MTA Operating Efficiencies

Presentation to the MTA Board
June 24, 2026

Public transit faces challenging financial conditions

Remote work reduces fare revenue and real estate taxes

More than twice as many Americans work from home vs. before pandemic

Real estate values in Central Business District declined, often permanently
- Real estate taxes often support transit indirectly or directly

Costs have been rising faster than inflation

Health plans rising 8-9% per year

Electricity rates have eclipsed consumer inflation since 2022

Torts costs rising 7% per year

Producer Price Index for Transportation Materials up 38%

Federal COVID relief funds have sunset

On average, transit operators receive ~23% of funds from Federal agencies

Federal COVID relief is exhausted; total Federal funds have declined ~34% since 2022

Sources: Bureau of Labor Statistics; McKinsey “Empty Spaces and Hybrid Places”; PWC “Medical Cost Trend 2027”; Energy Information Administration; US Chamber of Commerce; FTA

Transit agencies are making difficult decisions

Facing large deficits, agencies are often forced to respond with actions such as:

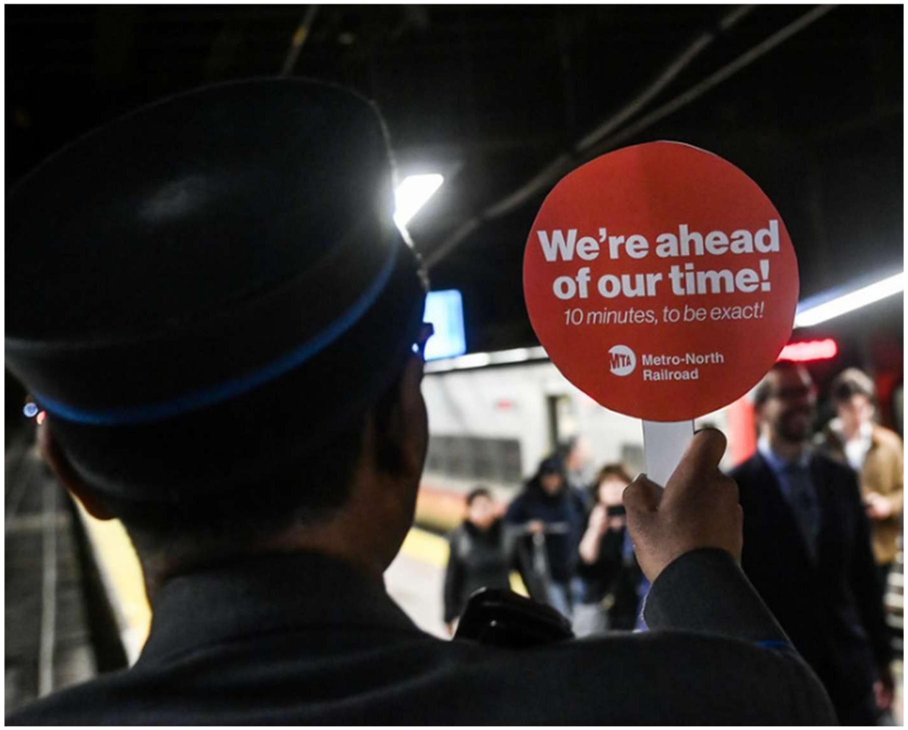
- **Hiking fares** with double-digit increases
- **Reducing capital investment** to cover operating costs
- **Cutting service** by eliminating routes and headways

MTA addressed the fiscal cliff with a balanced strategy that protects riders

- ✓ Expanded and improved service to bring riders back to transit
- ✓ Adopted modest and predictable fare increases
- ✓ Secured new recurring tax revenue, thanks to Governor Hochul
- ✓ Committed to $500m in recurring cost savings in 2025, growing to $750m by 2029

