Metropolitan Transportation Authority
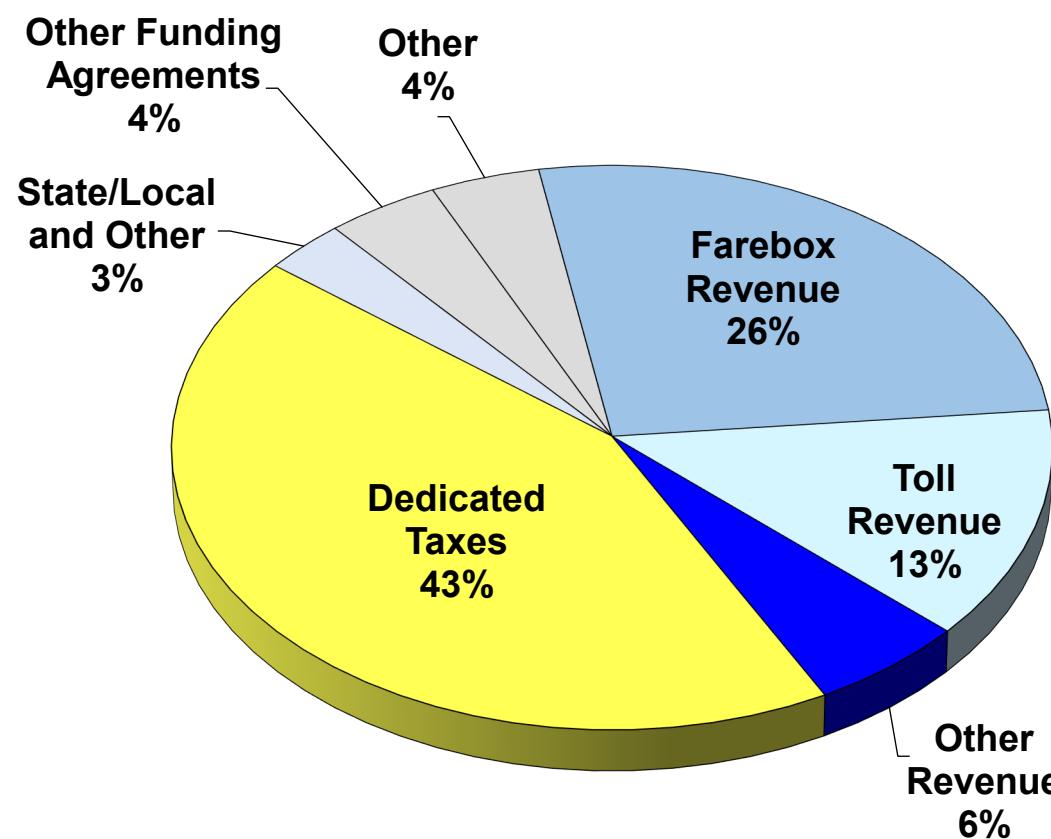
July 2025 Financial Plan Presentation

7/30/2025
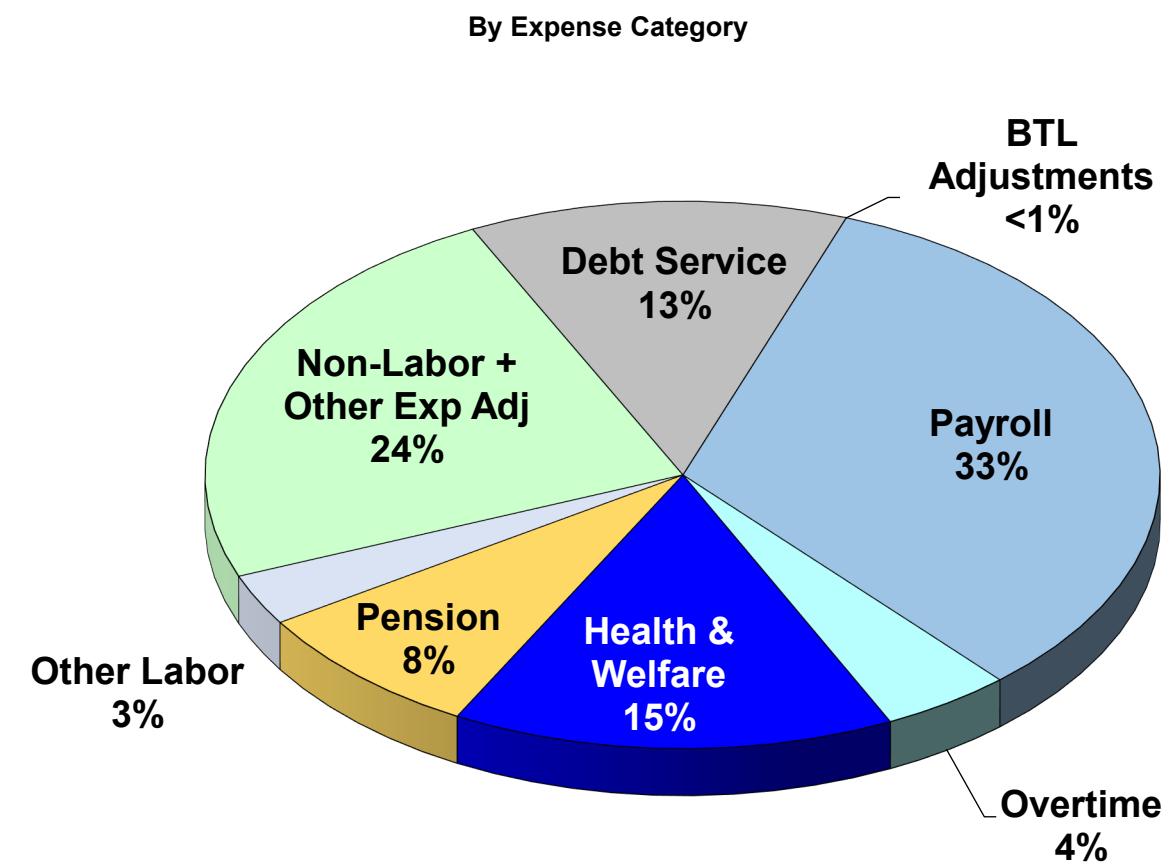
MTA's 2025 adopted budget is $19.9 billion

Where the dollars come from…

Other Funding Agreements 4%

Other 4%

State/Local and Other 3%

Farebox Revenue 26%

Dedicated Taxes 43%

Toll Revenue 13%

Other Revenue 6%

Where the dollars go…
By Expense Category

BTL Adjustments <1%

Debt Service 13%

Non-Labor + Other Exp Adj 24%

Payroll 33%

Other Labor 3%

Pension 8%

Health & Welfare 15%

Overtime 4%

Note: After below-the-line adjustments. Shown on non-reimbursable and accrual basis.
Farebox Revenue represented 38% of funding in 2019.

