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[MTA Headquarters](#)

IMMEDIATE

MTA Unveils Proposed 2019 Budget and Four-Year Financial Plan

Projected Declines in Revenues and Increases in Cost of Providing Service Will Require 2019 Fare & Toll Adjustment and New Sustainable Revenue Sources in Order to Avert Significant Service Cuts and Layoffs; MTA Cost-Cutting Reaches Record Level, Helping to Keep Proposed 2019 Fare Adjustment Below Rate of Inflation

The Metropolitan Transportation Authority (MTA) today released its final proposed 2019 budget and four-year financial plan, highlighting that projected declines in fare and dedicated tax revenues, as well as increases in the cost of providing service, will require a fare and toll adjustment and new sustainable revenue sources in order to avert significant service reductions and layoffs. The MTA's self-generated annual recurring savings will reach a record \$2 billion, the highest level since the current savings program began in 2010, helping to keep the proposed 2019 fare adjustment below the rate of inflation.

Declines in fare revenue, declines in projected tax revenue including real estate taxes, and ambitious and dramatic modernization plans such as [the Fast Forward Plan](#) are projected to have a significant impact on the MTA's budget in the near future. The MTA is projecting that its fare revenue will be approximately \$1 billion lower between 2018 and 2022 than what it had forecasted in July 2017, and dedicated tax revenue will be more than \$580 million lower than forecasted in July 2017. Paratransit costs are also increasing by \$321 million compared to the forecast from July 2018. These figures are partially offset by debt service costs that shrank by \$194 million since July 2018 primarily due to refinancing, and energy costs that shrank by \$101 million since July 2018 due to lower energy costs and a new agreement with the New York Power Authority.

While the MTA projects to be able to balance its 2019 budget with hiring restrictions and other spending reductions, carryover from the prior year, and fuel hedge collateral savings, MTA Chief Financial Officer Robert Foran cautioned that the MTA's out-year budget deficits had reached levels – \$510 million in 2020, \$816 million in 2021 and \$991 million in 2022 – that will be difficult for the agency to manage without new, sustainable, reliable and recurring revenue streams in the future.

"Without additional recurring revenue in the near term, future options will be even more service reductions, reductions in staffing and/or additional fare and toll increases," Foran said.

In total, the projection for the MTA operating budget for the years 2019 through 2022 is \$819 million worse than what the MTA had projected in July 2018.

The MTA is pursuing new ways to reduce costs with two task forces on the MTA Board.

- The Cost Containment Task Force is working to find savings by identifying best practices such as moving to performance-based compensation for contractors in which there are bonuses for success and penalties for poor performance; making contract and design specifications less prescriptive; streamlining the change-order process; and empowering project leadership to enforce performance standards.
- The Procurement Reform Task Force is working to modernize the MTA's procurement process, increase efficiency and encourage more diverse industry participation and competition – which could lead to lower costs for the MTA – using steps such as streamlining legal and insurance reviews, and reducing the time it takes to prepare and process bids. A dashboard will track and help manage the efficiencies achieved from Task Force initiatives.

The MTA attributes its projected reduction in fare revenue to multiple factors, including: a significant uptick in planned weekend and overnight service changes related to a dramatic increase in infrastructure renewal and improvement programs which include Communications-Based Train Control signaling and elevator installation projects; an increase in fare evasion; diversion of some travel to for-hire vehicles; and a nationwide trend toward telecommuting and e-commerce.

The current budget projections factor in the MTA continuing with its recent practice of keeping fare increases below the rate of inflation, as well as continuing the schedule of regular fare and toll adjustments every two years that was first established in 2009. The schedule of regular fare and toll changes helps customers plan and also eases the burden of an increase by ensuring that any increase is predictable and smaller than less regular increases.

The MTA today released proposed fare and toll adjustments, with options to be considered for some, that would take effect in March 2019 after an extensive public hearing process and MTA Board vote. MTA Acting Chair Fernando Ferrer stressed that the options proposed today are not necessarily what the MTA Board may ultimately decide to adopt and that the public comment process will be vital to any final decision.

The MTA plans a robust series of public hearings to gather the public's input on the proposals before the MTA Board votes on a fare and toll adjustment, with hearings in every borough and region served by the MTA. The MTA Board will also accept written comments on the proposals via email, and audio

recordings via voicemail and regional videotaping sessions. Details on public input are below.

