

New York City Transit

**MTA New York City Transit
2006 Final Proposed Budget
November Financial Plan 2006 – 2009**

MISSION STATEMENT

The mission of MTA New York City Transit is to provide customers with safe, reliable and convenient public transportation in a cost effective manner.

FINANCIAL OVERVIEW

MTA NYC Transit carries out its mission by providing effective and cost-efficient transportation services through:

- a subway system operating approximately 6,200 subway cars on 26 routes over 233 route miles and 660 miles of mainline track, serving 468 stations located in four of New York City's (City) boroughs; and
- a bus system operating more than 4,400 buses on 207 local and 36 express routes for more than 118 million miles per year; and
- Access-A-Ride, a paratransit service that operates throughout the City under private contract to serve persons whose disabilities preclude their use of bus and subway services.

The 2006 Final Proposed Budget and projections for the years 2007-2009 provide sufficient funding to maintain both a continuation of current service levels as well as MTA's commitment to safety and security. This is accomplished primarily through the implementation of organizational and operating efficiencies (Programs to Eliminate the GAP) that optimize the use of resources to achieve agency goals. Ongoing and extensive internal efforts are being made by MTA NYC Transit to reduce non-critical spending and improve operating efficiencies.

2005 November Forecast

MTA NYC Transit's 2005 November Forecast includes total expenses before depreciation of \$5,524.1 million, consisting of \$4,768.3 million of non-reimbursable expenses and \$755.7 million of reimbursable expenses. Total revenues are projected to be \$3,714.2 million, of which \$2,958.5 million are operating revenues and \$755.7 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,148 (41,899 non-reimbursable positions and 5,249 reimbursable positions).

2005 November Forecast (continued)

The 2005 baseline net cash deficit is projected to increase by \$24.0 million from the 2005 Mid-Year Forecast. Major deficit increases include: \$18.8 million of higher bus and heating fuel expenses driven by projected higher prices; an increase in pension cost requirements of \$10.4 million, based on updated information supplied by pension plan actuaries; and \$8.0 million primarily related to departmental reassessment of labor and non-labor spending levels including rescheduling of expenses to subsequent years. These cash deficit increases are partly offset by \$16.2 million of cash deficit reductions relating to lower health & welfare rates than anticipated in the July Mid-Year Forecast.

The 2005 effect of 2006 Programs to Eliminate the GAP (PEGs), presented below the baseline on the attached financial tables and described below, continue to be projected to yield a deficit reduction of \$5.3 million.

2006 Final Proposed Budget

MTA NYC Transit's 2006 Final Proposed Budget includes total expenses before depreciation of \$5,770.7 million, consisting of \$5,005.0 million of non-reimbursable expenses and \$765.8 million of reimbursable expenses. Total revenues are projected to be \$3,805.8 million, of which \$3,040.0 million are operating revenues and \$765.8 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,232 (42,044 non-reimbursable positions and 5,188 reimbursable positions).

The 2006 baseline net cash deficit is projected to decrease by \$5.3 million from the July 2006 Preliminary Budget. Major deficit reductions include: \$22.5 million of higher reimbursable overhead credits arising from increases in Capital Program requirements in 2006 and a higher overhead billing rate, largely due to higher pension costs; \$20.0 million relating to lower than anticipated health & welfare rates; and a farebox revenue improvement of \$19.3 million due primarily to projected additional subway revenue growth of 1.5%. Mostly offsetting these deficit reductions are deficit increases of: \$41.1 million of higher bus and heating fuel expenses driven by projected higher prices; \$7.1 million of expenses rescheduled from 2005; and the reinstatement of \$3.5 million of expenses due to elimination of the One Person Train Operation implementation on the "L" Line.

Reimbursable expenses are projected to increase by \$51.1 million from the 2006 Preliminary Budget due to increased Capital Program requirements. Bus-related increases of \$19.2 million include Capital Program support for: Grand Avenue (new facility) equipment requirements; MTA Bus support; bus warranty requirements; and funding for MCI buses structural work. Subway-related increases of \$14.9 million include Capital Program support for: signal circuit enhancements; antenna cable installation; Canarsie mainline replacement of insulated joints; and third rail capital project support. The remaining expense increase is mostly due to overhead billing rate increases due to increased pension costs. Capital reimbursements also increase by \$51.1 million to provide for reimbursement from the Capital Program of the above expense increase.

2006 PEGs, presented below the baseline on the attached financial tables, and described below, continue to project a cash deficit reduction of \$19.5 million including 129 position reductions.

2007-2009 Projections

MTA NYC Transit's projections for 2007-2009 reflect total expenses before depreciation as follows: 2007 = \$5,917.8 million, 2008 = \$6,127.6 million and 2009 = \$6,333.4 million. Non-reimbursable expenses before depreciation are projected as follows: 2007 = \$5,181.7 million, 2008 = \$5,379.6 and 2009 = \$5,581.4 million. Reimbursable expenses are projected as follows: 2007 = \$736.1 million, 2008 = \$748.0 million and 2009 = \$752.0 million. Total revenues are projected as follows: 2007 = \$3,812.6 million, 2008 = \$3,866.7 million and 2009 = \$3,888.2 million. Operating revenues are projected as follows: 2007 = \$3,076.6 million, 2008 = \$3,118.7 million and 2009 = \$3,136.1 million. Capital reimbursements are projected as follows: 2007 = \$736.1 million, 2008 = \$748.0 million and 2009 = \$752.0 million. Total baseline full-time and full-time equivalent positions are projected to be 46,946 in 2007, 47,014 in 2008 and 46,772 in 2009. Non-reimbursable positions are projected to be 41,968 in 2007, 42,109 in 2008 and 41,961 in 2009. Reimbursable positions are projected to be 4,978 in 2007, 4,905 in 2008 and 4,811 in 2009.

In comparison to the projections included in the July Financial Plan, baseline net cash deficits are projected to decrease by \$17.3 million in 2007, \$26.3 million in 2008 and \$29.1 million in 2009 due primarily to lower than anticipated health & welfare rate increases and higher reimbursable overhead credits partly offset by increased bus and heating fuel prices.

Programs to Eliminate the Gap, described below, continue to project deficit reductions of \$22.6 million in 2007, \$36.0 million in 2008 and \$43.7 million in 2009. Position reductions continue to be projected at 288 in 2007, 443 in 2008 and 443 in 2009.

Major assumptions and reconciliations to the July Financial Plan are addressed later in this section.

Gap Closing Measures

2006 Programs to Eliminate the Gap (PEGs)

MTA NYC Transit has developed programs resulting in significant cost savings and position reductions. These reductions are largely achieved through administrative streamlining and operating efficiencies with little impact on MTA NYC Transit operations.

2005 November Forecast

In 2005, PEG savings are projected at \$5.3 million. These savings are mostly administrative and result from management actions to achieve health and welfare cost savings.

2006 Final Proposed Budget

2006 PEG savings are projected at \$19.5 million and the elimination of 129 positions with savings to be achieved through attrition and redeployment of incumbents.

Administrative savings of \$10.2 million and 23 positions include: management actions to achieve health & welfare cost savings of \$4.4 million; implementation of a disease management program resulting in health benefit savings of \$1.4 million; savings of \$0.9 million of worker's compensation costs; reduced new subway car acceptance support costs of \$0.6 million (6 positions); corporate communications administrative savings of \$0.6 million (1 position); voice and data support staff savings of \$0.5 million (6 Positions); human resources staffing/overtime savings of \$0.4 million and 5 positions; and rolling stock administrative consolidation savings of \$0.3 million (4 positions).

Direct service savings of \$1.2 million are attributed to hybrid bus fuel expense reductions.

Service support savings of \$2.0 million and position reductions of 22 include: tower operator switching efficiencies resulting in savings of \$0.5 million and 7 positions; "L" Line/Communications Based Train Control switching conductor efficiencies resulting in savings of \$0.3 million and 4 positions; Concourse master tower automation to achieve savings of \$0.2 million and 5 positions; managerial train supervision automation resulting in savings of \$0.4 million and 3 positions; and elimination of traffic checker overnight/weekend desk operations with a savings of \$0.3 million and 3 positions.

Maintenance savings of \$5.5 million and position reductions of 58 include: Central Electronics Shop productivity savings of \$1.1 million and 13 positions; reduction of 15 subway road car inspector positions due to increased subway car reliability, saving \$1.2 million; AFC maintenance support consolidation efficiencies resulting in savings of \$0.7 million and 7 positions; Rapid Transit Operations maintenance support savings of \$0.4 million and 6 positions; machine shop consolidation savings of \$0.5 million and 6 positions; "B" level defect repair overtime reduction of \$0.5 million; reduction of power operations emergency crew helpers by 8 positions and \$0.5 million in expense savings; and reduction of maintenance-related hardware materials by \$0.5 million due to centralization of functions.

2007-2009 Projections

PEG savings are projected at: \$22.6 million in 2007; \$36.0 million in 2008; and \$43.7 million in 2009. Position eliminations are projected at: 288 in 2007; 443 in 2008; and 443 in 2009.

Administrative savings of \$10.2 million in each year, 23 position reductions in 2007 and 24 position reductions in 2008/2009 include: management actions to achieve health & welfare cost savings of \$4.5 million; implement a disease management program resulting in health benefit savings of \$1.4 million; savings of \$0.9 million of worker's compensation costs; reduce new subway car acceptance support costs of \$0.6 million by eliminating 6 positions; corporate communications administrative savings of \$0.6 million and 1 position; voice and data support staff savings of \$0.5 million and 6 positions; human resources staffing/overtime savings of \$0.4 million and 5 positions; and rolling stock administrative consolidation savings of \$0.3 million and 4 positions.

Direct service savings, due to hybrid bus fuel expense reductions, are projected to be: \$1.9 million in 2007; \$2.8 million in 2008; and \$4.4 million in 2009.

Service support savings are projected to be \$4.1 million in 2007; \$16.5 million in 2008; and \$22.6 million in 2009. Position reductions are projected to be 181 in 2007 and 335 in 2008 and 2009. These reductions include: implementation of One Person Train Operation (OPTO) on several lines resulting in savings of \$2.0 million in 2007, \$14.4 million in 2008, and \$20.4 million in 2009 and position reductions of 159 in 2007 and 313 in 2008 and 2009; tower operator switching efficiencies resulting in savings of \$0.5 million and 7 positions each year; "L" Line switching conductor efficiencies due to Communications Based Train Control resulting in savings of \$0.3 million and 4 positions each year; Concourse master tower automation to achieve savings of \$0.2 million and 5 positions each year; managerial train supervision automation resulting in savings of \$0.4 million and 3 positions each year; and elimination of traffic checker overnight/weekend desk operations with a savings of \$0.3 million and 3 positions each year.

Maintenance savings of \$5.5 million and position reductions of 58 each year include: Central Electronics Shop productivity savings of \$1.1 million and 13 positions; reduction of 15 subway road car inspector positions due to increased subway car reliability saving of \$1.2 million; AFC maintenance support consolidation efficiencies resulting in savings of \$0.7 million and 7 positions; Rapid Transit Operations maintenance support savings of \$0.4 million and 6 positions; machine shop consolidation savings of \$0.5 million and 6 positions; structural "B" level defect repair overtime reduction of \$0.5 million; reduction of power operations emergency crew helpers by 8 positions and \$0.5 million in expense savings; and reduction of bus maintenance-related hardware materials by \$0.5 million due to centralization of functions.

MTA New York City Transit
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

Revenue

Farebox Revenue:

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Subway	\$1,795.334	\$1,900.727	\$1,970.208	\$1,989.876	\$2,010.440	\$2,014.320
Bus	747.868	776.563	788.714	794.799	802.961	804.475
Paratransit	6.024	7.298	8.393	9.652	11.100	12.764
Fare Media Liability	20.974	19.900	20.900	21.700	21.900	22.200
Total Farebox Revenue	\$2,570.200	\$2,704.488	\$2,788.215	\$2,816.027	\$2,846.401	\$2,853.759

Vehicle Toll Revenue

	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.766	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	47.216	61.620	58.379	66.833	78.222	88.469
Other	102.109	88.620	89.612	89.930	90.330	90.145

Total Other Operating Revenue	\$253.091	\$254.006	\$251.757	\$260.529	\$272.318	\$282.380
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$2,823.291	\$2,958.494	\$3,039.972	\$3,076.556	\$3,118.719	\$3,136.139

Expenses

Labor:

Payroll	2,357.257	2,404.728	2,470.365	2,522.344	2,607.182	2,670.531
Overtime	199.298	223.203	198.205	200.899	205.509	211.963
Total Salaries & Wages	2,556.555	2,627.931	2,668.570	2,723.243	2,812.691	2,882.494
Health and Welfare	511.230	573.703	627.272	680.691	744.661	811.741
Pensions	309.388	456.820	540.651	559.836	564.780	562.067
Other Fringe Benefits	234.469	200.138	203.909	209.725	215.934	221.197
Total Fringe Benefits	1,055.087	1,230.661	1,371.832	1,450.252	1,525.375	1,595.005
Reimbursable Overhead	(143.432)	(144.182)	(158.207)	(153.795)	(155.952)	(154.962)
Total Labor Expenses	\$3,468.210	\$3,714.410	\$3,882.195	\$4,019.700	\$4,182.114	\$4,322.537

Non-Labor:

Traction and Propulsion Power	114.338	134.164	140.941	140.640	141.338	143.813
Fuel for Buses and Trains	71.217	103.621	116.083	104.889	99.939	102.088
Insurance	28.649	31.979	34.559	39.014	42.297	46.424
Claims	62.203	69.441	71.350	73.306	75.314	77.370
Paratransit Service Contracts	135.076	160.328	192.329	223.289	260.299	303.970
Mtce. and Other Operating Contracts	154.878	178.870	196.499	200.828	199.044	208.047
Professional Service Contracts	93.493	94.192	89.495	88.315	91.863	94.208
Materials & Supplies	222.229	248.739	249.073	258.882	253.960	249.215
Other Business Expenses	38.736	32.563	32.444	32.849	33.434	33.687
Total Non-Labor Expenses	\$920.819	\$1,053.897	\$1,122.773	\$1,162.012	\$1,197.488	\$1,258.822

Other Expense Adjustments:

Other	1.896	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.896	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Total Expenses before

Depreciation	\$4,390.925	\$4,768.307	\$5,004.968	\$5,181.712	\$5,379.602	\$5,581.359
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Depreciation	891.819	962.300	1,074.500	1,228.100	1,381.700	1,535.300
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Total Expenses	\$5,282.744	\$5,730.607	\$6,079.468	\$6,409.812	\$6,761.302	\$7,116.659
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Baseline Net Surplus/(Deficit)	(\$2,459.453)	(\$2,772.113)	(\$3,039.496)	(\$3,333.256)	(\$3,642.583)	(\$3,980.520)
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2006 Agency Program to Eliminate the Gap	0.000	5.307	18.317	19.475	20.492	22.050
Post-2006 Agency Program to Eliminate the Ga	0.000	0.000	0.000	1.962	14.356	20.447

Net Surplus/(Deficit)	(\$2,459.453)	(\$2,766.806)	(\$3,021.179)	(\$3,311.819)	(\$3,607.735)	(\$3,938.023)
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MTA New York City Transit
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue:						
Subway	\$1,795.334	\$1,900.727	\$1,970.208	\$1,989.876	\$2,010.440	\$2,014.320
Bus	747.868	776.563	788.714	794.799	802.961	804.475
Paratransit	6.024	7.298	8.393	9.652	11.100	12.764
Fare Media Liability	20.974	19.900	20.900	21.700	21.900	22.200
Total Farebox Revenue	\$2,570.200	\$2,704.488	\$2,788.215	\$2,816.027	\$2,846.401	\$2,853.759
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.766	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	47.216	61.620	58.379	66.833	78.222	88.469
Other	102.109	88.620	89.612	89.930	90.330	90.145
Total Other Operating Revenue	253.091	254.006	251.757	260.529	272.318	282.380
Capital and Other Reimbursements	764.404	755.743	765.779	736.084	748.019	752.038
Total Revenue	\$3,587.695	\$3,714.237	\$3,805.751	\$3,812.640	\$3,866.738	\$3,888.177
<u>Expenses</u>						
Labor:						
Payroll	2,699.705	2,731.684	2,803.833	2,851.418	2,941.084	3,007.894
Overtime	266.887	283.855	252.066	253.532	259.622	266.416
Total Salaries & Wages	2,966.592	3,015.539	3,055.899	3,104.950	3,200.706	3,274.310
Health and Welfare	527.474	592.521	647.162	702.477	768.506	837.837
Pensions	315.899	468.355	554.891	574.590	580.055	577.414
Other Fringe Benefits	319.318	279.259	283.668	287.194	294.292	299.689
Total Fringe Benefits	1,162.691	1,340.135	1,485.721	1,564.261	1,642.853	1,714.940
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4,129.283	\$4,355.674	\$4,541.620	\$4,669.211	\$4,843.559	\$4,989.250
Non-Labor:						
Traction and Propulsion Power	114.338	134.164	140.941	140.640	141.338	143.813
Fuel for Buses and Trains	71.219	103.621	116.083	104.889	99.939	102.088
Insurance	28.649	31.979	34.559	39.014	42.297	46.424
Claims	62.469	69.441	71.350	73.306	75.314	77.370
Paratransit Service Contracts	135.076	160.328	192.329	223.289	260.299	303.970
Mtce. and Other Operating Contracts	190.971	220.147	232.406	230.676	228.892	237.895
Professional Service Contracts	110.994	112.765	106.452	104.387	107.935	110.280
Materials & Supplies	277.642	300.940	300.050	297.022	292.101	286.107
Other Business Expenses	32.792	34.991	34.957	35.362	35.947	36.200
Total Non-Labor Expenses	\$1,024.150	\$1,168.376	\$1,229.127	\$1,248.585	\$1,284.062	\$1,344.147
Other Expense Adjustments:						
Other	1.896	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.896	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5,155.329	\$5,524.050	\$5,770.747	\$5,917.796	\$6,127.621	\$6,333.397
Depreciation	891.819	962.300	1,074.500	1,228.100	1,381.700	1,535.300
Total Expenses	\$6,047.148	\$6,486.350	\$6,845.247	\$7,145.896	\$7,509.321	\$7,868.697
Baseline Net Surplus/(Deficit)	(\$2,459.453)	(\$2,772.113)	(\$3,039.496)	(\$3,333.256)	(\$3,642.583)	(\$3,980.520)
2006 Agency Program to Eliminate the Gap	0.000	5.307	18.317	19.475	20.492	22.050
Post-2006 Agency Program to Eliminate the Ga	0.000	0.000	0.000	1.962	14.356	20.447
Net Surplus/(Deficit)	(\$2,459.453)	(\$2,766.806)	(\$3,021.179)	(\$3,311.819)	(\$3,607.735)	(\$3,938.023)

