Metropolitan Transportation Authority

November 2026 Financial Plan

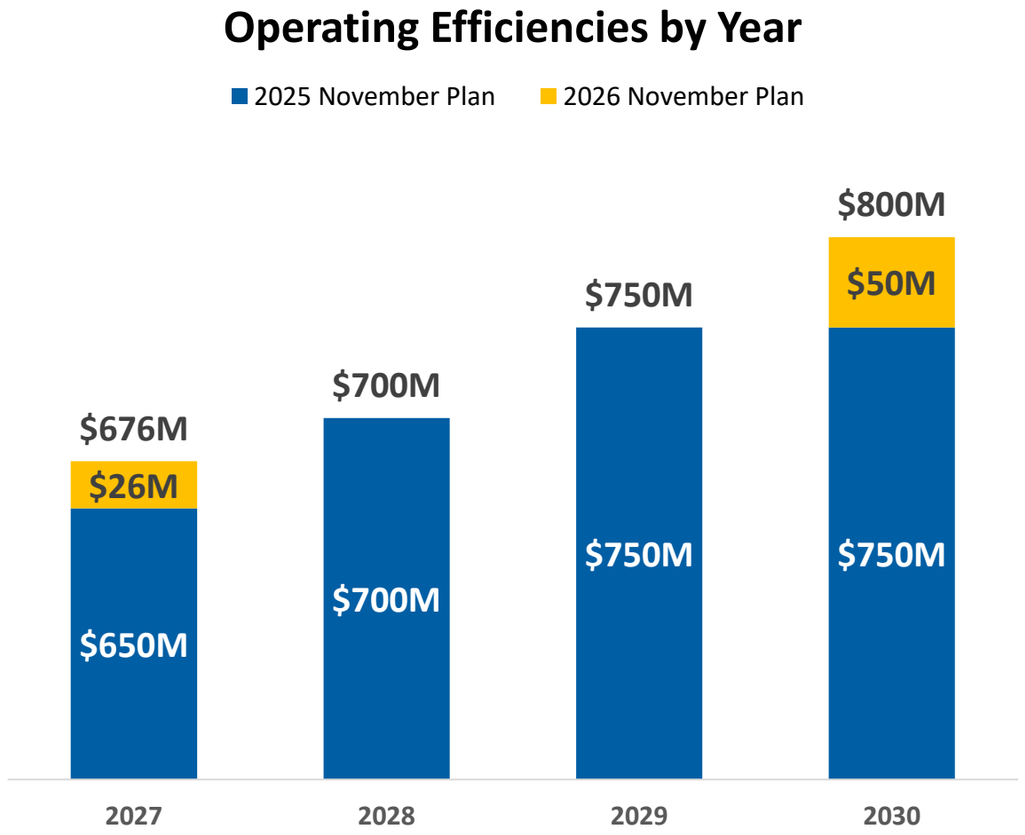
11/18/2026

MTA is exceeding efficiency targets and raising the bar to $800M

Building on $500M in annual recurring savings already achieved, MTA set a $750M target for 2029

$676M in annual recurring savings projected for 2027 — $26M ahead of the prior target

New $800M annual target for 2030 — more than 3% of operating expenses



Operating Efficiency is an ongoing effort across agencies

Previous initiatives we have shared include:

- **Streamline car inspections**
- **Identify license plates and issue violations with advanced analytics**
- **Install AI-enabled cameras to reduce bus collisions**
- **Reduce sick leave abuse with better inspections**

This November Financial Plan reflects new savings:

- **Standardize work practices for common tasks like tie replacement**
- **Optimize schedules and increase productive time for train operators and conductors**
- **Audit healthcare expenses to reduce overspending**
- **Review protocols to shift effort to highest value preventative maintenance activities**

“One MTA” Shared Services are delivering benefits of scale

Consolidated shared services previously duplicated across operating agencies

Established P&Ls and agency chargebacks to improve cost visibility and accountability

