MTA 2021
Final Proposed Budget

November Financial Plan 2021-2024

Volume 1
November 2020

Metropolitan Transportation Authority

<u>OVERVIEW</u>

MTA 2021 Final Proposed Budget
November Financial Plan 2021-2024
Volume 1

The MTA's November Plan is divided into two volumes:

Volume 1 consists of financial schedules supporting the complete MTA-Consolidated Financial Plan, including an Executive Summary, the baseline forecast (as detailed in Volume 2 and described below) and certain adjustments captured below the baseline. These "below-the-line" adjustments include: Fare/Toll Increases, Policy Actions, and any MTA Efficiencies and Re-estimates. Volume 1 also includes descriptions of the "below-the-line" actions as well as the required Certification by the Chairman/CEO, and a description of the MTA Budget Process.

Volume 2 includes MTA-Consolidated detailed financial and position schedules as well as the narratives that support the baseline projections included in the 2021 Final Proposed Budget and the Financial Plan for 2021 through 2024. Also included are the Agency sections which incorporate descriptions of Agency Programs with supporting baseline tables and required information related to the MTA Capital Program.

TABLE OF CONTENTS
VOLUME 1

I. Introduction

Executive Summary

The **2020 MTA November Financial Plan** (the "November Plan" or "Plan"), which includes the 2020 November Forecast, the 2021 Final Proposed Budget and a Financial Plan for the years 2021-2024, updates the July Financial Plan. Since 2010, MTA financial plans – developed in a disciplined, consistent, and transparent process – have included the impact of our continuous pursuit of operational efficiencies and recurring cost reductions which have been used to temper the amount of revenues needed from biennial fare and toll increases and governmental subsidies, and have provided funding for the capital program and enhanced maintenance. When sustainable, Plans have reflected added service, while at the same time addressing long-term costs such as pensions, health care, paratransit, and debt service.

This Plan, however, as with the July Plan, reflects the impact the novel coronavirus outbreak and the ensuing pandemic has had on the MTA Region, forcing the MTA to focus on financial survival while at the same time providing service needed to keep the region moving.

The July Plan

The July Plan was unlike any prior MTA financial plan. The Coronavirus Disease 2019 ("COVID-19" or "COVID") outbreak, which was declared an international public health emergency on January 30, 2020 by the World Health Organization, first surfaced in the MTA region on March 1st. As COVID cases rapidly increased, Governor Cuomo issued an Executive Order, effective March 22nd, closing all nonessential businesses statewide, banning gatherings of individuals who were not considered essential workers, required social distancing of at least six feet, encouraged the wearing of masks or other personal protective equipment, and discouraged the use of mass transit. The Executive Order charged the MTA with providing transportation for only essential travel and, in response, the MTA implemented a reduced service schedule across the operating agencies to ensure service to and from work for frontline workers. On March 20, 2020, compared with one year earlier, subway ridership was down 76%, combined NYCT Bus and MTA Bus ridership was down 61%, MNR ridership was down 94%, LIRR ridership was down 76%, and B&T traffic was down 42%. On March 25th, the MTA began phasing in an "Essential Service Plan" for the subway, buses and the LIRR and MNR. While reducing scheduled service, the Essential Service Plan continued to provide the service necessary for first responders and essential personnel travel to and from hospitals and other critical locations.

On March 27th, Congress passed the Coronavirus Aid, Relief, and Economic Security ("CARES) Act", a $2 trillion economic relief package to address the financial impacts caused by the pandemic. The CARES Act provided $25 billion to assist transit agencies with providing transportation to essential workers. Of that amount, New York City Transit, Long Island Rail Road, Metro-North Railroad, MTA Bus, and Staten Island Railway received payments totaling $4.009 billion to assist with covering expenses for operating service during the pandemic.

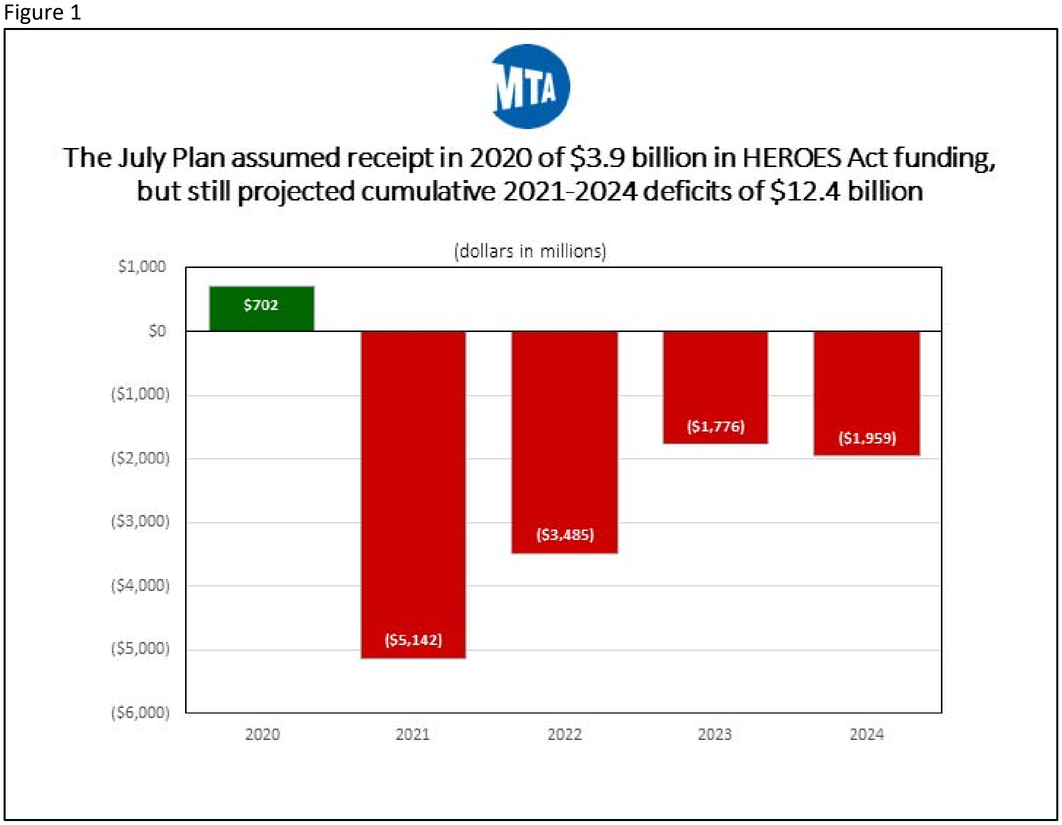
Measures were taken to aggressively clean and sanitize stations and the rail and bus fleets daily. Beginning May 6th, in anticipation of a gradual reopening of New York City, subway service was suspended each overnight from 1 AM to 5 AM to allow for a complete disinfecting of the system, with bus and third-party alternative transportation services provided to essential workers during hours of closure. As COVID cases declined, New York City entered Phase 1 of the State's gradual re-opening protocols on June 8th. The City and the metropolitan region gradually moved through subsequent phases – the City entered Phase 2 on June 22nd, Phase 3 on July 6th and Phase 4 on July 20th – and service was moderately increased to provide social distancing on subways, buses and the commuter railroads for returning customers. As of November 6th, ridership was down 69% on the subway, 49% combined on bus service provided by NYCT and MTA Bus, 73% on the LIRR, and 77% on MNR. Traffic on B&T facilities have been rebounding sooner and stronger but remains 13% below traffic levels from one year ago.