MTA New York City Transit
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

	2004	2005	2006			
	Actual	November	Final Proposed	2007	2008	2009
		Forecast	Budget			
<u>Receipts</u>						
Farebox Revenue	\$2,572.869	\$2,715.988	\$2,790.915	\$2,825.127	\$2,855.201	\$2,859.259
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.800	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	46.200	62.120	58.379	66.833	78.222	88.469
Other	206.131	111.720	91.712	92.030	92.430	92.245
Total Other Operating Revenue	\$356.131	\$277.606	\$253.857	\$262.629	\$274.418	\$284.480
Capital and Other Reimbursements	764.600	745.584	773.865	737.269	740.531	746.199
Total Receipts	\$3,693.600	\$3,739.178	\$3,818.637	\$3,825.025	\$3,870.150	\$3,889.938
<u>Expenditures</u>						
Labor:						
Payroll	2,675.200	2,723.580	2,782.934	2,829.927	2,920.053	2,985.028
Overtime	246.900	283.013	250.186	251.620	257.758	264.380
Total Salaries & Wages	2,922.100	3,006.593	3,033.120	3,081.547	3,177.811	3,249.408
Health and Welfare	512.300	597.518	644.889	700.045	765.904	835.053
Pensions	220.000	334.725	515.927	567.020	578.710	579.363
Other Fringe Benefits	273.000	268.269	273.941	277.996	285.706	291.523
Total Fringe Benefits	1,005.300	1,200.512	1,434.757	1,545.061	1,630.320	1,705.939
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$3,927.400	\$4,207.105	\$4,467.877	\$4,626.608	\$4,808.131	\$4,955.347
Non-Labor:						
Traction and Propulsion Power	113.500	134.164	140.941	140.640	141.338	143.813
Fuel for Buses and Trains	70.400	103.621	116.083	104.889	99.939	102.088
Insurance	42.200	33.746	35.290	39.410	46.197	46.176
Claims	46.500	63.098	60.208	61.947	63.735	65.576
Paratransit Service Contracts	130.400	157.128	188.129	223.289	260.299	303.970
Mtce. and Other Operating Contracts	201.700	228.601	240.860	239.130	237.346	246.349
Professional Service Contracts	106.300	107.119	102.052	100.387	103.935	106.280
Materials & Supplies	270.100	296.868	297.300	295.022	290.101	284.107
Other Business Expenditures	29.300	34.991	34.957	35.362	35.947	36.200
Total Non-Labor Expenditures	\$1,010.400	\$1,159.336	\$1,215.820	\$1,240.076	\$1,278.837	\$1,334.559
Other Expenditure Adjustments:						
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$4,937.800	\$5,366.441	\$5,683.697	\$5,866.684	\$6,086.968	\$6,289.906
Baseline Net Cash Deficit	(\$1,244.200)	(\$1,627.263)	(\$1,865.060)	(\$2,041.659)	(\$2,216.818)	(\$2,399.968)
2006 Agency Program to Eliminate the Gap	0.000	5.307	19.517	20.675	21.692	23.250
Post-2006 Agency Program to Eliminate the Ga	0.000	0.000	0.000	1.962	14.356	20.447
Net Cash Deficit	(\$1,244.200)	(\$1,621.956)	(\$1,845.543)	(\$2,019.022)	(\$2,180.770)	(\$2,356.271)

MTA New York City Transit
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004	2005	2006			
	Actual	November	Final Proposed	2007	2008	2009
		Forecast	Budget			
<u>Receipts</u>						
Farebox Revenue	\$2.669	\$11.500	\$2.700	\$9.100	\$8.800	\$5.500
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	0.034	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	(1.016)	0.500	0.000	0.000	0.000	0.000
Other	104.022	23.100	2.100	2.100	2.100	2.100
Total Other Operating Revenue	\$103.040	\$23.600	\$2.100	\$2.100	\$2.100	\$2.100
Capital and Other Reimbursements	0.196	(10.159)	8.086	1.185	(7.488)	(5.839)
Total Receipt Adjustments	\$105.905	\$24.941	\$12.886	\$12.385	\$3.412	\$1.761
<u>Expenditures</u>						
Labor:						
Payroll	24.505	8.104	20.899	21.491	21.031	22.866
Overtime	19.987	0.842	1.880	1.912	1.864	2.036
Total Salaries & Wages	44.492	8.946	22.779	23.403	22.895	24.902
Health and Welfare	15.174	(4.997)	2.273	2.432	2.602	2.784
Pensions	95.899	133.630	38.964	7.570	1.345	(1.949)
Other Fringe Benefits	46.318	10.990	9.727	9.198	8.586	8.166
Total Fringe Benefits	157.391	139.623	50.964	19.200	12.533	9.001
Reimbursable Overhead						
Total Labor Expenditures	\$201.883	\$148.569	\$73.743	\$42.603	\$35.428	\$33.903
Non-Labor:						
Traction and Propulsion Power	0.838	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.819	0.000	0.000	0.000	0.000	0.000
Insurance	(13.551)	(1.767)	(0.731)	(0.396)	(3.900)	0.248
Claims	15.969	6.343	11.142	11.359	11.579	11.794
Paratransit Service Contracts	4.676	3.200	4.200	0.000	0.000	0.000
Mtce. and Other Operating Contracts	(10.729)	(8.454)	(8.454)	(8.454)	(8.454)	(8.454)
Professional Service Contracts	4.694	5.646	4.400	4.000	4.000	4.000
Materials & Supplies	7.542	4.072	2.750	2.000	2.000	2.000
Other Business Expenditures	3.492	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$13.750	\$9.040	\$13.307	\$8.509	\$5.225	\$9.588
Other Expenditure Adjustments:						
Other	1.896	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$1.896	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$217.529	\$157.609	\$87.050	\$51.112	\$40.653	\$43.491
Total Cash Conversion Adjustments before Depreciation	\$323.434	\$182.550	\$99.936	\$63.497	\$44.065	\$45.252
Depreciation Adjustment	891.819	962.300	1,074.500	1,228.100	1,381.700	1,535.300
Baseline Total Cash Conversion Adj.	\$1,215.253	\$1,144.850	\$1,174.436	\$1,291.597	\$1,425.765	\$1,580.552
2006 Agency Program to Eliminate the Gap	0.000	0.000	1.200	1.200	1.200	1.200
Post-2006 Agency Program to Eliminate the Ga	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$1,215.253	\$1,144.850	\$1,175.636	\$1,292.797	\$1,426.965	\$1,581.752

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-To-Year Major Changes by Category-Baseline Narrative

TOTAL REVENUES

Farebox Revenue

- The improvement in subway/bus farebox revenue in 2006 over 2005 is due largely to the annualization of the 2005 fare adjustments and the impact of Global Insight's projected employment increase of 1.2% and an additional subways increase of 1.5% based on recent experience. The 2007-2009 year over year improvements are based on projected Global Insight's growth in NYC employment as follows: 2007 = 0.92%, 2008 = 0.71%, and 2009 = 0.56%.
- Annual improvements in paratransit farebox revenue are based on assumed annual ridership growth rates of 15%, consistent with current ridership growth.

Other Operating Revenue

- Annual revenue increases are comprised primarily of contractually capped increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses.
- 2006 includes a reduction from a very high level of 2005 paratransit Urban Tax revenue, which was based upon a very strong 2005 commercial real estate market.

Capital and Other Reimbursements

- Annual changes in reimbursements are based upon the varying level and timing of Capital Program requirements and to provide for reimbursement consistent with projected CPI increases in labor expenses and actuarial-based pension increases, as explained below.

TOTAL EXPENSES

Payroll

- 2006-2009 includes primarily CPI rate increases as follows: 2006 = 2.77%, 2007 = 2.56%, 2008 = 2.91%, and 2009 = 3.07%.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Overtime

- 2006-2009 payroll wage rate increase assumptions apply.
- The reduction from 2005 to 2006 was due primarily to additional 2005 overtime requirements caused by vacancy coverage, service disruptions, and adverse winter weather not anticipated to recur in 2006.

- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Health & Welfare

- Inflation assumptions are as follows: 2006 through 2009 = 9.34%.

Pension

- Significant projected increases in expenses are based upon information from pension plan actuaries.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Assumptions reflect projected New York Power Authority (NYPA) annual rate increases.

Fuel for Buses and Trains

- 2006-2009 inflation/(deflation) assumptions are based upon Global Insight's estimates as follows: 2006 = 10.1%, 2007 = (19.1)%, 2008 = 4.7%, and 2009 = 7.1%.

Insurance

- Inflation-adjusted assumptions were provided by the MTA.
- Paratransit insurance costs increase due to the projected increase in the fleet to provide service for the annual 15% increase in ridership.

Claims

- Annual inflation of 2.8% for 2006 through 2009.

Paratransit Service Contracts

- Inflation assumptions are based upon current carrier contracts with 3% annual inflation assumed after the contracts expire.
- Significant expense increases are based upon projected annual ridership growth of 15%.

Maintenance and Other Operating Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.
- Facility power cost rate assumptions are based upon projections of NYPA rate increases.

- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Professional Service Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Materials and Supplies

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.60%, 2007 = 2.15%, 2008 = 1.33%, and 2009 = 0.98%.
- Year-to-year non-reimbursable expense levels tend to fluctuate, due to the timing of subway and bus scheduled maintenance programs.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Other Business Expenses

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.

Depreciation

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include subway station rehabilitations, track and signal work, new subway cars and buses.

TOTAL RECEIPTS

Farebox Receipts

- The improvement in subway/bus farebox revenue in 2006 over 2005 is due largely to the annualization of the 2005 fare adjustments and the impact of Global Insight's projected employment increases of 1.2% and an additional subway increase of 1.5% based on recent experience. The 2007-2009 year over year improvements are based on projected Global Insight's growth in NYC employment as follows: 2007 = 0.92%, 2008 = 0.71%, and 2009 = 0.56%.
- Receipts include cash adjustments for expired MetroCard values and the timing of counting and depositing cash, which can cause some annual fluctuations in cash received.
- Annual improvements in paratransit farebox revenue are based on assumed annual ridership growth rates of 15%, consistent with current ridership growth.

Other Operating Receipts

- Annual revenue increases represent primarily contractually-capped increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses.

- 2006 includes a reduction from a very high level of 2005 paratransit Urban Tax revenue, which was based upon a very strong 2005 commercial real estate market.
- 2005 includes non-recurring cash receipts representing draw-downs accumulated from prior years' interest income (\$10.8 million) and Transit Adjudication Bureau funds (\$7.2 million).

Capital and Other Reimbursements

- Annual changes in reimbursements are based upon the varying level and timing of Capital Program requirements and to provide for reimbursement consistent with projected CPI increases in labor expenses and actuarial-based pension increases, as explained below.
- Cash adjustments are incorporated to recognize changes in the timing of receipts from year to year.

TOTAL EXPENDITURES

Payroll

- 2006-2009 includes primarily CPI rate increases as follows: 2006 = 2.77%, 2007 = 2.56%, 2008 = 2.91%, and 2009 = 3.07%.
- Non-recurring retroactive wage cash payments of \$12.4 million are included in 2005 based upon assumptions regarding union contract settlements.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Overtime

- 2006-2009 payroll wage rate increase assumptions apply.
- The reduction from 2005 to 2006 was due primarily to additional 2005 overtime requirements caused by vacancy coverage, service disruptions, and adverse winter weather not anticipated to recur in 2006.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Health & Welfare

- Inflation assumptions are as follows: 2006 through 2009 = 9.34%.

Pension

- Significant projected increases in expenses are based upon information from pension plan actuaries.
- Due to the effect of prepaying pension expenses, 2005 cash adjustments are significantly favorable. In subsequent years, favorable cash adjustments primarily result from the recognition of full accrued expenses each year.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Assumptions reflect projected New York Power Authority (NYPA) annual rate increases.

Fuel for Buses and Trains

- 2006-2009 inflation/(deflation) assumptions are based upon Global Insight's estimates as follows: 2006 = 10.1%, 2007 = (19.1)%, 2008 = 4.7%, and 2009 = 7.1%.

Insurance

- Inflation-adjusted assumptions were provided by the MTA.
- Paratransit insurance costs increase due to the projected increase in the fleet to provide service for the annual 15% increase in ridership.

Claims

- Annual inflation of 2.8% for 2006 through 2009 is assumed.

Paratransit Service Contracts

- Inflation assumptions are based upon current carrier contracts, with 3% annual inflation assumed after the contracts expire.
- Significant expense increases are based upon projected annual ridership growth of 15%.

Maintenance and Other Operating Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.
- Facility power cost rate assumptions are based upon projections of NYPA rate increases.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Professional Service Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Materials and Supplies

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.60%, 2007 = 2.15%, 2008 = 1.33%, and 2009 = 0.98%.
- Year-to-year non-reimbursable expense levels tend to fluctuate, due to the timing of subway and bus scheduled maintenance programs.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Other Business Expenses

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2005	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008
Revenue									
Farebox Revenue:									
Subway	\$1,900.727	\$1,970.208	\$69.481	\$1,989.876	\$19.668	\$2,010.440	\$20.564	\$2,014.320	\$3.880
Bus	776.563	788.714	12.151	794.799	6.085	802.961	8.162	804.475	1.514
Paratransit	7.298	8.393	1.095	9.652	1.259	11.100	1.448	12.764	1.664
Fare Media Liability	19.900	20.900	1.000	21.700	0.800	21.900	0.200	22.200	0.300
Total Farebox Revenue	\$2,704.488	\$2,788.215	\$83.727	\$2,816.027	\$27.812	\$2,846.401	\$30.374	\$2,853.759	\$7.358
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	103.766	103.766	0.000	103.766	0.000	103.766	0.000	103.766	0.000
Paratransit Reimbursement	61.620	58.379	(3.241)	66.833	8.454	78.222	11.389	88.469	10.247
Other	88.620	89.612	0.992	89.930	0.318	90.330	0.400	90.145	(0.185)
Total Other Operating Revenue	254.006	251.757	(2.249)	260.529	8.772	272.318	11.789	282.380	10.062
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$2,958.494	\$3,039.972	\$81.478	\$3,076.556	\$36.584	\$3,118.719	\$42.163	\$3,136.139	\$17.420
Expenses									
Labor:									
Payroll	2,404.728	2,470.365	(65.637)	2,522.344	(51.979)	2,607.182	(84.838)	2,670.531	(63.349)
Overtime	223.203	198.205	24.998	200.899	(2.694)	205.509	(4.610)	211.963	(6.454)
Total Salaries & Wages	2,627.931	2,668.570	(40.639)	2,723.243	(54.673)	2,812.691	(89.448)	2,882.494	(69.803)
Health and Welfare	573.703	627.272	(53.569)	680.691	(53.419)	744.661	(63.970)	811.741	(67.080)
Pensions	456.820	540.651	(83.831)	559.836	(19.185)	564.780	(4.944)	562.067	2.713
Other Fringe Benefits	200.138	203.909	(3.771)	209.725	(5.816)	215.934	(6.209)	221.197	(5.263)
Total Fringe Benefits	1,230.661	1,371.832	(141.171)	1,450.252	(78.420)	1,525.375	(75.123)	1,595.005	(69.630)
Reimbursable Overhead	(144.182)	(158.207)	14.025	(153.795)	(4.412)	(155.952)	2.157	(154.962)	(0.990)
Total Labor Expenses	\$3,714.410	\$3,882.195	(\$167.785)	\$4,019.700	(\$137.505)	\$4,182.114	(\$162.414)	\$4,322.537	(\$140.423)
Non-Labor:									
Traction and Propulsion Power	134.164	140.941	(6.777)	140.640	0.301	141.338	(0.698)	143.813	(2.475)
Fuel for Buses and Trains	103.621	116.083	(12.462)	104.889	11.194	99.939	4.950	102.088	(2.149)
Insurance	31.979	34.559	(2.580)	39.014	(4.455)	42.297	(3.283)	46.424	(4.127)
Claims	69.441	71.350	(1.909)	73.306	(1.956)	75.314	(2.008)	77.370	(2.056)
Paratransit Service Contracts	160.328	192.329	(32.001)	223.289	(30.960)	260.299	(37.010)	303.970	(43.671)
Mtce. and Other Operating Contracts	178.870	196.499	(17.629)	200.828	(4.329)	199.044	1.784	208.047	(9.003)
Professional Service Contracts	94.192	89.495	4.697	88.315	1.180	91.863	(3.548)	94.208	(2.345)
Materials & Supplies	248.739	249.073	(0.334)	258.882	(9.809)	253.960	4.922	249.215	4.745
Other Business Expenses	32.563	32.444	0.119	32.849	(0.405)	33.434	(0.585)	33.687	(0.253)
Total Non-Labor Expenses	\$1,053.897	\$1,122.773	(\$68.876)	\$1,162.012	(\$39.239)	\$1,197.488	(\$35.476)	\$1,258.822	(\$61.334)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$4,768.307	\$5,004.968	(\$236.661)	\$5,181.712	(\$176.744)	\$5,379.602	(\$197.890)	\$5,581.359	(\$201.757)
Depreciation	962.300	1,074.500	(112.200)	1,228.100	(153.600)	1,381.700	(153.600)	1,535.300	(153.600)
Total Expenses	\$5,730.607	\$6,079.468	(\$348.861)	\$6,409.812	(\$330.344)	\$6,761.302	(\$351.490)	\$7,116.659	(\$355.357)
Baseline Net Surplus/(Deficit)	(\$2,772.113)	(\$3,039.496)	(\$267.383)	(\$3,333.256)	(\$293.760)	(\$3,642.583)	(\$309.327)	(\$3,980.520)	(\$337.937)
2006 Agency Program to Eliminate the Gap	5.307	18.317	13.010	19.475	1.158	20.492	1.017	22.050	1.558
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	1.962	1.962	14.356	12.394	20.447	6.091
Net Surplus/(Deficit)	(\$2,766.806)	(\$3,021.179)	(\$254.373)	(\$3,311.819)	(\$290.640)	(\$3,607.735)	(\$295.916)	(\$3,938.023)	(\$330.288)

REIMBURSABLE

[illegible]