2

Revenues are higher than budgeted, and expenses lower in 2025

Revenues

- Subway and bus revenues better than budget by 2%

- Commuter rail revenues better than budget by 2%

- B&T revenues on budget

- Dedicated tax receipts are above the forecast by 3%

Expenses

- Overall operating expenses below budget by $56 million (1%)

  - Recurring operating efficiencies of over $500 million on target to be delivered

July Financial Plan update, better than November

	2025	2026	2027	2028	Total Deficit	Change
July 2024 financial plan forecasted deficit	$0	$0	($428M)	($469M)	($897M)	
November 2024 financial plan forecasted deficit	$0	$0	($378M)	($419M)	($797M)	⬇ $100M
July 2025 financial plan forecasted deficit	$0	$0	($345M)	($354M)	($699M)	⬇ $98M

	2025	2026	2027	2028	2029
July 2025 financial plan forecasted deficit	$0	$0	($345M)	($354M)	($428M)

Reduced deficit by ~$200 million over the last year

Changes since the November Plan 2025-2029

Revenues

- Farebox revenue for subway and commuter rail higher by $118 million reflecting actuals for the first six months of this year
  - Current year - $76 million increase
  - Out-years - $42 million increase

- Dedicated taxes and subsidies
  - Payroll mobility tax - higher expected growth based on the State's Division of the Budget forecast
  - Mortgage Recording Tax and Urban taxes – a little higher than budgeted for 2025 only
  - All other dedicated taxes and subsidies remain steady to forecast
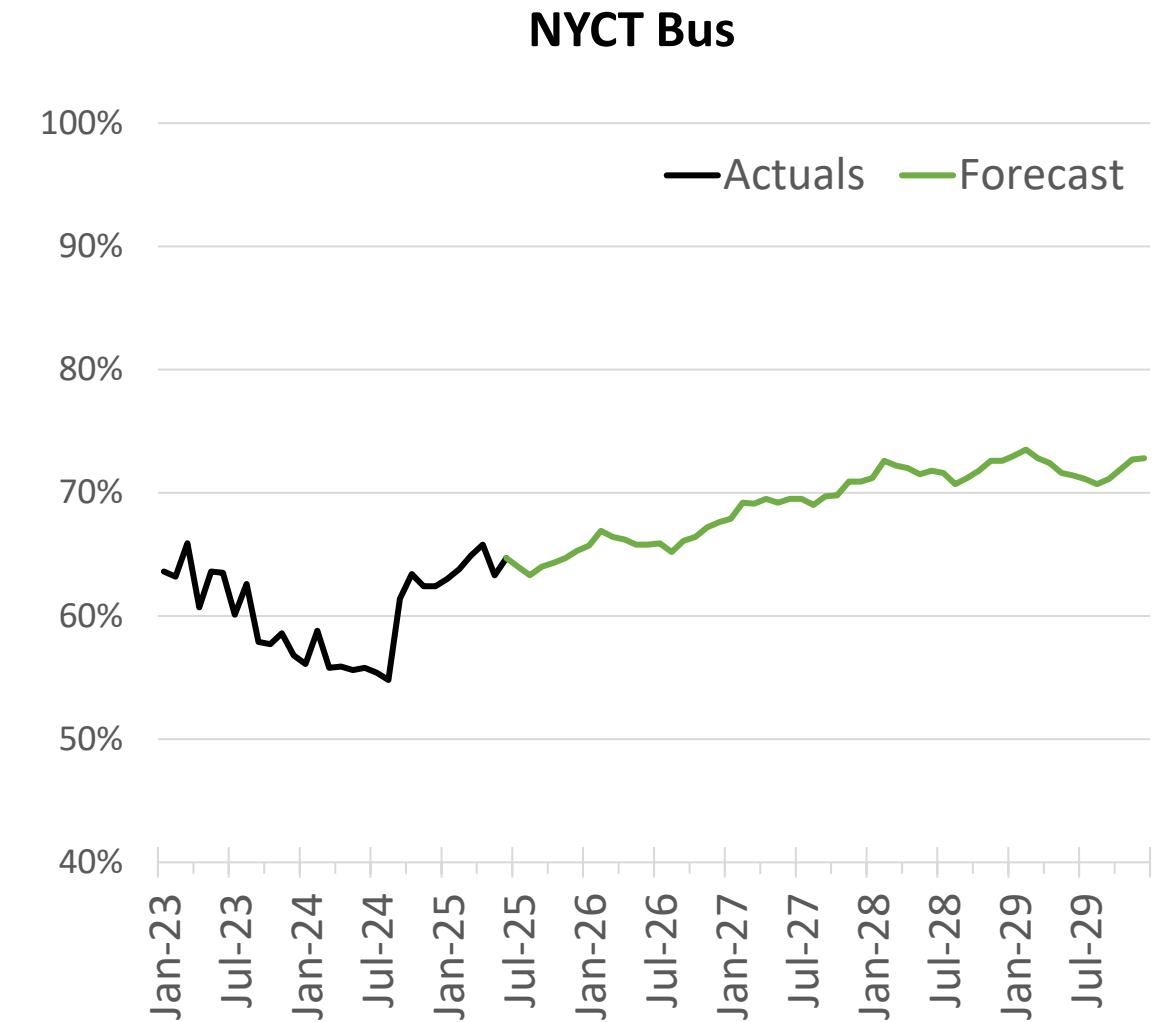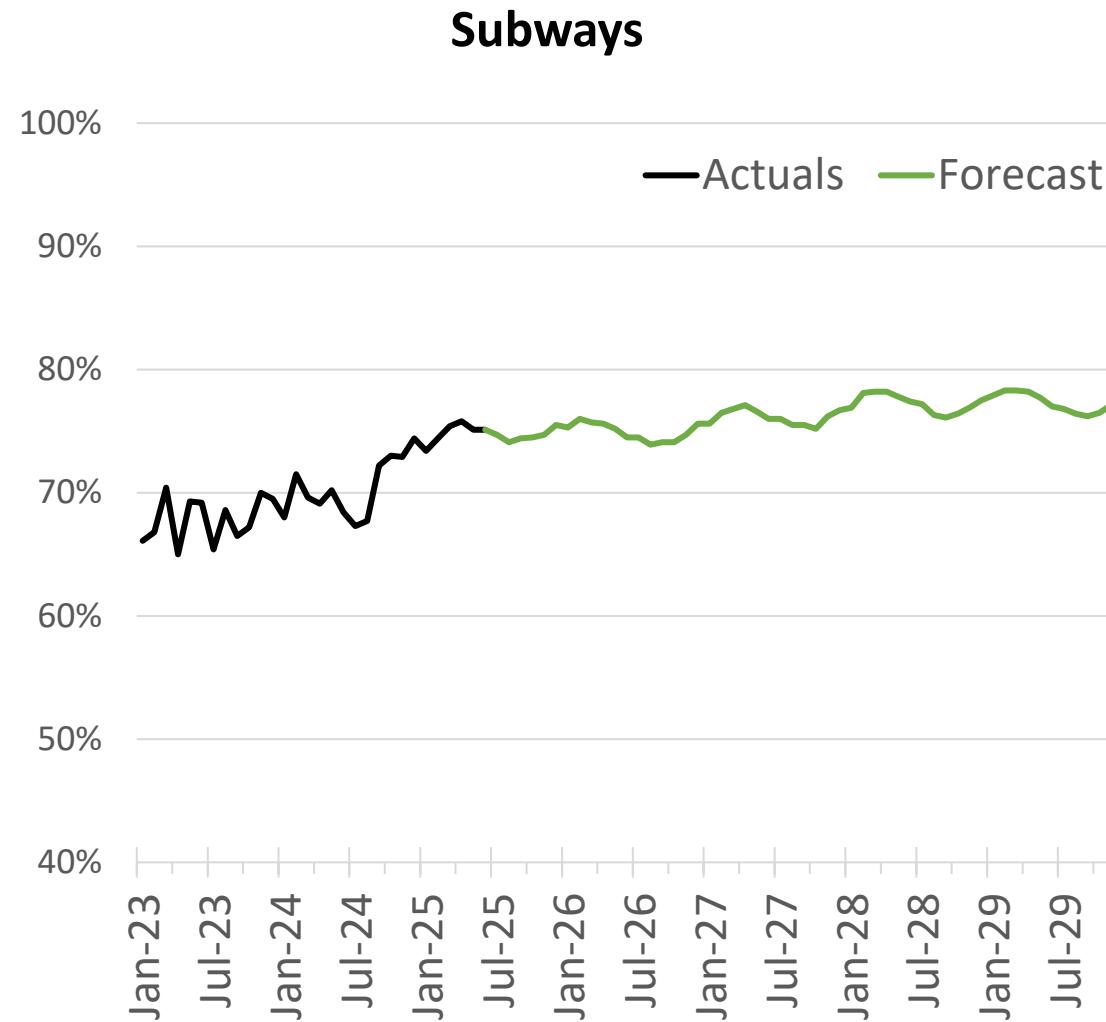
Changes since the November Plan 2025-2029

