
Metropolitan Transportation Authority

November 2025 Financial Plan Presentation

11/19/2025



Budget results for first ten months of 2025

2025 overall revenue and expenses are on budget with expenses below budget by 1.3%

Revenues

- Farebox revenue on budget
- B&T revenues on budget
- Dedicated tax receipts are slightly above the reforecast by 1.2%

Expenses

- Overall operating expenses below budget by 1.3%
 - Operating efficiencies of over \$500 million on target to be delivered

November Financial Plan: Improved outlook compared to July

	2025	2026	2027	2028	2029	Total
July financial plan forecasted deficit	\$0	\$0	(\$345M)	(\$354M)	(\$428M)	(\$1,127M)
November financial plan forecasted deficit	\$0	\$0	(\$160M)	(\$243M)	(\$306M)	(\$709M)

Reduces deficit by \$418 million through operating efficiencies



Changes since the July Plan 2025-2029

MTA is acting aggressively and responsibly to reduce controllable costs

- Building on operating efficiencies already achieved with the next round of cost savings
- Re-financing debt from the capital program to lower impact on the operating budget

However, gains are offset by rising expenses in other categories

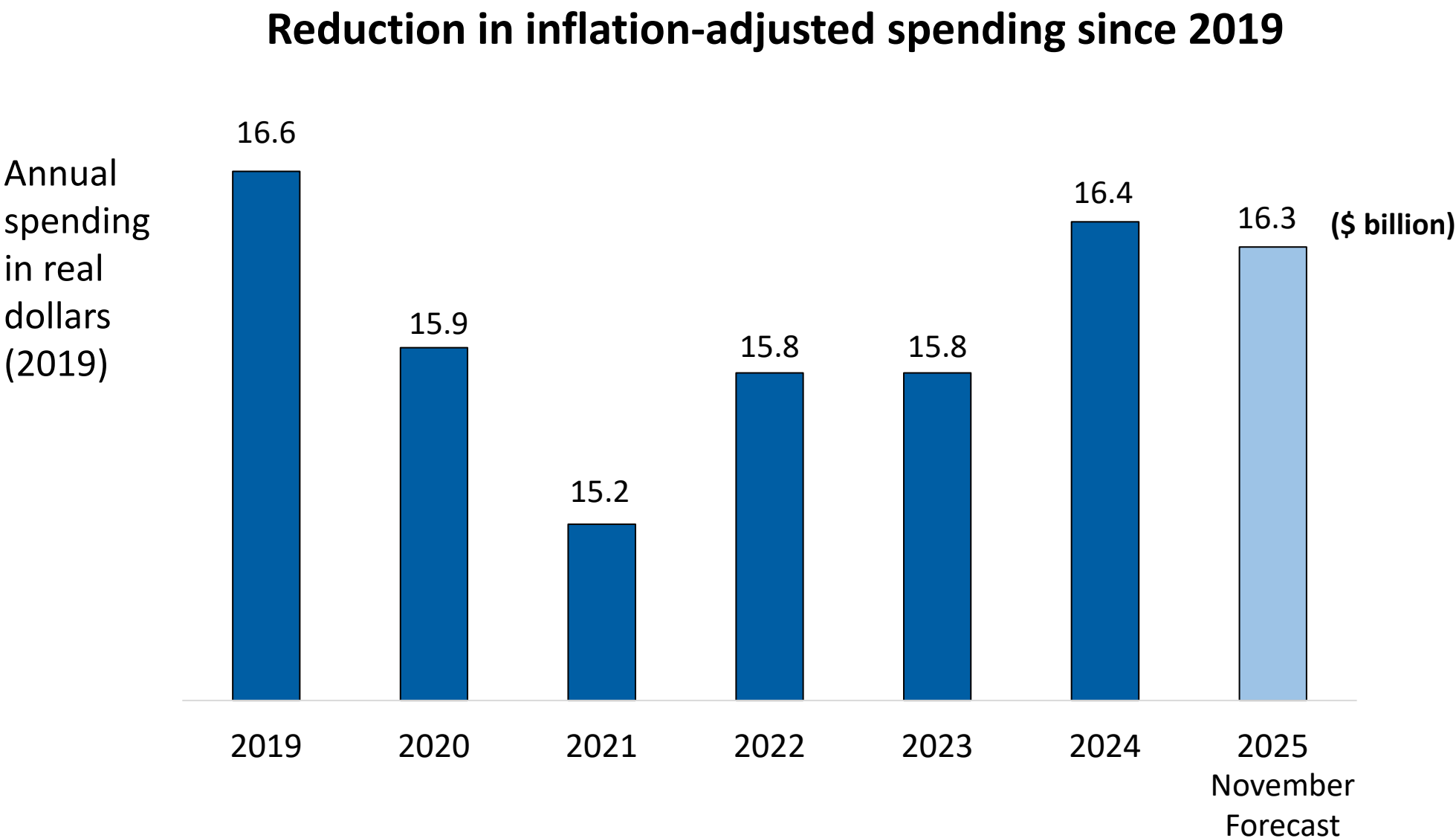
- Rising lawsuit payouts, reflecting a broader cross-industry trend of multi-million-dollar jury awards
- Increased pension costs, driven by actuarial re-assessments of obligations
- Required maintenance costs associated with new capital assets

