
Metropolitan Transportation Authority

February 2023 Financial Update

2/21/2023



February Financial Update

- The February Financial Plan is primarily a “technical update” to the November Financial Plan that was approved by the Board in December
- Projected ridership, revenue and expenses are unchanged
- A Board vote regarding the 2023 fare and toll increase is not yet being requested
- This presentation will outline / review the Governor’s Executive Budget proposal and the impact on MTA’s financial plan

Our message has been clear, consistent – and effective

February 2022 Federal aid will run out by 2026, \$2bn+ deficits
Recognition that Omicron had changed the course of the COVID pandemic
New ridership forecast is needed

July 2022 Slower ridership recovery
Larger deficits
Federal aid gone by 2025
Recommendation: Act early; no kicking the can

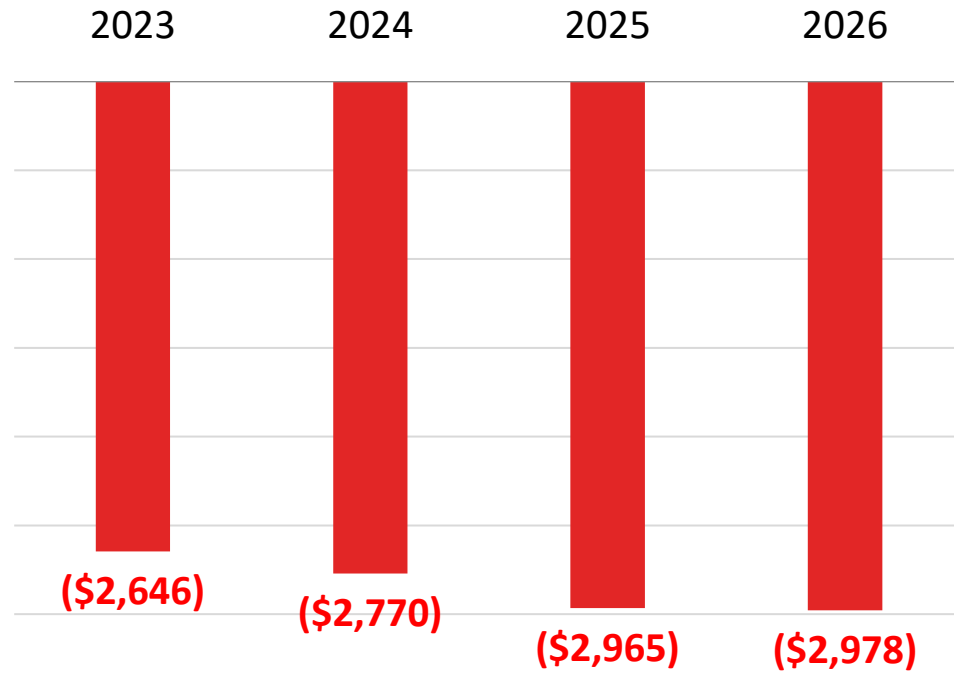
November 2022 Staff proposes responsible fiscal path in 2023 budget and financial plan
Consequences of inaction would be \$3 bn deficits in two years

December 2022 Board approves Financial Plan that includes operating budget cuts and a small fare increase for 2023
(subject to further board approval)