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2005	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008
Revenue									
Farebox Revenue:									
Subway	\$1,900.727	\$1,970.208	\$69.481	\$1,989.876	\$19.668	\$2,010.440	\$20.564	\$2,014.320	\$3.880
Bus	776.563	788.714	12.151	794.799	6.085	802.961	8.162	804.475	1.514
Paratransit	7.298	8.393	1.095	9.652	1.259	11.100	1.448	12.764	1.664
Fare Media Liability	19.900	20.900	1.000	21.700	0.800	21.900	0.200	22.200	0.300
Total Farebox Revenue	\$2,704.488	\$2,788.215	\$83.727	\$2,816.027	\$27.812	\$2,846.401	\$30.374	\$2,853.759	\$7.358
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	103.766	103.766	0.000	103.766	0.000	103.766	0.000	103.766	0.000
Paratransit Reimbursement	61.620	58.379	(3.241)	66.833	8.454	78.222	11.389	88.469	10.247
Other	88.620	89.612	0.992	89.930	0.318	90.330	0.400	90.145	(0.185)
Total Other Operating Revenue	254.006	251.757	(2.249)	260.529	8.772	272.318	11.789	282.380	10.062
Capital and Other Reimbursements	755.743	765.779	10.036	736.084	(29.695)	748.019	11.935	752.038	4.019
Total Revenue	\$3,714.237	\$3,805.751	\$91.514	\$3,812.640	\$6.889	\$3,866.738	\$54.098	\$3,888.177	\$21.439
Expenses									
Labor:									
Payroll	2,731.684	2,803.833	(72.149)	2,851.418	(47.585)	2,941.084	(89.666)	3,007.894	(66.810)
Overtime	283.855	252.066	31.789	253.532	(1.466)	259.622	(6.090)	266.416	(6.794)
Total Salaries & Wages	3,015.539	3,055.899	(40.360)	3,104.950	(49.051)	3,200.706	(95.756)	3,274.310	(73.604)
Health and Welfare	592.521	647.162	(54.641)	702.477	(55.315)	768.506	(66.029)	837.837	(69.331)
Pensions	468.355	554.891	(86.536)	574.590	(19.699)	580.055	(5.465)	577.414	2.641
Other Fringe Benefits	279.259	283.668	(4.409)	287.194	(3.526)	294.292	(7.098)	299.689	(5.397)
Total Fringe Benefits	1,340.135	1,485.721	(145.586)	1,564.261	(78.540)	1,642.853	(78.592)	1,714.940	(72.087)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4,355.674	\$4,541.620	(\$185.946)	\$4,669.211	(\$127.591)	\$4,843.559	(\$174.348)	\$4,989.250	(\$145.691)
Non-Labor:									
Traction and Propulsion Power	134.164	140.941	(6.777)	140.640	0.301	141.338	(0.698)	143.813	(2.475)
Fuel for Buses and Trains	103.621	116.083	(12.462)	104.889	11.194	99.939	4.950	102.088	(2.149)
Insurance	31.979	34.559	(2.580)	39.014	(4.455)	42.297	(3.283)	46.424	(4.127)
Claims	69.441	71.350	(1.909)	73.306	(1.956)	75.314	(2.008)	77.370	(2.056)
Paratransit Service Contracts	160.328	192.329	(32.001)	223.289	(30.960)	260.299	(37.010)	303.970	(43.671)
Mtce. and Other Operating Contracts	220.147	232.406	(12.259)	230.676	1.730	228.892	1.784	237.895	(9.003)
Professional Service Contracts	112.765	106.452	6.313	104.387	2.065	107.935	(3.548)	110.280	(2.345)
Materials & Supplies	300.940	300.050	0.890	297.022	3.028	292.101	4.921	286.107	5.994
Other Business Expenses	34.991	34.957	0.034	35.362	(0.405)	35.947	(0.585)	36.200	(0.253)
Total Non-Labor Expenses	\$1,168.376	\$1,229.127	(\$60.751)	\$1,248.585	(\$19.458)	\$1,284.062	(\$35.477)	\$1,344.147	(\$60.085)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5,524.050	\$5,770.747	(\$246.697)	\$5,917.796	(\$147.049)	\$6,127.621	(\$209.825)	\$6,333.397	(\$205.776)
Depreciation	962.300	1,074.500	(112.200)	1,228.100	(153.600)	1,381.700	(153.600)	1,535.300	(153.600)
Total Expenses	\$6,486.350	\$6,845.247	(\$358.897)	\$7,145.896	(\$300.649)	\$7,509.321	(\$363.425)	\$7,868.697	(\$359.376)
Baseline Net Surplus/(Deficit)	(\$2,772.113)	(\$3,039.496)	(\$267.383)	(\$3,333.256)	(\$293.760)	(\$3,642.583)	(\$309.327)	(\$3,980.520)	(\$337.937)
2006 Agency Program to Eliminate the Gap	5.307	18.317	13.010	19.475	1.158	20.492	1.017	22.050	1.558
Post-2006 Agency Program to Eliminate the G	0.000	0.000	0.000	1.962	1.962	14.356	12.394	20.447	6.091
Net Surplus/(Deficit)	(\$2,766.806)	(\$3,021.179)	(\$254.373)	(\$3,311.819)	(\$290.640)	(\$3,607.735)	(\$295.916)	(\$3,938.023)	(\$330.288)

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008
<u>Receipts</u>									
Farebox Revenue	\$2,715.988	\$2,790.915	\$74.927	\$2,825.127	\$34.212	\$2,855.201	\$30.074	\$2,859.259	\$4.058
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	103.766	103.766	0.000	103.766	0.000	103.766	0.000	103.766	0.000
Paratransit Reimbursement	62.120	58.379	(3.741)	66.833	8.454	78.222	11.389	88.469	10.247
Other	111.720	91.712	(20.008)	92.030	0.318	92.430	0.400	92.245	(0.185)
Total Other Operating Revenue	\$277.606	\$253.857	(\$23.749)	\$262.629	\$8.772	\$274.418	\$11.789	\$284.480	\$10.062
Capital and Other Reimbursements	745.584	773.865	28.281	737.269	(36.596)	740.531	3.262	746.199	5.668
Total Receipts	\$3,739.178	\$3,818.637	\$79.459	\$3,825.025	\$6.388	\$3,870.150	\$45.125	\$3,889.938	\$19.788
<u>Expenditures</u>									
Labor:									
Payroll	2,723.580	2,782.934	(59.354)	2,829.927	(46.994)	2,920.053	(90.126)	2,985.028	(64.975)
Overtime	283.013	250.186	32.827	251.620	(1.433)	257.758	(6.138)	264.380	(6.622)
Total Salaries & Wages	3,006.593	3,033.120	(26.527)	3,081.547	(48.427)	3,177.811	(96.264)	3,249.408	(71.597)
Health and Welfare	597.518	644.889	(47.371)	700.045	(55.156)	765.904	(65.859)	835.053	(69.149)
Pensions	334.725	515.927	(181.202)	567.020	(51.093)	578.710	(11.690)	579.363	(0.653)
Other Fringe Benefits	268.269	273.941	(5.672)	277.996	(4.055)	285.706	(7.710)	291.523	(5.817)
Total Fringe Benefits	1,200.512	1,434.757	(234.245)	1,545.061	(110.304)	1,630.320	(85.259)	1,705.939	(75.619)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$4,207.105	\$4,467.877	(\$260.772)	\$4,626.608	(\$158.731)	\$4,808.131	(\$181.523)	\$4,955.347	(\$147.216)
Non-Labor:									
Traction and Propulsion Power	134.164	140.941	(6.777)	140.640	0.301	141.338	(0.698)	143.813	(2.475)
Fuel for Buses and Trains	103.621	116.083	(12.462)	104.889	11.194	99.939	4.950	102.088	(2.149)
Insurance	33.746	35.290	(1.544)	39.410	(4.120)	46.197	(6.787)	46.176	0.021
Claims	63.098	60.208	2.890	61.947	(1.739)	63.735	(1.788)	65.576	(1.841)
Paratransit Service Contracts	157.128	188.129	(31.001)	223.289	(35.160)	260.299	(37.010)	303.970	(43.671)
Mtce. and Other Operating Contracts	228.601	240.860	(12.259)	239.130	1.730	237.346	1.784	246.349	(9.003)
Professional Service Contracts	107.119	102.052	5.067	100.387	1.665	103.935	(3.548)	106.280	(2.345)
Materials & Supplies	296.868	297.300	(0.432)	295.022	2.278	290.101	4.921	284.107	5.994
Other Business Expenditures	34.991	34.957	0.034	35.362	(0.405)	35.947	(0.585)	36.200	(0.253)
Total Non-Labor Expenditures	\$1,159.336	\$1,215.820	(\$56.484)	\$1,240.076	(\$24.256)	\$1,278.837	(\$38.761)	\$1,334.559	(\$55.722)
Other Expenditure Adjustments:									
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$5,366.441	\$5,683.697	(\$317.256)	\$5,866.684	(\$182.987)	\$6,086.968	(\$220.284)	\$6,289.906	(\$202.938)
Baseline Net Cash Deficit	(\$1,627.263)	(\$1,865.060)	(\$237.797)	(\$2,041.659)	(\$176.599)	(\$2,216.818)	(\$175.159)	(\$2,399.968)	(\$183.150)
2006 Agency Program to Eliminate the Gap	5.307	19.517	14.210	20.675	1.158	21.692	1.017	23.250	1.558
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	1.962	1.962	14.356	12.394	20.447	6.091
Net Cash Deficit	(\$1,621.956)	(\$1,845.543)	(\$223.587)	(\$2,019.022)	(\$173.479)	(\$2,180.770)	(\$161.748)	(\$2,356.271)	(\$175.501)

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008
Receipts									
Farebox Revenue	\$11.500	\$2.700	(\$8.800)	\$9.100	\$6.400	\$8.800	(\$0.300)	\$5.500	(\$3.300)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	0.500	0.000	(0.500)	0.000	0.000	0.000	0.000	0.000	0.000
Other	23.100	2.100	(21.000)	2.100	0.000	2.100	0.000	2.100	0.000
Total Other Operating Revenue	\$23.600	\$2.100	(\$21.500)	\$2.100	\$0.000	\$2.100	\$0.000	\$2.100	\$0.000
Capital and Other Reimbursements	(10.159)	8.086	18.245	1.185	(6.901)	(7.488)	(8.673)	(5.839)	1.649
Total Receipt Adjustments	\$24.941	\$12.886	(\$12.055)	\$12.385	(\$0.501)	\$3.412	(\$8.973)	\$1.761	(\$1.651)
Expenditures									
Labor:									
Payroll	8.104	20.899	12.795	21.491	0.591	21.031	(0.460)	22.866	1.835
Overtime	0.842	1.880	1.038	1.912	0.033	1.864	(0.048)	2.036	0.172
Total Salaries & Wages	8.946	22.779	13.833	23.403	0.624	22.895	(0.508)	24.902	2.007
Health and Welfare	(4.997)	2.273	7.270	2.432	0.159	2.602	0.170	2.784	0.182
Pensions	133.630	38.964	(94.666)	7.570	(31.394)	1.345	(6.225)	(1.949)	(3.294)
Other Fringe Benefits	10.990	9.727	(1.263)	9.198	(0.529)	8.586	(0.612)	8.166	(0.420)
Total Fringe Benefits	139.623	50.964	(88.659)	19.200	(31.764)	12.533	(6.667)	9.001	(3.532)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$148.569	\$73.743	(\$74.826)	\$42.603	(\$31.140)	\$35.428	(\$7.175)	\$33.903	(\$1.525)
Non-Labor:									
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(1.767)	(0.731)	1.036	(0.396)	0.335	(3.900)	(3.504)	0.248	4.148
Claims	6.343	11.142	4.799	11.359	0.217	11.579	0.220	11.794	0.215
Paratransit Service Contracts	3.200	4.200	1.000	0.000	(4.200)	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	(8.454)	(8.454)	0.000	(8.454)	0.000	(8.454)	0.000	(8.454)	0.000
Professional Service Contracts	5.646	4.400	(1.246)	4.000	(0.400)	4.000	0.000	4.000	0.000
Materials & Supplies	4.072	2.750	(1.322)	2.000	(0.750)	2.000	0.000	2.000	0.000
Other Business Expenditures	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$9.040	\$13.307	\$4.267	\$8.509	(\$4.798)	\$5.225	(\$3.284)	\$9.588	\$4.363
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$157.609	\$87.050	(\$70.559)	\$51.112	(\$35.938)	\$40.653	(\$10.459)	\$43.491	\$2.838
Total Cash Conversion Adjustments before Depreciation	\$182.550	\$99.936	(\$82.614)	\$63.497	(\$36.439)	\$44.065	(\$19.432)	\$45.252	\$1.187
Depreciation Adjustment	962.300	1,074.500	112.200	1,228.100	153.600	1,381.700	153.600	1,535.300	153.600
Baseline Total Cash Conversion Adj.	\$1,144.850	\$1,174.436	\$29.586	\$1,291.597	\$117.161	\$1,425.765	\$134.168	\$1,580.552	\$154.787
2006 Agency Program to Eliminate the Gap	0.000	1.200	1.200	1.200	0.000	1.200	0.000	1.200	0.000
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$1,144.850	\$1,175.636	\$30.786	\$1,292.797	\$117.161	\$1,426.965	\$134.168	\$1,581.752	\$154.787

**MTA New York City Transit
November Financial Plan 2006 – 2009
Ridership (Utilization)**

November Financial Plan Ridership increased from the July Financial Plan as follows: 2005=0.5%, 2006=1.6%, 2007=1.4%, 2008=1.6%, and 2009=1.7%.

The 2005 improvement included a 1.2% subway increase and a 0.8% bus decrease, consistent with current trends.

The 2006 increase is based primarily on Global Insight's projected employment growth and an additional subway growth factor of 1.5% based upon recent experience.

The 2007 through 2009 increases are based on Global Insight's employment growth projections.

MTA New York City Transit
November Financial Plan 2006 - 2009
Ridership/Traffic Volume (Utilization)
(in millions)

	2004	2005	2006			
	Actual	November	Final Proposed	2007	2008	2009
		Forecast	Budget			
Subway	1,426.040	1,464.149	1,504.137	1,519.985	1,535.057	1,537.901
Bus	740.586	741.845	745.515	750.450	757.485	758.790
Paratransit	3.983	4.720	5.428	6.242	7.179	8.256
Baseline Total Ridership	2,170.609	2,210.714	2,255.080	2,276.677	2,299.721	2,304.947
Impact of: PEG Program						
Total Ridership	2,170.609	2,210.714	2,255.080	2,276.677	2,299.721	2,304.947

MTA New York City Transit
November Financial Plan 2006-2009
Summary of Major Plan-to-Plan Changes

2005: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in a reduction of \$0.6 million.

Major changes include:

- Farebox revenue decreases by \$11.4 million due mostly to an unfavorable market share shift to 30-day passes from pay-per-ride partly offset by higher non-student ridership.
- Re-estimates of expired card value resulted in an improvement of \$6.8 million.
- Other operating revenue is projected to improve by \$4.1 million due largely to increased paratransit urban tax revenues of \$3.0 million based upon a very strong commercial real estate market and projected higher advertising revenues of \$1.0 million.

Capital reimbursements decreased by \$13.0 million due to reductions in Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$1.5 million. Major variances include:

- Increased bus and heating fuel expenses of \$18.8 million due to higher projected prices.
- Pension expense reestimates resulting in an increase of \$10.4 million.
- A net increase of \$8.0 million primarily related to departmental reassessment of labor and non-labor spending levels including rescheduling of expenses to subsequent years.
- A health & welfare expense reduction of \$16.2 million based upon lower rate increases than anticipated in the Mid-Year Forecast.
- A reestimate of non-cash depreciation expense resulted in a reduction of \$19.3 million primarily due to the timing of assets reaching beneficial use.

Reimbursable expenses decreased by \$13.0 million due to reduced Capital Program requirements.

Cash Adjustments

Cash adjustments were unfavorable by \$21.9 million. Major variances include:

- Depreciation offset to the non-cash expense change was unfavorable \$19.3 million.

- The timing of capital reimbursements was unfavorable \$13.3 million.
- The timing of fringe benefit payments was favorable \$8.6 million.

2006: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in an increase of \$27.9 million.

Major changes include:

- Farebox revenue improves by \$19.3 million due primarily to projected additional subway revenue growth of 1.5% based on recent year's experience of ridership growth above employment growth levels.
- Reestimates of expired card value result in an improvement of \$8.2 million.

Capital reimbursements increase by \$51.1 million due to additional Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$10.0 million. Major variances include:

- Increased bus and heating fuel expenses of \$41.1 million due to higher projected prices.
- An increase of \$7.1 million of expenses rescheduled from 2005.
- A projected increase in paratransit trip growth from 13% to 15% results in an increase in expense of \$5.7 million.
- An expense reduction of \$22.5 million from higher reimbursable overhead credits arising from increased Capital Program requirements and a higher overhead billing rate, largely due to higher pension costs.
- A health & welfare expense reduction of \$20.0 million based upon lower rate increase projections than anticipated in the July Plan.

Reimbursable expenses increase by \$51.1 million due to higher Capital Program requirements in buses (\$19.2 million) and subways (\$14.9 million). The remainder is mostly due to higher overhead billing rate expense increases, largely due to increased pension costs.

Cash Adjustments

Cash adjustments were unfavorable by \$12.6 million. Major variances include:

- Depreciation offset to the non-cash expense change was unfavorable \$12.0 million.
- Farebox revenue was unfavorable \$6.3 million largely due to reestimates of the timing/depositing of cash receipts and expired card values.
- The timing of capital reimbursements was favorable \$2.6 million.
- The timing of fringe benefit payments was favorable \$5.0 million.

2007: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in an increase of \$22.6 million. Major changes include:

- Farebox revenue improves by \$13.6 million based primarily upon Global Insight's employment projections.
- Reestimates of expired card value results in an improvement of \$8.7 million.

Capital reimbursements increase by \$15.0 million due to additional Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$41.5 million. Major variances include:

- A reestimate of non-cash depreciation expense resulting in an increase of \$36.8 million representing additional assets reaching beneficial use.
- Increased bus and heating fuel expenses of \$29.0 million due to higher projected prices.
- A projected increase in paratransit trip growth from 13% to 15%, resulting in an increase in expense of \$8.0 million.
- An expense reduction of \$17.7 million from higher reimbursable overhead credits arising from increased Capital Program requirements and a higher overhead billing rate, largely due to higher pension costs.
- A health & welfare expense reduction of \$23.2 million based upon lower rate increase projections than anticipated in the July Plan.

Reimbursable expenses increase by \$15.0 million due to higher Capital Program requirements.

Cash Adjustments

Cash adjustments were favorable by \$36.1 million. Major variances include:

- Depreciation offset to the non-cash expense change was favorable \$36.8 million.
- Farebox revenue was unfavorable \$12.2 million largely due to re-estimates of the timing/depositing of cash receipts and expired card values.
- The timing of capital reimbursements was favorable \$7.5 million.
- The timing of fringe benefit payments was favorable \$4.6 million.

2008: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in an increase of \$26.9 million. Major changes include:

- Farebox revenue improves by \$18.0 million based primarily upon Global Insight's employment projections.
- Reestimates of expired card value result in an improvement of \$8.6 million.

Capital reimbursements increase by \$10.0 million due to additional Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$93.5 million. Major variances include:

- A re-estimate of non-cash depreciation expense resulting in an increase of \$89.2 million representing additional assets reaching beneficial use.
- Increased bus and heating fuel expenses of \$23.0 million due to higher projected prices.
- A projected increase in paratransit trip growth from 13% to 15%, resulting in an increase in expense of \$11.3 million.
- An expense reduction of \$16.7 million from higher reimbursable overhead credits arising from increased Capital Program requirements and a higher overhead billing rate, largely due to higher pension costs.
- A health & welfare expense reduction of \$26.7 million based upon projected lower rate increases than anticipated in the July Plan.

Reimbursable expenses increase by \$10.0 million due to higher Capital Program requirements.