New operating efficiencies above the annual \$500M in 2025

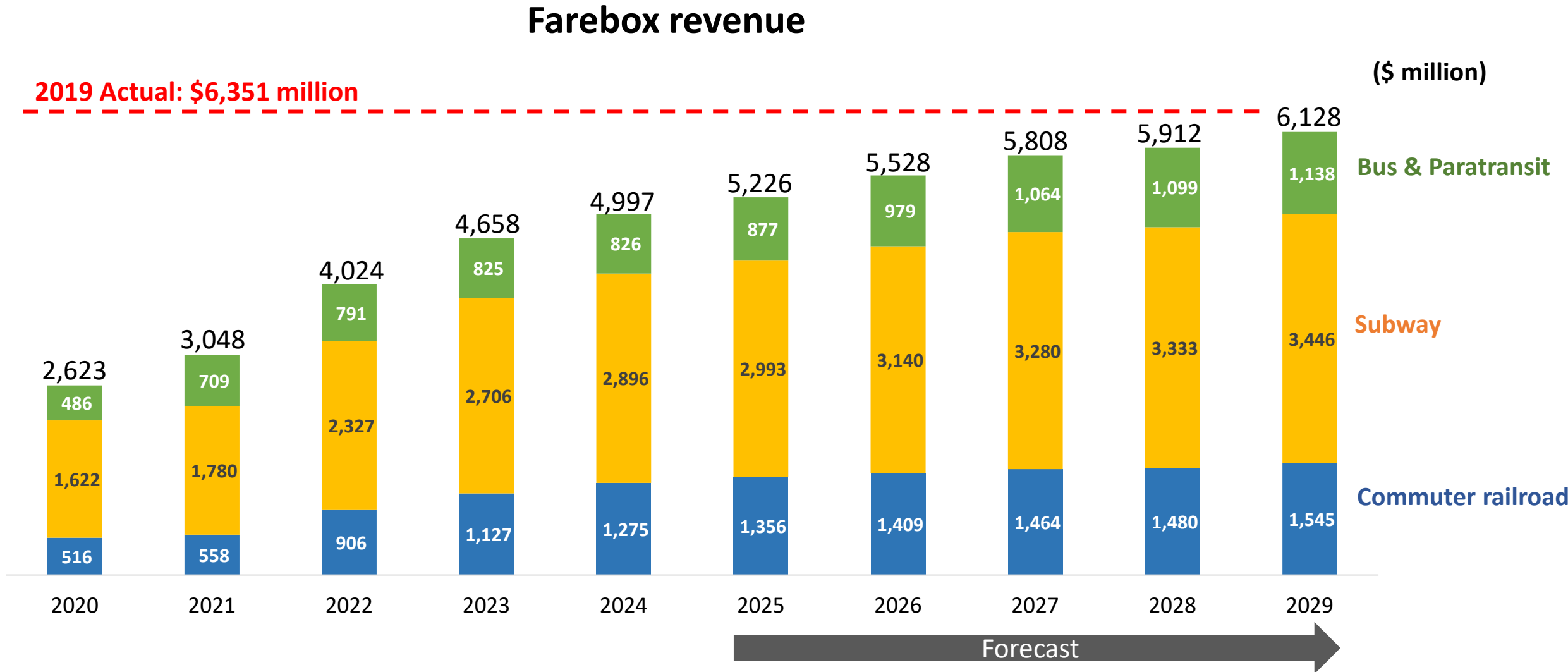
	2025	2026	2027	2028	2029	Total
New Operating efficiencies	\$0	\$75M	\$150M	\$200M	\$250M	\$675M