In April, the MTA hired McKinsey & Company ("McKinsey") to develop an initial financial impact assessment from the pandemic. McKinsey reviewed MTA farebox and toll revenues, and subsidy receipts, and developed forecasts consistent with the likely effect the pandemic would have on the regional and national economies. The results of the McKinsey analysis were a baseline scenario ("earlier containment and recovery"), where ridership and traffic begin to return in June, but with a resurgence in cases in the fall of 2020, and an alternative scenario ("delayed containment and recovery") where the initial return is slower due to countervailing factors such as personal preferences to avoid public transit and continue working remotely, followed by a resurgence of the pandemic more severe than the base scenario. For the July Plan, ridership, traffic, and subsidy forecasts were based on the midpoint of these two scenarios.

McKinsey estimated the pandemic would adversely impact MTA's finances by a net of $16.2 billion through 2024. Operating revenues were projected to be down $10.7 billion, subsidies $6.9 billion lower, and expenses $2.7 billion higher, offset by the receipt of $4.0 billion from the CARES Act.

The July Plan also assumed $3.9 billion of additional federal aid from the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act or similar federal legislation to cover ongoing 2020 COVID-related losses and a portion of the 2021 deficit.

Figure 1



The November Plan

Despite lower ridership levels, MTA services are mostly operating at pre-pandemic levels, the exception being commuter railroads; MNR has scheduled about 63% for weekday service and 66% for weekend service, and the LIRR has scheduled about 90% for weekday service and 100% for weekend service (although LIRR weekend service experiences reductions to accommodate Third Track and other capital work). While this has allowed returning customers some measure of social distancing, it is financially unsustainable as farebox revenues and subsidies needed to cover operating expenses continue to fall short. The HEROES Act, after passage by the U.S. House of Representatives, was never acted upon by the U.S. Senate, and other efforts to provide critical funding to the MTA and other public transportation entities have not gained traction.

Without the $3.9 billion in federal aid that was expected in the July Plan, fiscal balance is not achieved in 2020, and the deficit will need to be addressed through other means.

Agency revenues and expenses are more favorable than projected in the July Plan. Fare and toll revenues are estimated to surpass the July Plan forecast by $319 million, while non-labor expenses are projected to be lower by $295 million in 2020, although are projected to be higher for the rest of the Plan period. Savings from vacancies—attributable to an MTA-wide hiring freeze—are expected to total $66 million. Debt service expense is forecast to be $31 million favorable in 2020, with savings through the remainder of the Plan period, while subsidies are slightly unfavorable through 2022, followed by improvements in 2023 and 2024.

The preliminary November Financial Plan projected a cumulative deficit of $15.9 billion through 2024 as shown on the numerical and bar charts below.

Figure 2

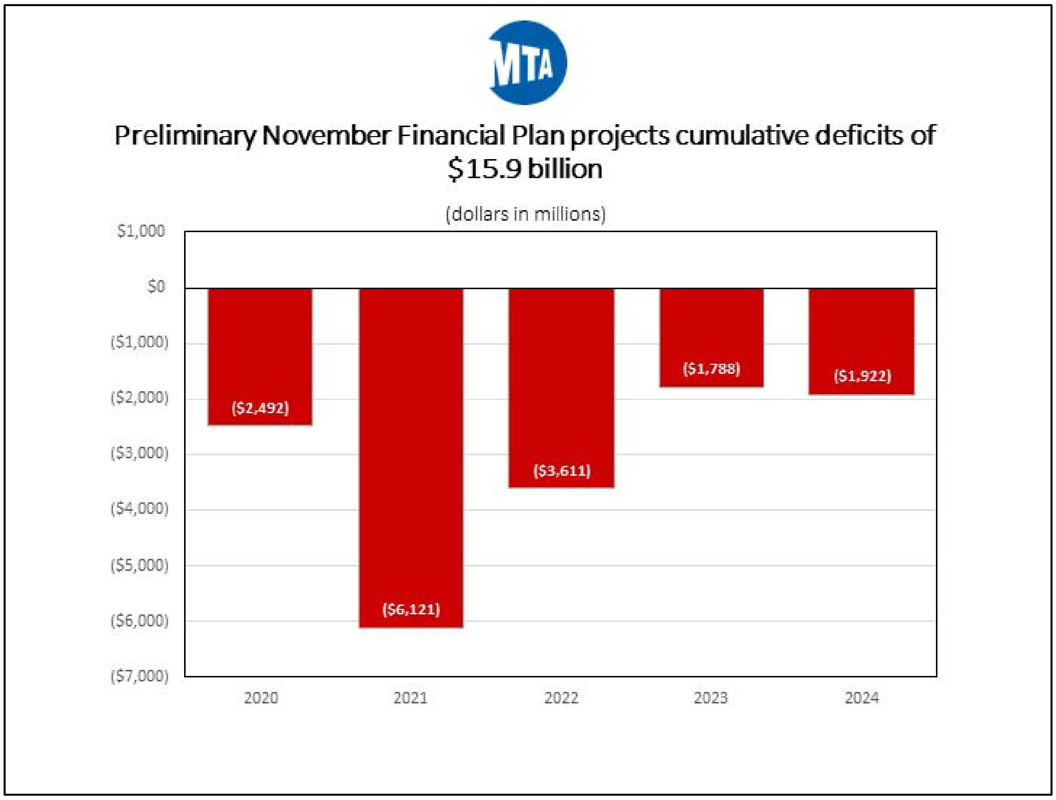
What has changed since the July Plan?

(dollars in millions)

	2020	2021	2022	2023	2024	Plan Total
July Plan [1]	**$702**	**($5,142)**	**($3,485)**	**($1,776)**	**($1,959)**	**($11,661)**
HEROES Act funds not received	($3,900)	$0	$0	$0	$0	($3,900)
Re-Estimates:						
Agencies:						
Revenues	319	0	0	0	0	319
Non-Labor	295	(169)	(180)	(127)	(70)	(251)
Vacancies	66	0	0	0	0	66
Subsidies	(4)	(160)	(32)	33	40	(123)
Debt Service	31	52	87	85	84	338
Change in Prior Year Cash Balance	0	(702)	0	0	0	(702)
Preliminary November Financial Plan	**($2,492)**	**($6,121)**	**($3,611)**	**($1,785)**	**($1,905)**	**($15,914)**

1 Reflects 4% fare and toll increases in 2021 and 2023.

Figure 3



The MTA identified new cost savings in three areas: overtime, consulting contracts, and other non-personnel expenses. These actions were initially presented to the MTA Board at a special Board meeting in August 2020 and have been subsequently refined and increased. Agencies have already begun implementing these savings, which are projected to reduce expenses by $259 million in 2020, $601 million in 2021, $498 million in 2022, $466 million in 2023 and $461 million in 2024.