Expenses

- Operating expenses forecasted to be in line with the previous plan except for Paratransit

- Paratransit trip growth projected to be 20% this year and continues to increase
    - Net of fares and reimbursements increase in expenses by over $400 million during the plan period
    - NYC contribution at 50% plus $165 million cap for the next two years

- Debt service forecasted to be slightly lower and below 14% of the operating budget
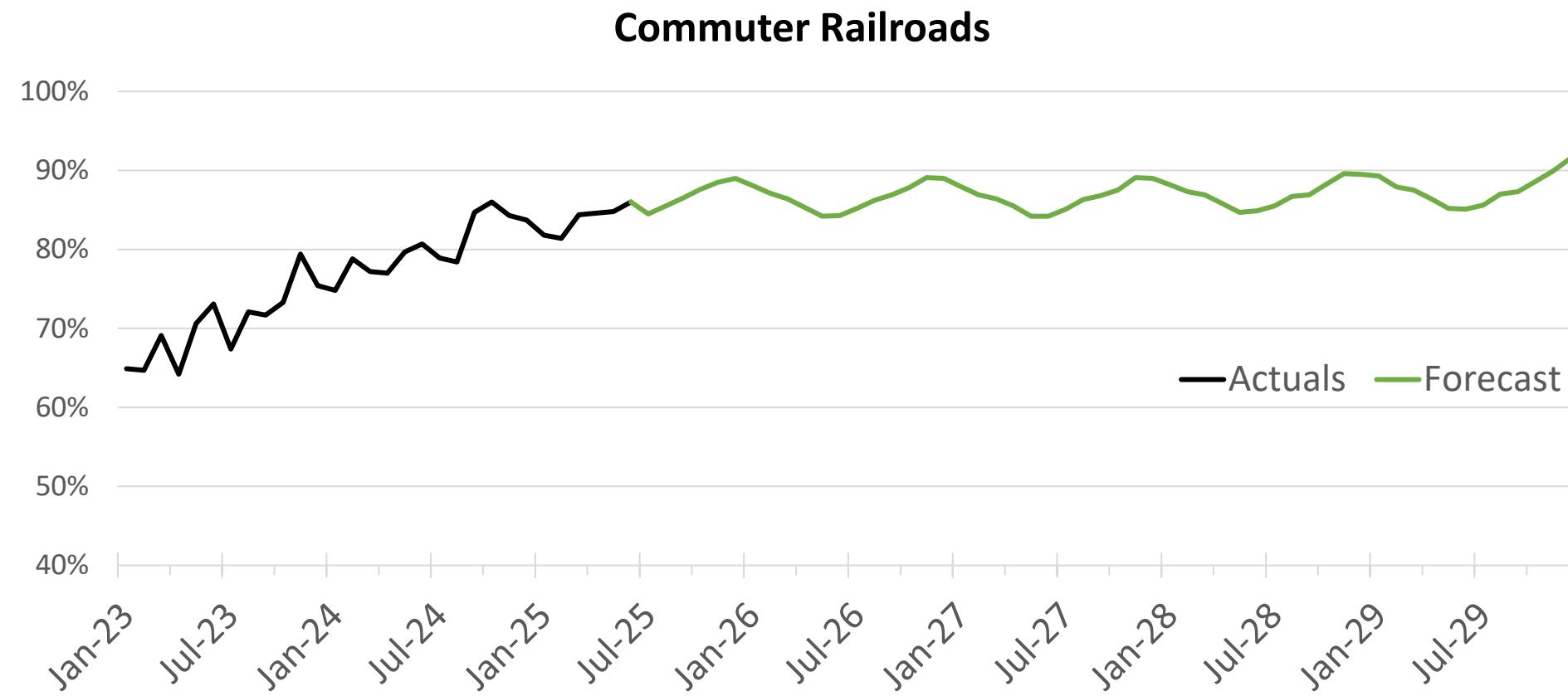
# Subway and bus paid ridership forecast