Focused on improving service quality and reducing costs across the MTA

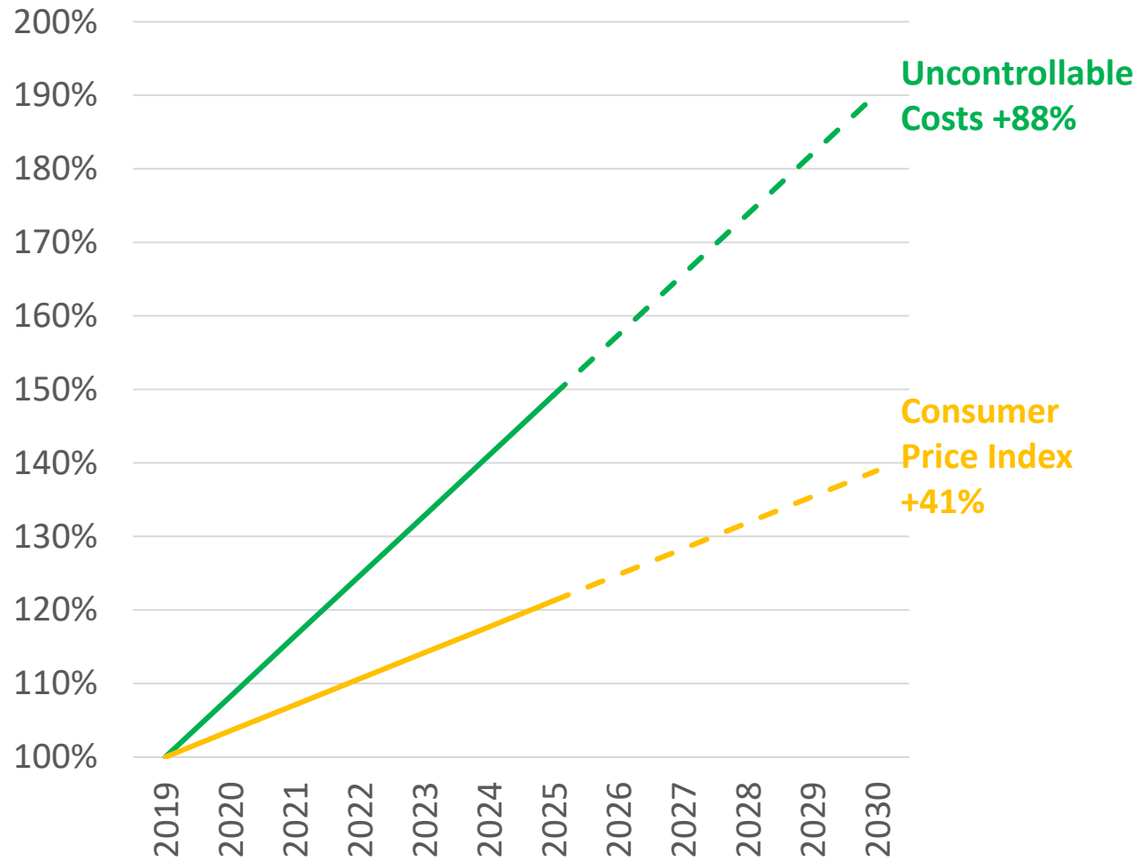
Procurement	Leverage MTA-wide purchasing to reduce costs
Legal	Use AI and case-management tools to improve efficiency
IT	Eliminate unnecessary hardware and software costs
People	Standardize processes and accelerate hiring
Real Estate	Consolidate office space to reduce lease costs
Finance	Standardize financial systems, strengthen cost management, and deliver savings

Uncontrollable costs are rising more than twice as fast as inflation

Expenses by Category and Year ($M)