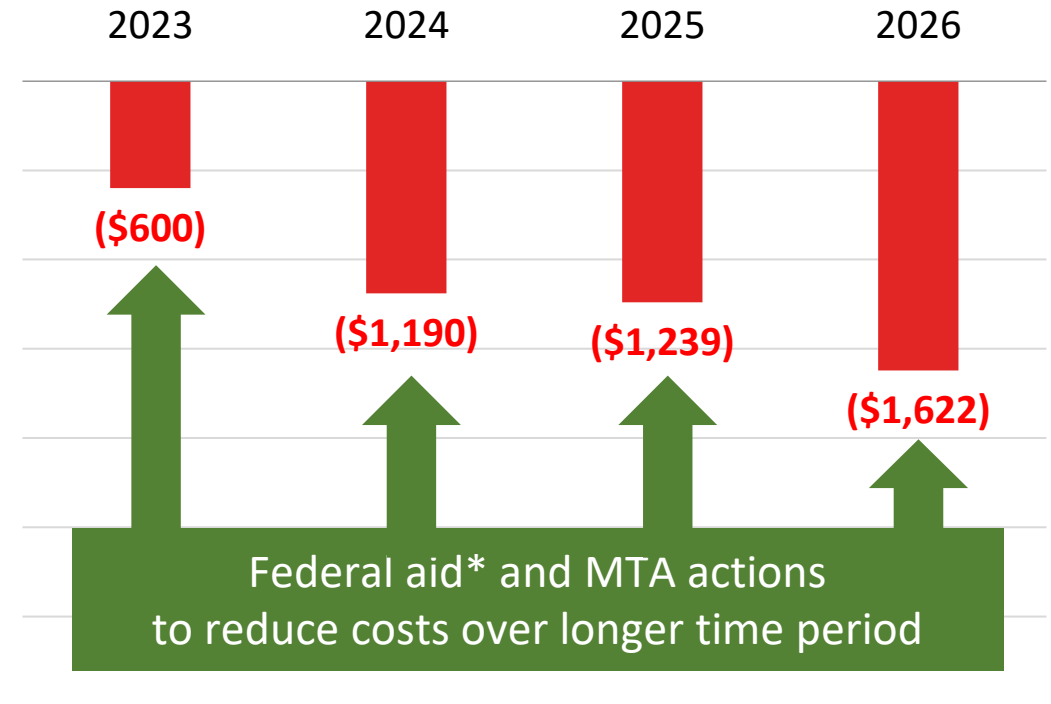
February 2023 Governor proposes a balanced, long-term solution to the fiscal cliff