"In the face of very difficult economic times, we're aggressively pursuing cost savings and identifying efficiencies while we work hard to create the renewed and modernized public transportation network that New Yorkers need and deserve," said Acting Chair Ferrer. "Especially in the absence of new sustainable funding sources, these fare adjustments below the rate of inflation help balance our budget and avert painful service cuts and layoffs while helping us make critical improvements to our infrastructure and service. We cannot allow the system to fall into a state of neglect and disrepair."

The fare and toll adjustment proposals are as follows:

New York City Transit

For subways and local buses, two fare structure options were proposed today with different approaches to the base fare and "bonus value." The bonus value refers to the additional value added to a MetroCard when more than a certain amount is added. The fare structure ultimately adopted may be one that was not proposed today, following input from the public and MTA Board members.

Currently, an additional 5 percent in value is added to any MetroCard transaction of \$5.50 or more. While the base MetroCard fare is \$2.75, the effective fare once adjusted for the bonus is \$2.62.

In Proposal 1, the base fare stays at \$2.75 and the bonus is eliminated, while in Proposal 2 the base fare increases to \$3.00 and the bonus increases to 10 percent on any transaction over \$6.00, making the effective fare once adjusted for the bonus \$2.73.

Unlimited Ride MetroCard passes currently cost \$32 for a 7-Day and \$121 for a 30-Day. Proposal 1 would increase the 30-Day Pass by 5 percent to \$127 and Proposal 2 would increase the 30-Day Pass by 4.3 percent to \$126.25. In both proposals, the 7-Day Pass would only increase by 3.1 percent, to \$33 from \$32.

As for Express Bus service, currently, the base fare is \$6.50 and the effective fare with the MetroCard bonus is \$6.19. In Proposal 1, the base fare increases to \$7.00 and the bonus is eliminated. In Proposal 2, the base fare increases to \$7.25 and the bonus increases to 10 percent, making the effective fare \$6.59. In both proposals, the 7-Day Express Bus Plus Pass, which allows unlimited rides on Express Buses, Subways, and Local Buses, would increase to \$63.00 from \$59.50.

Long Island Rail Road and Metro-North Railroad

Railroad ticket prices are based on distance traveled and time of day. Weekly and monthly ticket price increases would be capped at 3.85 percent. The maximum increase for monthly tickets would be \$15, and for weekly tickets would be \$5.75. Any monthly tickets that are \$500 or more would not increase. One-way ticket prices would generally increase by 4 percent, with any increases of more than 6 percent capped at no more than 50¢. The fare increases for Metro-North's Pascack Valley Line and Port Jervis Line, which are operated through a contract with NJ Transit, would be halved at 2 percent.

Customers can find details for specific ticket types online at <https://new.mta.info/fares/2019-fare-and-toll-changes/public-hearing>.

MTA Bridges and Tunnels

MTA Bridges and Tunnels is proposing to increase tolls on its seven bridges and two tunnels by 4 percent for customers who have an E-ZPass issued by the New York Customer Service Center (NYCSC). For most Tolls by Mail and non-NYCSC E-ZPass customers, car tolls would rise by 11.8 percent. For MTA Bridges and Tunnels' six major crossings, the toll for cars with an E-ZPass issued by the NYCSC would rise 23¢, to \$5.99, and the toll for other cars would rise \$1.00, to \$9.50 (because tolls on the Verrazzano-Narrows Bridge are collected only in one direction, the toll rates are doubled to match the round-trip tolls on the other major crossings). Staten Island and Rockaway residents would continue to receive significant discounts and rebates by using a registered resident E-ZPass.

Details of the proposed toll increase can be found at <https://new.mta.info/fares/2019-fare-and-toll-changes/public-hearing>.

MTA Bridges and Tunnels is also proposing a second alternative for NYCSC E-ZPass toll increases. To help raise additional funds for MTA capital needs and also help reduce traffic congestion, MTA Bridges and Tunnels is proposing to increase E-ZPass tolls by 8 percent, which would raise \$55 million per year that the MTA projects would finance \$850 million worth of capital projects for bridges and tunnels and public transportation.

Under this alternative, NYCSC E-ZPass tolls would increase by 46¢, to \$6.22 one way, which translates to a round-trip toll of \$12.44 on the major crossings.

