

MTA 2009 Final Proposed Budget November Financial Plan 2009 – 2012



Volume 1
November 2008



Metropolitan Transportation Authority

**MTA 2009 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2009-2012
VOLUME 1**

The MTA's November Plan is divided into two volumes. Volume 1 includes financial and headcount schedules supporting the complete MTA-Consolidated Financial Plan, including the baseline and the below-the-line Gap-Closing Program. Volume 1 also includes descriptions of the below-the-line actions, which include updated tax, fuel and pension forecasts, as well as the Letter by the Executive Director and the required Executive Director Certification.

Volume 2 includes MTA-Consolidated financial and headcount schedules as well as narratives that support the baseline projections included in the 2009 Final Proposed Budget and the Financial Plan for 2009 through 2012. Also included are the Agency sections which incorporate descriptions of Agency Programs, supporting baseline tables and details regarding proposed Agency PEG's. Volume 2 also includes required information related to the MTA Capital Program.

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I. Introduction

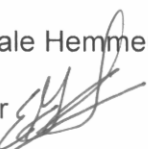


Metropolitan Transportation Authority

State of New York

Date: November 20, 2008

To: Chairman H. Dale Hemmerdinger and MTA Board Members

From: Elliot G. Sander 

Re: **MTA Final Proposed 2009 Budget and the November Financial Plan for 2009-2012**

I am transmitting for your consideration the 2009 Final Proposed Budget and the Four-year Financial Plan for 2009-2012, which reflects even more sobering developments than were described in the July submission. Most of these developments were described to the Finance Committee at its Special meeting on November 10.

The continued contraction of the economy in New York and the nation has caused significant deterioration in the MTA's finances. Evidence of the steep decline of MTA sources of revenue are visible in our projections of greater reductions in state tax revenue, further declines in real estate taxes, escalating debt-service costs, falling ridership and the need to increase pension contributions to address losses in pension funds retirees depend upon. As you know, our State and City funding partners are also grappling with declines in revenue. You will recall that in the July Plan we forecast that the City and State would be able to help reduce these gaps. The cumulative impact of all of these developments is discussed in detail below. It is in this context that this November plan presents gap-closing actions required to address the MTA's financial problems.

In July, as you know, the baseline, before prior-year carryovers and gap closing actions, required us to close a gap of \$345 million in 2008, \$1,143 million in 2009, \$1,882 million in 2010 and more than \$2 billion in both 2011 and 2012. In the July plan we listed a variety of gap closing measures, including a plan to increase the yield from fares and tolls by 8%. However, our updated forecasts of economically sensitive revenues have proven even gloomier than originally projected, resulting in wider and more daunting deficits.

Let's start with real estate tax revenue. On top of the significant reductions assumed in July, which were already based on the precipitous drop in real estate tax revenues, this new financial plan now recognizes an additional falloff in this revenue source of \$76 million in 2008, \$66 million in 2009, \$80 million in 2010, \$72 million in 2011 and \$29 million in 2012.

Similarly, you will remember that the July plan had reduced our state tax projections for the period 2008-2011 from earlier projections built off of an assumption of a growing economy. However, in light of the impact of a contracting economy on the State, these projected tax revenues have been reduced even further-- by an additional \$15 million in 2008, \$175 million in 2009, \$133 million in 2010, \$133 million in 2011 and \$123 million in 2012.

The agencies of the MTA, H. Dale Hemmerdinger, Chairman

MTA New York City Transit
MTA Long Island Rail Road

MTA Long Island Bus
MTA Metro-North Railroad

MTA Bridges and Tunnels
MTA Capital Construction

MTA Bus Company

Further compounding the impact of these reductions is the increased cost of borrowing in this economic market. Higher interest expense assumptions for debt issuance are driving an increase of an additional \$18 million in 2009, \$54 million in 2010, \$94 million in 2011 and \$144 million in 2012.