Paid Ridership, % of 2019

Railroads paid ridership forecast

Paid Ridership, % of 2019

Commuter Railroads
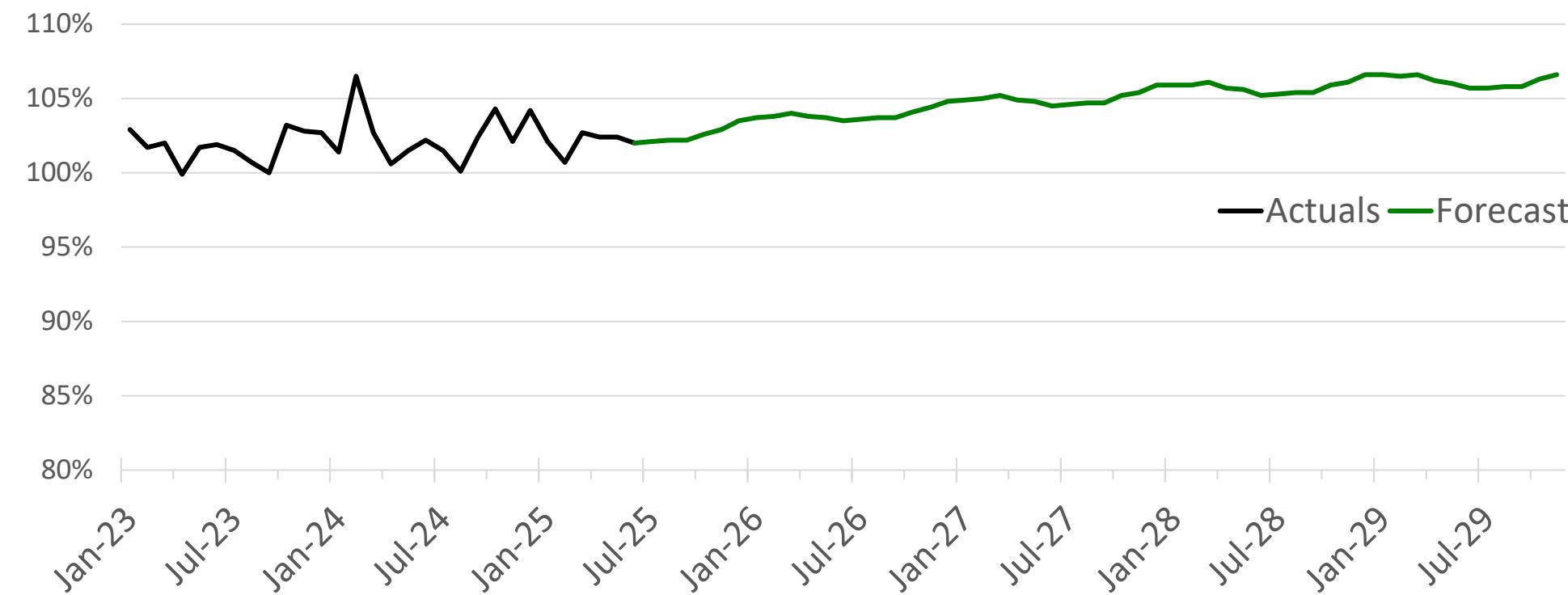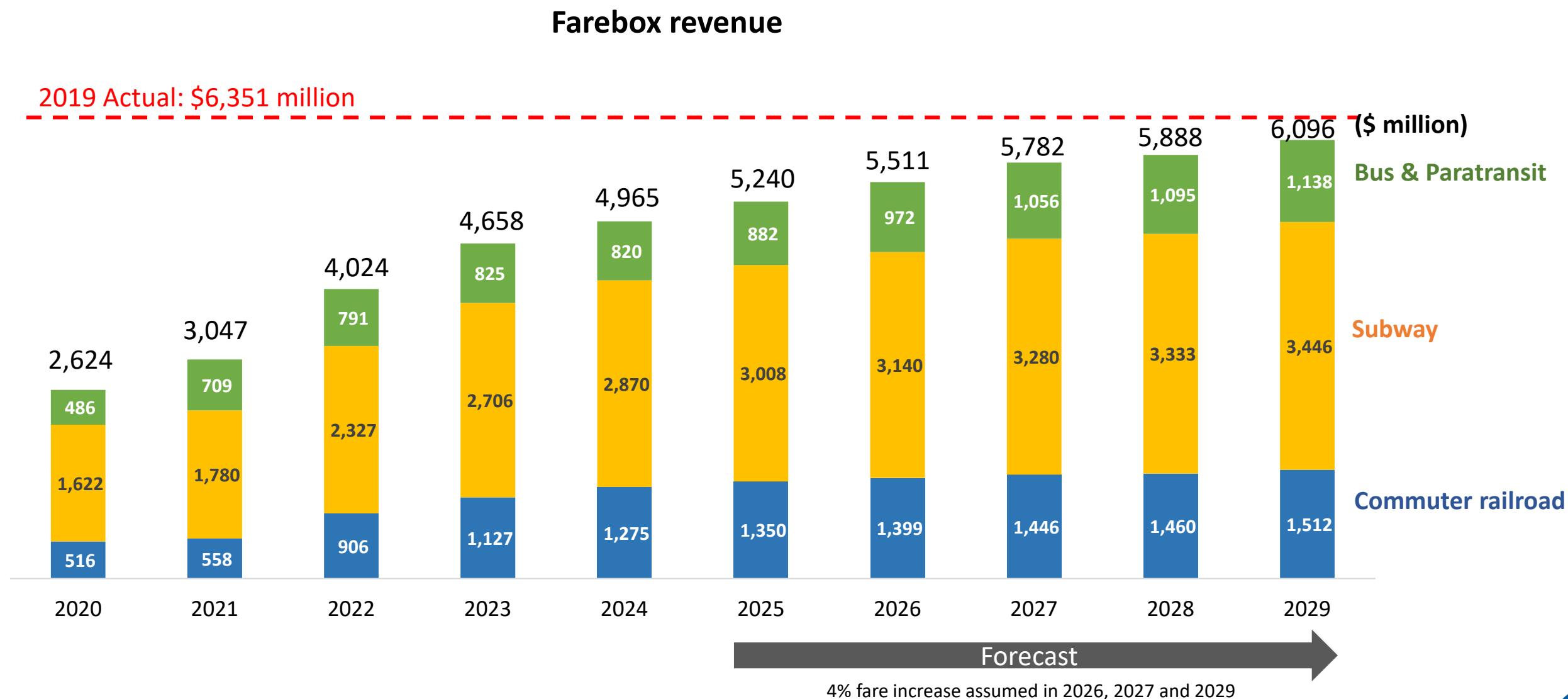
Bridges and Tunnels paid traffic forecast