Overtime spending reductions are targeted in several areas, with most of the savings derived from tighter controls on the use of overtime including reduced unscheduled overtime and related fringe benefits, better "extra list" management for bus operators and reduced availability overtime backfill provision. Overtime is being reduced due to COVID-related service reductions, and for bus maintenance, track cleaning, signal inspections and fare collection equipment maintenance. Customer service overtime reductions—including overtime for platform staff, announcers, station and fleet cleaning staff, and for other station and ticket selling staff—are also being taken. Approaching storms will be better evaluated so weather-related overtime will only occur as necessary.

Consultant contract reductions include: the use of existing EAM systems for asset management; utilizing in-house staff for tolling audits; replacing consultants with in-house staff for human resources, legal services, training, and other auxiliary services and for maintenance inspections; reduced reliance on consultants for IT support; close walk-in E-ZPass centers for cash customers (which have been closed since the pandemic started in March); and reduce the use of consultants originally identified for Transformation support.

Figure 4

Additional Savings Actions: Overtime Spending Reductions

(dollars in millions)

	2020	2021	2022	2023	2024
Overtime Spending Reductions					
Tighter Controls	$13	$150	$173	$173	$173
Customer Service	0	11	11	11	11
Direct COVID Adjustments	4	18	18	18	18
Maintenance	1	13	13	13	13
Special Event Coverage	0	2	2	2	2
Weather-related	7	19	19	20	20
Sub-Total	**$25**	**$213**	**$236**	**$237**	**$237**

- Tighter controls – reduced unscheduled overtime and associated fringe benefits by 41%, better "extra list" management for bus operators, and reduced availability overtime backfill provision
- Customer service – reduced overtime for customer service/experience related staff including platform staff, announcers, station and fleet cleaning staff, and station & ticket selling staff
- Direct COVID adjustments – reduced overtime needs resulting directly from COVID-19 service reductions
- Maintenance – reduced overtime allocation to bus maintenance, track cleaning, fare collecting equipment and signal inspections
- Special events – reduced special event overtime through reduction in station agent coverage and service delivery
- Weather-related – significantly reduce weather preparation and response overtime

Figure 5

Additional Savings Actions: Consulting Contract Reductions

(dollars in millions)

	2020	2021	2022	2023	2024
Consulting Contract Reductions					
Asset Management	$12	$10	$9	$10	$22
Audit & Finance	8	7	7	7	7
Customer Service	3	3	2	0	0
General Professional Services	5	22	8	7	6
IT	9	22	21	9	9
Maintenance & Property Management	1	4	3	3	3
Transformation	25	50	0	0	0
Sub-Total	**$63**	**$118**	**$50**	**$36**	**$47**

- Asset Management – utilize existing EAM systems rather than replacing them
- Audit & Finance – eliminate use of outside consultants for tolling audits, and remove ineligible dependents from NYCT Health Plans through audit
- Customer Service – close walk-in E-ZPass centers for cash customers (which have been closed since the pandemic started in March)
- General Professional Services – reduce consulting services related to HR, legal services, training, and other auxiliary services
- IT – release of 100 IT consultants and EAM IT support
- Maintenance & Property – reduce the use of consultants for maintenance inspections by utilizing existing staff
- Transformation – reduce the use of consultants originally identified in Transformation costs

Savings in non-personnel expenses include reduced costs for electric power, fuel and labor from lower operating service levels; reduced inventory buildup; better management of non-revenue fleet; elimination of bus wi-fi and Bus Time SMS; revised vehicle inspection schedules and reductions on non-essential repairs; various procurement business expense savings; reduction of property and office equipment rentals; and the reduction in non-essential business travel, membership dues and training programs.

Figure 6

Additional Savings Actions: Non-Personnel Expense Reductions

(dollars in millions)

	2020	2021	2022	2023	2024
Non-Personnel Expense Reductions					
Direct COVID Adjustments	$2	$42	$43	$42	$42
Equipment, Materials and Supplies	21	39	31	27	27
Fleet Management	3	10	4	3	3
IT	13	16	14	12	12
Maintenance	11	14	16	15	15
Procurement Savings	27	58	30	28	12
Other Business Expenses	90	84	67	59	59
Property Management	0	4	4	4	4
Training, Travel, Memberships	4	3	3	3	3
Sub-Total	**$171**	**$270**	**$212**	**$193**	**$177**

- Direct COVID adjustments – savings identified with reduced energy costs and straight time/fringe benefits related to lower operating service levels
- Equipment, materials and supplies – reduced inventory buildup of track and station materials, office supplies, saving identified by reduced equipment/materials due to teleworking and lower service levels
- Fleet management – reduced non-revenue vehicle expenses (e.g. maintenance, gas, parking, E-ZPass)
- IT – eliminate bus Wi-fi and Bus Time SMS, and savings identified from MTA IT Data Center and EAM IT
- Maintenance – revised vehicle inspection schedule and reduce spending on non-essential repairs
- Procurement Savings – cancellation of inventory POs, reduce contractor rates for cleaning and disinfection of rolling stock and stations, reduce uniform, medical and insurance costs
- Other business expenses – reduce spending in advertising, refuse, food services, security fund, and card fees
- Property – reduce property footprint, security, and office equipment rentals
- Training, travel, memberships – reduce non-essential business travel, membership dues, and training programs

The November Plan includes reimbursement from the Federal Emergency Management Agency (“FEMA”) for the estimated $293 million in direct COVID-related expenses incurred from the start of the pandemic through September 15, 2020, the cut-off date established by FEMA. FEMA typically reimburses 75% of local claim amounts, with the remaining portion covered by the State; however, with the State experiencing fiscal stress, MTA expects to receive $220 million in 2021, assuming the remaining 25% will not be received.

The MTA is also taking an additional three specific actions to address the 2020 deficit. First, the 2020 General Reserve of $170 million is being released. Second, the $337 million in the OPEB (“Other Post-Employment Benefits”) Trust Fund is being applied to 2020 current OPEB payments. Third, annual Committed to Capital transfers, operating funds earmarked for capital use, will not be made through the Plan period, retaining in the operating budget $187 million for 2020, $181 million for 2021, $120 million for 2022 and $114 million for 2023.

Public Authorities Law 553-j was amended in the 2020-2021 State Enacted Budget to allow the MTA to use monies in the Central Business District Tolling Lockbox Fund through the end of 2021 to offset revenue declines or operating expense increases resulting from the COVID pandemic. Receipts from Real Property Transfer Tax Surcharge and the Internet Marketplace Tax are deposited in the lockbox; revenues from the Central Business District Tolling Program will also be deposited in the lockbox, once tolling commences. The MTA is required to repay the lockbox if it receives sufficient funds from the federal government or from insurance due to COVID-19, but only after first repaying any COVID-19 related public or private borrowings, draws on lines of credit, issuances of revenue anticipation loans or OPEB Trust. The November Plan includes such transfers from the lockbox of $424 million in 2020 and $476 million in 2021 to assist in covering operating expenses.

These actions, totaling $1.377 billion in 2020 and $1.477 billion in 2021, are not sufficient to cover the remaining 2020 deficit and projected 2021 deficit.