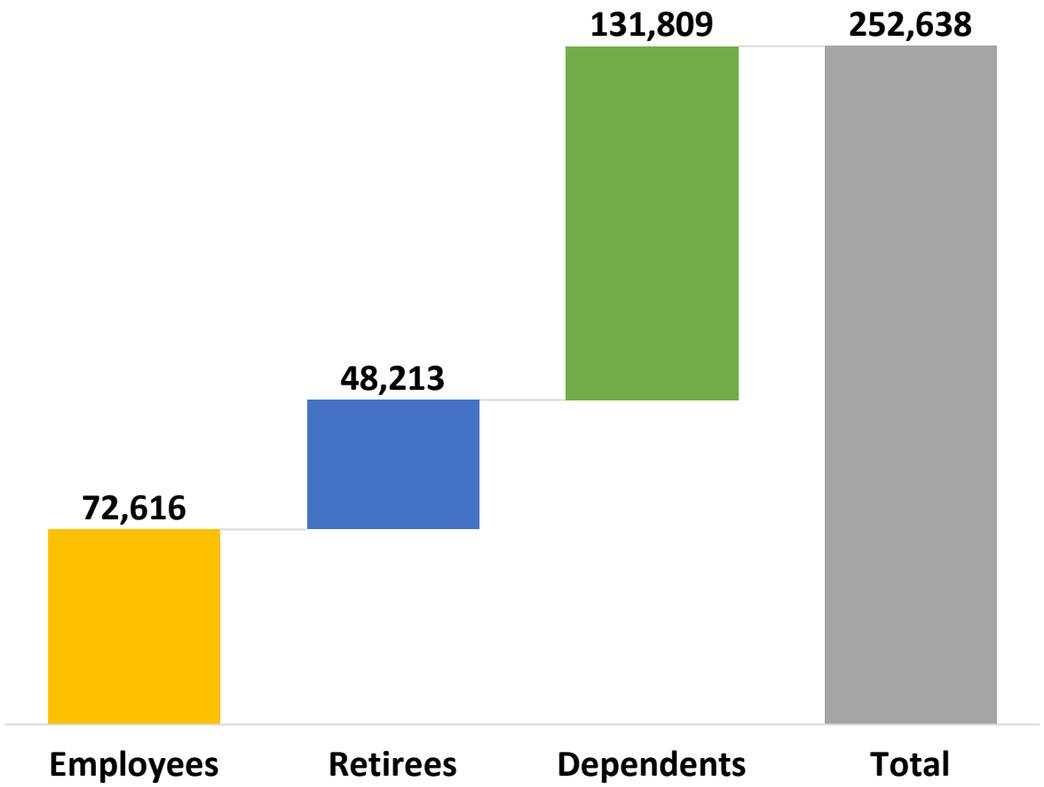
Category	2019	2025	2030	19-30 Change	Growth Rate
Uncontrollable Cost Drivers	**$3,594**	**$5,342**	**$6,769**	**88%**	**5.9%**
Health Benefits	$1,339	$1,886	$2,721	103%	6.7%
Retiree Health Benefits (OPEB)	$666	$870	$1,316	98%	6.4%
Paratransit	$477	$717	$1,055	121%	7.5%
Electricity and Fuel	$618	$839	$1,018	65%	4.7%
Legal Claims	$495	$1,029	$658	33%	2.6%
All Other Expenses	**$12,988**	**$14,711**	**$18,319**	**41%**	**3.2%**
Total Expenses	**$16,582**	**$20,053**	**$25,088**	**51%**	**3.8%**

Uncontrollable Cost Drivers and Inflation, Indexed to 2019



Health costs have doubled without offsetting cost sharing

MTA provides insurance for over 250K individuals



Growth in healthcare costs outpaces contributions

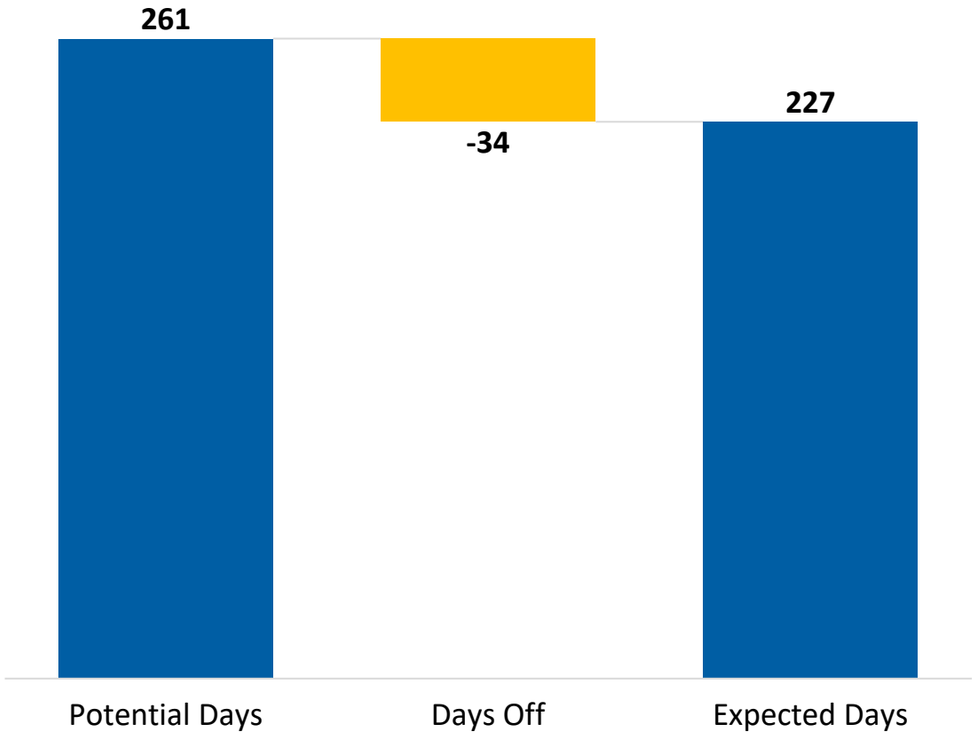
~$30K Average cost for active employees and growing 7% annually