The economic downturn and declines in the markets have also significantly reduced the value of MTA pension holdings. The plan presented today estimates that this increased obligation as it relates to the MTA-controlled pension plans will result in additional costs to the MTA of \$35 million in 2009, \$70 million in 2010, \$105 million in 2011 and \$140 million in 2012. This represents only one component of MTA's exposure in this area; not included at this time is the modest amount that will be required for MTA's NYSERS participation or the more significant amount that will be associated with MTA's NYCERS' contribution, which will not be calculated by the City for another year or so. We expect that the impact of both of these changes will materialize in the latter half of 2010.

Finally, the July baseline will be affected by changes in farebox and toll revenue without regard to any fare actions. While we expect an additional \$47 million in 2008 as a result of increased ridership, these revenues are expected to decline by \$17 million in 2009, \$44 million in 2010, \$32 million in 2011 and \$7 million in 2012.

The only really positive news since July is the impact of reduced fuel prices. Through 2010, it is now assumed that MTA's net fuel costs, including higher delivery charges, will be \$30 million lower than the July Plan.

Applying the above noted impacts, along with the countless smaller changes that have occurred since the July baseline, increases the deficit to \$383 million in 2008, \$1.441 billion in 2009, \$2.394 billion in 2010, \$2.647 billion in 2011 and nearly \$3 billion in 2012 before prior-year carryover or gap-closing actions.

The July Plan anticipated gap-closing contributions from the State and City; however, the impact of a contracting economy on those entities has made those assumptions unrealistic. In order to achieve budget balance in 2009, actions to fill these gaps largely fall on the MTA and its customers. The gap-closing actions are discussed below.

- MTA Internal Actions Proposed in July: The gap-closing internal actions anticipated in July remain in place. These include 6% cost reductions without cutting service over the plan period, continuing the 1.5% annual reduction begun last year. In addition to belt tightening, we have implemented a series of administrative reductions in hiring, travel and food, and telecommunications in 2008 and 2009 at all of the agencies.

We continue to assume that our employees will make a modest contribution to the plan through negotiation of new contracts. In addition we expect efficiency measures to save money, especially the efficiencies that will be achieved by the new Business Service Center. BSC will consolidate back-office operations for all of our agencies. This will result in a downsizing of the workforce and this plan, like previous plans, provides funds to cover the expected cost of downsizing. The MTA will begin to realize the savings from these BSC initiatives in 2012. Savings are also assumed from other reorganization initiatives.

In addition, as we outlined in July, the MTA will take an inter-agency loan of \$135 million to reduce the gap in both 2009 and 2010, which we will pay back in 2011 and 2012. We have also identified funds that had been allocated from the 2006 surplus but not yet committed that will be transferred back to the operating budget in 2008 to be used for future gap-closing. Projects that would have used these funds will instead be included in the next capital program. MTA will also reduce its subsidy to Long Island Bus by \$4 million to \$10 million annually. In addition, in the absence of increased subsidy from Nassau County, Long Island Bus will need to reduce expenses or raise revenue by \$5 million in 2009 in order to balance its budget. Finally, with the approval of the Board, MTA eliminated E-Z Pass forgiveness of official city, state and county vehicles, which is anticipated to generate \$10 million annually.

These internal actions generate \$137 million in 2008, \$242 million in 2009, \$404 million in 2010, \$217 million in 2011 and \$354 million in 2012.

- Governmental Partners: The November Plan continues to propose legislative changes to federal mandates for commuter railroad employees that, beginning in late 2009, are projected to save \$15 million, and, in subsequent years, roughly \$62 million annually without affecting employee benefits. The plan also continues to propose asking the State to eliminate tax loopholes affecting real estate transactions, which is expected to generate \$50 million annually beginning in 2009.

However the plan no longer anticipates the \$600 million in new State and City contributions beginning in 2010 or reimbursement for school fares and senior discounts, which had been expected to generate \$104 million annually beginning in 2009. Nor does it assume that the City and the MTA will share paratransit costs, which would have provided \$113 million in 2009 and more thereafter or the restoration of the revenue lost in reductions in State tax aid.