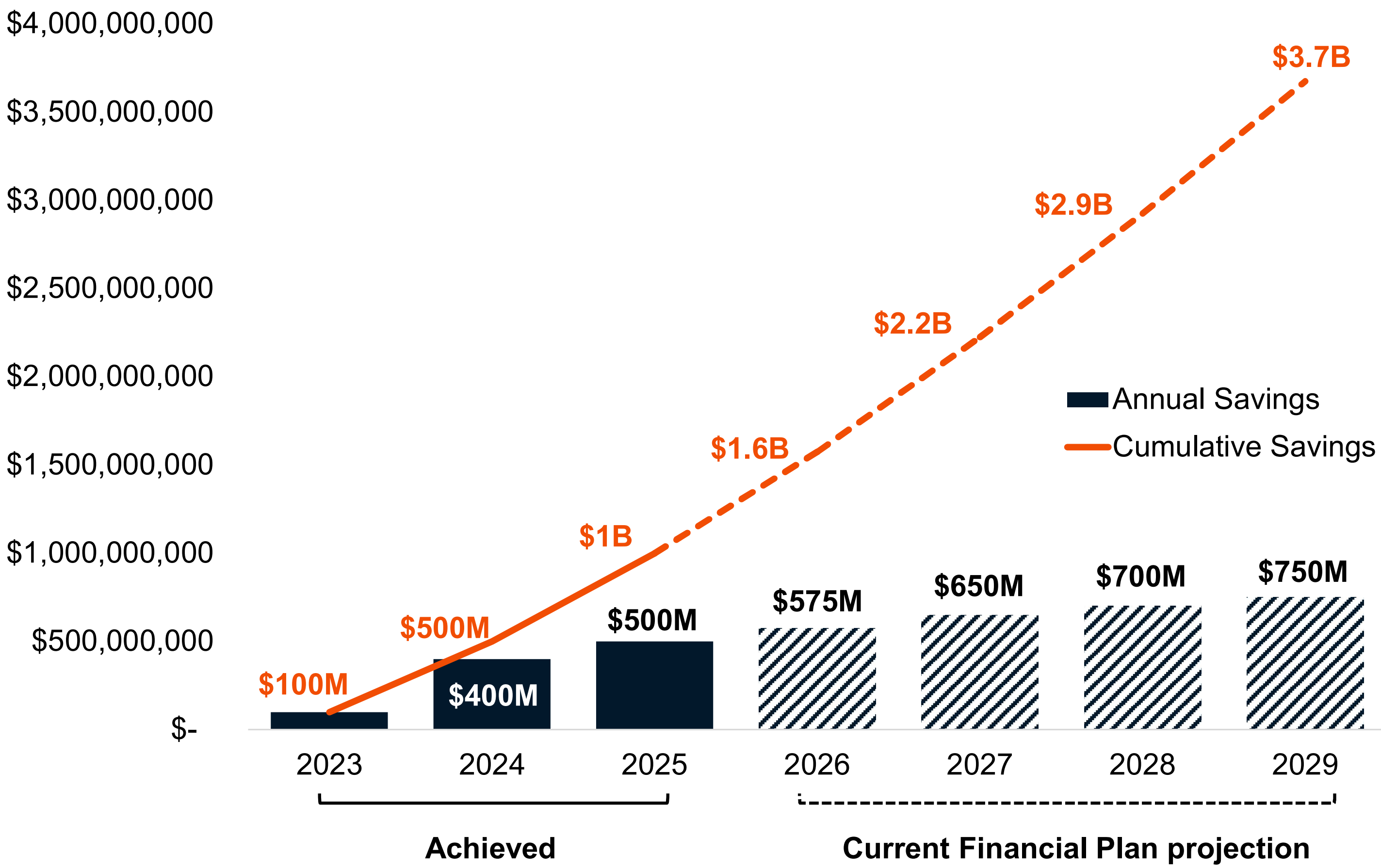
Even with a smaller budget, we are delivering more and better service