~16% Of costs contributed by most non-represented employees

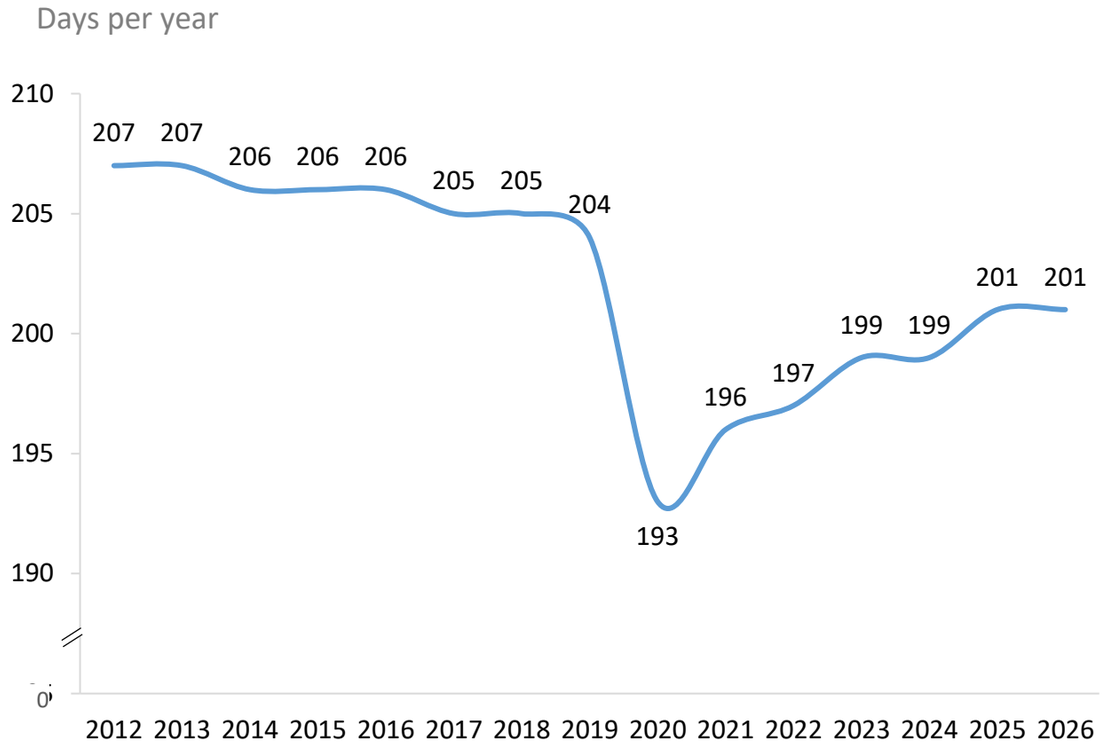
~6% Of costs contributed by most represented employees, down from 11%

Low employee availability increases the cost of delivering service

Out of 261 potential workdays, MTA expects employees to be available for service 227 days