Cash Adjustments

Cash adjustments were favorable by \$92.9 million. Major variances include:

- Depreciation offset to the non-cash expense change was favorable \$89.2 million.
- The timing of fringe benefit payments was favorable \$4.5 million.

2009: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in an increase of \$31.0 million. Major changes include:

- Farebox revenue improves by \$22.1 million based primarily upon Global Insight's employment projections.
- Reestimates of expired card value resulted in an improvement of \$8.6 million.

Capital reimbursements increase by \$7.5 million due to additional Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$139.6 million. Major variances include:

- A re-estimate of non-cash depreciation expense resulting in an increase of \$139.0 million representing additional assets reaching beneficial use.
- Increased bus and heating fuel expenses of \$23.6 million due to higher projected prices.
- A projected increase in paratransit trip growth from 13% to 15%, resulting in an increase in expense of \$18.8 million.
- An expense reduction of \$16.2 million from higher reimbursable overhead credits arising from increased Capital Program requirements and a higher overhead billing rate, largely due to higher pension costs.
- A health & welfare expense reduction of \$29.5 million based upon projected lower rate increases than anticipated in the July Plan.

Reimbursable expenses increase by \$7.5 million due to higher Capital Program requirements.

Cash Adjustments

Cash adjustments were favorable by \$137.7 million. Major variances include:

- Depreciation offset to the non-cash expense change was favorable \$139.0 million.

MTA New York City Transit
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$1,603.285)	(\$1,870.335)	(\$2,058.935)	(\$2,243.078)	(\$2,429.057)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Farebox Revenue Re-estimate-Subway, Bus, Paratransit	(11.439)	19.256	13.600	17.960	22.055
Expired Card Value Re-estimate	6.800	8.200	8.700	8.600	8.600
Other Operating Revenue Re-estimates	4.085	.415	.333	.333	.333
Sub-Total Non-Reimbursable Revenue Changes	(\$.554)	\$27.871	\$22.633	\$26.893	\$30.988
Expenses					
Bus & Heating Fuel Price Increases	(18.822)	(41.128)	(29.030)	(22.957)	(23.559)
Traction and Non-Traction Power Prices	3.288	(2.104)	(0.304)	0.115	(0.741)
Insurance Cost Re-estimate	1.069	2.872	2.204	2.588	3.909
Other Inflation Changes	0.000	(4.359)	0.339	(7.178)	(2.300)
Pension Re-estimate	(10.379)	(3.480)	(2.098)	(0.536)	3.498
Health & Welfare Rate Savings	16.193	20.011	23.167	26.724	29.541
Worker's Compensation Board Fees	(2.960)	(2.110)	(4.110)	(4.110)	(4.110)
Paratransit Expense Reforecast	2.134	(5.707)	(8.027)	(11.314)	(18.761)
"L" Line OPTO Elimination	(0.251)	(3.545)	(4.388)	(4.388)	(4.388)
Maintenance Program Revision	0.000	(1.138)	(1.060)	(1.060)	(0.982)
Impact of Reimbursable Changes	1.137	22.493	17.673	16.673	16.153
Rescheduling of 2005 Expenses	10.515	(7.062)	(3.453)	0.000	0.000
Other Fringe Benefit Re-estimates	(2.839)	(3.311)	(3.067)	(2.912)	(2.460)
Other 2005 Spending Re-estimates	(18.458)	0.000	0.000	0.000	0.000
Average Pay Rate Adjustment	0.000	8.842	8.782	8.623	8.281
Depreciation Re-estimate	19.300	12.000	(36.800)	(89.200)	(139.000)
All Other	(1.420)	(2.280)	(1.294)	(4.583)	(4.656)
Sub-Total Non-Reimbursable Expense Changes	(\$1.493)	(\$10.006)	(\$41.466)	(\$93.515)	(\$139.575)
Total Non-Reimbursable Major Changes	(\$2.047)	\$17.865	(\$18.833)	(\$66.622)	(\$108.587)
<i>Reimbursable Major Changes</i>					
Revenue					
Reimbursements Provided To Cover Expense Changes Below	(13.019)	51.118	15.042	9.990	7.488
Sub-Total Reimbursable Revenue Changes	(\$13.019)	\$51.118	\$15.042	\$9.990	\$7.488
Expenses					
Change in Capital Program Requirements (see Narrative)	13.019	(51.118)	(15.042)	(9.990)	(7.488)
Sub-Total Reimbursable Expense Changes	\$13.019	(\$51.118)	(\$15.042)	(\$9.990)	(\$7.488)
Total Reimbursable Major Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Accrual Changes	(\$2.047)	\$17.865	(\$18.833)	(\$66.622)	(\$108.587)
<i>Cash Adjustment Changes</i>					
Depreciation Offset to Expense Revision-Non Cash	(19.300)	(12.000)	36.800	89.200	139.000
Capital Reimbursement Timing	(13.269)	2.634	7.514	1.052	0.521
Farebox Revenue Revisions	2.800	(6.300)	(12.200)	(0.900)	(4.200)
Fringe Benefit Cash Payment Timing	8.551	4.973	4.632	4.502	3.884
Public Liability (Claims) Payment Re-estimates	(5.120)	(1.157)	(1.421)	(1.694)	0.919
Insurance Payment Timing	1.482	(0.713)	0.567	0.942	(1.879)
Other Changes	2.925	(0.027)	0.217	(0.220)	(0.569)
Total Cash Adjustment Changes	(\$21.931)	(\$12.590)	\$36.109	\$92.882	\$137.676
Total Baseline Changes	(\$23.978)	\$5.275	\$17.276	\$26.260	\$29.089
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$1,627.263)	(\$1,865.060)	(\$2,041.659)	(\$2,216.818)	(\$2,399.968)

MTA New York City Transit
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$1,606.398)	(\$1,875.788)	(\$2,052.604)	(\$2,234.538)	(\$2,422.697)
Baseline Changes					
Revenue					
Farebox Revenue	(\$4.639)	\$27.456	\$22.300	\$26.560	\$30.655
Other Operating Revenue	\$4.085	\$0.415	\$0.333	\$0.333	\$0.333
Capital and Other Reimbursement	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Revenue Changes	(\$0.554)	\$27.871	\$22.633	\$26.893	\$30.988
Expenses					
<i>Labor:</i>					
Payroll	(\$1.947)	\$0.872	\$2.689	(\$6.037)	(\$2.857)
Overtime	(\$15.744)	\$2.027	\$3.775	\$3.978	\$4.327
Health and Welfare	\$15.015	\$16.242	\$20.350	\$24.448	\$27.427
Pensions	(\$10.203)	(\$3.153)	(\$1.194)	\$0.336	\$4.522
Other Fringe Benefits	(\$7.577)	(\$3.158)	(\$3.874)	(\$4.293)	(\$3.734)
Reimbursable Overhead	\$1.137	\$26.653	\$21.648	\$20.440	\$19.468
Total Labor Expense Changes	(\$19.319)	\$39.483	\$43.394	\$38.872	\$49.153
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$4.225	\$1.305	\$3.161	\$3.800	\$3.785
Fuel for Buses and Trains	(\$14.737)	(\$32.608)	(\$24.021)	(\$19.372)	(\$19.974)
Insurance	\$1.685	\$0.919	(\$1.438)	(\$2.563)	(\$4.773)
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$1.600	(\$4.223)	(\$3.383)	(\$4.480)	(\$7.693)
Maintenance and Other Operating Contracts	\$10.934	(\$7.616)	(\$11.969)	(\$11.798)	(\$11.749)
Professional Service Contracts	(\$2.575)	(\$5.116)	(\$5.129)	(\$6.514)	(\$7.006)
Materials & Supplies	(\$0.379)	(\$11.899)	(\$3.054)	\$0.295	\$0.288
Other Business Expenses	(\$2.227)	(\$2.251)	(\$2.227)	(\$2.555)	(\$2.606)
Total Non-Labor Expense Changes	(\$1.474)	(\$61.489)	(\$48.060)	(\$43.187)	(\$49.728)
Depreciation	\$19.300	\$12.000	(\$36.800)	(\$89.200)	(\$139.000)
Total Expense Changes	(\$1.493)	(\$10.006)	(\$41.466)	(\$93.515)	(\$139.575)
Cash Adjustment Changes					
Revenue	\$3.800	(\$6.300)	(\$12.200)	(\$0.900)	(\$4.200)
Expense	\$6.840	\$3.077	\$3.993	\$3.530	\$2.355
Depreciation	(\$19.300)	(\$12.000)	\$36.800	\$89.200	\$139.000
Total Cash Adjustment Changes	(\$8.660)	(\$15.223)	\$28.593	\$91.830	\$137.155
Total Baseline Changes	(\$10.707)	\$2.642	\$9.760	\$25.208	\$28.568
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$1,617.105)	(\$1,873.146)	(\$2,042.844)	(\$2,209.330)	(\$2,394.129)

MTA New York City Transit
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$3.113	\$5.453	(\$6.331)	(\$8.540)	(\$6.360)
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital and Other Reimbursement	(\$13.019)	\$51.118	\$15.042	\$9.990	\$7.488
Total Revenue Changes	(\$13.019)	\$51.118	\$15.042	\$9.990	\$7.488
Expenses					
<i>Labor:</i>					
Payroll	\$13.217	(\$6.423)	\$0.781	\$3.589	\$5.189
Overtime	(\$7.161)	(\$1.777)	\$0.248	\$0.315	\$0.461
Health and Welfare	(\$0.549)	\$0.905	\$0.915	\$0.939	\$0.966
Pensions	\$0.457	\$0.737	\$1.594	\$1.585	\$1.527
Other Fringe Benefits	\$2.666	(\$2.422)	\$0.085	\$0.886	\$1.355
Reimbursable Overhead	(\$1.137)	(\$26.653)	(\$21.648)	(\$20.440)	(\$19.468)
Total Labor Expense Changes	\$7.493	(\$35.633)	(\$18.025)	(\$13.126)	(\$9.970)
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Maintenance and Other Operating Contracts	(\$3.292)	(\$4.323)	\$1.736	\$1.736	\$1.236
Professional Service Contracts	\$1.455	(\$0.357)	\$0.528	\$0.528	\$0.528
Materials & Supplies	\$6.692	(\$10.992)	\$0.532	\$0.685	\$0.532
Other Business Expenses	\$0.671	\$0.187	\$0.187	\$0.187	\$0.186
Total Non-Labor Expense Changes	\$5.526	(\$15.485)	\$2.983	\$3.136	\$2.482
Total Expense Changes	\$13.019	(\$51.118)	(\$15.042)	(\$9.990)	(\$7.488)
Cash Adjustment Changes					
Capital Reimbursement Timing	(\$13.271)	\$2.633	\$7.516	\$1.052	\$0.521
Total Cash Adjustment Changes	(\$13.271)	\$2.633	\$7.516	\$1.052	\$0.521
Total Baseline Changes	(\$13.271)	\$2.633	\$7.516	\$1.052	\$0.521
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$10.158)	\$8.086	\$1.185	(\$7.488)	(\$5.839)

MTA New York City Transit
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$1,603.285)	(\$1,870.335)	(\$2,058.935)	(\$2,243.078)	(\$2,429.057)
Baseline Changes					
Revenue					
Farebox Revenue	(\$4.639)	\$27.456	\$22.300	\$26.560	\$30.655
Other Operating Revenue	\$4.085	\$0.415	\$0.333	\$0.333	\$0.333
Capital and Other Reimbursement	(\$13.019)	\$51.118	\$15.042	\$9.990	\$7.488
Total Revenue Changes	(\$13.573)	\$78.989	\$37.675	\$36.883	\$38.476
Expenses					
<i>Labor:</i>					
Payroll	\$11.270	(\$5.551)	\$3.470	(\$2.448)	\$2.332
Overtime	(\$22.905)	\$0.250	\$4.023	\$4.293	\$4.788
Health and Welfare	\$14.466	\$17.147	\$21.265	\$25.387	\$28.393
Pensions	(\$9.746)	(\$2.416)	\$0.400	\$1.921	\$6.049
Other Fringe Benefits	(\$4.911)	(\$5.580)	(\$3.789)	(\$3.407)	(\$2.379)
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expense Changes	(\$11.826)	\$3.850	\$25.369	\$25.746	\$39.183
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$4.225	\$1.305	\$3.161	\$3.800	\$3.785
Fuel for Buses and Trains	(\$14.737)	(\$32.608)	(\$24.021)	(\$19.372)	(\$19.974)
Insurance	\$1.685	\$0.919	(\$1.438)	(\$2.563)	(\$4.773)
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$1.600	(\$4.223)	(\$3.383)	(\$4.480)	(\$7.693)
Maintenance and Other Operating Contracts	\$7.642	(\$11.939)	(\$10.233)	(\$10.062)	(\$10.513)
Professional Service Contracts	(\$1.120)	(\$5.473)	(\$4.601)	(\$5.986)	(\$6.478)
Materials & Supplies	\$6.313	(\$22.891)	(\$2.522)	\$0.980	\$0.820
Other Business Expenses	(\$1.556)	(\$2.064)	(\$2.040)	(\$2.368)	(\$2.420)
Total Non-Labor Expense Changes	\$4.052	(\$76.974)	(\$45.077)	(\$40.051)	(\$47.246)
Depreciation	\$19.300	\$12.000	(\$36.800)	(\$89.200)	(\$139.000)
Total Expense Changes	\$11.526	(\$61.124)	(\$56.508)	(\$103.505)	(\$147.063)
Cash Adjustment Changes					
Revenue	\$3.800	(\$6.300)	(\$12.200)	(\$0.900)	(\$4.200)
Expense	\$6.840	\$3.077	\$3.993	\$3.530	\$2.355
Capital Reimbursement Timing	(\$13.271)	\$2.633	\$7.516	\$1.052	\$0.521
Depreciation	(\$19.300)	(\$12.000)	\$36.800	\$89.200	\$139.000
Total Cash Adjustment Changes	(\$21.931)	(\$12.590)	\$36.109	\$92.882	\$137.676
Total Baseline Changes	(\$23.978)	\$5.275	\$17.276	\$26.260	\$29.089
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$1,627.263)	(\$1,865.060)	(\$2,041.659)	(\$2,216.818)	(\$2,399.968)

MTA New York City Transit
November Financial Plan 2006 - 2009
Summary of 2006 PEGs
(\$ in millions)

Favorable/(Unfavorable)									
2005		2006		2007		2008		2009	
Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS									
Administration:									
Document Imaging System	0.000	1	0.072	1	0.072	2	0.144	2	0.144
MOW/Rolling Stock Administrative Savings	0.000	4	0.311	4	0.311	4	0.311	4	0.311
New Car Acceptance Support	0.000	6	0.645	6	0.645	6	0.645	6	0.645
Law Administrative Savings	0.000		0.141		0.141		0.151		0.151
No-Fault Loss Transfer Program	0.000	(1)	0.162	(1)	0.162	(1)	0.162	(1)	0.162
Workers Comp Loss Transfer Program	0.000		0.930		0.930		0.930		0.930
Health and Welfare Savings - Mgmt Actions	(5)	(3)	4.413	(3)	4.497	(3)	4.497	(3)	4.497
Implement Disease Management Program			1.400		1.400		1.400		1.400
Human Resources Staffing/Overtime Reduction		5	0.432	5	0.432	5	0.432	5	0.432
Reduce Revenue Processing Staff		2	0.130	2	0.130	2	0.130	2	0.130
OMB Administrative Savings	1	1	0.179	1	0.129	1	0.129	1	0.129
Corporate Communications Admin Savings		1	0.607	1	0.607	1	0.607	1	0.607
Reduce Circuit Design Staff		6	0.513	6	0.513	6	0.513	6	0.513
Labor Relations Administrative Savings			0.075		0.075		0.075		0.075
Controller Administrative Savings		1	0.112	1	0.112	1	0.112	1	0.112
Sub-Total Administration	(4)	23	\$10.122	23	\$10.156	24	\$10.238	24	\$10.238
Customer Convenience & Amenities:									
Reduce Grand Central Station Info Booth Hours		2	0.117	2	0.117	2	0.117	2	0.117
Sub-Total Customer Convenience & Amenities		2	\$0.117	2	\$0.117	2	\$0.117	2	\$0.117
Direct Service:									
Hybrid Bus Fuel Savings			1.247		1.870		2.805		4.363
Sub-Total Service			\$1.247		\$1.870		\$2.805		\$4.363

MTA New York City Transit
November Financial Plan 2006 - 2009
Summary of 2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2005		2006		2007		2008		2009	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
Service Support										
Grand Concourse Master Tower		0.000	5	0.203	5	0.348	5	0.348	5	0.348
L Line / CBTC Switching Conductors		0.000	4	0.255	4	0.255	4	0.255	4	0.255
Misc Tower Operator Switching Reductions		0.000	7	0.487	7	0.487	7	0.487	7	0.487
Subdivision A Managerial Reduction - ATS		0.000	3	0.353	3	0.353	3	0.353	3	0.353
Eliminate Annual Cordon Count		0.000		0.148		0.148		0.148		0.148
Eliminate Overnight Performance Indicator Program		0.000		0.213		0.213		0.213		0.213
Eliminate Traffic Checker Ops Desk-Nights/Wkends		0.000	3	0.339	3	0.339	3	0.339	3	0.339
Sub-Total Service Support		\$0.000	22	\$1.998	22	\$2.143	22	\$2.143	22	\$2.143
Maintenance:										
RTO Maintenance Support Savings		0.000	6	0.429	6	0.429	6	0.429	6	0.429
Consolidate Machine Shops		0.000	6	0.469	6	0.469	6	0.469	6	0.469
Reduce Overtime - "B" Defect Repairs		0.000		0.522		0.522		0.522		0.522
Reduce Power Ops Emergency Crew Helpers		0.000	8	0.473	8	0.473	8	0.473	8	0.473
Buses Hardware Savings		0.500		0.500		0.500		0.500		0.500
AFC Maintenance Field Support		0.000	7	0.658	7	0.658	7	0.658	7	0.658
Central Electronics Shop Productivity Savings		0.000	13	1.101	13	1.101	13	1.101	13	1.101
Central Warehouse Reduction		0.000	3	0.195	3	0.195	3	0.195	3	0.195
RCI Pre-Service Inspections			15	1.152	15	1.152	15	1.152	15	1.152
Sub-Total Maintenance		\$0.500	58	\$5.499	58	\$5.499	58	\$5.499	58	\$5.499
Revenue Enhancements:										
Sub-Total Revenue Enhancements		0.000		0.000		0.000		0.000		0.000
Other:										
Security Posts-Field Locations		0.000	13	0.534	13	0.890	13	0.890	13	0.890
Sub-Total Other		\$0.000	13	\$0.534	13	\$0.890	13	\$0.890	13	\$0.890
Total PEGs	(4)	\$5.307	118	\$19.517	118	\$20.675	119	\$21.692	119	\$23.250

¹ Reflects the impact of amendments on year-end positions.

