000
Available liquidity, net of contingent liabilities ($000)	13,658,000	7,638,000	5,833,000	4,667,000	3,943,000
Unrestricted days' cash on hand	342.2	211.4	158.4	122.1	106.3
Available liquidity to debt %	27.5	14.0	11.8	10.5	9.8
Unrestricted days' cash on hand (excluding credit facilities)	312.1	211.4	125.8	96.1	87.6
Available liquidity to debt % (excluding credit facilities)	25.1	14.0	9.4	8.3	8.0
Operating metrics - toll road					
Total toll revenue ($000)	2,332,000	2,170,000	1,640,000	2,071,000	1,976,000
Toll transactions (000)	326,300	307,300	253,184	329,397	322,290
Operating metrics - mass transit					
Subway and commuter rail passengers (000)	1,115,933	826,584	697,854	1,878,172	1,859,000
Bus passengers (000)	425,694	383,325	254,768	677,469	690,000
Para-transit passengers (000)	9,100	7,813	7,117	10,918	9,867
Total passengers (000)	1,550,727	1,217,722	959,739	2,566,559	2,558,867
Fare and toll revenue ($000)	6,356,000	5,218,000	4,265,000	8,422,000	8,131,000
Farebox recovery ratio %	44	40	32	60	60
Tax-supported subsidies	7,618,000	7,014,000	5,393,000	5,874,000	5,432,000
Tax-supported subsidies as a % of total revenues	46	47	46	35	34

O&M--Operations and maintenance. S&P Global Ratings-calculated net revenue = (Total operating revenue + other committed recurring revenue sources) - total O&M expenses excl. noncash expenses. Available liquidity = unrestricted cash and investments + total contingent liquidity resources - contingent liabilities. Examples of total contingent liquidity resources include working capital line of credit and other available cash reserves not already included in unrestricted cash and investments. *Includes consolidated debt service payments plus lease payments. §Coverage calculation does not include the use of federal COVID-19 aid given its non-recurring nature. If about $15.1 billion of federal COVID-19 aid, which was used in 2020 ($4.01 billion), 2021 ($4.114 billion), and 2022 ($6.967 billion) is included, coverage is about 0.7x, 1.8x, and 3x, respectively. MTA was able to achieve a balanced budget in 2022 on a cash basis. For fiscal years 2018-2022,MTA reported gross pledged revenue TRB debt service coverage of about 9x, 8x, 4x, 6x, and 7x, respectively. †Includes all of MTA's debt outstanding, including lease obligations. See "Global Not-For-Profit Transportation Infrastructure Enterprises: Methodologies And Assumptions" for more S&P Global Ratings definitions and calculations.

Table 2

New York Metropolitan Transportation Authority, New York -- projected financial and operating data

	--Year ended Dec. 31--		
	2025 forecast	**2024 preliminary budget**	**2023 midyear forecast**
Financial performance			
Total operating revenue* ($000)	9,004,000	8,554,000	7,943,000
Plus: other committed recurring revenue sources§ ($000)	10,610,900	10,076,100	9,220,700
Less: Total O&M expenses excluding noncash expenses† ($000)	17,148,000	16,454,000	16,278,000
Plus: Conversion to cash basis	172,000	898,000	1,603,000
Less: Exclude COVID-19 aid			29,000
Numerator for S&P Global Ratings' coverage calculation ($000)	2,638,900	3,074,100	2,459,700
Total debt service‡ ($000)	3,406,612	3,064,792	2,869,916
Denominator for S&P Global Ratings' coverage calculation ($000)	3,406,612	3,064,792	2,869,916
S&P Global Ratings-calculated coverage** (x)	0.8	1.0	0.9
Debt and liabilities			
Debt§§ ($000)	49,124,066	45,901,747	44,242,121
S&P Global Ratings-calculated net revenue ($000)	2,638,900	3,074,100	2,459,700
Debt to net revenue (x)	18.6	14.9	18.0
Liquidity and financial flexibility			
Unrestricted cash and investments†† ($000)	5,061,600	5,061,600	5,061,600
Available liquidity, net of contingent liabilities ($000)	3,861,600	3,861,600	3,861,600
Unrestricted days' cash on hand	82.2	85.7	86.6
Available liquidity to debt %	7.9	8.4	8.7
Unrestricted days' cash on hand (excluding credit facilities)	107.7	112.3	113.5
Available liquidity to debt % (excluding credit facilities)	10.3	11.0	11.4
Operating metrics - toll road			
Toll transactions (000)	332,119	331,688	333,823
Operating metrics - mass transit			
Subway, para-transit, and commuter rail passengers (000)	1,837,840	1,778,827	1,658,095
Bus passengers (000)	93,894	90,909	85,813
Total passengers (000)	1,931,734	1,869,736	1,743,908
Fare and toll revenue ($000)	8,027,000	7,592,000	7,051,000
Farebox recovery ratio %	47	46	43
Tax-supported subsidies	8,722,700	8,276,200	7,064,300