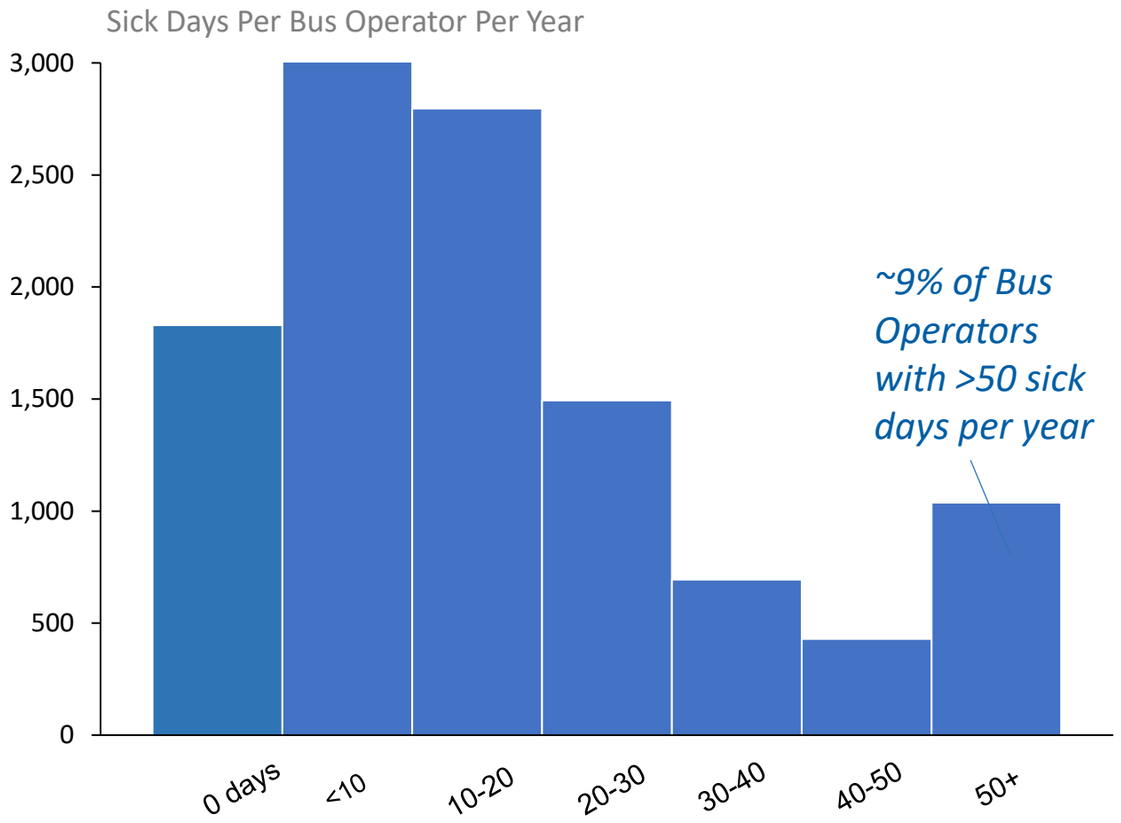


Productive days per employee have plateaued at only 201 days per year after several straight years of improvement



High sick leave utilization lowers availability and impacts service

While many Bus Operators have excellent attendance, a small number have high sick leave usage



Frequent sick days impact both customers and cost

When Bus Operators call in sick, often on short notice, MTA must backfill using reserve operators and overtime

>118,000 trips have been cancelled so far in 2026 because no operator was available

Revenue growth slower than expenses creates widening deficits

Revenues (M)

Category	2019	2025	2030	19-30 Change	Growth Rate
Fares	$6,351	$5,207	$6,137	-3%	-0.3%
Tolls	$2,071	$2,554	$3,036	47%	3.5%
Subsidies	$7,376	$11,117	$12,143	65%	4.6%
Other	$1,269	$1,184	$1,475	16%	1.4%
Total	**$17,067**	**$20,063**	**$22,791**	**34%**	**2.7%**

Summary of changes in November Financial Plan:

- **Farebox forecast revised downward by $257M over the plan as post-pandemic trends persist**
- **Toll forecast revised downward by $145M as high fuel prices reduce crossings and revenue**
- **Subsidies forecast in line with July Financial Plan**