Favorable/(Unfavorable)

Revenue Enhancements:

MTA New York City Transit
November Financial Plan 2006 - 2009
Summary of Post-2006 PEGs
(\$ in millions)

Favorable/(Unfavorable)									
2005		2006		2007		2008		2009	
Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
Sub-Total Revenue Enhancements									
	0.000		0.000		0.000		0.000		0.000
Other:									
Sub-Total Other									
	\$0.000		\$0.000		\$0.000		\$0.000		\$0.000
Total PEGs	\$0.000		\$0.000	159	\$1.962	313	\$14.356	313	\$20.447

¹ Reflects the impact of amendments on year-end positions.

MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category: Administration
Program: Document Imaging System

Background Details:	Document imaging will allow RTO and Station Divisions to digitize and index paper forms/documents contained in employee files. Paper documents will be converted to electronic format and will be easily accessible. The proliferation of paper documents results in increased operating costs and creates a burden for securing them and providing long term storage.
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PEG Description/Implementation Plan:	Imaging will streamline every aspect of the process for creating and maintaining employee files and will result in savings in staff and a reduction in the cost of filing and archiving documents. It will also replace the technologically outdated Microfiche System in use by Stations. The estimated cost of the imaging equipment (hardware, software, licensing) is \$175,000. This system will be purchased in 2005 and will result in a savings of Train Operator position in 2006 and 2007 and one additional Station Agent position in 2008.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.072	\$0.072	\$0.144	\$0.144

Total Reduction in Positions Required	0	0	1	1	2	2
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Current Vacancies
(List title of vacant positions)

Impact on Operations:
Ridership Per Week (in thousands)
Mean Distance Between Failure
On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: MOW/Rolling Stock Administrative Savings

Background Details: Maintenance of Way (MOW) /Rolling Stock (RS) consolidation allows for reduction of 4 Analyst positions; 2 from MOW Administration and 2 from Car Equipment.

PEG Description/Implementation Plan:

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.311	\$0.311	\$0.311	\$0.311
Total Reduction in Positions Required	0	0	4	4	4	4
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Eliminate New Car Field Acceptance Support

Background Details:

Eliminate six field positions added to the acceptance/testing of new cars including initial acceptance/burn-in, documentation of defects and interface with New Car Engineering.

PEG Description/Implementation Plan:

This proposal will eliminate four superintendents and two analysts associated with new car field acceptance support. This reduction will require New Car Engineering to absorb the function.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.645	\$0.645	\$0.645	\$0.645
Total Reduction in Positions Required	0	0	6	6	6	6
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Law Administrative Savings

Background Details: Law administrative savings include downgrading titles, eliminating a clerical position, and reducing trial assistants budget.

PEG Description/Implementation Plan: The implementation will start as of January 2006.
PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.141	\$0.141	\$0.151	\$0.151
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: No-Fault Loss Transfer Program

Background Details:	The Law Department has recently embarked on an aggressive program to recover monies paid to injured claimants pursuant to the No-Fault law on accidents where ultimate responsibility lies with another party. This proposal reduces the estimated \$270K budgeted for using outside counsel in this matter, less \$108K for an in-house attorney to perform this work.
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PEG Description/Implementation Plan:	The implementation will start as of January 2006.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.162	\$0.162	\$0.162	\$0.162
Total Reduction in Positions Required	0	0	(1)	(1)	(1)	(1)
Current Vacancies <i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Worker's Compensation Loss Transfer Program

Background Details:	Reduce operating expenses by retaining outside counsel to recover via subrogation Workers Compensation sums paid to employees in connection with accidents chargeable to a third party represented by an insurance company.
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PEG Description/Implementation Plan:	Retain outside counsel services to seek recovery of loss transfer revenues on workers' compensation cases. The gross savings under this initiative is projected to be \$1.2 million and reflected in NYCT's Workers Compensation costs.
PEG Implementation Date:	1/1/2006
When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.930	\$0.930	\$0.930	\$0.930
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Health and Welfare Savings - Management Actions

Background Details:

This program represents continued savings in health and welfare costs due to actions taken by Employee Benefits. The savings are primarily due to removal of ineligible employees, retirees, and dependents who were being carried as eligible by HIP and GHI.

PEG Description/Implementation Plan:

These actions began with the transfer of the health benefit administrative function to New York City Transit.

PEG Implementation Date:

1/1/2005

When will PEG savings begin?:

1/1/2005

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$4.654	\$4.413	\$4.497	\$4.497	\$4.497
Total Reduction in Positions Required	0	(5)	(3)	(3)	(3)	(3)
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Implement Disease Management Program

Background Details:	Implement the disease management program which is intended to reduce health benefits costs. A vendor will be selected to originate and manage a chronic disease program by identifying employees at risk, support plan of care, emphasize prevention, continuously evaluate clinical, holistic and economic outcomes and provide feedback.
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PEG Description/Implementation Plan:	Resulting health benefit savings are net of disease management vendor costs.		
PEG Implementation Date:	Jan-06	When will PEG savings begin?:	Jan-06

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$1.400	\$1.400	\$1.400	\$1.400
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
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(\$ in millions)**

PEG Category: Administration
Program: Human Resources' Staffing/Overtime Reduction

Background Details: Reduce five administrative positions and unscheduled overtime in Human Resources.

PEG Description/Implementation Plan: Position reductions and overtime savings begin January 1, 2006.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** Jan-06

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.010	\$0.432	\$0.432	\$0.432	\$0.432
Total Reduction in Positions Required	0	0	5	5	5	5
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
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PEG Category: Administration
Program: Reduce Revenue Processing Staff

Background Details:	Reduce two positions in the revenue collection and processing functions. One Cashier position will be reduced as a result of re-engineering of LIRR revenue collection and processing functions. One Analyst position will be reduced in currency processing due to anticipated efficiencies at the Consolidated Revenue Facility.
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PEG Description/Implementation Plan:	Two positions will be eliminated beginning January 1, 2006.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.130	\$0.130	\$0.130	\$0.130
Total Reduction in Positions Required	0	0	2	2	2	2
Current Vacancies <i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
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PEG Category: Administration
Program: Office of Management and Budget Administrative Savings

Background Details:	Eliminate one position and miscellaneous other than personal services (OTPS) in the Office of Management and Budget Staff.
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PEG Description/Implementation Plan:	One Manager's position will be reduced effective 2005. \$25K OTPS savings will be reduced in 2005, \$50K in 2006.
PEG Implementation Date:	Jan-05
When will PEG savings begin?:	Jan-05

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.143	\$0.179	\$0.129	\$0.129	\$0.129
Total Reduction in Positions Required	0	1	1	1	1	1
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Administration
Program: Corporate Communications Administrative Savings

Background Details:	Reduce Other Than Personal Services costs for market research and outside marketing services, targeted advertising, magnetic transfers, specialty cards and miscellaneous other accounts. Convert one position in the Special Event unit from non-reimbursable to non-capital reimbursable to coincide with reimbursable film and television projects.
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PEG Description/Implementation Plan:	Budget reductions will begin January 2006.				
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006		

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.607	\$0.607	\$0.607	\$0.607
Total Reduction in Positions Required	0	0	1	1	1	1
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
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PEG Category: Administration
Program: Reduce Circuit Design Staff

Background Details:	Reduce support staff that performs circuit design, coordination and installation for all voice and data services. Reductions will increase timeframes from 3-4 weeks from request to completion to 6-8 weeks (based on the size of the request). In 2004, there were over 1,500 requests for phones and data services.
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PEG Description/Implementation Plan:	Reduce six positions beginning January 2006.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.513	\$0.513	\$0.513	\$0.513
Total Reduction in Positions Required	0	0	6	6	6	6
Current Vacancies <i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
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PEG Category: Administration
Program: Labor Relations Administrative Savings

Background Details: The savings reflects a reduction in overtime hours and OTPS.

PEG Description/Implementation Plan: Reduce overtime and OTPS. Reductions will begin January 2006.

PEG Implementation Date: Jan-06 **When will PEG savings begin?:** Jan-06

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.075	\$0.075	\$0.075	\$0.075
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Administration
Program: Controller's Administrative Savings

Background Details: Reduce Controller's staff by one position, overtime in all sections and miscellaneous other than personal services (OTPS).

PEG Description/Implementation Plan: The implementation will start as of January 2006.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.112	\$0.112	\$0.112	\$0.112
Total Reduction in Positions Required	0	0	1	1	1	1
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
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PEG Category:

Customer Convenience & Amenities

Program:

Reduce Grand Central Station Information Booth Hours

Background Details:

Customer Service representatives provide bus and subway information and maps to customers passing through Grand Central Station. The information booth is staffed from 8:00 am to 8:00 pm, Monday to Friday and from 9:00 am to 5:00 pm on weekends. This proposal will reduce information booth hours to 8:00 am to 4:00 pm Monday through Friday and eliminate staffing on weekends and holidays.

PEG Description/Implementation Plan:

Reduced information booth hours will begin January 2006. Most customer requests are for maps, directions to Grand Central Terminal amenities and to the Lexington Avenue line. Most customer requests can be handled by MetroNorth employees.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.117	\$0.117	\$0.117	\$0.117
Total Reduction in Positions Required	0	0	2	2	2	2
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Direct Service
Program: Hybrid Bus Fuel Savings

Background Details: This PEG represents the savings achieved due to better fuel efficiency of hybrid electric buses relative to the balance of the diesel and CNG bus fleets. Under current plans, the DOB fleet will include 1,075 Hybrid buses by 2010. Hybrid buses currently are averaging 3.6 mpg versus 2.4 mpg for standard buses. With this complement of Hybrid Electric buses, DOB is expected to consume approximately 12 million gallons less fuel over the 2005-2010 period which will generate diesel fuel savings and create a cleaner environment.

PEG Description/Implementation Plan: The purchase of Hybrid buses has created a diesel fuel savings.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$1.247	\$1.870	\$2.805	\$4.363
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
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PEG Category: Service Support
Program: Grand Concourse Master Tower

Background Details:	The Concourse Line Project will furnish and install a new conventional signal system on the Concourse Line from 125th Street in Manhattan to 205th Street in the Bronx. It will enhance safety and improve the operational flexibility and reliability of the signal system on the Concourse Line. As part of this project, the Grand Concourse Master Tower will be refurbished with automated tower switching equipment.
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PEG Description/Implementation Plan:	Five Tower Operator positions can be eliminated, due to automation of train routing, when the Master Tower at Grand Concourse comes online in mid 2006.
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PEG Implementation Date:	6/1/2006	When will PEG savings begin?:	6/1/2006
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	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.203	\$0.348	\$0.348	\$0.348
Total Reduction in Positions Required	0	0	5	5	5	5
Current Vacancies <i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Service Support
Program: L Line / CBTC Switching Conductors

Background Details: As part of the Canarsie Line Communication-Based Train Control (CBTC) project, the Canarsie Yard will have full CBTC operational capabilities.

PEG Description/Implementation Plan: Four Conductor positions performing hand switching jobs can be eliminated due to automation of Canarsie Yard switching functions.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.255	\$0.255	\$0.255	\$0.255
Total Reduction in Positions Required	0	0	4	4	4	4
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Service Support
Program: Miscellaneous Tower Operator Switching Reductions

Background Details: The Tower Operator work program was reconfigured to make more efficient use of Work As assigned (WAA) time.

PEG Description/Implementation Plan: This proposal reflects various efficiencies in Subdivision "B" yard and station switching operations. In addition, re-work of the Tower Operator work program resulted in efficiencies as well.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.487	\$0.487	\$0.487	\$0.487
Total Reduction in Positions Required	0	0	7	7	7	7
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category:

Service Support

Program:

Subdivision "A" Managerial Reductions - Automatic Train Supervision (ATS)

Background Details:

The implementation of Automatic Train Supervision (ATS) in Subdivision A will transfer the functions from the lines to the Rail Control Center (RCC) without impacting the delivery of service to customers.

PEG Description/Implementation Plan:

Three field Managers can be eliminated due to automation of train dispatching (routing) when the Automatic Train Supervision (ATS) System is fully operational in 2006.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.353	\$0.353	\$0.353	\$0.353
Total Reduction in Positions Required	0	0	3	3	3	3
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Service Support
Program: Eliminate Annual Cordon Count Survey

Background Details:	Eliminate the annual cordon count survey, which is an annual survey that counts the number of passengers entering and exiting the Manhattan Central Business District, over East River crossings and 60th Street.
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PEG Description/Implementation Plan:	Operations Planning will eliminate 7 part-time traffic checkers beginning January 1, 2006. Operations Planning will continue to collect data using peak period/max load point checks at selected points that coincide with cordon locations.
PEG Implementation Date:	1/1/2006
When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.148	\$0.148	\$0.148	\$0.148
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
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PEG Category: Service Support
Program: Eliminate Overnight Performance Indicator Program

Background Details: The performance indicators program monitors daytime and overnight wait assessment and enroute on-time performance/schedule adherence. This initiative will eliminate the overnight bus and subway performance surveys between the hours of 10 pm and 6 am.

PEG Description/Implementation Plan: The elimination of the overnight performance monitoring program will eliminate ten part-time traffic checking positions beginning 1/1/06.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.213	\$0.213	\$0.213	\$0.213
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category:

Service Support

Program:

Eliminate Traffic Checker Ops Desk - Nights/Wkends

Background Details:

Eliminate overnight and weekend staffing at the traffic checker operations desk. Currently, the traffic checker operations desk is staffed 7x24 and serves all dispatching functions and takes traffic checker sick calls.

PEG Description/Implementation Plan:

This initiative eliminates three positions beginning January 1, 2006. Operations Planning will absorb overnight dispatching functions with operational changes and will establish a dedicated "sick" line to handle sick calls.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.339	\$0.339	\$0.339	\$0.339
Total Reduction in Positions Required	0	0	3	3	3	3
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Maintenance
Program: RTO Maintenance Support Savings

Background Details: Subdivision C has a total of 1,100 employees allocated among five support units. They provide support for diversions, flagging, work trains, as well as the contract reviews necessary to facilitate capital projects and maintenance activities along the right-of-way. In addition, in support of the MOW Signal Division, RTO operates a work train that delivers material and supplies to various signal maintenance facilities throughout the system.

PEG Description/Implementation Plan: This proposal eliminates five Subdivision "C" positions in hand switching, tower operations, work train operations, and yard dispatching. RTO is also eliminating the Conductor from the Signal Dolly in Subdivision "B", and the function of opening and closing the doors of this work train will be taken over by the Train Operator.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.429	\$0.429	\$0.429	\$0.429
Total Reduction in Positions Required	0	0	6	6	6	6
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Maintenance
Program: Consolidate Machine Shops

Background Details: Currently there are separate machine shops at the Coney Island Overhaul Shop and the 207th Street Overhaul Shop. This proposal will eliminate the 207th Street Machine Shop and consolidate all work at Coney Island.

PEG Description/Implementation Plan: This proposal would eliminate one supervisor and five CMB's by consolidating all the work at the Coney Island Machine Shop.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.469	\$0.469	\$0.469	\$0.469
Total Reduction in Positions Required	0	0	6	6	6	6
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Maintenance
Program: Reduce Overtime - "B" Defect Repairs

Background Details:	"B" defects include small cracks or corrosion in various structural steel elements that do not pose an imminent threat to safety or passenger service. The Iron Operations Unit is responsible for performing "B" defect repairs. There have been consistent underruns in its overtime budget.
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PEG Description/Implementation Plan:	This proposal reduces the overtime budget for the Iron Operations Unit by 50% or 16,770 hours. As Iron Operations has consistently underrun its overtime budget, this savings will not impact their ability to address "B" defects.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.522	\$0.522	\$0.522	\$0.522
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies <i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category:

Maintenance

Program:

Reduce Power Ops Emergency Crew Helpers

Background Details:

Batteries are part of a fail safe system which provides power to mission critical circuits - they operate circuit breakers, emergency alarms and tube shell circuits even during local utility power outages. In addition to performing an average of 1,380 battery maintenance procedures per year, the Power Operations Emergency Crews respond to all system emergencies. This includes but is not limited to responding to Con Edison and LIPA utility outages; securing and restoring power equipment for General Order work; addressing Supervisory Control and Data Acquisition (SCADA) equipment failures; responding to and investigating Tube Shell operations, Ground Protection operations (approximately 12 per year per crew) and intrusion alarms.

PEG Description/Implementation Plan:

This is a reduction of 8 Helper positions effective 1/1/06. This reduction will not compromise emergency operations. All emergency situations will continue to be addressed quickly and safely.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.473	\$0.473	\$0.473	\$0.473
Total Reduction in Positions Required	0	0	8	8	8	8
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Maintenance
Program: Buses Hardware Savings

Background Details:	Since 2000 DOB has contracted for the purchase, and on-site delivery, of various maintenance related hardware materials. Through centralized management, DOB has lowered overall hardware unit costs, improved material availability and quality, and streamlined the material's hardware acquisition process. As a result of these initiatives, DOB anticipates that it will be able to reduce its future hardware costs by \$500k annually.
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PEG Description/Implementation Plan:	
PEG Implementation Date:	1/1/2006
When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category: Maintenance
Program: AFC Maintenance Field Support

Background Details:	AFC Maintenance will consolidate functions and achieve a reduction of seven positions. These reductions will have impact on the following functions: defining, testing and implementing functionality of software; refresher training schedules; installation acceptance test schedules for AFC equipment; and CADD (drawing) preparations for AFC installations.
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PEG Description/Implementation Plan:	To alleviate the impact of the reductions, AFC Maintenance will reduce the schedule peak of each of the activities by spreading them over a more sustainable schedule. The reductions will begin January 2006.
PEG Implementation Date:	1/1/2006
When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.658	\$0.658	\$0.658	\$0.658
Total Reduction in Positions Required	0	0	7	7	7	7
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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PEG Category:

Maintenance

Program:

Central Electronic Shop Productivity Savings

Background Details:

Productivity improvements will yield 5% savings (13 positons) in the Central Electronics Shop (CES). Savings can be realized due to increased efficiency of shop operations, including increased span of control for managers, the streamlining of the technical research and review function in the Electronics Integrations group, elimination of maintainers in Shipping and Receiving due to the use of bar code readers, and the transfer of the CES Machine Shop to Electronic Maintenance Division's (EMD's) Bus Electronics Maintenance Division which will also be headquartered at EMD's Glendale facility. This allows the Machine Shop's supervision to be absorbed into Bus Electronic Maintenance's existing management structure.

PEG Description/Implementation Plan:

Productivity savings will begin January 2006.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$1.101	\$1.101	\$1.101	\$1.101
Total Reduction in Positions Required	0	0	13	13	13	13
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

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(\$ in millions)**

PEG Category: Maintenance
Program: Central Warehouse Reduction

Background Details: Reduce warehousing costs by reducing three hourly positions. This will result in further increases in the backlog in the Pick File and receiving dock receipts, and a further loss in kit production hours.