- Over 60% **increase in ridership** across all modes since 2021
- Over **1 million paratransit trips completed in May**, a new record
- **More service** on 15 subway lines, 40% more LIRR service, and super-express trains on Metro-North New Haven and Hudson Lines
- **Increased bus speeds** with Automated Camera Enforcement keeping bus lanes clear
- **Record high on-time performance** on subways and commuter railroads



These improvements were achieved within an operating budget smaller in real dollars than before COVID

By 2029, MTA will have generated $3.7B in savings, with $750M recurring each year



Our achievements from ’23 – ‘25 rested on four strategies

Example initiatives

1) Harness technology and data to improve productivity	• Tailored maintenance intervals using reliability data • Right-sized emergency response capacity • Optimized scheduling and on-board staffing
2) Sharpen management focus on cost drivers	• Insourced contracted cleaning • Improved employee availability • Eliminated underutilized software licenses and mobile devices
3) Develop common standards and best practices	• Developed work standards that increase throughput • Audited energy usage to lower consumption and costs • Optimized track access to improve productivity
4) Invest capital to reduce operating expenses	• Installed LEDs to improve light quality and lower cost • Enhanced Access-A-Ride self-booking technology to reduce call center volume • Increased efficiency of building heating systems

LIRR is streamlining maintenance practices

Every 92 days, LIRR cars are brought in for inspection. Car manufacturers provide suggested routines.

LIRR leadership is scrutinizing inspections and finding ways to increase efficiency:

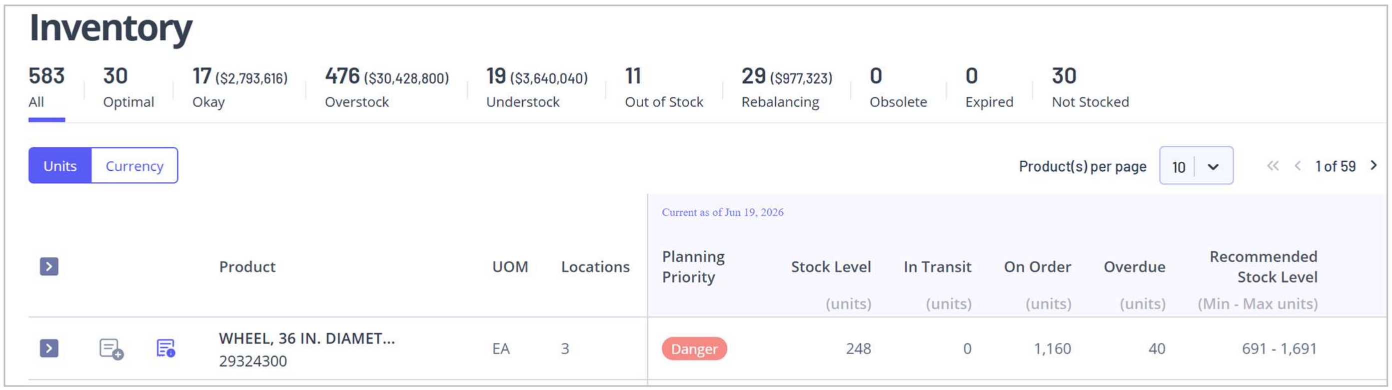
- Sequencing related actions to be performed together, like tasks requiring access to the same equipment
- Updating routines to account for upgraded technology, like installing LED light bulbs which are more energy efficient and last longer

LIRR has saved nearly $5M, reduced the need for work on overtime, and reallocated maintainer capacity to high value tasks

Metro-North is using advanced analytics to optimize its supply chain

Metro-North and Procurement are improving supply forecasting, purchasing decisions, and material availability thanks to a Transit Tech Lab partnership

By analyzing consumption, inventory and lead times, Metro-North optimizes how much and when to buy to balance cost and availability