- Additional Actions for Budget Balance: To make up the remaining deficit and balance the budget as required by law, significant additional agency reductions are required as well as dramatically higher proposed fare and toll increases. Each agency has identified actions to reduce its budget by an additional 4.7%, or an MTA-wide cost reduction to save \$1,452 million over the plan period¹. This target was originally established to close the July deficit if State and City contributions were not forthcoming. In light of the contraction of the regional, State and national economy, these actions are now necessary.

To meet the 4.7% target, each agency identified additional administrative cuts that could be taken over and above the normal, recurring 1.5% reduction program proposed in July (as discussed above). For the additional reductions, each agency was required to meet an independent target of no less than 5% of its managerial expenses. Since administration is a small component of the overall budgets of MTA operating agencies, these additional administrative savings are not sufficient to meet the target. Reductions in service will be required to balance the budget under the November Plan.

¹ This excludes MTA Bus actions of \$87.6 million which is targeted to reduce City Subsidy.

The proposed service reductions were guided by two principles: first, reductions should not compromise safety, security or reliability; and second, we must respect our fundamental mission of getting people where they need to go, recognizing that to continue to do so in this environment may mean reductions in the quality, frequency and length of their regular trips. The proposed reductions, which are described in more detail in the budget documents attached, are summarized below.

For NYC Transit, cumulative savings of \$167 million are proposed for 2008 and 2009 and \$280 million for each of the out years of the plan. This reflects \$1,007 million over the plan period. NYCT first proposes a 7.5% reduction in managerial, professional and clerical positions on top of those already taken before turning to service reductions. NYCT's proposed service reductions on the subway system largely involve route modifications, increased headways and loading guidelines during non-rush hours, reducing selected station booth and station customer assistant staffing, and elimination of the enhanced station area track cleaning program begun in late 2007. Reductions in bus service largely involve reducing or eliminating low ridership services, especially during weekends or late night, and services that largely duplicate subway service. In addition, NYCT proposes increasing express bus fares to \$7.50 to be more in line with local bus operating recovery ratios. Finally, NYCT proposes reductions to paratransit, including tightening customer cancellation/no-show policy, raising the fare to twice the regular Transit base fare as allowed by federal law and consistent with many other bus agencies including LI Bus, and continuing to maximize the use of lower-priced carriers to the extent practicable.

MTA Bus is slated to achieve \$17 million of savings in 2009 and approximately \$24 million annually thereafter. To achieve \$88 million in savings over the plan period, MTA Bus will first make additional managerial cuts of 10%. MTA Bus proposes to increase express bus fares and loading guidelines to align with NYCT's, in addition to eliminating low ridership services and streamlining select routes. Maintenance efficiencies are also proposed.

Long Island Rail Road proposes to achieve \$36 million in 2009 and approximately \$53 million annually thereafter, reflecting \$196 million in savings over the plan period. LIRR proposes reducing administrative positions, ticket offices/ticket sellers/ticket window hours, as well as train crew staffing. Service reductions on special service trains and on some select weekend and/or off peak trains are proposed. Extending select maintenance cycles and other maintenance changes are also proposed.

Metro-North Railroad's reductions total \$35 million annually, \$140 million over the plan period. They include: additional administrative cuts in management, clerical and other areas; increased loading guidelines and reduced service to both East and West of Hudson; maintenance reductions; reduced car and station cleaning; reducing specified ticket offices, ticket sellers and or ticket window hours; and a slowdown in restoration efforts at Grand Central Terminal (in addition to the impact on GCT from many of the actions described above).

Long Island Bus proposes \$5 million of savings in 2009 and \$6 million annually thereafter; \$23 million in savings over the plan period are targeted to be achieved by reducing managerial headcount up to 10%, reducing/eliminating service on low-ridership routes, savings associated with CNG and service contracts and increasing employee health and welfare contributions.

