

MTA 2021 February Financial Plan

February 18, 2021



(dollars in millions)

20 Final Estimate (December Financial Plan)		\$1,786
riances: 2020 Preliminary Actual vs Final Estimate - Favorable/(Unfavorable)		
Farebox Revenue	\$184	
Toll Revenue	248	
Other Revenue Capital & Other Reimbursements	(86)	
	(217)	
Revenues	\$129	
Labor Expenses (including \$380 million in Payroll Tax deferrals)	\$732	
Non-Labor Expenses	336	
Expense Adjustments	(137)	
Debt Service	16	
Expenses	\$947	
State Subsidies	\$447	
MRT / Urban Tax	88	
Other Subsidies	18	
Subsidies	\$553	
20 Prelimary Actual		\$3,41
efer use of MLF Deficit Borrowing Proceeds to 2021 and 2022		(\$2,900
evised 2020 Year-End Balance		\$514



What has changed since the Adopted 2021 Budget and the 2021-2024 Financial Plan (2021-2024 Plan period cumulative impact)

- Changes and re-estimates *improving* financial results:
 - 2020 Year-end Results, after timing adjustments (\$514 million)
 - Unused 2020 General Reserve (\$170 million)
 - State Subsidy Re-estimates (\$550 million)
 - Other Subsidy Re-estimates (\$268 million)
 - Debt Service Re-estimates (\$66 million)
- Changes and re-estimates <u>worsening</u> financial results:
 - Lower CRRSAA Aid than Assumed (\$500 million)
 - Additional Savings Actions Re-estimates (\$92 million)
 - Delay in 2021 Fare/Toll increases (\$32 million)

These re-estimates, as well as other changes, are favorable by \$1,152 million.

This improvement and the anticipated receipt of additional Federal Aid allows us to avoid the Service Reductions in 2022, to maintain higher levels of service for our customers and avoid imminent layoffs.



\$2.9 billion in MLF deficit financing, \$4 billion in CRRSAA Federal Aid, remaining Service Reductions and a Permanent Wage Freeze still leave a cumulative deficit of \$8 billion through 2024

(dollars in millions)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Plan Deficit</u>
Preliminary February Financial Plan ¹	\$514	(\$5,645)	(\$4,693)	(\$3,452)	(\$3,283)	(\$17,073) ²
Proceeds of MLF Deficit Financing	\$0	\$1,650	\$1,250	\$0	\$0	\$2,900
CRRSAA Federal Aid	0	4,000	0	0	0	4,000
Additional Federal Aid	0	0	0	0	0	0
Service Reductions ³	0	0	0	696	559	1,255
Permanent Wage Freeze (Rep/Non-Rep through 2022)	0	0	309	315	322	946
Change in Prior Year Cash Balance	0	0	5	0	0	N/A
February Financial Plan	\$514	\$5	(\$3,129)	(\$2,441)	(\$2,403)	(\$7,972) ²

1 Reflects fare and toll increases in 2021 and 2023.

2 Since operating balances roll into subsequent years to reduce deficits, the total deficit over the Plan period is the total of annual deficits only.

3 Service reductions tie to the McKinsey "worst case" updated ridership projections.



McKinsey projected the "new normal" ridership level between 80% and 92% of pre-pandemic levels by the end of 2024 (86% midpoint)





MTA 2021 Adopted Budget

Baseline Revenues and Expenses after Below-the-Line Adjustments

Where the Dollars Come From





By Revenue Source includes below-the-line adjustments (\$ in millions)					
Farebox Revenue	\$1,768				
Toll Revenue	1,435				
Other Revenue	736				
Taxes	5,990				
State and Local	558				
Other Funding Agreements	1,139				
Other 1	88				
Proceeds from MLF	1,650				
CRRSAA/FEMA	4,215				
Total ²	\$17,579				

1. Includes cash adjustments and prior-year carryover.

2. Totals may not add due to rounding.

By Expense Category ³ includes below-the-line adjustments (\$ in millions)					
Payroll	\$5,433				
Overtime	917				
Health & Welfare	2,361				
Pension	1,443				
Other Labor	568				
Total Labor	\$10,723				
Non-Labor + Other Exp Adj	3,691				
Debt Service	2,911				
BTL Adjustments for Expenses	249				
Total ²	\$17,574				

By MTA Agency ⁸ includes below-the-line adjustments (\$ in millions)				
NYCT/SIR	\$9,102			
LIRR	1,771			
MNR	1,292			
MTABC	913			
HQ/FMTAC/C&D	973			
B&T	522			
Debt Service	2,911			
MTA Gen'l Res & Adjs	(160)			
BTL Adjustments for Expenses	249			
Total ²	\$17,574			

By MTA Agency

MNF

NYCT/SIR

52%

LIRR

10%

3. Expenses exclude Depreciation, GASB 68 & 75 Adjustments and Environmental Remediation.

4. Below-the-line expense adjustments cannot be segmented by expense category or by Agency.

Where the Dollars Go

BTL Adjs

for Expenses

Debt Service

17%

MTA Bus

5%

MTA Gen'l Res

& Adj.

1%

B&T

3%

HQ/

FMTAC/

C&D

6%