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Press Release

December 14, 2009

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IMMEDIATE

### MTA Releases Final Proposed Budget for 2010

#### ***Reduction in State Revenues Requires Gap-Closing Measures; MTA Sticks to Agreed-upon Fare Schedule "– No Increase Proposed in 2010"***

The Metropolitan Transportation Authority (MTA) today released its Final Proposed Budget for 2010. The budget proposal was presented to the MTA Board's Finance Committee and will be presented to the full Board for consideration at its meeting on Wednesday. The MTA is required to pass a balanced budget by the end of the year.

The budget proposal addresses 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 proposes filling 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.

"To present a balanced budget despite losing hundreds of millions of dollars in State funding over the past two weeks requires measures that are painful to the MTA, our employees and our customers," said MTA Chief Financial Officer Gary J. Dellaverson, who presented the proposed budget to the committee. "Given the ongoing downturn in the broader economy and the resultant economic crisis facing the State, we have worked to balance the budget while maintaining our commitment to riders not to increase fares in 2010."