Figure 7

Deficit reduction actions implemented or identified

(dollars in millions)

	2020	2021	2022	2023	2024	Plan Total
Preliminary November Financial Plan [1] [see Figure 2]	**($2,492)**	**($6,121)**	**($3,611)**	**($1,785)**	**($1,905)**	**($15,914)**
Additional Savings Actions	259	601	498	466	461	2,285
Direct Capital Lockbox to Operating	424	476	0	0	0	900
Direct Committed to Capital to Operating	187	181	120	114	0	602
Use OPEB Trust Fund for Current OPEB Expense	337	0	0	0	0	337
COVID FEMA Reimbursement	0	220	0	0	0	220
2020 General Reserve	170	0	0	0	0	170
Sub-Total	**$1,377**	**$1,477**	**$618**	**$580**	**$461**	**$4,514**
MLF Deficit Borrowing	2,900	0	0	0	0	2,900
Debt service on MLF Borrowing (take out with 2023 bonds)	0	0	0	(143)	(143)	(286)
Change in Prior Year Cash Balance	0	1,785	0	0	0	1,785
Preliminary November Financial Plan	**$1,785**	**($2,858)**	**($2,993)**	**($1,348)**	**($1,587)**	**($7,001)**

1 Reflects 4% fare and toll increases in 2021 and 2023.

To cover the 2020 deficit, the MTA will use the authority granted in the 2020-2021 State Enacted Budget to borrow up to $10 billion in deficit financing through December 2022.The MTA intends to utilize the Federal Reserve's Municipal Lending Facility ("MLF"), which was established by the Federal Reserve as a source of emergency financing for state and local governments and public entities to ensure they have access to credit during the COVID pandemic. MTA has previously utilized this lending facility to refinance approximately $450 million of maturing bond anticipation notes in August. The terms of the MLF financing are attractive compared with MTA's alternatives in the municipal credit markets and so the MTA intends to borrow the maximum it is allowed to borrow under the program, $2.9 billion, before the lending window closes at the end of 2020. The MTA expects to issue long-term bonds in 2023 to repay the MLF loan.

The $2.9 billion MLF loan will result in an operating balance of $1.785 billion at the end of 2020 that will be carried over into 2021 to reduce the 2021 deficit.

New McKinsey Analysis and Updated COVID Impacts

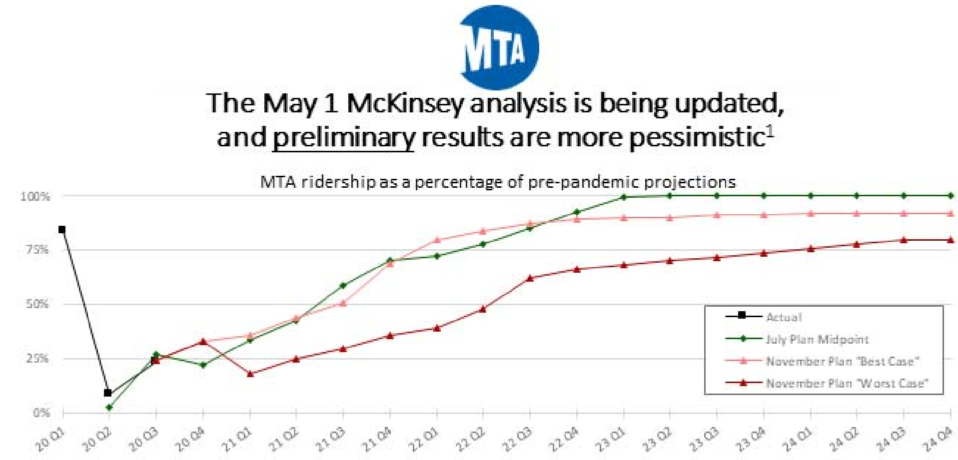
The MTA has again engaged McKinsey to review the economic realities facing the MTA. While the study had not been finished prior to the development of the November Plan, McKinsey has provided revised ridership projections that is based on a number of factors, including remote work, changes in non-work activity and travel, the epidemiology of the virus, and the progress made towards a vaccine that can be widely distributed to the point, and the likelihood of achieving "herd immunity".

McKinsey is developing two scenarios for the MTA based on the COVID public health situation, with two potential routes for the pandemic to end. In the "best case" scenario, the virus is contained through a combination of an effective vaccine and resistance to the virus due to previous exposure, eventually reaching a "new normal" ridership level (90% of pre-pandemic ridership) at the start of 2024. The "worst case" scenario assumes a virus resurgence that leads to meaningful restrictions associated with a second wave. From that resurgence, recovery will be slower and will take longer before reaching the "new normal" ridership level; by the end of the Plan period, McKinsey projects ridership will only reach 80% of the pre-pandemic level under this scenario.

In the July Plan, the MTA utilized a ridership projection based on the mid-point of the two scenarios developed at that time since the trajectory of the virus and the economy was difficult to ascertain early in the pandemic. While further analysis informs the latest possible progress of ridership, there is a degree of uncertainty for both current scenarios. However, it is likely that the July Plan assumption that ridership would return to the pre-pandemic level during the first quarter of 2023 was overly optimistic. Compared with the July Plan mid-point forecast, a mid-point of the latest McKinsey projections would leave farebox revenue below the July Plan forecast by $849 million in 2021, $849 million in 2022, $1.3 billion in 2023 and $1.0 billion in 2024.

MTA's fiscal situation is dire and service level decisions may need to be made during the next few months if additional federal aid is not forthcoming. From a service planning and implementation perspective, it would be more problematic if farebox revenue fell even further. Therefore, MTA is incorporating McKinsey's "worst case" ridership scenario in the November Plan, which results in farebox revenue falling short of the July Plan projections by $1.61 billion in 2021, $1.90 billion in 2022, $2.01 billion in 2023 and $1.52 billion in 2024. MTA hopes it will experience an "upside surprise" and can respond accordingly; with a "downside surprise" MTA may not have the time or means to respond.

Figure 8



(dollars in millions)

	2020	2021	2022	2023	2024
Change from July Plan Midpoint to November Plan Midpoint	$0	($849)	($849)	($1,329)	($1,043)
Change from July Plan Midpoint to November Plan "Worst Case"	$0	($1,613)	($1,899)	($2,009)	($1,519)

	2020	2021	2022	2023	2024
Preliminary November Financial Plan [see Figure 7]	**$1,785**	**($2,858)**	**($2,993)**	**($1,348)**	**($1,587)**
"Worst Case" Adjustment to Farebox Revenue Forecasts [2]	0	(1,613)	(1,899)	($2,009)	($1,519)
Preliminary November Financial Plan ("Worst Case")	**$1,785**	**($4,471)**	**($4,892)**	**($3,357)**	**($3,106)**

1 Tolls and Subsidy/Dedicated Taxes are still to be determined but are not expected to have a material adverse impact on MTA revenues
2 Reflects ridership recovery rates of 27% for 2021, 54% for 2022, 71% for 2023, and 79% for 2024 (average of four quarters in each year).

While MTA ends 2020 with a favorable cash balance from the MLF borrowing, the out years of the Plan remain in deficit: $4.5 billion in 2021, $4.9 billion in 2022, $3.4 billion in 2023 and $3.1 billion in 2024. The MTA is required to have a Board-adopted balanced budget each year, and there are limited options for achieving that in 2021 without resorting to extreme measures in the absence of federal aid.