- \$75 million already identified for 2026, such as:
 - NYCT: Reduce costs for coin processing, as part of transition to OMNY
 - LIRR: Lower maintenance costs by retiring older and less reliable cars
 - MNR: Decrease spend on materials by leveraging AI to forecast needs ‘just in time’
 - B&T: Save on fees associated with credit card processing
 - HQ: Re-designing processes to save time (e.g., medical testing that goes to employees in the field rather than requiring them to travel)
- Agencies will continue to identify additional opportunities for savings

MTA is spending less than 2019, while delivering more service



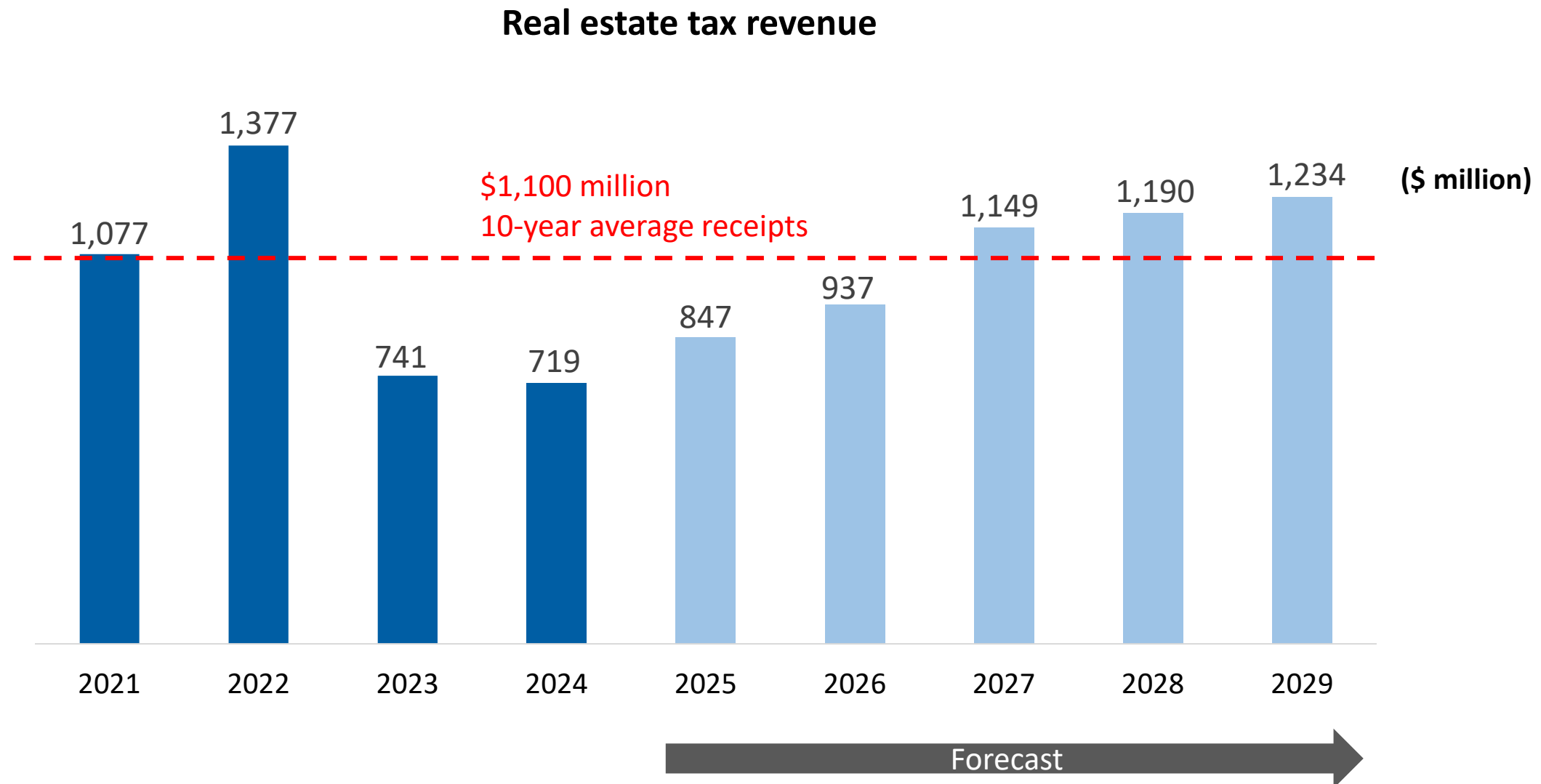
Farebox revenue forecasted to increase within \$223 million of 2019 level