The MTA operating budget outlined today assumes a 4 percent increase in toll revenue. If the MTA Board opts to increase tolls by 8 percent, the additional funding raised would be dedicated to the MTA's capital needs. The first 4 percent increase would go toward the MTA's operating budget under either option.

Public Comment Sought via Public Hearings, Satellite Hearings, Email, Telephone and Mail

The MTA plans to hold eight public hearings between Nov. 27 and Dec. 13 to seek input from the public on these proposals as well as five satellite hearings during the same time frame where members of the public can provide testimony in writing or via video recording for review by MTA Board Members. The MTA is also seeking public input via email, telephone and mail.

Public Hearings

Manhattan | Tuesday, November 27
Baruch College | Mason Hall

17 Lexington Avenue (enter on 23rd Street)
New York, N.Y.
Hearing Begins: 5 p.m.
Registration Period: 4 to 8 p.m.

The Bronx | Thursday, November 29
Hostos Community College | Center for the Arts & Culture | Main Theater
450 Grand Concourse at 149th Street
Bronx, N.Y.
Hearing Begins: 5 p.m.
Registration Period: 4 to 8 p.m.

Long Island | Thursday, November 29
Hilton Long Island | Grand Ballroom
598 Broad Hollow Road
Melville, N.Y.
Hearing Begins: 5:30 p.m.
Registration Period: 4:30 to 8:30 p.m.

Staten Island | Monday, December 3
College of Staten Island | Center for the Arts | Springer Concert Hall | Bldg 1P
2800 Victory Blvd.
Staten Island, N.Y.
Hearing Begins: 5:30 p.m.
Registration Period: 4:30 to 8:30 p.m.

Hudson Valley (East of Hudson) | Wednesday, December 5
New York Power Authority | Jaguar Room
123 Main Street (enter on Hamilton Avenue)
White Plains, N.Y.
Hearing Begins: 5 p.m.
Registration Period: 4 to 8 p.m.

Brooklyn | Monday, December 10
LIU Brooklyn | Kumble Theater for the Performing Arts | Arnold & Marie Schwartz Hall
One University Plaza (Flatbush Ave between DeKalb Ave and Willoughby St)
Brooklyn, N.Y.
Hearing Begins: 5 p.m.
Registration Period: 4 to 8 p.m.

Queens | Tuesday, December 11
York College | Milton G. Bassin Performing Arts Center | Main Stage Theater
94-45 Guy R. Brewer Blvd
Jamaica, N.Y.
Hearing Begins: 5 p.m.
Registration Period: 4 to 8 p.m.

Hudson Valley (West of Hudson) | Thursday, December 13
Palisades Center | Adler Community Room (4th floor near the Ice Rink)
1000 Palisades Center Drive
West Nyack, N.Y.
Hearing Begins: 5:30 p.m.
Registration Period: 4:30 to 8:30 p.m.

Satellite Hearings

Midtown Manhattan | Tuesday, November 27 | 7-10 a.m.
Grand Central Terminal (In front of the Station Master's Office)
89 East 42nd Street
New York, N.Y.

Ronkonkoma | Wednesday, November 28 | 7-10 a.m.
LIRR Ronkonkoma Station
Hawkins Avenue
Ronkonkoma, N.Y.

Poughkeepsie | Thursday, November 29 | 5-8 p.m.
Metro-North Poughkeepsie Station (Inside the waiting room)
41 Main Street
Poughkeepsie N.Y.

Hicksville | Monday, December 3 | 7-10 a.m.
LIRR Hicksville Station (Inside LIRR Ticket Office waiting room)

Newbridge Road (Route 106) and West Barclay Street
Hicksville, N.Y.

Downtown Manhattan | Tuesday, December 4 | 7-10 a.m.

MetroCard Customer Service Center
3 Stone Street (Between Broadway & Broad Street)
New York, N.Y.

All comments will be transcribed and made part of the permanent record. Videotaped remarks are limited to two minutes. The MTA is also seeking public comment via email, telephone and mail.

Email

Members of the public who wish to comment via email can do so by visiting www.mta.info, and clicking on Contact Us in the upper right-hand corner of the page, or by visiting new.mta.info, then clicking on Contact Us at the bottom of the page.

Telephone

Customers who wish to leave a voicemail message with their comments can do so by calling (646) 252-6777.

U.S. Mail

Members of the public who wish to comment by sending a letter can write to MTA Government Affairs, 20th Floor, 2 Broadway, New York, N.Y. 10004