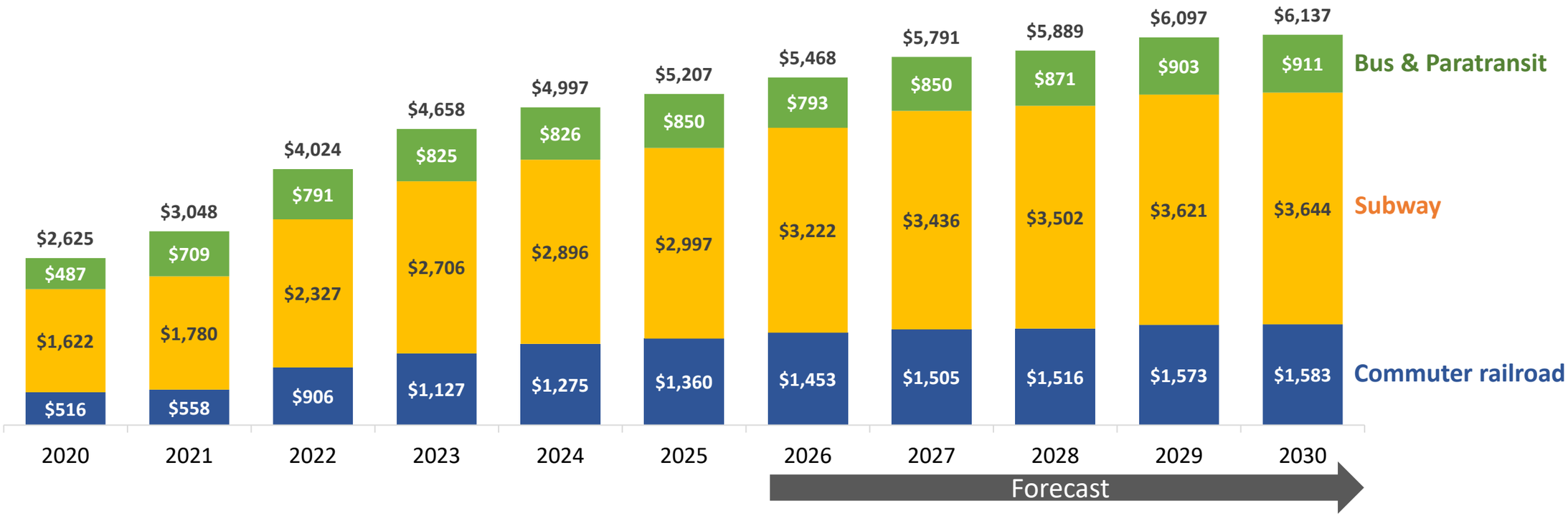
Farebox revenue lags pre-pandemic levels despite ridership gains

Farebox revenue

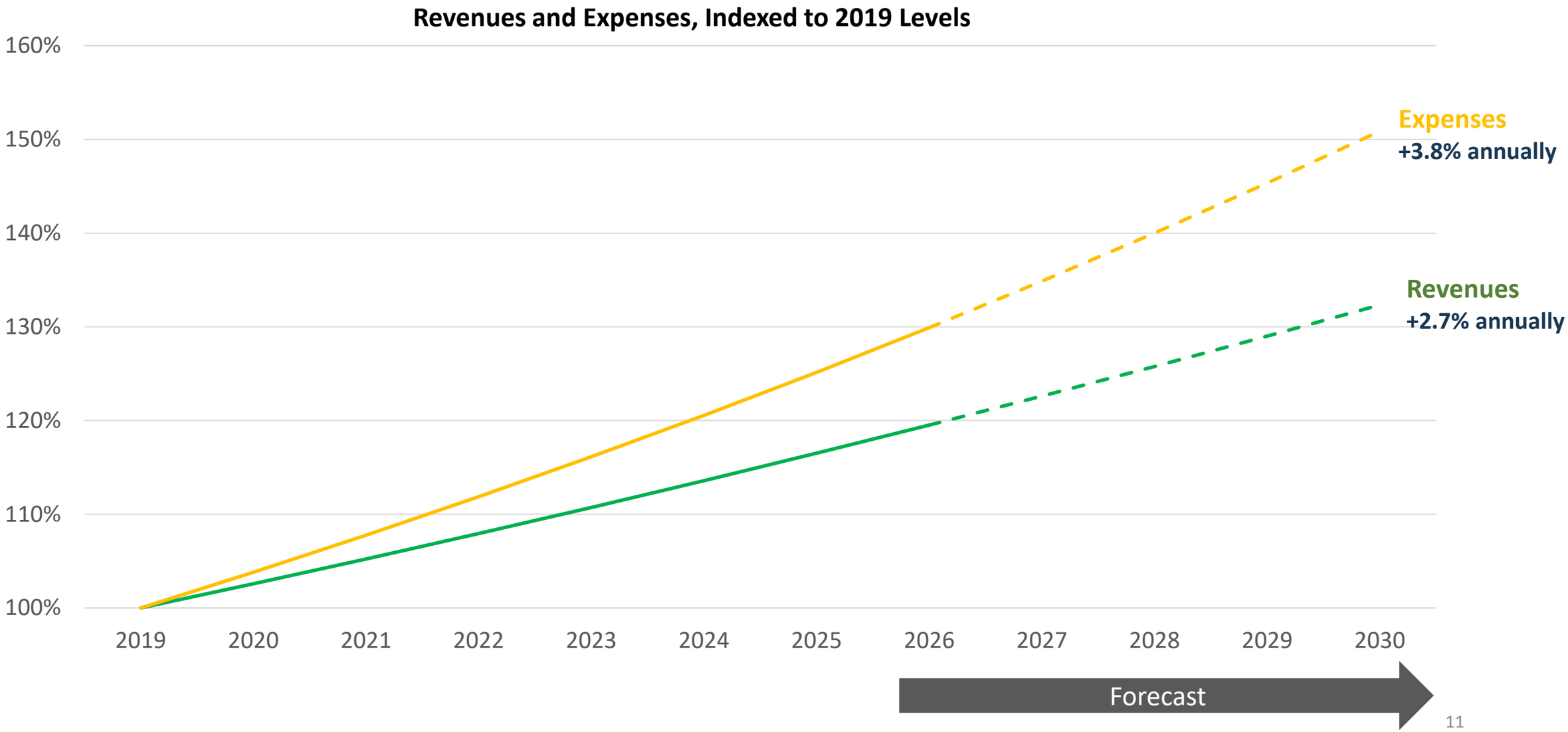
($ million)

