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Press Release

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IMMEDIATE

### MTA Board Approves Budget for 2010

***Balanced Budget Includes Cuts to Address Reduction in State Revenues; Chairman Promises to "Take the Place Apart" to Reduce Costs. MTA Sticks to Agreed-upon Fare Schedule – No Increase in 2010***

The Metropolitan Transportation Authority (MTA) Board today approved its Budget for 2010 by a vote of 12-0. The Board also authorized the MTA to schedule public hearings regarding some of the service changes included in the budget. The budget does not include a fare increase in 2010, adhering to the schedule identified with the Legislature in the spring. Complete information on the budget and the service reductions is available online at <http://www.mta.info/mta/budget/>.

"Because the MTA's transit system matters so much to New Yorkers, when \$400 million is taken from the budget practically overnight you have to make the kinds of changes that have an enormous impact on people," said MTA Chairman and CEO Jay H. Walder. "We have a responsibility to assure our customers and taxpayers that every dollar they send to the MTA is used as effectively as possible. We can't say that today, and that is why we have to fundamentally change the way that we do business. We must re-think every aspect of our operation to permanently reduce the cost of running this system. In short, we must take this place apart to find the efficiencies that will make it stronger. We can't do it fast enough to take off the table the things we're talking about today, but this effort is our best chance to restore the MTA's credibility and protect the critical services we provide to New Yorkers."

The approved budget addressed a \$383 million gap that had developed over the past two weeks due to several significant unfavorable developments:

- State budget cut: \$143 million
  - This is the first time that an existing appropriation to the MTA from dedicated MTA taxes has been reduced after collection by the state.
  - The State has also projected a \$49 million reduction in dedicated tax revenues (MMTOA) in 2010.
- Reduction in the State's payroll tax projection: \$100 million
  - The State is projecting a \$229 million reduction in 2009, but advises that it believes \$129 million will be made up in 2010.
- Failure of the MTA's appeal of the TWU Local 100 arbitration: \$91 million

The budget fills this gap through a number of actions, including:

- Administrative savings: The budget includes a 10 percent cut in payroll expense for the MTA's non-represented workforce, to be achieved by furloughs and a pay lag or replacement administrative savings that can be identified prior to planned implementation in April.
- Service reductions: The budget proposes implementing a series of service reductions adopted by the MTA Board in 2008 but never instated. This includes the elimination of the Rockaway/Broad Channel residents' rebate program.
- Student discounts: The budget proposal calls for elimination of one half of the current discount in September 2010 and the remaining discount in September 2011.
  - Prior to 1994, New York City and New York State paid the entire cost of free or half-price student fares in New York City. A 1995 agreement split the cost equally (\$45 million each at the time) between the City, State and MTA, but the MTA has paid an increasing amount over time and the State dramatically reduced its reimbursement this year to \$6 million.
- Paratransit savings: Paratransit costs at the MTA are rising at a rate far beyond the level of contribution from funding partners. The budget proposes ways to lower costs without jeopardizing the MTA's ability to deliver necessary services.

"The budget is a plan, and today's decision is just the beginning of the conversation," said Walder. Public hearings are expected to be held early in 2010.