Paid Traffic, % of 2019
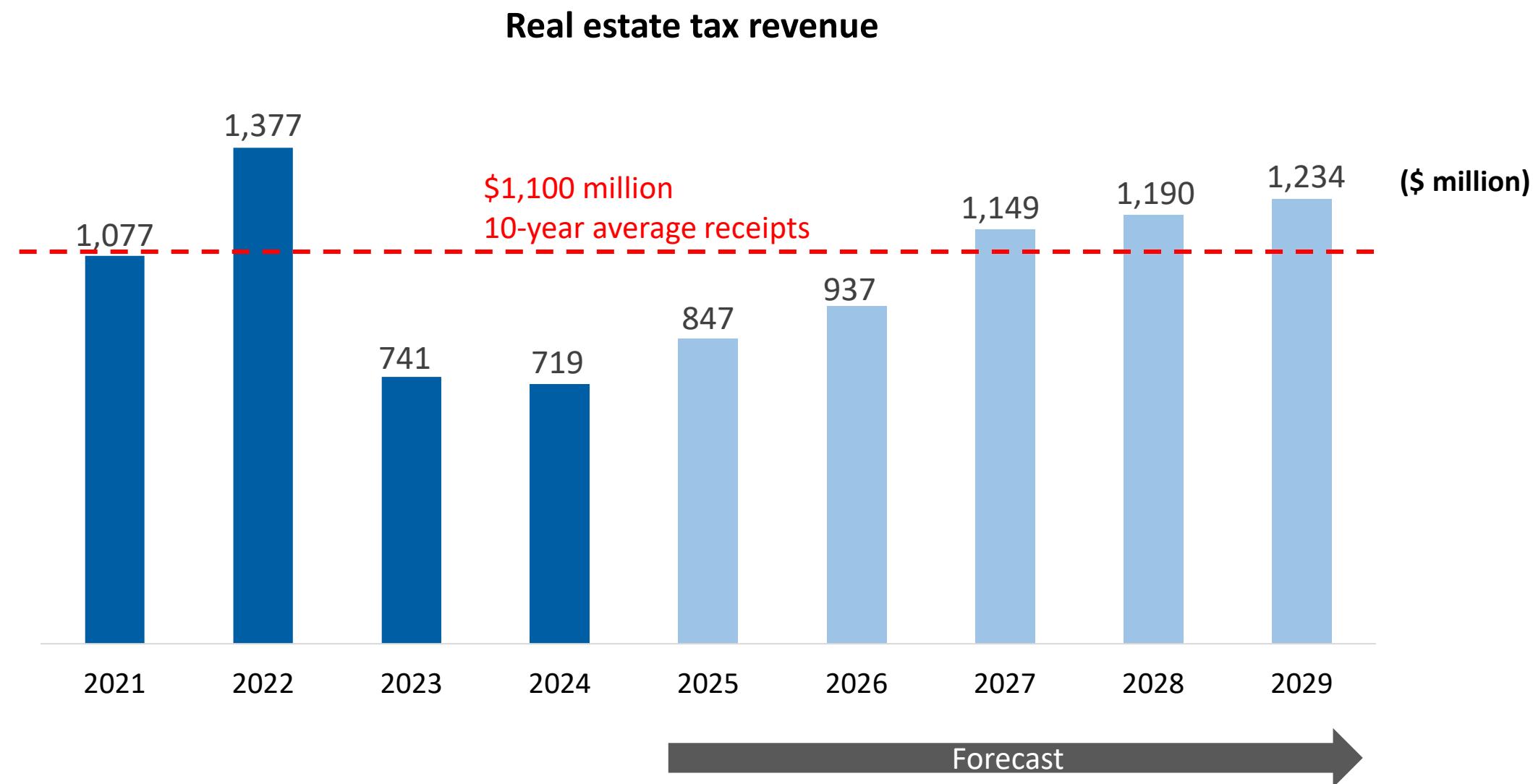
Bridges & Tunnels
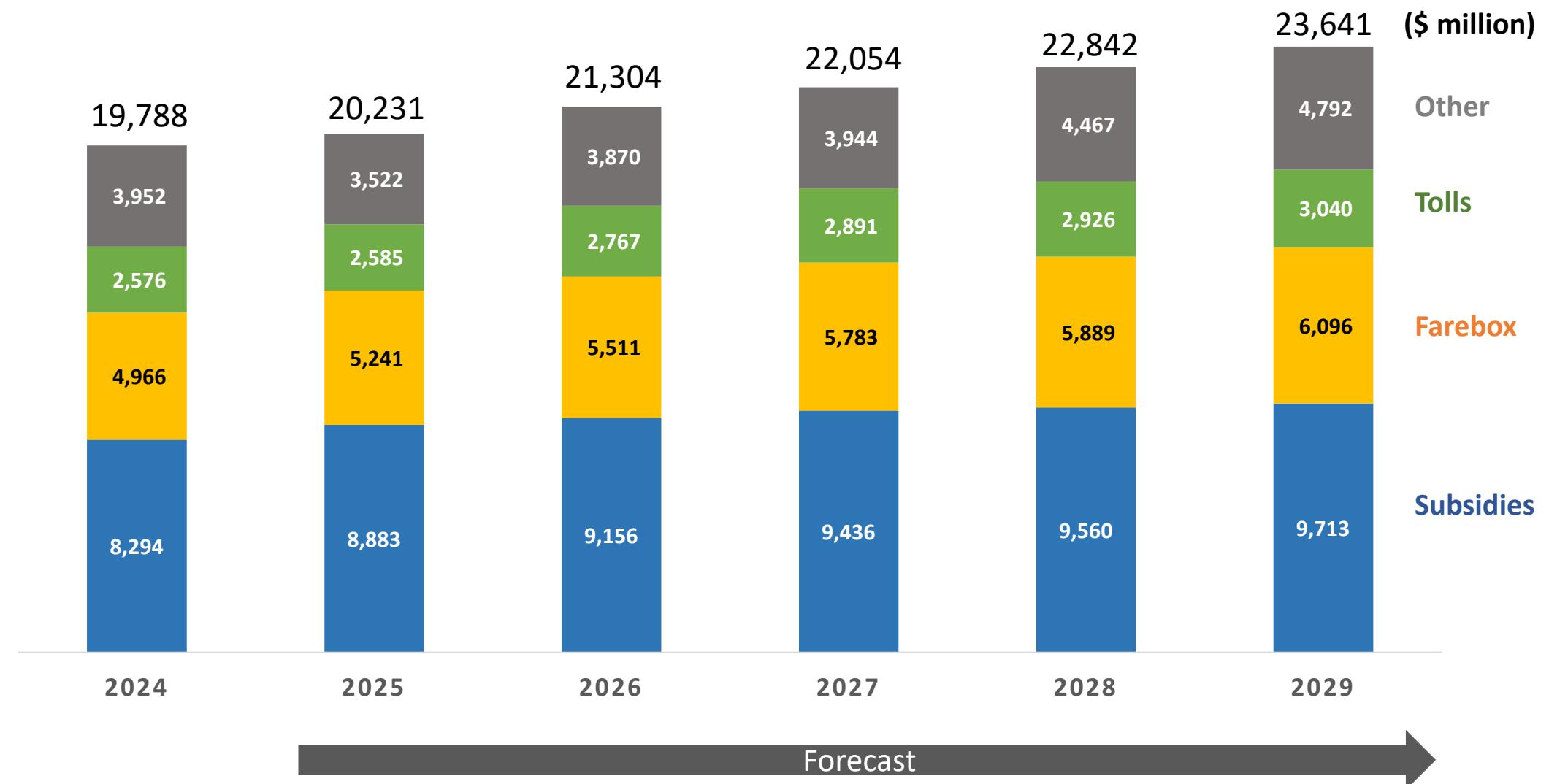
Farebox revenue forecasted to increase within $250 million of 2019 level