The largest component of MTA Bridges and Tunnels' \$59 million reduction over the plan period is administrative savings; B&T is slated to achieve savings of \$17 million in 2009, \$24 million in 2010, \$7 million in 2011, and \$11 million in 2012. Other savings result from closing some manual/cash lanes, reducing facility security and truck weight enforcement personnel, rescheduling some bridge painting projects to align with structural work in the next capital program, eliminating the Cross Bay Bridge Rebate Program and E-Z Pass paper statements, and tightening E-Z Pass controls.

Headquarters proposes to meet its target of \$36 million over the plan period through reductions in managerial headcount, service contracts and OTPS. MTAHQ savings are expected to yield \$9 million annually beginning in 2009.

- Fares and Tolls: The remaining deficit is made up by fares and tolls, increasing the 8% yield proposed in the July Plan to 23% effective in June, 2009. While this increase is significant, it is preferable to even deeper cuts in service. The mix of specific fare policies associated with this yield will be proposed and vetted early in 2009. The November Plan also includes a 5% revenue yield increase effective January, 2011, reflecting MTA policy of implementing small alternate-year fare/toll increases to cover inflation.

Adding prior year carry over to these gap closing measures allows us to end 2009 with a modest \$65 million surplus, and with deficits thereafter of \$266 million in 2010, \$454 million in 2011 and \$608 million in 2012. The actions proposed, while painful, address our requirement to balance the budget based on reasonable assumptions; the reasonableness of these actions is based on the fact that they are within our ability to implement. However, other opportunities may present themselves based on the Ravitch Commission report, scheduled to be released in early December. We will consider the opportunities these proposals present to meet the overwhelming need created by current financial conditions as we bring the budget and financial plan to the Board for adoption in December.

Clearly, the fiscal challenges confronting the MTA in the years to come are daunting. However, I am confident that the Board will address these challenges, with as much public input and comment as possible, and will continue to demonstrate the continued fiscal discipline and leadership needed to respond to this crisis.

I welcome public and Board feedback on this plan as we move toward the adoption of the 2009 Budget by the Board in December.

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II. MTA Consolidated 2008-2012 Financial Plan

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2009 - 2012

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line No.						
7	Non-Reimbursable					
8						
9		2007	2008	2009		
10		Actual	November Forecast	Final Proposed Budget	2010	2011
11	Operating Revenue					
12	Farebox Revenue	\$3,995	\$4,246	\$4,229	\$4,252	\$4,319
13	Toll Revenue	1,251	1,273	1,264	1,264	1,275
14	Other Revenue	480	460	479	500	526
15	Capital and Other Reimbursements	0	0	0	0	0
16	Total Operating Revenue	\$5,726	\$5,979	\$5,971	\$6,016	\$6,113
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$3,861	\$4,093	\$4,250	\$4,362	\$4,462
20	Overtime	482	490	471	478	489
21	Health & Welfare	617	686	752	819	886
22	OPEB Current Payment	270	327	356	387	423
23	Pensions	851	889	913	896	871
24	Other-Fringe Benefits	445	477	488	502	519
25	Reimbursable Overhead	(274)	(310)	(322)	(315)	(311)
26	Sub-total Labor Expenses	\$6,252	\$6,653	\$6,908	\$7,128	\$7,339
27						
28	Non-Labor Expenses:					
29	Traction and Propulsion Power	294	314	348	398	425
30	Fuel for Buses and Trains	193	321	334	307	300
31	Insurance	54	33	51	62	73
32	Claims	164	175	157	165	173
33	Paratransit Service Contracts	233	284	366	423	481
34	Maintenance and Other Operating Contracts	533	632	688	701	705
35	Professional Service Contracts	181	195	236	224	223
36	Materials & Supplies	516	542	602	635	661
37	Other Business Expenses	152	181	188	184	186
38	Sub-total Non-Labor Expenses	\$2,320	\$2,676	\$2,971	\$3,099	\$3,228
39						
40	Other Expense Adjustments:					
41	Other	(\$18)	(\$11)	(\$11)	(\$5)	(\$5)
42	General Reserve	0	0	75	75	75
43	Sub-total Other Expense Adjustments	(\$18)	(\$11)	\$64	\$70	\$69
44						
45	Total Operating Expense before Non-Cash Liability Adjs.	\$8,554	\$9,319	\$9,943	\$10,297	\$10,637
46						
47	Depreciation	\$1,687	\$1,755	\$1,905	\$2,015	\$2,082
48	OPEB Obligation	1,291	1,313	1,379	1,436	1,495
49	Environmental Remediation	0	38	8	8	8
50						
51	Total Operating Expense	\$11,533	\$12,424	\$13,235	\$13,756	\$14,223
52						
53	Net Operating Deficit Before Subsidies and Debt Service	(\$5,807)	(\$6,445)	(\$7,263)	(\$7,739)	(\$8,500)
54						
55	Dedicated Taxes and State/Local Subsidies	\$4,559	\$4,289	\$4,095	\$4,102	\$4,205
56	Debt Service (excludes Service Contract Bonds)	(1,712)	(1,504)	(1,474)	(1,912)	(2,050)
57						
58	Net Deficit After Subsidies and Debt Service	(\$2,959)	(\$3,660)	(\$4,641)	(\$5,549)	(\$6,431)
59						
60	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$2,978	\$3,105	\$3,292	\$3,458	\$3,585
61	Conversion to Cash Basis: GASB Account	(71)	(57)	(60)	(63)	(66)
62	Conversion to Cash Basis: All Other	(389)	314	213	(4)	65
63						
64	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)
65	UPDATED FORECAST	0	(86)	(243)	(237)	(250)
66	MTA GAP CLOSING PROGRAMS	0	155	1,238	2,063	2,193
67	PRIOR-YEAR CARRY-OVER	937	495	268	65	0
68	NET CASH BALANCE	\$495	\$268	\$65	(\$266)	(\$608)