Deficit Reduction Options Assuming No New Federal Aid

Without additional federal aid, the MTA must consider difficult and painful alternatives. The most difficult action would be significant service reductions. With ridership remaining extremely low, and projections even worse than those included in the July Plan, MTA is considering service reductions to be more aligned with ridership levels. Initial reviews indicate service reductions of 40% percent for the subway and bus systems and 50% for the commuter railroads could accommodate current ridership levels and could yield a partial year (May implementation) savings of $858 million in 2021, and $1.27 billion in annualized savings in 2022. Accompanying the service reductions would be workforce impacts estimated to be 9,367 positions. The proposed service reductions under consideration focus on achieving significant cost reductions, mitigating negative customer impacts, and rightsizing service in response to current and projected ridership. Service could be restored as ridership levels improve, and savings would be reduced to $696 million in 2023 and $212 million in 2024.

For New York City Transit Subways, annual savings is estimated to be $343 million, with a workforce impact of 2,369 positions. Subway service reductions of up to 40% may result in reduced frequency, suspension of service and/or major weekend changes. All weekend service may be on 15-minute headways. Overall, the impact of the service reductions could reduce systemwide annual revenue vehicle miles and annual trips by approximately 40 percent. The reduction in service may allow for a 35% subway fleet reduction, generating savings in maintenance, cleaning and inspection costs.

For New York City Transit Buses and MTA Bus, annual savings is estimated to be $641 million for NYCT and $190 million for MTA Bus, with a workforce impact of 4,587 positions at NYCT and 1,282 positions at MTA Bus. Proposed reductions ensure alternative service is available within a half-mile. Bus service reductions of up to 40% may result in reduced frequencies by up to 33% on bus routes that are not eliminated. Additional service reductions may affect up to 24% of all bus routes, primarily those with low ridership, high cost per boarding and proximity to nearby alternatives.

For the Long Island Rail Road and Metro-North Railroad, combined annual savings is estimated to be $265 million, with a workforce impact of 933 positions. Proposed reductions under consideration also take into account the existence of nearby alternate service and maintaining adequate service for essential workers. Railroad service reductions of up to 50% may result in full or partial suspension of service on both weekdays and weekends. Peak service may be reduced to every 20 to 30 minutes, or hourly in certain instances. Off-peak and weekend service may be hourly, reflecting current ridership levels while maintaining sufficient service to prevent crowding.

Figure 9

MTA

Summary of Service Reduction Impacts

	Annual Savings (in millions)	Workforce Impact
NYCT Subway	$343	2,369
NYCT Bus	641	4,587
LIRR / MNR	265	933
MTA Bus	190	1,282
B&T	25	196
Totals	**$1,274** [1]	**9,367**

1 Excludes the MTA Bus savings, which reduces the deficit covered by City of New York.

The MTA is also proposing a permanent wage freeze for all employees, both represented and non-represented, through 2022. This action would save $58 million in 2020, $370 million in 2021 (including release of reserved funds from 2019 and 2020), $309 million in 2022, $315 million in 2023 and $322 million in 2024.

If necessary, absent additional Federal aid, the service reductions and the permanent wage freeze would generate $1.286 billion in 2021, reducing the deficit from $4.42 billion to $3.19 billion.

Even with taking these undesirable actions, MTA still has a significant budget deficit that further internal actions will not be enough to address. If MTA is forced to resort to deficit financing, without additional Federal aid to balance the 2021 budget, such borrowing would add significant additional cost to the operating budget for decades and preclude critical infrastructure investment.

Figure 10

Deficit reduction options assuming no new federal aid

(dollars in millions)

	2020	2021	2022	2023	2024
Preliminary November Financial Plan ("Worst Case") [see Figure 8]	**$1,785**	**($4,471)**	**($4,892)**	**($3,357)**	**($3,106)**
New Federal Aid	$0	$0	$0	$0	$0
Service Reductions [1]	$0	$858	$1,274	$696	$212
Permanent Wage Freeze (Rep/Non-Rep through 2022)	58	370	309	315	322
Additional Fare/Toll Increases Above 4%	0	0	0	0	0
Deficit Financing	0	0	0	0	0
Change in Prior Year Cash Balance	0	58	0	0	0
November Financial Plan	**$1,843**	**($3,185)**	**($3,309)**	**($2,346)**	**($2,572)**

1 Service reductions, and service increases, tie to the McKinsey "worst case" updated ridership projections. 2021 savings reflect May start.

Other Elements of the November Plan

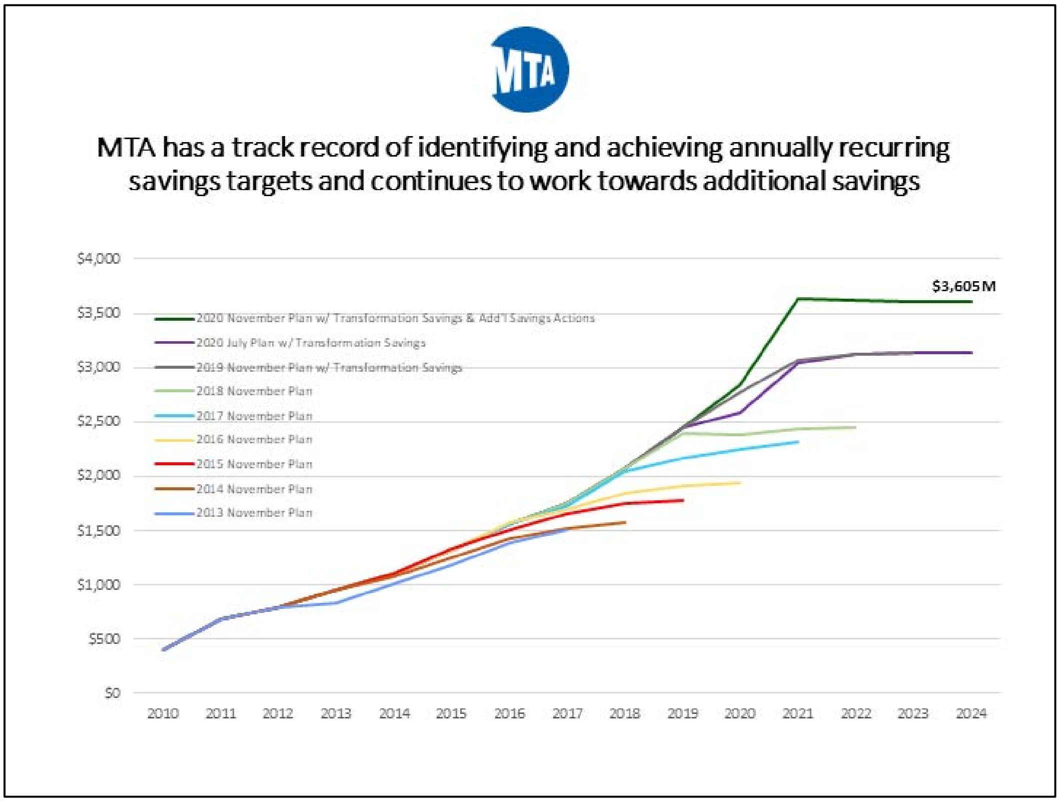
Continue to implement the Transformation Plan to streamline MTA internal processes. The MTA is fundamentally changing the way business is conducted to more effectively deliver to our customers the modern, efficient system they deserve. This historic transformation includes the centralization of all operating support functions and focuses the operating agencies on core service delivery. The Transformation Plan includes the reduction of up to 2,700 primarily administrative positions; the intent was to rely on attrition and this goal will be met as of the end of the year, and with the additional vacancies attributable to an MTA-wide hiring freeze will likely be surpassed. While delayed at the onset of the COVID pandemic, centralization is expected to occur by the end of the first quarter 2021, and Transformation net savings over the Plan period are still expected to be $1.9 billion.