Farebox revenue

2019 Actual: $6,351 million

($ million)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total	2,624	3,047	4,024	4,658	4,965	5,240	5,511	5,782	5,888	6,096
Bus & Paratransit	486	709	791	825	820	882	972	1,056	1,095	1,138
Subway	1,622	1,780	2,327	2,706	2,870	3,008	3,140	3,280	3,333	3,446
Commuter railroad	516	558	906	1,127	1,275	1,350	1,399	1,446	1,460	1,512

Forecast

4% fare increase assumed in 2026, 2027 and 2029

10

Real estate related taxes on budget after earlier downward adjustment

Real estate tax revenue

$1,100 million
10-year average receipts

($ million)

Forecast

11

Steady growth in revenue is forecasted to cover most of the growth in expenses

($ million)

Year	2024	2025	2026	2027	2028	2029
Total	19,788	20,231	21,304	22,054	22,842	23,641
Other	3,952	3,522	3,870	3,944	4,467	4,792
Tolls	2,576	2,585	2,767	2,891	2,926	3,040
Farebox	4,966	5,241	5,511	5,783	5,889	6,096
Subsidies	8,294	8,883	9,156	9,436	9,560	9,713

Forecast

12
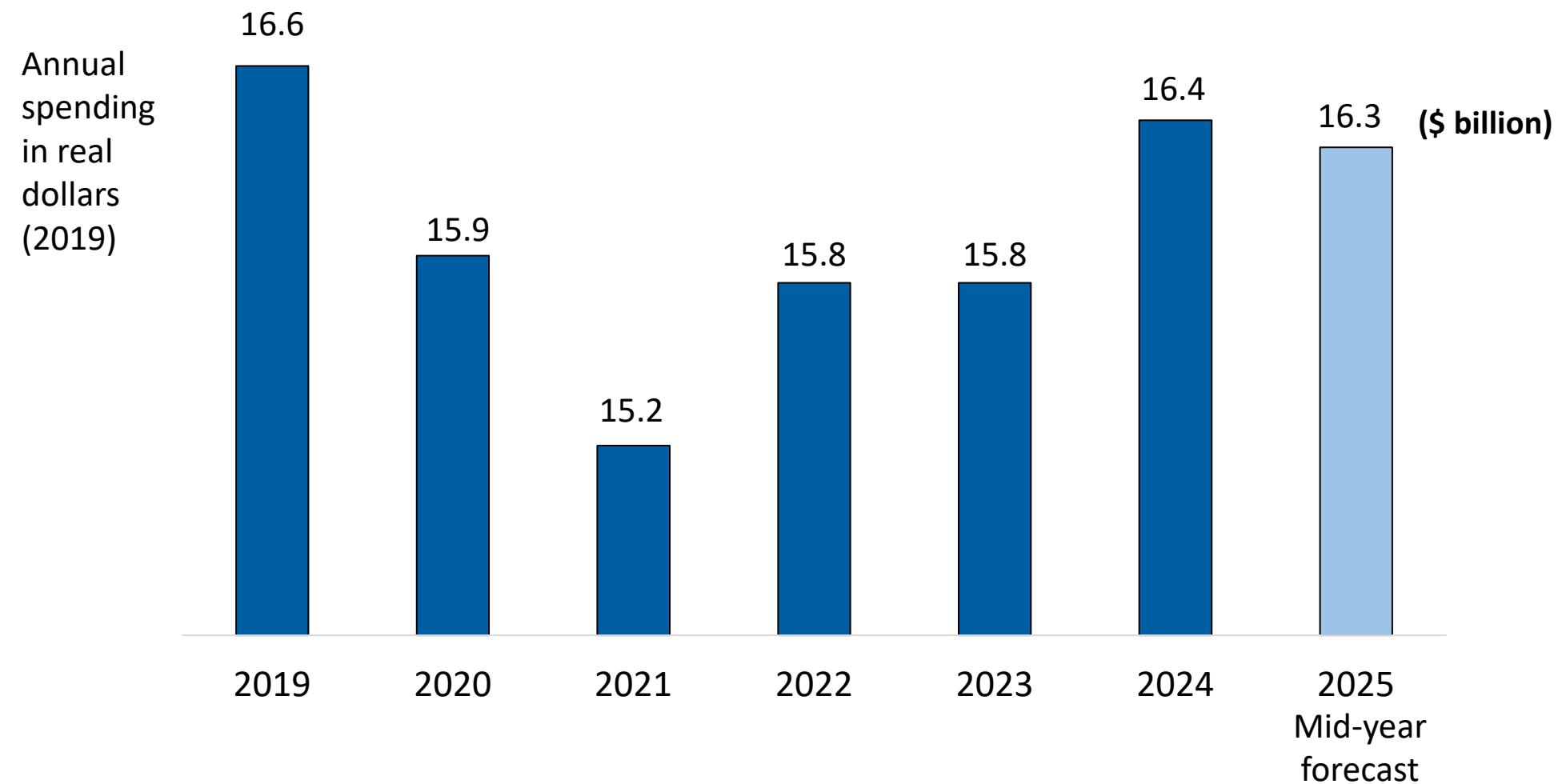
MTA share of Paratransit expenses grows to 30%

($ million)

Fare & urban tax

MTA share

City reimbursement

Year	City reimbursement	MTA share	Fare & urban tax	Total
2019	171	359	66	596
2020	151	224	29	404
2021	177	190	49	416
2022	206	218	62	486
2023	356	199	46	601
2024	504	159	53	716
2025	578	217	63	858
2026	626	289	70	985
2027	661	326	81	1,068
2028	790	213	84	1,087
2029	835	225	87	1,147

Forecast

13
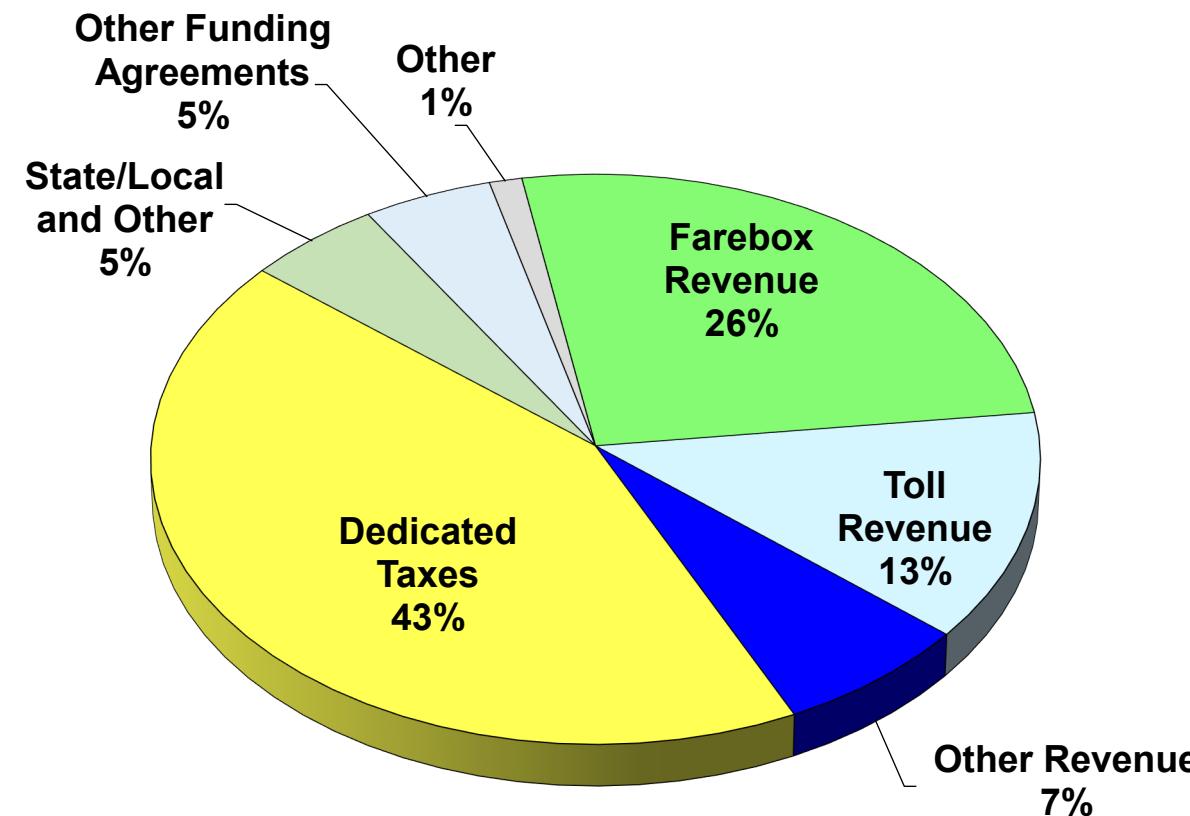
MTA continues to contain expense growth below the rate of inflation