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2009 - 2012

Updated Forecast and Gap Closing Programs

(\$ in millions)

Line No.		2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
10						
11	November Cash Balance Before Prior-Year Carry-Over	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)
12						
13	Updated Forecast					
14						
15	Real Estate Related Taxes	(76)	(66)	(80)	(72)	(29)
16	State Dedicated Taxes	(15)	(175)	(133)	(133)	(123)
17	Pension Valuations	-	(35)	(70)	(105)	(140)
18	Fuel	6	31	45	32	39
19	Other	(1)	1	1	1	4
20	<i>Sub-Total</i>	<i>(86)</i>	<i>(243)</i>	<i>(237)</i>	<i>(277)</i>	<i>(250)</i>
21						
22	GAP CLOSING					
23						
24	Internal Actions:					
25	2009 Agency Program to Eliminate the Gap	16	82	81	88	78
26	Post-2009 Agency Program to Eliminate the Gap	-	0	97	175	276
27	Business Service Center	-	(8)	(10)	(15)	29
28	New Contracts Labor Contribution	-	53	82	85	86
29	MTA Reorganization	-	1	3	3	3
30	Reduce Subsidy to LIB	-	4	4	4	4
31	LIB Deficit Reduction	-	5	3	2	2
32	2006 Surplus Recovery	120	(40)	0	0	0
33	Eliminate E-Z Pass Forgiveness	1	10	10	10	10
34	Inter-Agency Loan	-	135	135	(135)	(135)
35	<i>Sub-Total</i>	<i>137</i>	<i>242</i>	<i>404</i>	<i>217</i>	<i>354</i>
36						
37	External Actions:					
38	Federal Legislative Actions	-	15	62	63	66
39	State Legislative Actions - Tax Statute Revisions	-	50	50	50	50
40	<i>Sub-Total</i>	<i>-</i>	<i>65</i>	<i>112</i>	<i>113</i>	<i>116</i>
41						
42	Additional Actions for Budget Balance:					
43	New York City Transit / Staten Island Railway	13	154	280	280	280
44	Bridges and Tunnels	-	17	24	7	11
45	Long Island Rail Road	-	36	53	53	54
46	Metro-North Railroad	-	35	35	35	35
47	MTA Headquarters	-	9	9	9	9
48	Long Island Bus	-	5	6	6	6
49	Other Administrative Reductions	5	10	0	0	0
50	Reimbursement Offset	-	(6)	(6)	(6)	(6)
51	<i>Sub-Total</i>	<i>18</i>	<i>261</i>	<i>401</i>	<i>384</i>	<i>389</i>
52						
53	Fare/Toll:					
54	Fare/Toll Yields on 6/1/09: 23.0%	-	670	1,147	1,172	1,188
55	Fare/Toll Yields on 1/1/11: 5.0%	-	-	-	307	319
56	<i>Sub-Total</i>	<i>-</i>	<i>670</i>	<i>1,147</i>	<i>1,479</i>	<i>1,507</i>
57						
58	UPDATED FORECAST	(86)	(243)	(237)	(277)	(250)
59	TOTAL GAP CLOSING	155	1,238	2,063	2,193	2,364
60						
61	Prior-Year Carry-Over	495	268	65	0	0
62						
63	Net Cash Surplus/(Deficit)	\$268	\$65	(\$266)	(\$454)	(\$608)