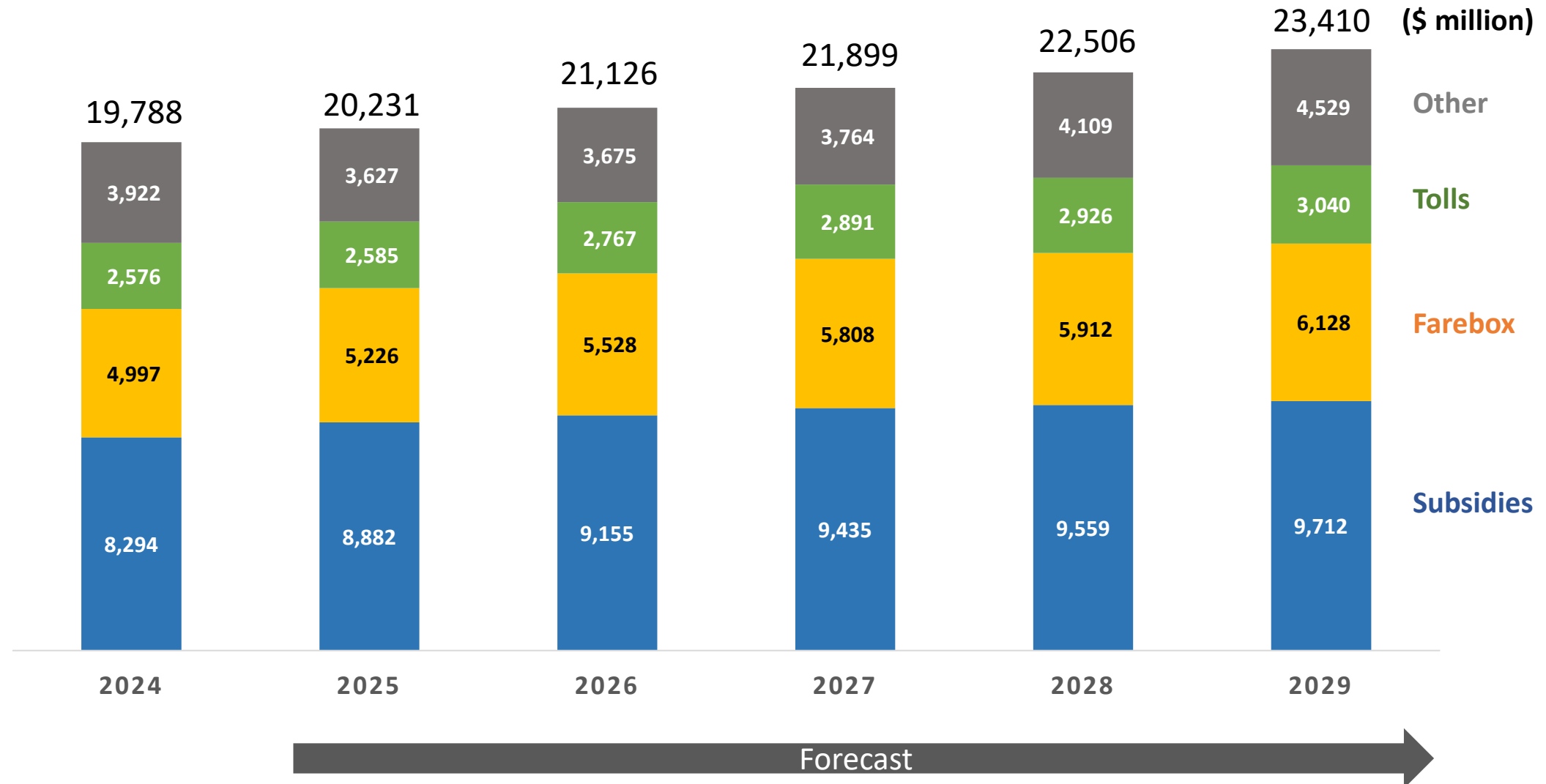
2026 includes Board-approved fare and toll changes effective January 2026. 4% fare increase assumed in 2027 and 2029.