Assumes 4% increases in 2027 and 2029

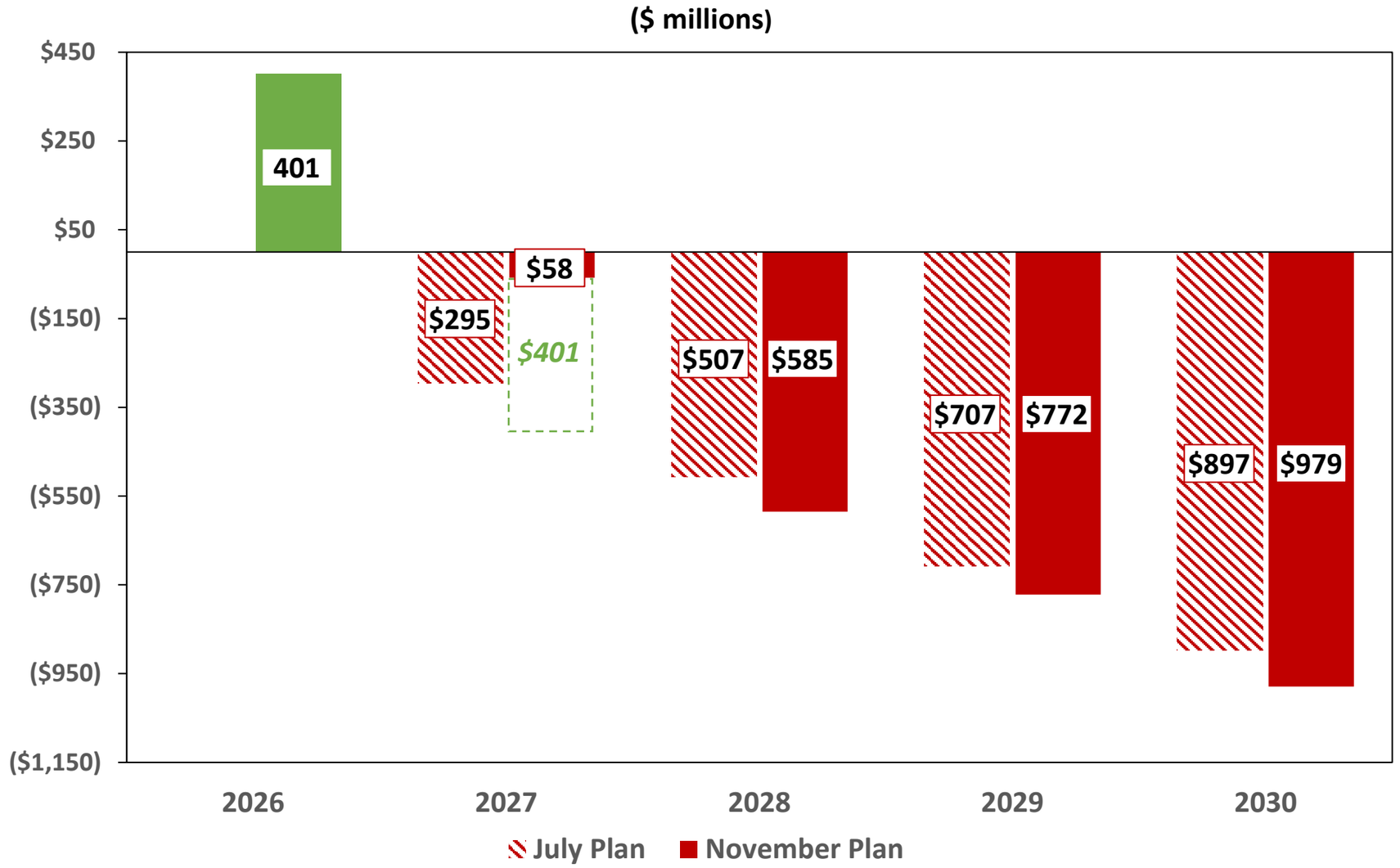
2019 Actual: $6,351 million



Expenses are growing faster than revenues, driving widening deficits



Strong near-term results, but widening long-term deficits



Key assumptions reflected in the November Financial Plan

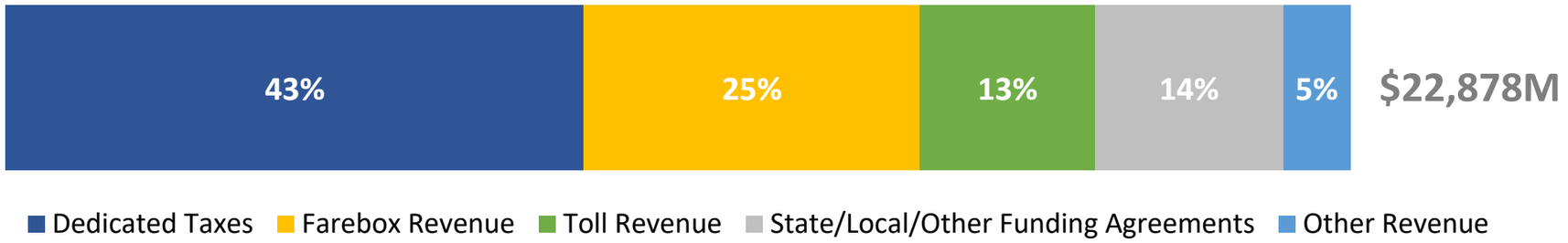
FARES & TOLLS	4% fare and toll increases in 2027 and 2029
LABOR INCREASES	2% increases after the first year of 3.8%
PARATRANSIT COST SHARING	NYC cost-share remains at current capped levels in 2026–27; beginning in 2028, assumes extension of 80% cost-sharing without a cap, requiring legislation
FUEL & ENERGY	Fuel and electric power prices stabilize by 2029

Risks to the financial plan that could further increase deficits

Assumption	Risk	Potential Annual Cost
Dedicated tax receipts	Slower economy / weaker real estate recovery	($300 to $600 million)
Labor increases	Wage increases above budgeted allowance	($100 million) for every 1%
Paratransit	Required cost-sharing legislation does not pass	($300 million)
Borrowing costs	Increase in interest rates	($100 million) for every 1%
Availability	Days further decline	($20 million) per day
Healthcare	Costs rise faster than budgeted	($30 million) for every 1%
Unfunded mandates	New legislative or executive requirements	N/A

2027 Final Proposed Budget: $22.9B, with Labor nearly 60% of expenses

Where the dollars come from



Where the dollars go



The bottom line

Delivering more with less: Better service, continued investment, and operating efficiencies reaching $676M in 2027, with an $800M target for 2030.

Strong near-term results: A projected one-time $401M surplus in 2026 helps reduce the 2027 deficit to $58M in a $22.9B operating budget.

A widening gap: Healthcare, energy, and other costs are rising faster than revenues; deficits grow substantially in 2028–2030.

The path forward: Maintain rigorous cost discipline and pursue efficiencies, while working with funding partners on long-term solutions. Efficiencies alone cannot close the gap.