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2009 - 2012

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
9							
10							
11	Receipts						
12	Farebox Revenue	\$4,048	\$4,293	\$4,270	\$4,291	\$4,357	\$4,428
13	Other Operating Revenue	502	565	508	532	558	587
14	Capital and Other Reimbursements	1,224	1,350	1,563	1,442	1,410	1,416
15	Total Receipts	\$5,774	\$6,209	\$6,341	\$6,265	\$6,324	\$6,431
16							
17	Expenditures						
18	<u>Labor:</u>						
19	Payroll	\$4,170	\$4,464	\$4,638	\$4,731	\$4,820	\$4,898
20	Overtime	551	570	531	537	549	559
21	Health and Welfare	637	732	788	858	928	1,002
22	OPEB Current Payment	257	311	334	363	398	436
23	Pensions	899	709	922	926	897	895
24	Other Fringe Benefits	508	547	560	573	586	600
25	Contribution to GASB Fund	71	57	60	63	66	69
26	Total Labor Expenditures	\$7,093	\$7,391	\$7,835	\$8,053	\$8,243	\$8,458
27							
28	<u>Non-Labor:</u>						
29	Traction and Propulsion Power	\$304	\$351	\$358	\$407	\$434	\$465
30	Fuel for Buses and Trains	192	321	334	307	300	320
31	Insurance	49	49	54	63	78	86
32	Claims	143	150	138	144	152	158
33	Paratransit Service Contracts	231	280	361	418	476	556
34	Maintenance and Other Operating Contracts	488	579	671	648	644	652
35	Professional Service Contracts	192	225	253	250	251	255
36	Materials & Supplies	700	673	727	751	740	741
37	Other Business Expenditures	248	181	191	190	198	195
38	Total Non-Labor Expenditures	\$2,547	\$2,811	\$3,085	\$3,178	\$3,274	\$3,428
39							
40	<u>Other Expenditure Adjustments:</u>						
41	Other	\$47	\$29	\$56	\$53	\$46	\$48
42	General Reserve	0	0	75	75	75	75
43	Total Other Expenditure Adjustments	\$47	\$29	\$131	\$128	\$121	\$123
44							
45	Total Expenditures	\$9,687	\$10,231	\$11,050	\$11,359	\$11,638	\$12,009
46							
47	Net Cash Deficit Before Subsidies and Debt Service	(\$3,912)	(\$4,022)	(\$4,709)	(\$5,094)	(\$5,314)	(\$5,578)
48							
49	Dedicated Taxes and State/Local Subsidies	\$4,618	\$4,712	\$4,458	\$4,223	\$4,355	\$4,464
50	Debt Service (excludes Service Contract Bonds)	(1,147)	(987)	(946)	(1,286)	(1,411)	(1,609)
51							
52	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$442)	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)
53	MTA GAP CLOSING PROGRAMS	0	69	994	1,826	1,916	2,115
54	PRIOR-YEAR CARRY-OVER	937	495	268	65	0	0
55	NET CASH BALANCE	\$495	\$268	\$65	(\$266)	(\$454)	(\$608)