MTA lowered deficits by taking action early

Projected underlying deficits



Remaining deficits after MTA actions

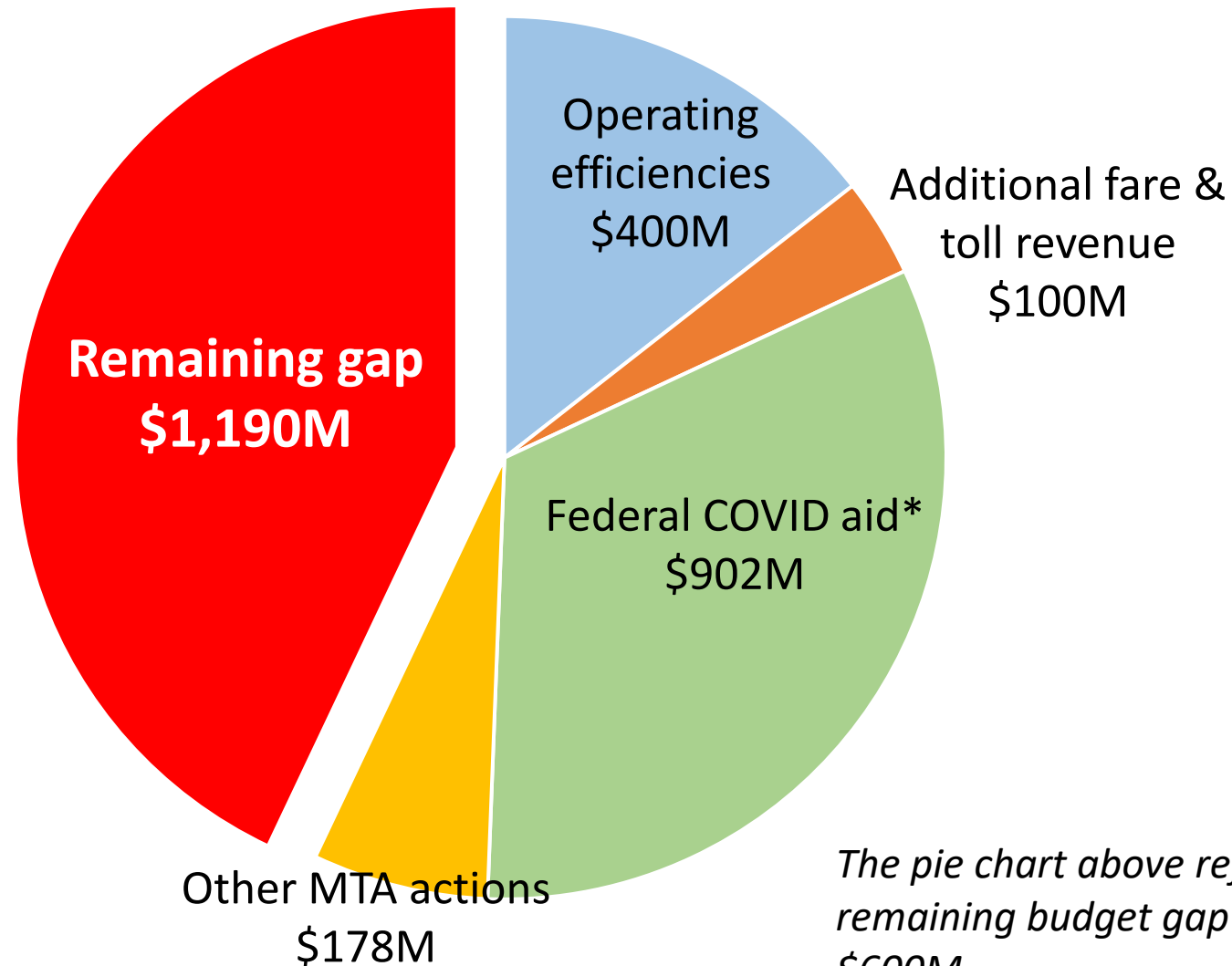


MTA is lowering deficits by:

- Taking action early
- Achieving operating efficiencies
- Spreading out federal aid benefit to reduce debt costs, including pension and retiree health
- Avoiding the long-term cost of deficit borrowing

* Represents financial benefit of Federal COVID aid, not actual expenditure.

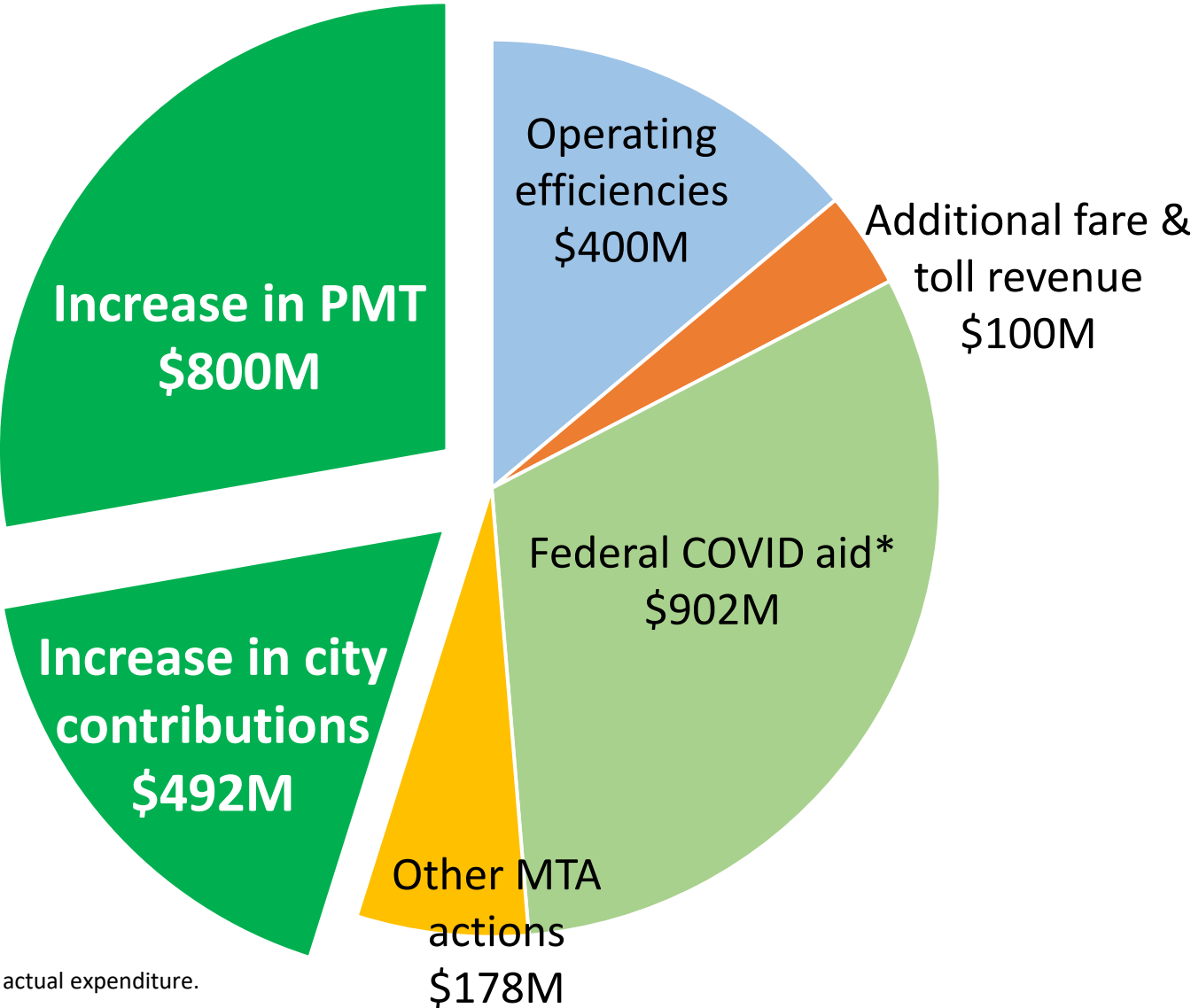
November Financial Plan shrank \$2,770M deficit down to \$1,190M (2024)