PEG Description/Implementation Plan: The implementation will start as of January 2006.
PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.195	\$0.195	\$0.195	\$0.195
Total Reduction in Positions Required	0	0	3	3	3	3
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

MTA New York City Transit
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(\$ in millions)

PEG Category: Maintenance
Program: DCE-RCI Reduce Pre-Service Inspections

Background Details:	With the continuing improvement in subway car reliability as well as a continuing increase in Mean Distance Between Failure (MDBF) of the subway car fleet it has been decided to eliminate 13 Road Car Inspector (RCI) positions (one per maintenance shop) involved with pre-service inspections as well as one each at the overhaul shops. There are currently 205 RCI's assigned to the maintenance and overhaul shops, this would reduce the number by 15 positions.
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PEG Description/Implementation Plan:	This proposal will eliminate 15 RCI positions, one position from each of the 13 maintenance shops involved with pre-service inspections, and one position from each of the overhaul shops. This reduction will require the remaining 190 RCI positions to absorb this function.
---	---

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$1.152	\$1.152	\$1.152	\$1.152
Total Reduction in Positions Required	0	0	15	15	15	15
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category: Safety & Security
Program: Security Posts-Field Locations

Background Details:	Eliminate/reduce security coverage at Kingsbridge Depot, Cozine Iron Shop, Woodside Shop, and Livingston Street.
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PEG Description/Implementation Plan: Reduced Property Protection Agent coverage is possible with installation of security equipment. PM & Night coverage at post 77B, Kingsbridge Depot Tower will be eliminated. This agent is responsible for fire alarm monitoring and surveillance, not access control; the alarm monitoring function will be transferred back to the Depot. One-time OTPS funding is provided to relocate the existing security booth and fire alarm monitor to the dispatcher's station. At Cozine Iron Shop, the AM & PM tours, M-F at post 35A will be eliminated, with access at this entrance controlled by a HEET; funding is provided for installation of an intrusion detection system. Woodside Shop 24X7 coverage at post 21A will be eliminated, with access controlled by a HEET. Finally, installation of Livingston Plaza lobby turnstiles facilitates eliminating the AM tour M-F at post 50B, the second lobby post.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.534	\$0.890	\$0.890	\$0.890
Total Reduction in Positions Required	0	0	13	13	13	13
Current Vacancies (List title of vacant positions)						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO #7 Line - Dec 07

Background Details:	With the introduction of the R142/A cars on the Flushing line, an opportunity exists for implementation of One Person Train Operation (OPTO) in conjunction with other safety enhancements including CCTV's and Passenger Emergency Intercom (PEI) systems.
----------------------------	---

PEG Description/Implementation Plan:	Implementation of OPTO on the #7 line will result in a net reduction of 89 Conductor positions. This includes redeployment of 30 Conductors for platform duties. Implementation is scheduled for December 2007, contingent upon equipment availability and CCTV installation along the Flushing corridor.				
PEG Implementation Date:	12/1/2007	When will PEG savings begin?:	12/1/2007		

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$0.474	\$5.676	\$5.676
Total Reduction in Positions Required	0	0	0	89	89	89
Current Vacancies						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO J Line - Fall 07

Background Details:	With the introduction of the R160 cars on the Jamaica line, an opportunity exists for implementation of OPTO in conjunction with other safety enhancements such as CCTV and Passenger Emergency Intercom (PEI) systems.
----------------------------	---

PEG Description/Implementation Plan:	Reduction of 70 Conductor positions on the J Line through the implementation of full-time One Person Train Operation. Scheduled implementation on September 1, 2007 dependent on availability of R160 cars.		
PEG Implementation Date:	9/1/2007	When will PEG savings begin?:	9/1/2007

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$1.488	\$4.464	\$4.464
Total Reduction in Positions Required	0	0	0	70	70	70
Current Vacancies						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO M Line - Weekdays, Spring 2008

Background Details:	With the introduction of the R160 cars on the Myrtle Avenue line, an opportunity exists for implementation of One Person Train Operation (OPTO) in conjunction with other safety enhancements such as CCTV installation and Passenger Emergency Intercom (PEI) systems.
----------------------------	---

PEG Description/Implementation Plan:	This proposal allows for reduction of 44 Conductor positions on the M Line through the implementation of full-time One Person Train Operation. Implementation is scheduled for May 2008 dependent on availability of R160 cars.				
PEG Implementation Date:	5/1/2008	When will PEG savings begin?:	5/1/2008		

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$0.000	\$1.963	\$2.945
Total Reduction in Positions Required	0	0	0	0	44	44
Current Vacancies						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO N Line - Fall 08

Background Details:	With the introduction of the R160 cars on the N line, an opportunity exists for implementation of OPTO in conjunction with other safety enhancements such as CCTV and Passenger Emergency Intercom (PEI) systems.
----------------------------	---

PEG Description/Implementation Plan:	Reduction of 110 Conductor positions on the N Line through the implementation of full-time One Person Train Operation. Scheduled implementation on September 1, 2008 dependent on availability of R160 cars.				
PEG Implementation Date:	9/1/2008	When will PEG savings begin?:	9/1/2008		

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$0.000	\$2.253	\$7.362
Total Reduction in Positions Required	0	0	0	0	110	110
Current Vacancies						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

MTA New York City Transit
November Financial Plan 2006 - 2009
PEG Reconciliation (List of Changes) Between Financial Plans
(\$ in millions)

	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
2005 July Financial Plan - Total PEGs	-4	\$5.307	129	\$19.517	288	\$22.637	443	\$36.048	443	\$43.697
<i>List of PEG Changes</i>										
Administration (List changes by PEG)										
<i>Total Administrative Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Customer Convenience & Amenities (List changes by PEG)										
<i>Total Customer Convenience & Amenities Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service (List changes by PEG)										
<i>Total Service Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance (List changes by PEG)										
<i>Total Maintenance Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Revenue Enhancements (List changes by PEG)										
<i>Total Revenue Enhancement Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other (List changes by PEG)										
<i>Total Other Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Total PEG Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
2005 November Financial Plan - Total PEGs	(4)	\$5.307	129	\$19.517	288	\$22.637	443	\$36.048	443	\$43.697

MTA New York City Transit
November Financial Plan 2006 – 2009
Total Non-reimbursable and Reimbursable Positions

2005: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2005 increased by 9 positions in the November plan as compared to the July Plan.

2006: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2006 increased by 251 positions in the November plan as compared to the July Plan. The 2006 increase is mainly attributable to the following programs:

- OPTO L Line Elimination (71 positions)
- Bus Service Adjustments/Employee Availability (58 positions)
- Convert Revenue Redbird Cars to Work Trains (40 positions)
- Complete Installation of Antenna Cable (28 positions)
- All other programmatic/technical changes (54 positions)

2007: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2007 increased by 143 positions in the November plan as compared to the July Plan. The 2007 increase is mainly attributable to increases in the following programs:

- OPTO L Line Elimination (71 positions)
- R160 Acceptance Testing (35 positions)
- Bus Service Adjustments/Employee Availability (27 positions)
- All other programmatic/technical changes (10 positions)

2008: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2008 increased by 88 positions in the November plan as compared to the July Plan. The 2008 increase is mainly attributable to increases in the following programs:

- OPTO L Line Elimination (71 positions)
- Bus Service Adjustments/Employee Availability (27 positions)
- All other programmatic/technical changes (reduction of 10 positions)

2009: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2009 increased by 84 positions in the November plan as compared to the July Plan. The 2009 increase is mainly attributable to increases in the following programs:

- OPTO L Line Elimination (71 positions)
- Bus Service Adjustments/Employee Availability (27 positions)
- All other programmatic/technical changes (reduction of 14 positions)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2006-2009
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and DEPARTMENT
NON-REIMBURSABLE and REIMBURSABLE

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration						
Office of the EVP	17	18	18	18	18	18
Human Resources	475	459	468	453	453	453
Office of Management and Budget	33	35	35	35	35	35
Technology & Information Services	561	514	516	513	513	506
Materiel	264	261	260	260	260	260
Controller	238	236	236	236	236	236
Office of the President	6	5	5	5	5	5
Law	286	298	298	298	298	298
Corporate Communications	291	297	300	300	300	300
Non-Departmental	-	11	5	5	5	5
Labor Relations	111	103	102	102	102	102
Total Administration	2,282	2,237	2,243	2,225	2,225	2,218
Operations						
Subways Service Delivery	11,400	11,290	11,420	11,366	11,368	11,369
Buses	10,408	10,393	10,029	10,066	10,076	10,076
Paratransit	110	109	109	109	109	109
Operations Planning	402	402	489	449	416	408
Revenue Control	443	473	483	483	483	483
Total Operations	22,763	22,667	22,530	22,473	22,452	22,445
Maintenance						
Subways Service Delivery	2,629	2,881	2,774	2,777	2,789	2,706
Maintenance of Way & Rolling Stock	12,745	12,704	12,947	12,767	12,725	12,621
Buses	3,710	3,729	3,858	3,860	3,981	3,941
Revenue Control	131	131	131	131	131	131
Supply Logistics	556	557	557	557	557	557
System Safety	95	90	90	90	90	90
Total Maintenance	19,866	20,092	20,357	20,182	20,273	20,046
Engineering/Capital						
Capital Program Management	1,495	1,566	1,519	1,519	1,519	1,519
Total Engineering/Capital	1,495	1,566	1,519	1,519	1,519	1,519
Public Safety						
Subways Senior VP	577	586	583	547	545	544
Total Public Safety	577	586	583	547	545	544
Baseline Total Positions	46,983	47,148	47,232	46,946	47,014	46,772
Non-Reimbursable	40,985	41,899	42,044	41,968	42,109	41,961
Reimbursable	5,998	5,249	5,188	4,978	4,905	4,811
Total Full-Time	46,721	46,958	46,958	46,702	46,803	46,569
Total Full-Time Equivalents	262	190	274	244	211	203
Impact of:						
2006 Program to Eliminate the Gap	-	4	(129)	(288)	(443)	(443)
Total Positions	46,983	47,152	47,103	46,658	46,571	46,329
Non-Reimbursable	40,985	41,903	41,915	41,680	41,666	41,518
Reimbursable	5,998	5,249	5,188	4,978	4,905	4,811
Total Full-Time	46,721	46,962	46,840	46,425	46,371	46,137
Total Full-Time Equivalents	262	190	263	233	200	192

MTA New York City Transit
November Financial Plan 2006-2009
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Final Proposed Budget	2007	2008	2009
Administration				
Managers/Supervisors	806	791	791	790
Professional, Technical, Clerical	1,404	1,401	1,401	1,395
Operational Hourlies	33	33	33	33
Total Administration	2,243	2,225	2,225	2,218
Operations				
Managers/Supervisors	2,497	2,470	2,476	2,477
Professional, Technical, Clerical	406	398	398	398
Operational Hourlies	19,627	19,605	19,578	19,570
Total Operations	22,530	22,473	22,452	22,445
Maintenance				
Managers/Supervisors	3,624	3,572	3,587	3,561
Professional, Technical, Clerical	1,201	1,165	1,152	1,143
Operational Hourlies	15,532	15,445	15,534	15,342
Total Maintenance	20,357	20,182	20,273	20,046
Engineering/Capital				
Managers/Supervisors	344	344	344	344
Professional, Technical, Clerical	1,173	1,173	1,173	1,173
Operational Hourlies	2	2	2	2
Total Engineering/Capital	1,519	1,519	1,519	1,519
Public Safety				
Managers/Supervisors	100	87	86	86
Professional, Technical, Clerical	77	61	60	59
Operational Hourlies	406	399	399	399
Total Public Safety	583	547	545	544
Total				
Managers/Supervisors	7,371	7,264	7,284	7,258
Professional, Technical, Clerical	4,261	4,198	4,184	4,168
Operational Hourlies	35,600	35,484	35,546	35,346
Total	47,232	46,946	47,014	46,772
Baseline Total Positions	47,232	46,946	47,014	46,772
Non-Reimbursable	42,044	41,968	42,109	41,961
Reimbursable	5,188	4,978	4,905	4,811
Total Full-Time	46,958	46,702	46,803	46,569
Total Full-Time Equivalents	274	244	211	203
Impact of:				
2006 Program to Eliminate the Gap	(129)	(288)	(443)	(443)
Total Positions	47,103	46,658	46,571	46,329
Non-Reimbursable	41,915	41,680	41,666	41,518
Reimbursable	5,188	4,978	4,905	4,811
Total Full-Time	46,840	46,425	46,371	46,137
Total Full-Time Equivalents	263	233	200	192

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Staten Island Railway

**MTA Staten Island Railway
2006 Final Proposed Budget
November Financial Plan 2006-2009**

MISSION STATEMENT

The mission of MTA Staten Island Railway is to provide customers with safe, reliable, and convenient public transportation in a cost-effective manner.

FINANCIAL OVERVIEW

MTA Staten Island Railway carries out its mission by providing effective and cost-efficient transportation services through:

- a subway system operating 64 subway cars over 28.6 route miles and 26.6 miles of mainline track, serving 22 stations located on the south shore of Staten Island.

The 2006 Final Proposed Budget and projections for the years 2007-2009 provide sufficient funding to increase current service levels by providing resources to match enhanced ferry service as well as to maintain MTA's commitment to safety and security. This is accomplished primarily through implementation of organizational and operating efficiencies that optimize the use of resources to achieve agency goals. Performance indicators including mean distance between failures and on time performance remain within targeted levels.

2005 November Forecast

MTA Staten Island Railway's 2005 November Forecast is slightly improved from the Mid-Year Forecast. A decline in farebox revenue primarily due to reduced non-student ridership is more than offset by favorable non-labor expense re-estimates and increased student fare reimbursements based upon higher student ridership. The November Forecast reflects total expenses before depreciation of \$27.206 million including \$26.181 million of non-reimbursable expenses and \$1.025 million of reimbursable expenses. Total revenues are projected to be \$6.243 million, of which \$5.218 million are operating revenues and \$1.025 million represent capital reimbursements. Total full-time positions are 283 including 280 non-reimbursable positions and 3 reimbursable positions. The above information excludes the effects of Programs to Eliminate the GAP (PEGs), which are presented separately on the attached financial tables.

Providing quality service is paramount to MTA Staten Island Railway. To ensure this goal, the 2005 November Forecast includes additional funding necessary to properly maintain fleet and other equipment integral to Staten Island Railway system operations.

Major assumptions and reconciliations are discussed later in this section.

2006 Final Proposed Budget-Baseline

MTA Staten Island Railway's final proposed budget baseline projections reflects total expenses before depreciation for 2006 of \$28.215 million. Non-reimbursable expenses

before depreciation for 2006 are projected at \$27.161 million. Reimbursable expenses for 2006 are projected at \$1.054 million. Total revenues are projected for 2006 at \$6.400 million. Operating revenues for 2006 are projected at \$5.346 million. Capital reimbursements are projected at \$1.054 million. Total full-time positions are projected at 288. Non-reimbursable positions are projected to be 285. Reimbursable positions are projected to be 3. The above information excludes the effects of Programs to Eliminate the GAP, which are presented separately on the attached financial tables.

Programs to Eliminate the GAP, which are described below, represent deficit reductions of \$0.384 million and position reductions of 7.

2007-2009 Projections

MTA Staten Island Railway's projections for 2007-2009 reflect total expenses before depreciation as follows: 2007-\$29.195 million, 2008-\$30.096 million, and 2009-\$31.367 million. Non-reimbursable expenses before depreciation are projected as follows: 2007-\$28.108 million, 2008-\$28.967 million, and 2009-\$30.221 million. Reimbursable expenses are projected as follows: 2007-\$1.087 million, 2008-\$1.129 million, and 2009-\$1.146 million. Total revenues are projected as follows: 2007-\$6.773 million, 2008-\$6.851 million, and 2009-\$6.875 million. Operating revenues are projected as follows: 2007-\$5.686 million, 2008-\$5.722 million and 2009-\$5.729 million. Capital reimbursements are projected as follows: 2007-\$1.087 million, 2008-\$1.129 million, and 2009-\$1.146 million. Total full-time positions are projected to be as follows: 2007-290, 2008-290, and 2009-290. Non-reimbursable positions are projected to be as follows: 2007-287, 2008-287, and 2009-287. Reimbursable positions are projected to be 3 in each year. The above information excludes the effects of Programs to Eliminate the GAP, which are presented separately on the attached financial tables.

Programs to Eliminate the GAP, which are described below, represent deficit reductions of \$0.734 million in 2007, \$1.737 million in 2008 and \$2.815 million in 2009. Position reductions are projected to be 11 in 2007, 24 in 2008 and 37 in 2009.

Major assumptions and reconciliations are discussed later in this section.

GAP CLOSING MEASURES

2006 Programs to Eliminate the Gap (PEGs) Actions

MTA Staten Island Railway has developed programs that will save \$0.384 million in 2006 as shown below.

- Operational Efficiencies - The commissioning of the new Staten Island Railway Control Center will enable the Railway to perform the movement control and supervision function more effectively and efficiently. The current staffing level for the movement control function is one Train Dispatcher and one Tower Operator 24/7. The consolidation and performance of all movement control operations at one location will enable staffing to be reduced to one Train Dispatcher 24/7 and an assisting Train Dispatcher for AM and PM Weekday Peak Service. This

change will enable the Railway to address its long-standing deficit in the area of transportation service line supervision through redeployment of part of this headcount savings.

Installation of additional MVMs in the St. George Terminal will enable the Railway to reduce its Agent/Operator headcount by 3. The change to a MetroCard based fare collection and transfer of the crew assignment function to Control Center supervisors will enable a reduction/re-assignment of two Transportation Department clerical employees. This will result in a headcount reduction of 2.

The net benefit to the Transportation Department will be readily available line supervision, necessary for the safe and efficient operation of service, while at the same time allowing for an overall reduction in headcount of 5 and a projected savings of \$0.245 million in 2006. This program will be extended and remain in effect from 2007 through 2009 for additional savings of \$1.089.

- Facility Painting/Station Maintenance - Currently, the Authority budget cycle for painting interiors/exterior of facilities is 5 years, while station maintenance is performed continuously on an as needed basis. In 2005, interior/exterior facility painting cycles were increased to every 6 years and efficiencies will be developed and implemented for station related masonry and carpentry repairs. This program was implemented on schedule. Full savings of \$0.139 million will be realized in 2006. This program will be extended and remain in effect from 2007 through 2009 for additional saving of \$0.448.

Programs to Eliminate the GAP described above continue in 2007 through 2009 with deficit reductions of \$0.495 million in 2007, \$0.512 million in 2008, and \$0.530 million in 2009. Position reductions are projected to be 7 in each year.