Metropolitan Transportation Authority
November Financial Plan 2009 - 2012
MTA Consolidated November Financial Plan Compared with July Financial Plan
Cash Reconciliation
(\$ in millions)

	Favorable/(Unfavorable)				
	2008	2009	2010	2011	2012
JULY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)	(\$2,334)
Passenger/Toll Revenue	\$47	(\$17)	(\$44)	(\$32)	(\$7)
Other Baseline Changes:	<u>\$10</u>	<u>(\$52)</u>	<u>(\$127)</u>	<u>(\$123)</u>	<u>(\$189)</u>
<i>Overtime</i>	(21)	(15)	(13)	(15)	(15)
<i>Pensions</i>	72	(9)	(9)	(8)	(8)
<i>Other Fringe Benefits (incl. Worker's Comp.)</i>	(47)	(44)	(41)	(44)	(46)
<i>Energy</i>	(11)	(4)	(34)	(36)	(80)
<i>Claims</i>	(23)	(0)	(0)	(0)	(0)
<i>Inflation (Labor/OTPS)</i>	(1)	(33)	(40)	(57)	(72)
<i>Paratransit Service</i>	1	(50)	(57)	(41)	(34)
<i>Timing Adjustments</i>	(23)	25	(1)	(1)	(1)
<i>Cash Adjustments</i>	40	56	45	44	46
<i>Baseline Re-Estimates</i>	23	22	23	35	21
Net Baseline Change	<u>\$57</u>	<u>(\$69)</u>	<u>(\$171)</u>	<u>(\$155)</u>	<u>(\$196)</u>
General Reserve	\$38	\$0	\$0	\$0	\$0
Subsidies	(\$54)	\$49	(\$22)	(\$24)	(\$23)
Debt Service	\$9	(\$18)	(\$54)	(\$94)	(\$144)
Other	(\$1)	(\$16)	(\$28)	(\$29)	(\$26)
Total Baseline Change	<u>\$48</u>	<u>(\$54)</u>	<u>(\$275)</u>	<u>(\$302)</u>	<u>(\$389)</u>
NOVEMBER BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)
UPDATED FORECAST	(86)	(243)	(237)	(277)	(250)
MTA GAP CLOSING PROGRAMS	155	1,238	2,063	2,193	2,364
PRIOR-YEAR CARRY-OVER	495	268	65	0	0
NET CASH BALANCE	\$268	\$65	(\$266)	(\$454)	(\$608)

Metropolitan Transportation Authority
November Financial Plan 2009 - 2012
MTA Consolidated November Financial Plan Compared with July Financial Plan
Cash Reconciliation
(\$ in millions)