Real estate related taxes on budget after earlier downward adjustment

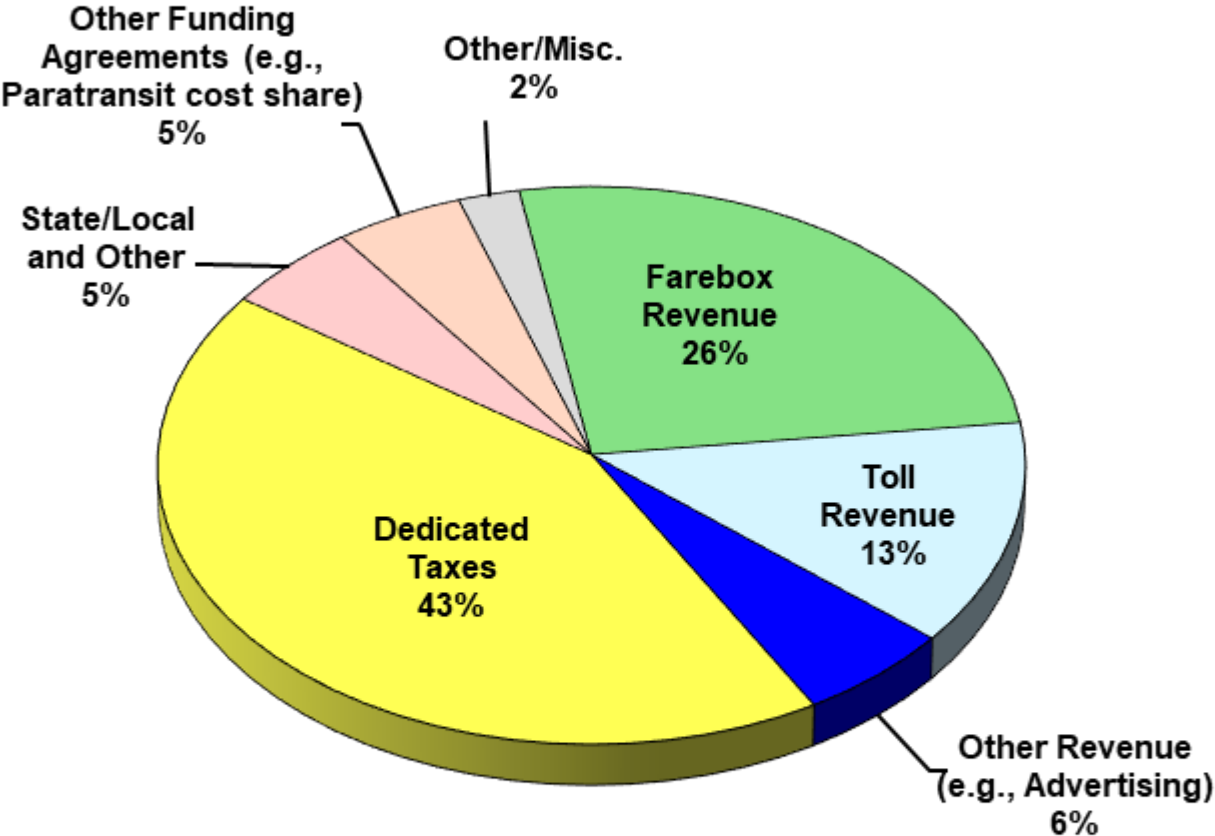


Steady revenue growth closely tracks to expense growth

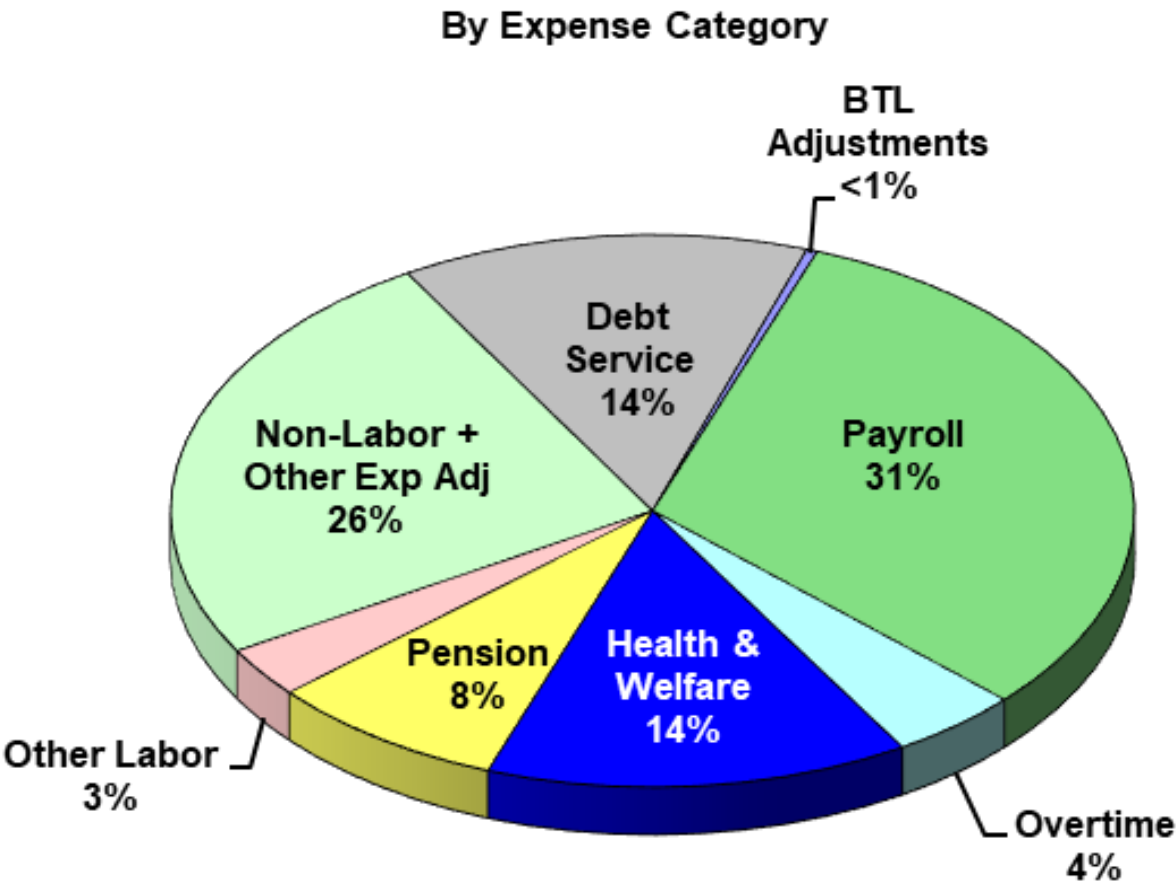


MTA's 2026 final proposed budget is \$21.3 billion

Where the dollars come from...



Where the dollars go...



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 November Plan

- Receipt of FEMA Covid claim over a three-year period 2026-2028
- 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 to identify additional operating efficiency savings of \$75 million growing to \$250 million by 2029

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	(\$200 million) in 2026-28
Labor increases	Wage increases above 2% budgeted	(\$150 million) for every 1%
Paratransit	No change in legislation	(\$150 million) in 2028

The bottom line

- MTA's financial condition is strong, with a balanced budget through 2026 - reflected in recent upgrades to our credit rating
- Coming out of the pandemic, we have grown ridership and expanded service, all while maintaining disciplined cost control
- Out-year deficits, while real, represent less than 1% of our operating budget
- And today, we are taking concrete steps to address these gaps, with a plan that reduces deficits by \$418M