2007 - 2009 Programs to Eliminate the Gap (PEGs) Actions

Two additional efficiencies will be implemented beginning in 2007 as follows:

- Reduce the Size of the Car Fleet by 12 R44 B Units - The current Staten Island Railway fleet of 64 cars includes an increase of 12 cars early in the 1990's. This action was in anticipation of operating 5 car trains to accommodate the expected growth in ridership which has not materialized. However, this reduction has been postponed pending the completion of a more comprehensive fleet replacement analysis. Therefore, internal efficiencies have been implemented to realize the projected savings of \$0.239 million in 2005 and 2006. This program will be extended and remain in effect from 2007 through 2009 for additional savings of \$0.747.
- One Person Train Operation (OPTO) - Currently the Authority operates four car trains with a crew of 1 Train Operator and 1 Conductor. The existing R44 car

fleet is not equipped with the door obstruction sensing capability required for OPTO. Given the estimated cost of retrofit, a replacement fleet will likely be required. Projected implementation of One Person Train Operation (OPTO) in July 2008 will reduce crew size to one Train Operator. Projections are that 13 Conductor positions can be eliminated in 2008, saving \$0.975 million and 26 Conductor positions in 2009, saving \$2.027 million.

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2004	2005	2006			
	Actuals	November	Final			
		Forecast	Proposed	2007	2008	2009
			Budget			
Revenue						
Farebox Revenue	\$3.137	\$3.214	\$3.342	\$3.682	\$3.718	\$3.725
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.784	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4.921	\$5.218	\$5.346	\$5.686	\$5.722	\$5.729
Expenses						
Labor:						
Payroll	14.784	14.645	14.744	15.215	15.686	16.197
Overtime	1.150	0.720	0.698	0.717	0.740	0.764
Health and Welfare	2.537	2.811	3.014	3.303	3.604	3.933
Pensions	1.452	1.635	1.746	1.814	1.760	1.991
Other Fringe Benefits	1.682	1.281	1.301	1.342	1.382	1.426
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$21.605	\$21.092	\$21.503	\$22.391	\$23.172	\$24.311
Non-Labor:						
Traction and Propulsion Power	1.676	1.550	1.746	1.741	1.749	1.777
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.147	0.168	0.182	0.201	0.222	0.244
Claims	0.289	0.230	0.235	0.239	0.244	0.249
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	1.591	2.006	2.232	2.247	2.272	2.315
Professional Service Contracts	0.266	0.319	0.319	0.325	0.331	0.338
Materials & Supplies	0.796	0.811	0.939	0.959	0.972	0.982
Other Business Expenses	0.005	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$4.770	\$5.089	\$5.658	\$5.717	\$5.795	\$5.910
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$26.375	\$26.181	\$27.161	\$28.108	\$28.967	\$30.221
Depreciation	7.063	10.337	10.337	10.337	10.337	10.337
Total Expenses	\$33.438	\$36.518	\$37.498	\$38.445	\$39.304	\$40.558
Baseline Net Surplus/(Deficit)	(\$28.517)	(\$31.300)	(\$32.152)	(\$32.759)	(\$33.582)	(\$34.829)
2006 Agency Program to Eliminate the GAP	0.000	0.035	0.384	0.495	0.512	0.530
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.239	1.225	2.285
Net Surplus/(Deficit)	(\$28.517)	(\$31.265)	(\$31.768)	(\$32.025)	(\$31.845)	(\$32.014)

REIMBURSABLE

			2006 Final Proposed Budget			
	2004 Actuals	2005 November Forecast		2007	2008	2009
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	1.835	1.025	1.054	1.087	1.129	1.146
Total Revenue	\$1.835	\$1.025	\$1.054	\$1.087	\$1.129	\$1.146
Expenses						
Labor:						
Payroll	0.753	0.255	0.262	0.269	0.277	0.266
Overtime	0.458	0.581	0.596	0.613	0.631	0.651
Health and Welfare	0.412	0.050	0.054	0.059	0.065	0.071
Pensions	0.095	0.075	0.077	0.079	0.087	0.087
Other Fringe Benefits	0.075	0.064	0.065	0.067	0.069	0.071
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$1.793	\$1.025	\$1.054	\$1.087	\$1.129	\$1.146
Non-Labor:						
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.042	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.042	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1.835	\$1.025	\$1.054	\$1.087	\$1.129	\$1.146
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$1.835	\$1.025	\$1.054	\$1.087	\$1.129	\$1.146
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
2006 Agency Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2004	2005	2006			
	Actuals	November	Final			
		Forecast	Proposed	2007	2008	2009
			Budget			
<u>Revenue</u>						
Farebox Revenue	\$ 3.137	\$ 3.214	\$ 3.342	\$ 3.682	\$ 3.718	\$ 3.725
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.784	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	1.835	1.025	1.054	1.087	1.129	1.146
Total Revenue	\$ 6.756	\$ 6.243	\$ 6.400	\$ 6.773	\$ 6.851	\$ 6.875
<u>Expenses</u>						
Labor:						
Payroll	15.537	14.900	15.006	15.484	15.963	16.463
Overtime	1.608	1.301	1.294	1.330	1.371	1.415
Health and Welfare	2.949	2.861	3.068	3.362	3.669	4.004
Pensions	1.547	1.710	1.823	1.893	1.847	2.078
Other Fringe Benefits	1.757	1.345	1.366	1.409	1.451	1.497
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$ 23.398	\$ 22.117	\$ 22.557	\$ 23.478	\$ 24.301	\$ 25.457
Non-Labor:						
Traction and Propulsion Power	1.676	1.550	1.746	1.741	1.749	1.777
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.147	0.168	0.182	0.201	0.222	0.244
Claims	0.289	0.230	0.235	0.239	0.244	0.249
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	1.591	2.006	2.232	2.247	2.272	2.315
Professional Service Contracts	0.266	0.319	0.319	0.325	0.331	0.338
Materials & Supplies	0.838	0.811	0.939	0.959	0.972	0.982
Other Business Expenses	0.005	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$ 4.812	\$ 5.089	\$ 5.658	\$ 5.717	\$ 5.795	\$ 5.910
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses before Depreciation	\$ 28.210	\$ 27.206	\$ 28.215	\$ 29.195	\$ 30.096	\$ 31.367
Depreciation	7.063	10.337	10.337	10.337	10.337	10.337
Total Expenses	\$ 35.273	\$ 37.543	\$ 38.552	\$ 39.532	\$ 40.433	\$ 41.704
Baseline Net Surplus/(Deficit)	\$ (28.517)	\$ (31.300)	\$ (32.152)	\$ (32.759)	\$ (33.582)	\$ (34.829)
2006 Agency Program to Eliminate the GAP	0.000	0.035	0.384	0.495	0.512	0.530
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.239	1.225	2.285
Net Surplus/(Deficit)	\$ (28.517)	\$ (31.265)	\$ (31.768)	\$ (32.025)	\$ (31.845)	\$ (32.014)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue	\$3.120	\$3.214	\$3.342	\$3.682	\$3.718	\$3.725
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.749	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	1.703	1.019	1.048	1.080	1.129	1.146
Total Receipts	\$6.572	\$6.237	\$6.394	\$6.766	\$6.851	\$6.875
<u>Expenditures</u>						
Labor:						
Payroll	15.492	14.900	15.006	15.484	15.963	16.463
Overtime	1.586	1.301	1.294	1.330	1.371	1.415
Health and Welfare	2.994	2.861	3.068	3.362	3.669	4.004
Pensions	1.544	1.710	1.823	1.893	1.847	2.078
Other Fringe Benefits	1.607	1.345	1.366	1.409	1.451	1.497
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$23.223	\$22.117	\$22.557	\$23.478	\$24.301	\$25.457
Non-Labor:						
Traction and Propulsion Power	1.727	1.550	1.746	1.741	1.749	1.777
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.222	0.168	0.182	0.201	0.222	0.244
Claims	0.615	0.230	0.235	0.239	0.244	0.249
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.373	2.006	2.232	2.247	2.272	2.315
Professional Service Contracts	0.171	0.319	0.319	0.325	0.331	0.338
Materials & Supplies	0.938	0.811	0.939	0.959	0.972	0.982
Other Business Expenses	0.005	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenditures	\$5.051	\$5.089	\$5.658	\$5.717	\$5.795	\$5.910
Other Expenditure Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$28.274	\$27.206	\$28.215	\$29.195	\$30.096	\$31.367
Baseline Net Cash Deficit	(\$21.702)	(\$20.969)	(\$21.821)	(\$22.429)	(\$23.245)	(\$24.492)
2006 Agency Program to Eliminate the GAP	0.000	0.035	0.384	0.495	0.512	0.530
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.239	1.225	2.285
Net Cash Deficit	(\$21.702)	(\$20.934)	(\$21.437)	(\$21.695)	(\$21.508)	(\$21.677)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004	2005	2006			
	Actuals	November	Final			
		Forecast	Proposed	2007	2008	2009
			Budget			
<u>Receipts</u>						
Farebox Revenue	(\$0.017)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.035)	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	(0.132)	(0.006)	(0.006)	(0.007)	0.000	0.000
Total Receipt Adjustments	(\$0.184)	(\$0.006)	(\$0.006)	(\$0.007)	\$0.000	\$0.000
<u>Expenditures</u>						
Labor:						
Payroll	0.045	0.000	0.000	0.000	0.000	0.000
Overtime	0.022	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(0.045)	0.000	0.000	0.000	0.000	0.000
Pensions	0.003	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.150	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$0.175	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
Traction and Propulsion Power	(0.051)	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(0.075)	0.000	0.000	0.000	0.000	0.000
Claims	(0.326)	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.218	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.095	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	(0.100)	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	(\$0.239)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenditure Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	(\$0.248)	(\$0.006)	(\$0.006)	(\$0.007)	\$0.000	\$0.000
Depreciation Adjustment	7.063	10.337	10.337	10.337	10.337	10.337
Baseline Total Cash Conversion Adjustments	\$6.815	\$10.331	\$10.331	\$10.330	\$10.337	\$10.337
2006 Agency Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$6.815	\$10.331	\$10.331	\$10.330	\$10.337	\$10.337

**MTA Staten Island Railway
November Financial Plan 2006-2009
Year-to-Year Changes by Category-Baseline Narrative**

TOTAL REVENUES

Farebox Revenue

- Farebox revenue improvements of: 2006-\$0.128 million (4.0%), 2007-\$0.340 million (10.2%), 2008-\$0.036 million (1.0%), and 2009-\$0.007 (0.2%) million were due to projected increases in ridership.
- The ridership increase is based primarily upon forecasted growth in NYC employment.

Other Operating Revenue

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2006 through 2009 to provide for reimbursement consistent with projected CPI increases for labor expenses and actuarial-based pension increases as explained below.

TOTAL EXPENSES

In 2005, Staten Island Railway's Police Department was merged into the MTA Police Department. Beginning 6/1/05, these expenses were transferred to the MTA.

Payroll

- Increases represent projected CPI rate increases as follows: 2006-2.77%, 2007-2.56%, 2008-2.91%, and 2009-3.07%.

Overtime

- 2006-2009 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases include the following inflation rate assumptions: 2006 through 2009-9.34%.

Pension

- Significant projected increases in expenses are based on information from pension plan actuaries.

Other Fringe Benefits

- Inflation assumptions consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Reflects projected New York Power Authority (NYPA) annual rate increases.

Insurance

- Inflation-adjusted expenses provided by the MTA.

Claims

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.

Maintenance and Other Operating Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: For facility power (lighting) 2006-5.00%, 2007-0.28%, 2008-0.43%, and 2009-1.64%. For other maintenance expenses 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.
- 2006-2009 increased power consumption associated with new signal system as follows: 2006-2.8%, 2007-3.3%, and 2008-3.4%.

Professional Service Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.
- 2006-2009 reflects higher costs associated with NYS bridge inspection requirements as follows: 2006-1.9%, 2007-2.5%, 2008-2.4%, and 2009-2.4%.

Materials and Supplies

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.60%, 2007-2.15%, 2008-1.33%, and 2009-0.98%.

Other Business Expenses

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.

Depreciation

- Annual expenses do not increase during the financial plan period as no additional capital assets are projected to reach beneficial use.

TOTAL RECEIPTS**Farebox Receipts**

- Farebox revenue improvements of: 2006-\$0.128 million (4.0%), 2007-\$0.340 million (10.1%), 2008-\$0.036 million (1.0%), and 2009-\$0.007 million were due to projected increases in ridership.
- The ridership increase is based primarily upon projected growth in NYC employment.

Other Operating Receipts

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2006 through 2009 to provide for reimbursement consistent with projected CPI increases for labor expenses and actuarial-based pension increases as explained below.

TOTAL EXPENDITURES

In 2005, Staten Island Railway's Police Department was merged into the MTA Police Department. Beginning 6/1/05, these expenses were transferred to the MTA.

Payroll

- Increases represent projected CPI rate increases as follows: 2006-2.77%, 2007-2.56%, 2008-2.91%, and 2009-3.07%.

Overtime

- 2006-2009 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases include the following inflation rate assumptions: 2006 through 2009-9.34%.

Pension

- Significant projected increases in expenses are based on information from pension plan actuaries.

Other Fringe Benefits

- Inflation assumptions consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Reflects NYPA projected annual rate increases.

Insurance

- Inflation-adjusted expenses provided by the MTA.

Claims

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.

Maintenance and Other Operating Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: For facility power (lighting) 2006-5.00%, 2007-0.28%, 2008-0.43%, and 2009-1.64%. For other maintenance expenses 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.
- 2006-2009 increased power consumption associated with new signal system as follows: 2006-2.8%, 2007-3.3%, and 2008-3.4%.

Professional Service Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.
- 2006-2009 reflects higher costs associated with NYS bridge inspection requirements as follows: 2006-1.9%, 2007-2.5%, 2008-2.4% and 2009-2.4%.

Materials and Supplies

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.60%, 2007-2.15%, 2008-1.33%, and 2009-0.98%.

Other Business Expenses

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Revenue									
Farebox Revenue	\$3.214	\$3.342	\$0.128	\$3.682	\$0.340	\$3.718	\$0.036	\$3.725	\$0.007
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.004	2.004	0.000	2.004	0.000	2.004	0.000	2.004	0.000
Capital and Other Reimbursements	\$1.025	\$1.054	\$0.029	\$1.087	\$0.033	\$1.129	\$0.042	\$1.146	\$0.017
Total Revenue	\$6.243	\$6.400	\$0.157	\$6.773	\$0.373	\$6.851	\$0.078	\$6.875	\$0.024
Expenses									
Labor:									
Payroll	14.900	15.006	(0.106)	15.484	(0.478)	15.963	(0.479)	16.463	(0.500)
Overtime	1.301	1.294	0.007	1.330	(0.036)	1.371	(0.041)	1.415	(0.044)
Health and Welfare	2.861	3.068	(0.207)	3.362	(0.294)	3.669	(0.307)	4.004	(0.335)
Pensions	1.710	1.823	(0.113)	1.893	(0.070)	1.847	0.046	2.078	(0.231)
Other Fringe Benefits	1.345	1.366	(0.021)	1.409	(0.043)	1.451	(0.042)	1.497	(0.046)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$22.117	\$22.557	(\$0.440)	\$23.478	(\$0.921)	\$24.301	(\$0.823)	\$25.457	(\$1.156)
Non-Labor:									
Traction and Propulsion Power	1.550	1.746	(0.196)	1.741	0.005	1.749	(0.008)	1.777	(0.028)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.168	0.182	(0.014)	0.201	(0.019)	0.222	(0.021)	0.244	(0.022)
Claims	0.230	0.235	(0.005)	0.239	(0.004)	0.244	(0.005)	0.249	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	2.006	2.232	(0.226)	2.247	(0.015)	2.272	(0.025)	2.315	(0.043)
Professional Service Contracts	0.319	0.319	0.000	0.325	(0.006)	0.331	(0.006)	0.338	(0.007)
Materials & Supplies	0.811	0.939	(0.128)	0.959	(0.020)	0.972	(0.013)	0.982	(0.010)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenses	\$5.089	\$5.658	(\$0.569)	\$5.717	(\$0.059)	\$5.795	(\$0.078)	\$5.910	(\$0.115)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$27.206	\$28.215	(\$1.009)	\$29.195	(\$0.980)	\$30.096	(\$0.901)	\$31.367	(\$1.271)
Depreciation	10.337	10.337	0.000	10.337	0.000	10.337	0.000	10.337	0.000
Total Expenses	\$37.543	\$38.552	(\$1.009)	\$39.532	(\$0.980)	\$40.433	(\$0.901)	\$41.704	(\$1.271)
Baseline Net Surplus/(Deficit)	(\$31.300)	(\$32.152)	(\$0.852)	(\$32.759)	(\$0.607)	(\$33.582)	(\$0.823)	(\$34.829)	(\$1.247)
2006 Agency Prog. to Elim. the GAP	0.035	0.384	0.349	0.495	0.111	0.512	0.017	0.530	0.018
Post-2006 Agency Prog. to Elim. The Gap	0.000	0.000	0.000	0.239	0.239	1.225	0.986	2.285	1.060
Net Surplus/(Deficit)	(\$31.265)	(\$31.768)	(\$0.503)	(\$32.025)	(\$0.257)	(\$31.845)	\$0.180	(\$32.014)	(\$0.169)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Receipts and Expenditures
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<u>Receipts</u>									
Farebox Revenue	\$3.214	\$3.342	\$0.128	\$3.682	\$0.340	\$3.718	\$0.036	\$3.725	\$0.007
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.004	2.004	0.000	2.004	0.000	2.004	0.000	2.004	0.000
Capital and Other Reimbursements	1.019	1.048	0.029	1.080	0.032	1.129	0.049	1.146	0.017
Total Receipts	\$6.237	\$6.394	\$0.157	\$6.766	\$0.372	\$6.851	\$0.085	\$6.875	\$0.024
<u>Expenditures</u>									
Labor:									
Payroll	14.900	15.006	(0.106)	15.484	(0.478)	15.963	(0.479)	16.463	(0.500)
Overtime	1.301	1.294	0.007	1.330	(0.036)	1.371	(0.041)	1.415	(0.044)
Health and Welfare	2.861	3.068	(0.207)	3.362	(0.294)	3.669	(0.307)	4.004	(0.335)
Pensions	1.710	1.823	(0.113)	1.893	(0.070)	1.847	0.046	2.078	(0.231)
Other Fringe Benefits	1.345	1.366	(0.021)	1.409	(0.043)	1.451	(0.042)	1.497	(0.046)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$22.117	\$22.557	(\$0.440)	\$23.478	(\$0.921)	\$24.301	(\$0.823)	\$25.457	(\$1.156)
Non-Labor:									
Traction and Propulsion Power	1.550	1.746	(0.196)	1.741	0.005	1.749	(0.008)	1.777	(0.028)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.168	0.182	(0.014)	0.201	(0.019)	0.222	(0.021)	0.244	(0.022)
Claims	0.230	0.235	(0.005)	0.239	(0.004)	0.244	(0.005)	0.249	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	2.006	2.232	(0.226)	2.247	(0.015)	2.272	(0.025)	2.315	(0.043)
Professional Service Contracts	0.319	0.319	0.000	0.325	(0.006)	0.331	(0.006)	0.338	(0.007)
Materials & Supplies	0.811	0.939	(0.128)	0.959	(0.020)	0.972	(0.013)	0.982	(0.010)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenditures	\$5.089	\$5.658	(\$0.569)	\$5.717	(\$0.059)	\$5.795	(\$0.078)	\$5.910	(\$0.115)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$27.206	\$28.215	(\$1.009)	\$29.195	(\$0.980)	\$30.096	(\$0.901)	\$31.367	(\$1.271)
Baseline Net Cash Deficit	(20.969)	(21.821)	(0.852)	(22.429)	(0.608)	(23.245)	(0.816)	(24.492)	(1.247)
2006 Agency Prog. to Elim. the GAP	0.035	0.384	0.349	0.495	0.111	0.512	0.017	0.530	0.018
Post-2006 Agency Prog. to Elim. The Gap	0.000	0.000	0.000	0.239	0.239	1.225	0.986	2.285	1.060
Net Cash Deficit	(\$20.934)	(\$21.437)	(\$0.503)	(\$21.695)	(\$0.258)	(\$21.508)	\$0.187	(\$21.677)	(\$0.169)

**MTA Staten Island Railway
November Financial Plan 2006-2009
Utilization**

Non-student Ridership (Utilization) decreased from the July Financial Plan while student ridership increased. The increase in 2007 ridership from 2006 is primarily due to the planned hardening of the Tompkinsville Station.