	Favorable/(Unfavorable)				
	2008	2009	2010	2011	2012
JULY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$345)	(\$1,143)	(\$1,882)	(\$2,068)	(\$2,334)
November Baseline Changes:	48	(54)	(275)	(302)	(389)
Passenger/Toll Revenue	47	(17)	(44)	(32)	(7)
Other Agency Changes	10	(52)	(127)	(123)	(189)
General Reserve	38	0	0	0	0
Debt Service	9	(18)	(54)	(94)	(144)
Subsidies	(54)	49	(22)	(24)	(23)
Other Cash Adjustments	(1)	(16)	(28)	(29)	(26)
NOVEMBER BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER	(\$297)	(\$1,197)	(\$2,157)	(\$2,370)	(\$2,722)
Updated Forecast:	(86)	(243)	(237)	(277)	(250)
Real Estate Related Taxes	(76)	(66)	(80)	(72)	(29)
State Dedicated Taxes	(15)	(175)	(133)	(133)	(123)
Pension Valuations	0	(35)	(70)	(105)	(140)
Fuel	6	31	45	32	39
Other	(1)	1	1	1	4
ADJUSTED NOVEMBER BASELINE before GAP CLOSING and PRIOR-YEAR CARRYOVER	(\$383)	(\$1,441)	(\$2,394)	(\$2,647)	(\$2,972)
Internal Actions:	137	242	404	217	354
2009 Agency Program to Eliminate the Gap	16	82	81	88	78
Post-2009 Agency Program to Eliminate the Gap	0	0	97	175	276
Business Service Center	0	(8)	(10)	(15)	29
New Contracts Labor Contribution	0	53	82	85	86
MTA Reorganization	0	1	3	3	3
Reduce Subsidy to LIB	0	4	4	4	4
LIB Deficit Reduction	0	5	3	2	2
2006 Surplus Recovery	120	(40)	0	0	0
Eliminate E-Z Pass Forgiveness	1	10	10	10	10
Inter-Agency Loan	0	135	135	(135)	(135)
External Actions:	0	65	112	113	116
Federal Legislative Actions	0	15	62	63	66
State Legislative Actions - Tax Statute Revisions	0	50	50	50	50
Additional Actions for Budget Balance:	18	261	401	384	389
New York City Transit / Staten Island Railway	13	154	280	280	280
Bridges and Tunnels	0	17	24	7	11
Long Island Rail Road	0	36	53	53	54
Metro-North Railroad	0	35	35	35	35
MTA Headquarters	0	9	9	9	9
Long Island Bus	0	5	6	6	6
Other Administrative Reductions	5	10	0	0	0
Reimbursement Offset	0	(6)	(6)	(6)	(6)
Fare/Toll - 23% yield 6/09; 5% yield 1/11	0	670	1,147	1,479	1,507
Total Changes	155	1,238	2,063	2,193	2,364
Adjusted Net Cash Balance from Previous Year	495	268	65	0	0
NOVEMBER NET CASH BALANCE	\$268	\$65	(\$266)	(\$454)	(\$608)

Metropolitan Transportation Authority
November Financial Plan 2009 - 2012
Other Changes to the July Plan
(\$ in millions)

	2008	2009	2010	2011	2012
July External Actions Eliminated:	<u>(40)</u>	<u>(237)</u>	<u>(689)</u>	<u>(760)</u>	<u>(839)</u>
School/Senior Citizen Fare Reimbursement	0	(104)	(104)	(104)	(104)
City Reimbursement to Paratransit	0	(113)	(138)	(164)	(205)
State Tax Restoration	(40)	(19)	(84)	(121)	(152)
New Governmental Aid	0	0	(364)	(371)	(379)

Variances of Internal Actions since July:	<u>(2)</u>	<u>(38)</u>	<u>(7)</u>	<u>(8)</u>	<u>(8)</u>
2009 Agency Program to Eliminate the Gap	0	0	1	0	(1)
Post-2009 Agency Program to Eliminate the Gap	0	0	(1)	0	1
Business Service Center	0	(1)	0	(0)	(0)
New Contracts Labor Contribution	0	0	0	0	0
MTA Reorganization	0	(2)	(10)	(10)	(10)
Reduce Subsidy to LIB	0	0	0	0	0
LIB Deficit Reduction	0	5	3	2	2
2006 Surplus Recovery	0	(40)	0	0	0
Eliminate E-Z Pass Forgiveness	(2)	0	0	0	0
Inter-Agency Loan	0	0	0	0	0

Fare/Toll Yield Assumptions Changed:

<u>July Fare/Toll Eliminated</u>	<u>202</u>	<u>405</u>	<u>687</u>	<u>699</u>
July 1, 2009: 8%	202	405	414	418
January 1, 2011: 5%	0	0	272	281
<u>November Fare/Toll Plan</u>	<u>670</u>	<u>1,147</u>	<u>1,479</u>	<u>1,507</u>
June 1, 2009: 23%	670	1,147	1,172	1,188
January 1, 2011: 5% ¹	0	0	307	319

¹ Excludes Express Bus increase included in Additional Actions for Budget Balance