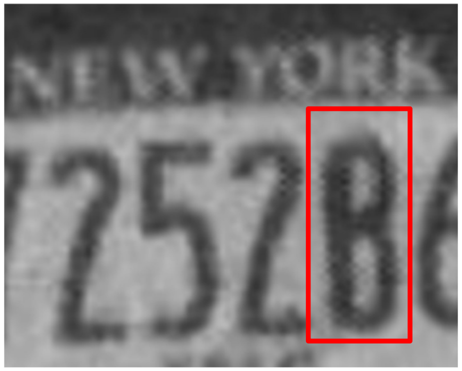


Sample inventory dashboard

To date, reduced the materials spend budget by $1M per year and reduced stock-out rates by 22%

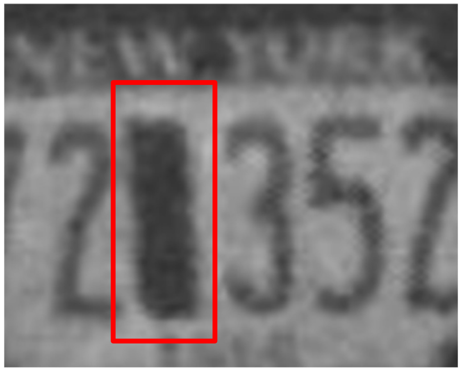
Bridges and Tunnels is reducing toll evasion with video analytics

B&T is identifying defaced license plates, matching them to owners, and issuing violations



“3” defaced to look like a “8”.

This vehicle crossed the RFK, Henry Hudson and Whitestone 11 times while attempting to evade the toll.



Obscured “1”.

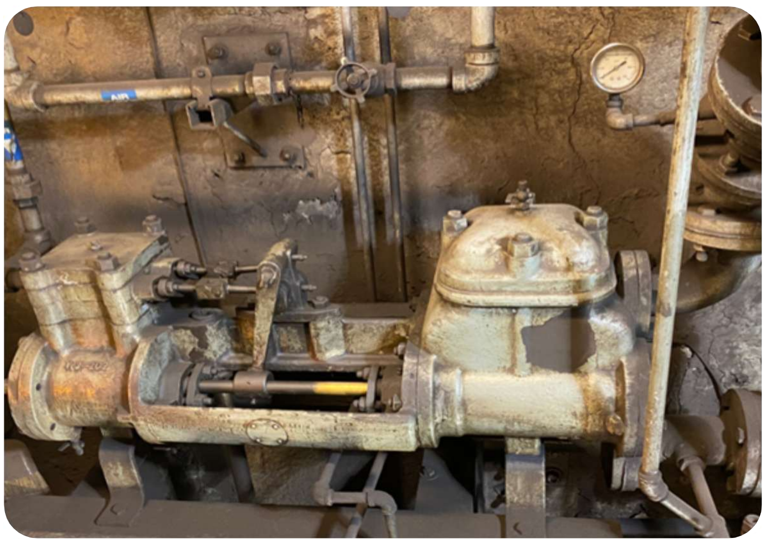
This vehicle crossed the RFK and Verrazano bridges three times.

Subways is modernizing equipment to improve reliability and reduce costs

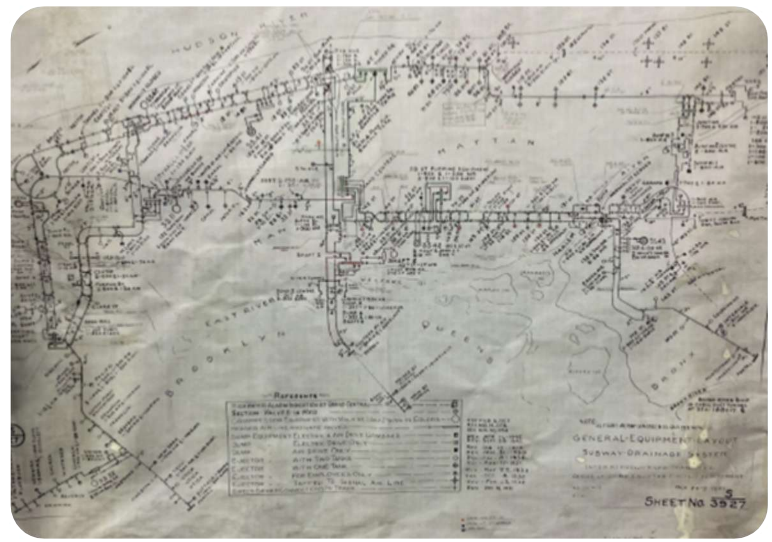
Subways is planning an upgrade of antiquated air lines and pneumatic systems

