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IMMEDIATE

MTA Financial Plan Generates New Capital Program Funding

Aggressive Cost-Cutting and Additional Revenues Help Fill Capital Funding Gap

The Metropolitan Transportation Authority (MTA) today announced that its July 2015 Financial Plan will generate up to \$2.4 billion worth of new funding for the 2015-19 Capital Program, thanks to unanticipated revenues, greater cost savings and more efficient operations.

This self-funded investment allows the MTA to reduce the \$14 billion funding gap in the \$32 billion Capital Program, which outlines the next five years' worth of vital investments to renew, enhance and expand the MTA network.

The new Financial Plan released today also devotes financial resources to new service investments and customer service enhancements, which will improve the experience of subway, bus and railroad customers at a time of surging ridership.

"The MTA has cut more than \$1.3 billion from our ongoing expenses this year, and we are on track to bring our annual savings to almost \$1.8 billion by 2019," said MTA Chairman and CEO Thomas F. Prendergast. "Our fiscal discipline makes real improvements possible for our more than 8.5 million daily customers, and allows us to invest in the future of the MTA network through our Capital Program."

The Financial Plan assumes \$125 million in new annual contributions to pay-as-you-go capital, as well as an additional \$75 million one-time contribution in 2015, for a total of \$700 million over the 2015-19 plan period. Over the expected eight-year expenditure period, these funds would generate \$1.1 billion in pay-as-you-go Capital Program funding, or would provide \$2.4 billion in new capital funding if also used to pay debt service.

"The additional funding we have announced today is a significant self-funded contribution to our extensive capital needs, but it still falls well short of what is necessary to keep our network in a state of good repair, much less to improve its operations and expand its reach," Prendergast said. "We hope our careful budgeting and innovative planning show our commitment to our Capital Program as we work with our city, state and federal funding partners to fully fund those needs."

Major drivers of the positive change from the 2015-18 February Financial Plan include \$401 million in new real estate transaction tax receipts, \$348 million in reduced pension expenses, \$331 million in energy savings, \$212 million in increased fare and toll revenues, and \$172 million from better-than-expected financial performance in 2014. Those favorable re-estimates were partially offset by higher costs including \$227 million for new operation and maintenance investments and \$124 million for information technology.

The new Financial Plan includes funding for service investments and enhancements over the five-year plan period, including \$28 million for additional subway and bus service to better serve a growing ridership; \$62 million for more Select Bus Service routes in New York City; \$79 million for more operations and maintenance staff to reduce subway delays; \$2 million for additional Staten Island Railway service; and \$4 million for new investments in customer service and communication on Metro-North Railroad and the Long Island Rail Road.

Those service investments total \$20 million in 2015, and rise to total of \$183 million over the 2015-19 period in the Financial Plan. They are in addition to \$129 million in annually recurring service investments that have been added since 2012, which have brought additional bus, subway and railroad service throughout the MTA service area.

The new Financial Plan holds the line on future fare and toll increases to approximately the rate of inflation through the end of the Plan period in 2019. It assumes fare and toll increases of 4% in 2017 and in 2019, consistent with the 4% increase which took effect earlier in 2015. No additional fare or toll increases are contemplated in the Financial Plan, which remains balanced through 2017 with manageable deficits anticipated in the years to follow.