The pie chart above reflects 2024 values. The remaining budget gap in 2023 is projected to be \$600M.

* Represents financial benefit of Federal COVID aid, not actual expenditure.

Gov Hochul's Executive Budget fills the remaining gap



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The Executive Budget balances out MTA's financial outlook to 2026 and beyond

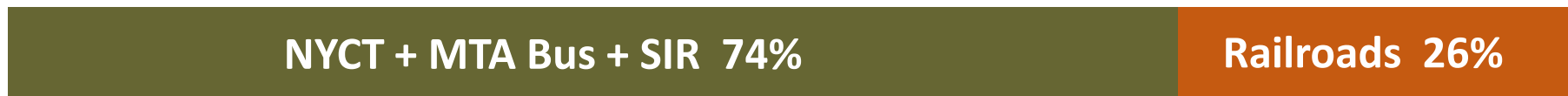
<i>\$ millions</i>	2023	2024	2025	2026
MTA Deficit from November Plan (reduced by efficiencies, etc.)	(600)	(1,190)	(1,239)	(1,622)
Additional MTA public safety elements	(50)	(150)	(153)	(156)
Funding need for deficit and MTA public safety elements	(650)	(1,340)	(1,392)	(1,778)
Proposal for Additional State Funding	633	800	820	838
PMT Increase to 0.5%	333	800	820	838
One time direct State subsidy	300	0	0	0
Proposal for Additional City Funding	232	492	508	526
100% funding for Paratransit	130	273	286	303
Student MetroCard funding	52	104	107	108
PMT Offset	50	115	115	115
Potential dedicated tax revenue from casinos (amount and timing uncertain)	0	0	0	450
Total New Government Funding	865	1,292	1,328	1,814
Timing adjustment of resources stemming from federal aid	(215)	48	64	83
MTA Revised (Deficit)/Surplus	0	0	0	119

Balanced dedicated taxes and subsidies are consistent with MTA's system costs

Estimated tax base allocation, by geography



MTA operating budget shortfalls (2023 budget)



Future remains uncertain until State Budget is adopted

