MTA Press Releases

Press Release December 21, 2011

MTA Headquarters IMMEDIATE

MTA Approves 2012 Budget

Board Also Submits Capital Program Funding Plan for Review in Albany

The Metropolitan Transportation Authority (MTA) Board today approved the agency's budget for 2012, culminating a process that began with the release of the agency's Preliminary Proposed Budget and Four-Year Financial Plan in July, updated last month by a Final Proposed Budget and Four-Year Financial Plan. In addition, the Board approved an amendment to the 2010-2014 Capital Program that outlines how the final three years of the program are to be funded. The funding plan, announced in July and updated last month, must be approved by the MTA Capital Program Review Board in Albany.

The 2012 budget is largely similar to the Final Proposed Budget presented to the Board in November. Based on updated economic forecasts, it reflects an $87 million reduction to the amount of revenue projected to be raised through Metropolitan Mass Transportation Operating Assistance, a collection of taxes dedicated to support public transportation. As a result, the MTA projects an operating deficit of $68 million in 2012. The MTA intends to make up this deficit through management actions to reduce internal expenses by $35 million and releasing $33 million in general reserves funds.

"The reduction in projected subsidies underscores the fragility of the MTA's current fiscal stability," said MTA Executive Director Joseph J. Lhota. "It also indicates how important it is for the MTA to continue its recent efforts to reduce costs, even as we work to improve service."

The Budget adopted today recognizes a series of potential risks to the Four-Year Financial Plan:

- Worsening of the economy
- Additional reductions in state subsidies and dedicated taxes
- Expense reductions are not achieved
- Labor settlements fall short of three "net zero" wage initiative
- Funding for 2012-2014 Capital Program still to be approved

That Capital Program funding plan calls for using revenues already committed to capital in the budget to fund new bonds, and it has three key benefits: it requires no new revenues; it protects the benefits of a Capital program that delivers safety and reliability to the transit system; and it delivers results including jobs and stability in the MTA's Capital Program.

"In the context of the ongoing economic crisis in New York State, this proposal advances our critical capital investments in an affordable way," said Robert Foran, MTA Chief Financial Officer. "It relies on revenues already dedicated to capital expenses and keeps debt service at a manageable level, with the percentage of debt to capital investment the lowest in 15 years."