Table 2

New York Metropolitan Transportation Authority, New York -- projected financial and operating data (cont.)

	--Year ended Dec. 31--		
	2025 forecast	**2024 preliminary budget**	**2023 midyear forecast**
Tax-supported subsidies as a % of total revenues	44	42	38

Data was sourced from MTA's July Financial Plan 2024-2027. f--Forecast. b--Budgeted. *Includes $285 million of additional fare and toll revenue from January 2025 fare and toll increases. §Includes dedicated taxes, state and local subsidies and lockbox revenues used to pay lockbox debt service. †Includes projected additional labor expense (TWU settlement and patern), projected safety and security actions, and cost savnigs from MTA operating efficiencies. ‡Includes debt service for TRB, DTF, and PMT bonds, lockbox debt, and lease obligations. O&M--Operations and maintenance. S&P Global Ratings-calculated net revenue = (Total operating revenue + other committed recurring revenue sources) - total O&M expenses excl. noncash expenses. Available liquidity = unrestricted cash and investments + total contingent liquidity resources - contingent liabilities. Examples of total contingent liquidity resources include working capital line of credit and other available cash reserves not already included in unrestricted cash and investments. **Coverage calculation does not include the use of federal COVID-19 aid ($29 million in 2023) or FEMA reimbursements ($250 million in 2023, $350 million in 2024, and $117 million in 2025) given their non-recurring nature. MTA has projected a balanced budget for 2023-2025 in its July financial plan. §§Includes all of MTA's debt outstanding, including lease obligations. ††Represents a rough minimum level of liquidity management intends to maintain. See "Global Not-For-Profit Transportation Infrastructure Enterprises: Methodologies And Assumptions" for more S&P Global Ratings definitions and calculations.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of October 4, 2023)

Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Unenhanced Rating	NR(SPUR)	
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded

Ratings Detail (As Of October 4, 2023) (cont.)		
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Unenhanced Rating	NR(SPUR)	
Metropolitan Transp Auth transit		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit		
Long Term Rating	A-/Positive	Upgraded
Metropolitan Transp Auth transit		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (wrap of insured) (AGM) (BHAC) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (wrap of insured) (FGIC) (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded

Ratings Detail (As Of October 4, 2023) (cont.)		
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded

Ratings Detail (As Of October 4, 2023) (cont.)		
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (ASSURED GTY) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded

Ratings Detail (As Of October 4, 2023) (cont.)		
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded

Ratings Detail (As Of October 4, 2023) (cont.)		
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (FGIC) (National)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transit (Wrap of Insured) (FGIC) (AGM) (BHAC) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth transp JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1+	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1+	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded

Ratings Detail (As Of October 4, 2023) (cont.)		
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA/A-1	Upgraded
Unenhanced Rating	A-(SPUR)/Positive	Upgraded

Many issues are enhanced by bond insurance.