- **80 miles of air lines currently maintained to provide air for pneumatic pump systems**
- **Antiquated equipment failure-prone and expensive**
- **Newer electric submersible pumps require less maintenance than legacy systems**

Replacement of antiquated equipment → Less time spent maintaining legacy systems



Existing air pump



Map of air lines from 1921

Bus is reducing bus collisions with AI-enabled cameras

Bus piloted AI-enabled sensors and cameras on six buses.
The sensors identify objects, calculate trajectories, and alert the bus operator of potential collisions.

1 Exterior side sensor

2 Left- and right-side driver alerts

3 Central forward collision display

4 Windshield-mounted camera and processor

Results:

6 pilot buses deployed	**25%** fewer collisions post-pilot
43% fewer preventable collisions	**80%** Operators report safer buses

With better technology, HQ is improving investigations into sick leave abuse

Poor attendance means planned trips have to be cancelled, or covered on overtime

Since the start of the Operating Efficiencies program, Transit has improved availability ~4 days – but there is a long way to go to get back to historic levels

A key driver of the increase in absenteeism is a minority of employees taking an increased amount of sick leave

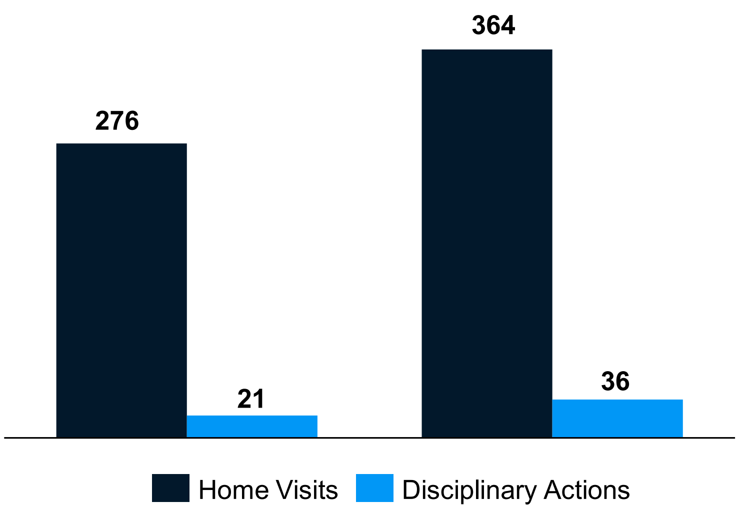
- The bottom 30th percentile of employees called out sick an average of 28 days in ’25
- Under the terms of CBAs, these employees can receive an unannounced inspection to verify they are home sick as claimed

Historically, information on who called out for a given shift was transmitted to inspectors by fax. Now, electronic data is used.

This helps Labor Relations inspectors spend less time planning routes, and spend more time in the field:

- 32% more visits conducted each day
- 25% increase in the likelihood a visit results in a disciplinary action taken

Monthly Output Before and After



MTA is a more efficient organization today

By addressing financial challenges early and aggressively, MTA has:

- ✓ Balanced the current year's budget
- ✓ Controlled outyear deficits
- ✓ Improved our credit rating
- ✓ Increased confidence that investment in public transit is money well spent