Maintain prior plan investments. The Plan maintains major on-going investment initiatives, including the Long Island Rail Road "Forward" plan, the "Bus Plans" at New York City Transit and MTA Bus, and the Metro-North Railroad "Way Ahead" plan. The Plan also sustains and expands upon the improvements of the Subway Action Plan, which was jump-started with funding jointly provided by New York State and New York City, and is now funded from revenues from the for-hire vehicle surcharge.

Hold projected fare/toll increases to 4% in 2021 and 2023. The Plan continues to project net 4% biennial fare/toll increases (the equivalent of 2% per year), which is lower than the projected two-year inflation rates of 4.7% and 4.9% in 2021 and 2023, respectively. Consistent with recent Plans, a March implementation is assumed for both the 2021 and 2023 increases. The revenue from these increases is projected to be significantly less than projected in prior Plans, the result of lower ridership and traffic due to the COVID pandemic.

Maintain annually recurring savings that have been achieved and meet new targets. The chart below identifies cost reduction/cost containment targets by Financial Plan. Through 2020, the MTA has implemented initiatives with annualized savings of $2.8 billion, and by the end of the Plan period the recurring savings together with the savings from the Transformation Plan and Additional Savings Actions identified in August and refined in this Plan, will total $3.6 billion. The MTA is aggressively reviewing all spending to identify further savings and remains focused on existing cost control efforts to avoid backsliding.

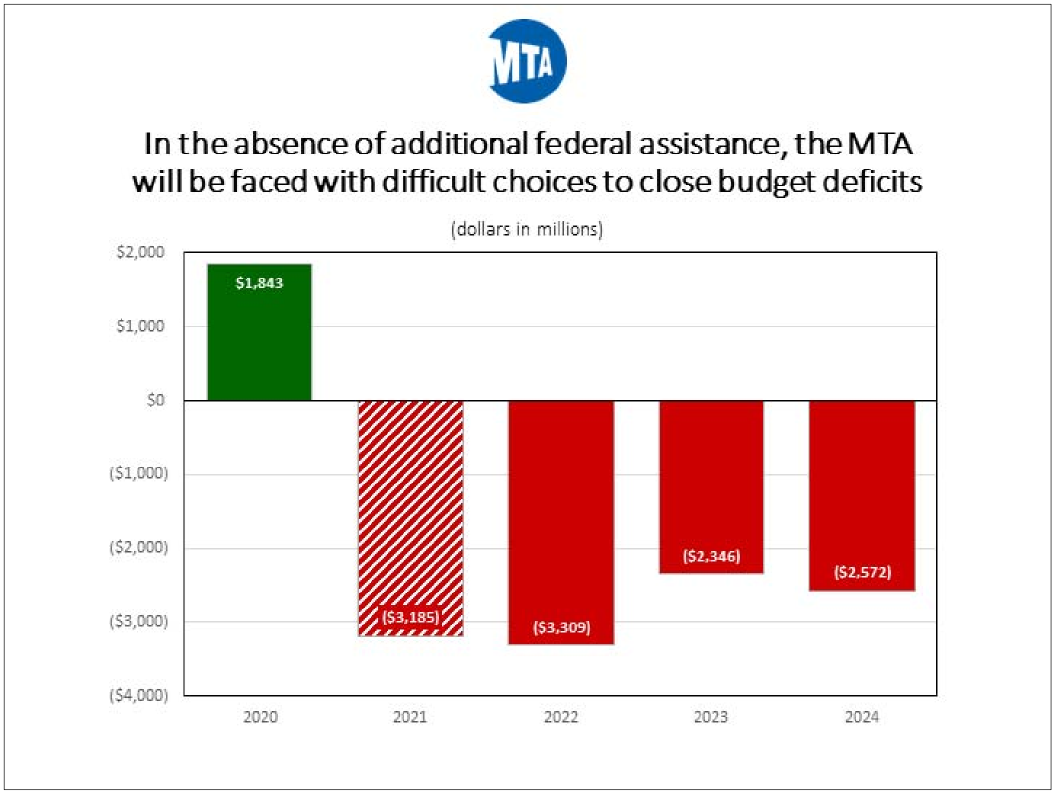
Figure 11



The "Bottom Line"

Although the MTA has requested $12 billion of new federal aid (prior to McKinsey's updated analysis), the November Plan does not assume the receipt of such aid. With 2020 balanced, the assumption is that 2021 will be balanced with new federal aid, or through a combination of service reductions, wage freezes, fare/toll increases above planned 4% and deficit financing; all painful and unwanted. The 2021 Budget and 2021-2024 Financial Plan will be revised as conditions dictate.

Figure 12

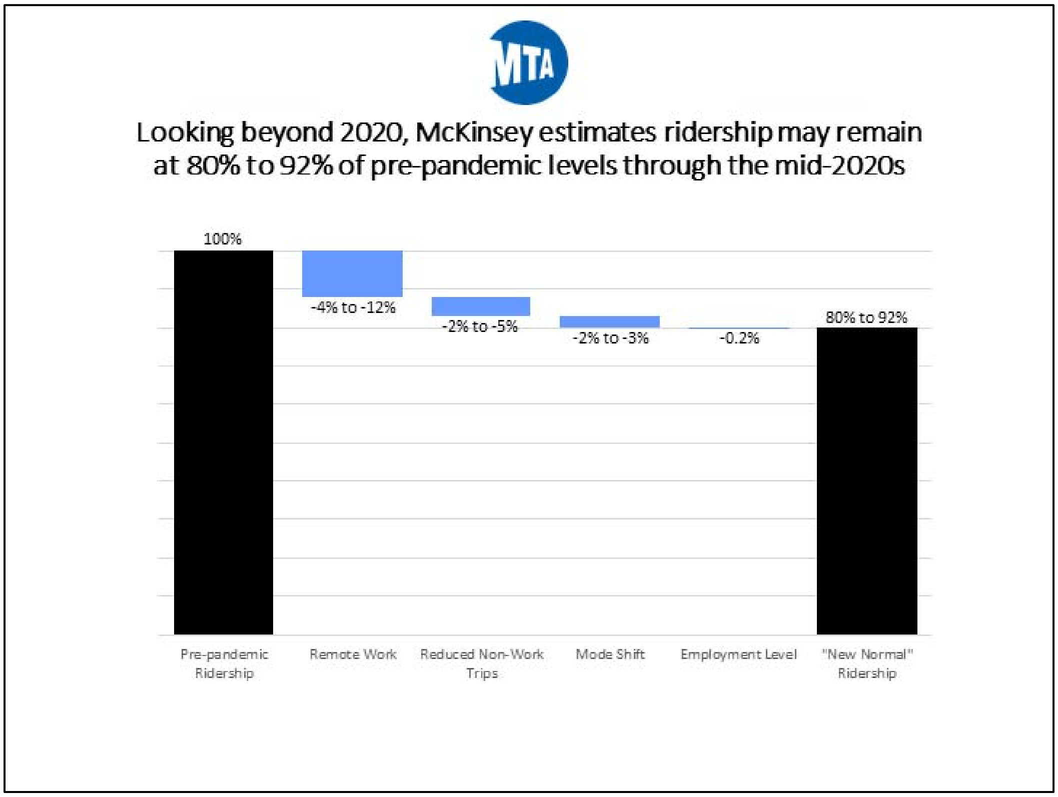


Additional Challenge to be Addressed

Align service with "new normal" ridership levels to address the MTA's existing and future structural fiscal imbalance. Since 2017, MTA has repeatedly noted that expenses have outpaced revenues, and the use of aggressive cost saving/cost containment initiatives and one-shots have been the main reason budgets have been balanced. The ability to identify savings that do not affect service and the safety and security of MTA customers and employees are significantly diminished, and few one-shots are available.