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Ridership/Traffic Volume (Utilization)
(in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline Total Ridership	3.343	3.423	3.522	3.812	3.843	3.848
<i>Impact of:</i> PEG Program						
Total Ridership	3.343	3.423	3.522	3.812	3.843	3.848

**MTA Staten Island Railway
November Financial Plan 2006-2009
Summary of Plan to Plan Changes-Baseline Narrative**

2005: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.242 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Non-Labor expenses were reduced by \$0.209 million to reflect under-runs in Maintenance and Other Operating Contracts of \$0.099 million and Materials & Supplies of \$0.110 million.
- No adjustments to PEG's or New Needs were required

2006: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.193 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Expense inflation increase of \$0.175 million primarily based upon an update of Global Insight's economic and demographics forecasts.
- No adjustments to PEG's or New Needs were required

2007: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.202 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Expense inflation decrease of \$0.121 million primarily based upon an update of Global Insight's economic and demographics forecasts.
- No adjustments to PEG's or New Needs were required

2008: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.209 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Expense inflation decrease of \$0.337 million primarily based upon an update of Global Insight's economic and demographics forecasts.
- No adjustments to PEG's or New Needs were required

2009: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.245 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Expense inflation decrease of \$0.537 million primarily based upon an update of Global Insight's economic and demographics forecasts.
- No adjustments to PEG's or New Needs were required

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.014)	(\$21.182)	(\$21.727)	(\$21.749)	(\$22.082)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Fare Revenue Re-estimate	(0.242)	(0.193)	(0.202)	(0.209)	(0.245)
School Fare Reimbursement Re-estimate	0.113	0.113	0.113	0.113	0.113
Sub-Total Non-Reimbursable Revenue Changes	(\$.129)	(\$.080)	(\$.089)	(\$.096)	(\$.132)
Expenses					
Non-Labor Re-estimates	0.209	0.000	0.000	0.000	0.000
Impact of Revised Inflation	0.000	(0.175)	0.121	0.337	0.537
Sub-Total Non-Reimbursable Expense Changes	\$.209	(\$.175)	\$.121	\$.337	\$.537
Total Non-Reimbursable Major Changes	\$.080	(\$.255)	\$.032	\$.241	\$.405
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Inflation					
Sub-Total Reimbursable Expense Changes					
Total Reimbursable Major Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Accrual Changes	\$0.080	(\$0.255)	\$0.032	\$0.241	\$0.405
<i>Cash Adjustment Changes</i>					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.080	(\$0.255)	\$0.032	\$0.241	\$0.405
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$20.934)	(\$21.437)	(\$21.695)	(\$21.508)	(\$21.677)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.014)	(\$21.182)	(\$21.727)	(\$21.749)	(\$22.082)
Baseline Changes					
Revenue					
Farebox Revenue	(0.242)	(0.193)	(0.202)	(0.209)	(0.245)
Other Operating Revenue	0.113	0.113	0.113	0.113	0.113
Capital and Other Reimbursement					
Total Revenue Changes	(\$0.129)	(\$0.080)	(\$0.089)	(\$0.096)	(\$0.132)
Expenses					
<i>Labor:</i>					
Payroll		(0.037)	(0.001)	0.006	0.025
Health and Welfare		0.013	0.061	0.064	0.069
Pensions					
Other Fringe Benefits		(0.011)	(0.008)	(0.007)	(0.006)
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	(\$0.035)	\$0.052	\$0.063	\$0.088
<i>Non-Labor:</i>					
Traction and Propulsion Power		(0.083)	0.042	0.162	0.258
Fuel for Buses and Trains					
Insurance					
Claims		(0.001)	0.002	0.004	0.007
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	0.099	(0.060)	0.024	0.106	0.178
Professional Service Contracts			0.001	0.003	0.004
Materials & Supplies	0.110	0.004		(0.001)	0.001
Other Business Expenses					0.001
Total Non-Labor Expense Changes	\$0.209	(\$0.140)	\$0.069	\$0.274	\$0.449
Total Expense Changes	\$0.209	(\$0.175)	\$0.121	\$0.337	\$0.537
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.080	(\$0.255)	\$0.032	\$0.241	\$0.405
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$20.934)	(\$21.437)	(\$21.695)	(\$21.508)	(\$21.677)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Other Operating Revenue					
Capital and Other Reimbursement					
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
<i>Labor:</i>					
Payroll					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses					
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.014)	(\$21.182)	(\$21.727)	(\$21.749)	(\$22.082)
Baseline Changes					
Revenue					
Farebox Revenue	(\$.242)	(\$.193)	(\$.202)	(\$.209)	(\$.245)
Other Operating Revenue	.113	.113	.113	.113	.113
Capital and Other Reimbursement					
Total Revenue Changes	(\$.129)	(\$.080)	(\$.089)	(\$.096)	(\$.132)
Expenses					
Labor:					
Payroll	\$.000	(\$.037)	(\$.001)	\$.006	\$.025
Health and Welfare	.000	.013	.061	.064	.069
Pensions	.000	.000	.000	.000	.000
Other Fringe Benefits	.000	(.011)	(.008)	(.007)	(.006)
Reimbursable Overhead	.000	.000	.000	.000	.000
Total Labor Expense Changes	\$.000	(\$.035)	\$.052	\$.063	\$.088
Non-Labor:					
Traction and Propulsion Power	\$.000	(\$.083)	\$.042	\$.162	\$.258
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	.000	.000	.000	.000	.000
Claims	.000	(.001)	.002	.004	.007
Paratransit Service Contracts	.000	.000	.001	.003	.004
Maintenance and Other Operating Contracts	.099	(.060)	.024	.106	.178
Materials & Supplies	.110	.004	.000	(.001)	.001
Other Business Expenses	.000	.000	.000	.000	.001
Total Non-Labor Expense Changes	\$.209	(\$.140)	\$.069	\$.274	\$.449
Total Expense Changes	\$.209	(\$.175)	\$.121	\$.337	\$.537
Cash Adjustment Changes					
	.000	.000	.000	.000	.000
	.000	.000	.000	.000	.000
	.000	.000	.000	.000	.000
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.080	(\$0.255)	\$0.032	\$0.241	\$0.405
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$20.934)	(\$21.437)	(\$21.695)	(\$21.508)	(\$21.677)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Summary of 2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2005		2006		2007		2008		2009	
	November Forecast		Final Proposed Budget							
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS										
Administration:										
Sub-Total Administration	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:										
Facility Painting/Station Maintenance			2	0.139	2	0.144	2	0.149	2	0.155
Sub-Total Maintenance	0	\$.000	2	\$.139	2	\$.144	2	\$.149	2	\$.155
Revenue Enhancements:										
Sub-Total Revenue Enhancements	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Other:										
Operational Efficiencies	2	.035	5	0.245	5	0.351	5	0.363	5	0.375
Sub-Total Other	2	\$.035	5	\$.245	5	\$.351	5	\$.363	5	\$.375
Total 2006 PEGs	2	\$.035	7	\$.384	7	\$.495	7	\$.512	7	\$.530

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Summary of Post-2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)					
	2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS						
Administration:						
Sub-Total Administration	0	\$.000	0	\$.000	0	\$.000
Customer Convenience & Amenities:						
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000
Service:						
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000
Maintenance:						
Reduce Size of Car Fleet by 12 R44 B Units	4	0.239	4	0.250	4	0.258
Sub-Total Maintenance	4	\$.239	4	\$.250	4	\$.258
Revenue Enhancements:						
Sub-Total Revenue Enhancements	0	\$.000	0	\$.000	0	\$.000
Other:						
One Person Train Operation (OPTO)						
Service Support	0	0	13	0.975	26	2.027
Sub-Total Other	0	\$.000	13	\$.975	26	\$ 2.027
Total Post 2006 PEGs	4	\$.239	17	\$ 1.225	30	\$ 2.285

**MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Worksheet**

PEG Category: Operations

Program: Operational Efficiencies

Background Details: The commissioning of the new Staten Island Railway Control Center will enable the Railway to perform the movement control and supervision function more effectively and efficiently. The current staffing level for the movement control function is one Train Dispatcher and one Tower Operator 24/7. The consolidation and performance of all movement control operations at one location will enable the staffing to be reduced to one Train Dispatcher 24/7 and an assisting Train Dispatcher for AM and PM Weekday Peak Service. This change will enable the Railway to address its long-standing deficit in the area of transportation service line supervision through redeployment of part of this headcount savings. Installation of additional MVMs in St. George Terminal will enable the Railway to reduce its Agent/Operator head count by three (3). The change to a MetroCard based fare collection and assignment of the crew assignment function to Control Center supervisors will enable a reduction/re-assignment of two Transportation Department clerical employees. This will result in a headcount reduction of two (2).

PEG Description and Implementation Plan: The net benefit to the Transportation Department will be readily available line supervision necessary for the safe and efficient operation of the service, while at the same time allowing for an overall reduction in headcount of five (5).

PEG Implementation Date: 10/1/05

When will PEG savings begin?: 10/1/05

Financial Impact (Operating)

Net Savings (in millions)

2005	2006	2007	2008	2009
------	------	------	------	------

\$0.035	\$0.245	\$0.351	\$0.363	\$0.375
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Total Reduction in Positions Required

2	5	5	5	5
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Current Level of Vacancies

0	0	0	0	0
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Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

List of Other Concerns:

**MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Worksheet**

PEG Category: Maintenance

Program: Continue Facility Painting/Station Maint.

Background Details:	Currently, Authority budgeted cycle for painting interiors/exterior of facilities is 5 years while station maintenance is performed continuously. In 2005 (2005 PEG), painting cycles increased to 6 years and maintenance efficiencies implemented for masonry and carpentry repairs. These efficiencies will now be continued through the financial plan period.
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PEG Description and Implementation Plan:	Continue facility Painting and Station Maintenance efficiencies initiated in 2005.
PEG Implementation Date: 1/1/06	When will PEG savings begin?: 1/1/06

	2005	2006	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)		\$0.139	\$0.144	\$0.149	\$0.155
<i>Total Reduction in Positions Required</i>		2	2	2	2
Current Level of Vacancies		0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					
<i>List of Other Concerns:</i>					

**MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Worksheet**

PEG Category: Maintenance

Program: Reduce the size of the car fleet by 12 R44 B units

Background Details:	The current SIR fleet of 64 cars includes an increase of 12 cars early in the 1990's. This action was in anticipation of operating 5 car trains to accommodate the expected growth in ridership which has not materialized. Reducing the fleet size back to its original 52 cars in 2006 will reduce maintenance and cleaning costs saving four (4) positions and \$0.239 million.
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PEG Description and Implementation Plan:	This 2005 PEG reduction was postponed pending the completion of a more comprehensive fleet replacement analysis. However, internal efficiencies have been implemented to realize the 2005 PEG savings of \$0.269 million. This program will be extended as a 2006 PEG and remain in effect from 2007 through 2009.
PEG Implementation Date: 1/1/07	When will PEG savings begin?: 1/1/07

	2005	2006	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)			\$0.239	\$0.250	\$0.258
<i>Total Reduction in Positions Required</i>			4	4	4
Current Level of Vacancies			0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					
<i>List of Other Concerns:</i>					

**MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Worksheet**

PEG Category: Service

Program: One Person Train Operation (OPTO)

Background Details:	Currently the Authority operates four car trains with a crew of one Train Operator and one Conductor. In 2008, implementation of One Person Train Operation (OPTO) will reduce crew size to one Train Operator. Projections are that 13 Conductor positions can be eliminated by the end of 2008 and 26 by the end of 2009.
----------------------------	---

PEG Description and Implementation Plan:	The existing R44 fleet is not equipped with the door obstruction sensing capability required for OPTO. Given the estimated cost of retrofit, a replacement fleet will likely be required. Therefore, the implementation of this program will be delayed until July 2008.
PEG Implementation Date: 7/1/08	When will PEG savings begin?: 7/1/08

	2005	2006	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$0.975	\$2.027
<i>Total Reduction in Positions Required</i>	0	0	0	13	26
Current Level of Vacancies	0	0	0	13	26

Impact on Operations:
Ridership Per Week (in thousands)
Mean Distance Between Failure
On-Time Performance

Other
(Identify Appropriate Indicator)

List of Other Concerns:

MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Reconciliation (List of Changes) Between Financial Plans
(\$ in millions)

	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
2005 July Financial Plan - Total PEGs	2	\$0.035	7	\$0.384	11	\$0.734	24	\$1.737	37	\$2.815
<i>List of PEG Changes</i>										
Administration (List changes by PEG)										
<i>Total Administrative Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Customer Convenience & Amenities (List changes by PEG)										
<i>Total Customer Convenience & Amenities Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service (List changes by PEG)										
<i>Total Service Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance (List changes by PEG)										
<i>Total Maintenance Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Revenue Enhancements (List changes by PEG)										
<i>Total Revenue Enhancement Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other (List changes by PEG)										
<i>Total Other Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
<i>Total PEG Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
2005 November Financial Plan - Total PEGs	2	\$0.035	7	\$0.384	11	\$0.734	24	\$1.737	37	\$2.815

**MTA Staten Island Railway
November Financial Plan 2006-2009
Positions**

November total baseline positions decreased from the July Financial Plan by 3 in 2006 and four in 2007-2009 due primarily to corrections of July reclassification adjustments.

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration						
Executive	12	11	11	11	11	11
General Office	12	13	13	13	13	13
Purchasing/Stores	6	7	7	7	7	7
Operations						
Transportation	93	99	99	99	99	99
Maintenance						
Mechanical	36	35	35	37	37	37
Car and Station Cleaning	19	20	20	20	20	20
Power/Signals	23	25	28	28	28	28
Maintenance of Way	46	49	49	49	49	49
Bridge and Buildings	23	22	24	24	24	24
Material Handling	2	2	2	2	2	2
Engineering/Capital						
None						
Public Safety						
Police	25	0	0	0	0	0
Baseline Total Positions	297	283	288	290	290	290
<i>Non-Reimbursable</i>	291	280	285	287	287	287
<i>Reimbursable</i>	6	3	3	3	3	3
<i>Total Full-Time</i>	297	283	288	290	290	290
<i>Total Full-Time-Equivalents</i>	0	0	0	0	0	0
Impact of:						
2006 Program to Eliminate the Gap	0	(2)	(7)	(7)	(7)	(7)
Post-2006 Prog. to Elim. the Gap	0	0	0	(4)	(17)	(30)
Total Positions	297	281	281	279	266	253
<i>Non-Reimbursable</i>	291	278	278	276	263	250
<i>Reimbursable</i>	6	3	3	3	3	3
<i>Total Full-Time</i>	297	281	281	279	266	253

MTA Staten Island Railway
November Financial Plan 2006-2009
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Final Proposed Budget	2007	2008	2009
Administration				
Managers/Supervisors	14	14	14	14
Professional, Technical, Clerical	17	17	17	17
Operational Hourlies	-			
Total Administration	31	31	31	31
Operations				
Managers/Supervisors	7	7	7	7
Professional, Technical, Clerical	4	4	4	4
Operational Hourlies	88	88	88	88
Total Operations	99	99	99	99
Maintenance				
Managers/Supervisors	11	11	11	11
Professional, Technical, Clerical	2	2	2	2
Operational Hourlies	145	147	147	147
Total Maintenance	158	160	160	160
Engineering/Capital				
Managers/Supervisors				
Professional, Technical, Clerical				
Operational Hourlies				
Total Engineering/Capital	-	-	-	-
Public Safety				
Managers/Supervisors				
Professional, Technical, Clerical				
Operational Hourlies				
Total Public Safety	-	-	-	-
Total				
Managers/Supervisors	32	32	32	32
Professional, Technical, Clerical	23	23	23	23
Operational Hourlies	233	235	235	235
Total	288	290	290	290
Baseline Total Positions	288	290	290	290
Non-Reimbursable	285	287	287	287
Reimbursable	3	3	3	3
Total Full-Time	288	290	290	290
Total Full-Time Equivalents	-	-	-	-
Impact of:				
2006 Program to Eliminate the Gap	(7)	(7)	(7)	(7)
Post-2006 Program to Eliminate the Gap	0	(4)	(17)	(30)
Total Positions	281	279	266	253
Non-Reimbursable	278	276	263	250
Reimbursable	3	3	3	3
Total Full-Time	281	279	266	253
Total Full-Time Equivalents	-	-	-	-

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MTA Bus Company

MTA Bus Company

The MTA Bus Company was created in September 2004 to assume operations of certain New York City bus routes in areas served by seven private bus operators pursuant to franchises granted by the City. By July 1, 2005, MTA Bus had assumed the operations of Liberty Lines Express, Queens Surface Corporation, and New York Bus Service. It is expected that service currently operated by Command Bus Company, Green Bus Lines, Inc, Jamaica Buses, Inc., and Triboro Coach Corporation will be merged into MTA Bus by the end of the third quarter of 2005. Under the agreement between MTA and the City, which was approved by the MTA Board, the City agreed to pay MTA Bus the difference between the actual operating costs of the city bus routes and all revenues received for such route operations. Thus, the current costs of MTA Bus operations are 100% reimbursable by the City.

MTA Bus will be responsible for both the local and express bus operations of the seven companies, consolidating their operations, maintaining current buses, and purchasing new buses to replace the aging fleet currently in service. The seven companies currently operate 46 local routes and 35 express bus routes between Manhattan and the Bronx, Brooklyn, or Queens. Together the seven companies have 1,228 buses, which will make MTA Bus the 11th largest bus fleet in the United States and Canada, serving 400,000 riders daily.

MTA Bus Company has been reporting monthly to the MTA Board the status of its operations as well as its current operating revenues and costs.

The consolidated MTA budget does not currently include MTA Bus financial information, either in the Financial Plan nor the monthly reports prepared for the MTA Board. When the status of transferring the remaining bus lines has been finalized, MTA Bus will develop a line-item annual budget and four-year financial plan, which will be included in the consolidated MTA budget.

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