Reduction in inflation-adjusted spending since 2019

Annual spending in real dollars (2019)

Year	Value
2019	16.6
2020	15.9
2021	15.2
2022	15.8
2023	15.8
2024	16.4
2025 Mid-year forecast	16.3
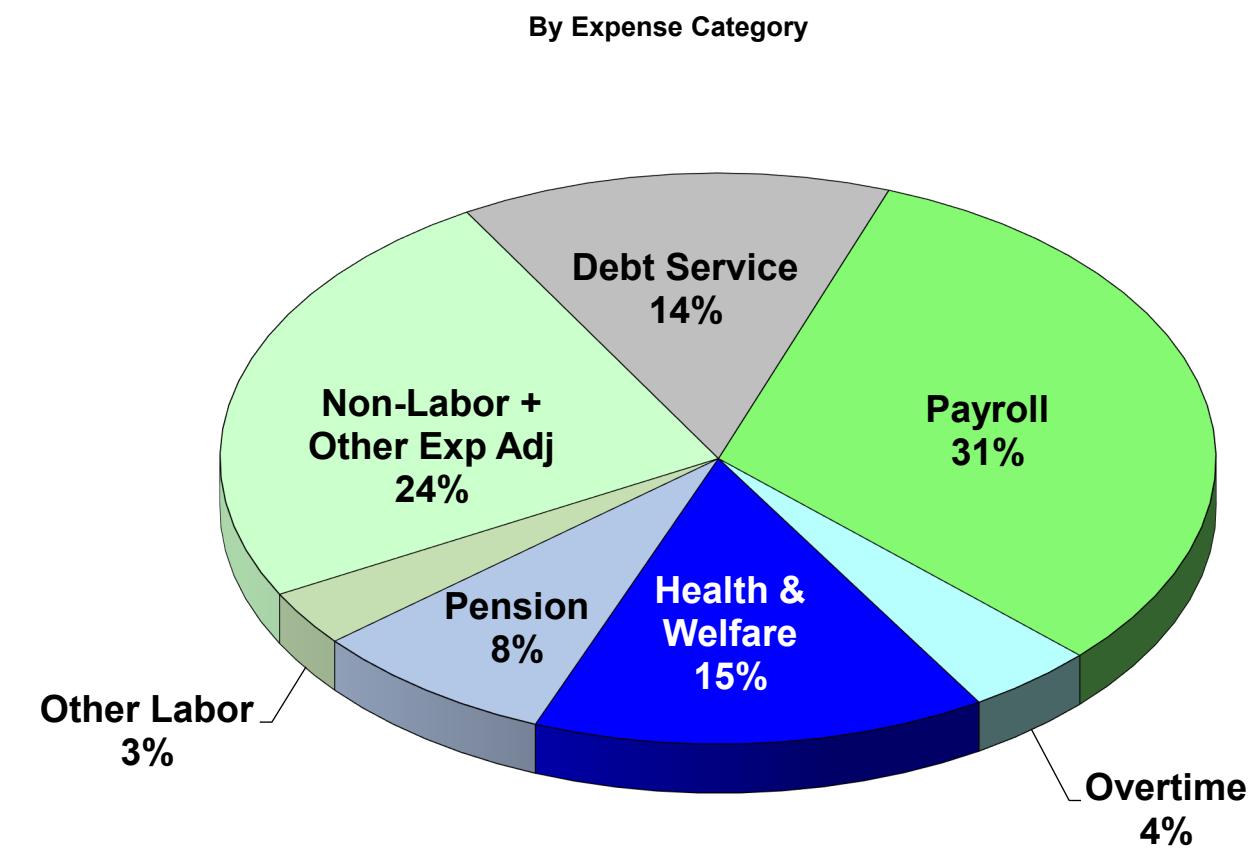
($ billion)

MTA's 2026 preliminary budget is $21.3 billion

Where the dollars come from…

- Other Funding Agreements 5%
- Other 1%
- State/Local and Other 5%
- Farebox Revenue 26%
- Dedicated Taxes 43%
- Toll Revenue 13%
- Other Revenue 7%

Where the dollars go…

By Expense Category

- Debt Service 14%
- Non-Labor + Other Exp Adj 24%
- Payroll 31%
- Other Labor 3%
- Pension 8%
- Health & Welfare 15%
- Overtime 4%

Note: After below-the-line adjustments. Shown on non-reimbursable and accrual basis.
Farebox Revenue represented 38% of funding in 2019.

Other significant assumptions in the July Plan

- 4% fare and toll increase assumed in 2027 and 2029

- Casino license revenue of $500 million per year starting in 2026

- Paratransit reimbursement remains at 50% plus $165 million for 2026 and 2027 from NYC and then increases to 80% (requires legislation change)

- MTA continues operating efficiency savings of $500 million in 2025 and beyond

Risks to the financial plan

Assumption	Risk	Potential Annual Cost
Dedicated tax receipts	Slower economy / no real estate recovery	($300 to $600 million)
Casino revenue	Timing slower than anticipated	($500 million) in 2026-28
FEMA Covid claim	Reimbursement delayed	($600 million)
Labor increases	Wage increases above 2% budgeted	($150 million) for every 1%
Continued paid ridership recovery	Slower progress in recovery	($325 million) for 5% lower recovery