McKinsey projects that the MTA's overall ridership may only recover to 80% to 92% of the pre-pandemic level by the mid-2020s. This projection considers changes in travel behavior as more employers allow their staffs to work remotely, increasing work from home from between one and three days a week, on average, from the pre-pandemic average of a half-day per week. McKinsey estimates this commutation change could drive down ridership between 4 percent and 12 percent. Non-work trips are expected to decline due to a 10% to 20% reduction in retail trips and a 20% to 30% decline in leisure trips, driving down overall ridership another 2 percent to 5 percent. Mode shifts, to automobile and other forms of travel—primarily bicycle and walking for shorter trips—are expected to further reduce overall ridership by 2 percent to 3 percent.

Figure 13

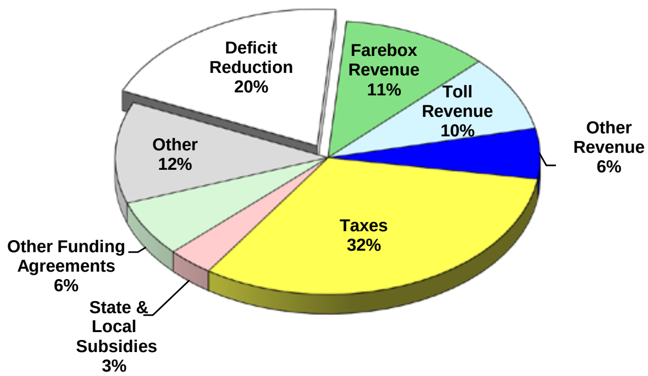


The challenge facing the MTA is not only to provide the level of service to match the current needs of customers, but also to introduce the appropriate level of service as ridership returns. Simply returning to pre-pandemic service structure and service levels, without appropriately matching service with “new normal” demand, will continue the unsustainable structural fiscal imbalances that must be addressed and corrected.

II. MTA Consolidated Financial Plan

MTA 2021 Final Proposed Budget
Baseline Expenses After Below-the-Line (BTL) Adjustments
Non-Reimbursable

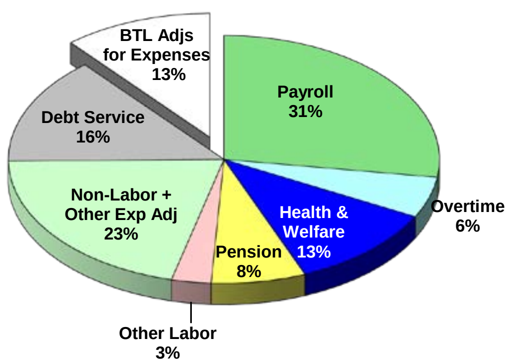
Where the Dollars Come From …



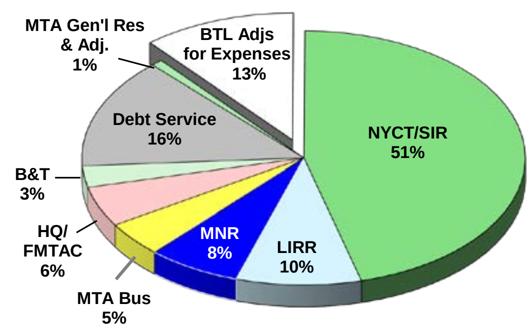
By Revenue Source ($ in millions)	
Farebox Revenue	$1,799
Toll Revenue	1,444
Other Revenue	958
Taxes	5,152
State and Local	558
Other Funding Agreements	1,073
Other [1]	1,931
Deficit Reduction	3,185
Total [2]	**$16,099**

Where the Dollars Go …

By Expense Category



By MTA Agency



By Expense Category [3] includes below-the-line adjustments ($ in millions)	
Payroll	$5,663
Overtime	1,104
Health & Welfare	2,328
Pension	1,469
Other Labor	615
Total Labor	*$11,179*
Non-Labor + Other Exp Adj	4,326
Debt Service	2,912
BTL Adjustments for Expenses [4]	(2,317)
Total [2]	**$16,099**

By MTA Agency [3] includes below-the-line adjustments ($ in millions)	
NYCT/SIR	$9,489
LIRR	1,889
MNR	1,405
MTABC	919
HQ/FMTAC	1,062
B&T	566
Debt Service	2,912
MTA Gen'l Res & Adjs	175
BTL Adjustments for Expenses [4]	(2,317)
Total [2]	**$16,099**

[1] *Includes cash adjustments and prior-year carryover .*

[2] *Totals may not add due to rounding.*

[3] *Expenses exclude Depreciation, OPEB Liability Adjustment, GASB 68 Pension Adjustment and Environmental Remediation. MTA Capital Construction is not included, as its budget contains reimbursable expenses only.*

[4] *In the pie chart "By Expense Category," the below-the-line adjustments cannot be segmented by Expense Category. The pie slice reflects the total adjustments to expenses that are being proposed in this Plan. In the pie chart "By MTA Agency," the below-the-line adjustments cannot be segmented by Agency . The pie slice reflects the total adjustments to expenses that are being proposed in this Plan.*

Note: The revenues and expenses reflected in these charts are on an accrued basis.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2021 - 2024
MTA Consolidated Accrued Statement of Operations By Category
($ in millions)

	Actual 2019	November Forecast 2020	Final Proposed Budget 2021	2022	2023	2024
Non-Reimbursable						
Operating Revenues						
Farebox Revenue	$6,351	$2,393	$3,307	$5,287	$6,435	$6,492
Toll Revenue	2,071	1,419	1,396	1,962	2,127	2,130
Other Revenue	706	4,628	738	813	846	941
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	**$9,128**	**$8,441**	**$5,441**	**$8,061**	**$9,408**	**$9,563**
Operating Expenses						
Labor:						
Payroll	$5,311	$5,405	$5,663	$5,834	$5,952	$6,109
Overtime	974	999	1,104	1,121	1,146	1,169
Health and Welfare	1,339	1,405	1,552	1,652	1,745	1,855
OPEB Current Payments	666	692	775	841	911	986
Pension	1,493	1,532	1,469	1,485	1,485	1,484
Other Fringe Benefits	848	992	1,043	1,096	1,136	1,178
Reimbursable Overhead	(470)	(370)	(427)	(418)	(417)	(425)
Total Labor Expenses	***$10,161***	***$10,655***	***$11,179***	***$11,611***	***$11,957***	***$12,357***
Non-Labor:						
Electric Power	$444	$398	$479	$495	$506	$517
Fuel	174	121	151	156	160	163
Insurance	2	19	30	47	56	71
Claims	495	387	424	436	451	465
Paratransit Service Contracts	477	359	438	519	555	592
Maintenance and Other Operating Contracts	731	866	940	960	969	975
Professional Services Contracts	442	683	712	663	618	618
Materials and Supplies	647	606	721	782	764	773
Other Business Expenses	231	215	214	222	233	235
Total Non-Labor Expenses	***$3,642***	***$3,656***	***$4,110***	***$4,281***	***$4,312***	***$4,410***
Other Expense Adjustments:						
Other	$149	$94	$41	$28	$28	$23
General Reserve	0	170	175	185	185	205
Total Other Expense Adjustments	***$149***	***$264***	***$216***	***$213***	***$213***	***$228***
Total Expenses Before Non-Cash Liability Adjs.	**$13,952**	**$14,574**	**$15,505**	**$16,104**	**$16,482**	**$16,994**
Depreciation	$2,870	$2,849	$2,923	$2,992	$3,067	$3,125
GASB 75 OPEB Expense Adjustment	877	1,607	1,760	1,860	1,966	2,032
GASB 68 Pension Expense Adjustment	13	(237)	(311)	(300)	(241)	(348)
Environmental Remediation	42	6	6	6	6	6
Total Expenses After Non-Cash Liability Adjs.	**$17,752**	**$18,800**	**$19,883**	**$20,662**	**$21,280**	**$21,809**
Conversion to Cash Basis: Non-Cash Liability Adjs.	($3,801)	($4,226)	($4,378)	($4,557)	($4,798)	($4,815)
Debt Service (excludes Service Contract Bonds)	2,630	2,734	2,912	3,176	3,573	3,612
Total Expenses with Debt Service	**$16,582**	**$17,309**	**$18,416**	**$19,280**	**$20,055**	**$20,606**
Dedicated Taxes & State and Local Subsidies	$7,290	$5,946	$6,134	$7,142	$7,672	$7,871
Net Surplus/(Deficit) After Subsidies and Debt Service	**($164)**	**($2,922)**	**($6,842)**	**($4,077)**	**($2,976)**	**($3,172)**
Conversion to Cash Basis: GASB Account	$0	$0	$0	$0	$0	$0
Conversion to Cash Basis: All Other	277	110	87	97	198	226
Cash Balance Before Prior-Year Carryover	**$113**	**($2,812)**	**($6,755)**	**($3,980)**	**($2,777)**	**($2,946)**
Below the Line Adjustments	$0	$4,170	$1,726	$671	$432	$375
Prior Year Carryover Balance	372	485	1,844	0	0	0
Net Cash Balance	**$485**	**$1,844**	**($3,185)**	**($3,309)**	**($2,346)**	**($2,572)**

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2021 - 2024
Plan Adjustments
($ in millions)

	Actual 2019	November Forecast 2020	Final Proposed Budget 2021	2022	2023	2024
Cash Balance Before Prior-Year Carryover	**$113**	**($2,812)**	**($6,755)**	**($3,980)**	**($2,777)**	**($2,946)**
Fare and Toll Increases:						
Fare and Toll Increase on 3/1/21 (4% Yield)		*$0*	*$153*	*$276*	*$326*	*$329*
Fare and Toll Increase on 3/1/23 (4% Yield)		*0*	*0*	*0*	*289*	*341*
Subsidy Impacts of 2021/2023 Fare/Toll Increase		*0*	*(8)*	*(10)*	*(23)*	*(20)*
Subtotal:		**$0**	**$145**	**$267**	**$592**	**$650**
Management and Policy Actions:						
July Financial Plan:						
Delay Use of the 2019 General Reserve to 2021		*($165)*	*$165*	*$0*	*$0*	*$0*
MTA Transformation Plan		*0*	*430*	*472*	*475*	*475*
Change in State Aid for the 2015-19 Capital Program		*0*	*0*	*44*	*46*	*46*
Repayment of Revolving Bank Line of Credit		*0*	*0*	*(300)*	*0*	*0*
November Financial Plan:						
Drawdown 2020 General Reserve		*170*	*0*	*0*	*0*	*0*
Additional Savings Actions		*259*	*601*	*498*	*466*	*461*
Redirect Mansion Tax and Internet Marketplace Tax		*424*	*476*	*0*	*0*	*0*
Hold 2020-2024 Committed to Capital		*187*	*181*	*120*	*114*	*0*
Use OPEB Trust Proceeds		*337*	*0*	*0*	*0*	*0*
MLF Deficit Financing		*2,900*	*0*	*0*	*0*	*0*
MLF Takeout with Long-Term Deficit Bonds Issued in 2022		*0*	*0*	*0*	*(143)*	*(143)*
Service Reductions		*0*	*858*	*1,274*	*696*	*212*
Permanent Wage Freeze		*58*	*369*	*309*	*315*	*322*
Subtotal:		**$4,170**	**$3,080**	**$2,417**	**$1,969**	**$1,373**
MTA Re-Estimates:						
Adjustment to Farebox Revenue Forecasts		*$0*	*($1,613)*	*($1,899)*	*($2,009)*	*($1,519)*
Rate Increase for MTA-Sponsored Medical Plans		*0*	*(106)*	*(113)*	*(121)*	*(129)*
FEMA Reimbursement		*0*	*$220*	*$0*	*$0*	*$0*
Subtotal		**$0**	**($1,499)**	**($2,013)**	**($2,130)**	**($1,648)**
TOTAL ADJUSTMENTS		**$4,170**	**$1,726**	**$671**	**$432**	**$375**
Prior Year Carryover Balance	*$372*	*$485*	*$1,844*	*$0*	*$0*	*$0*
Net Cash Surplus/(Deficit)	**$485**	**$1,844**	**($3,185)**	**($3,309)**	**($2,346)**	**($2,572)**

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2021 - 2024
Cash Receipts and Expenditures
($ in millions)

	Actual 2019	November Forecast 2020	Final Proposed Budget 2021	2022	2023	2024
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	$6,380	$2,391	$3,306	$5,283	$6,434	$6,491
Other Revenue	757	4,655	889	831	865	962
Capital and Other Reimbursements	2,322	2,144	2,135	2,006	1,998	2,022
Total Receipts	**$9,459**	**$9,190**	**$6,330**	**$8,121**	**$9,297**	**$9,475**
Expenditures						
Labor:						
Payroll	$5,823	$5,888	$6,217	$6,325	$6,439	$6,606
Overtime	1,226	1,182	1,290	1,297	1,321	1,346
Health and Welfare	1,379	1,437	1,606	1,701	1,794	1,904
OPEB Current Payments	652	681	769	833	903	978
Pension	1,549	1,587	1,532	1,544	1,546	1,546
Other Fringe Benefits	930	935	995	1,025	1,055	1,090
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	0	0	0	0	0
Total Labor Expenditures	***$11,559***	***$11,710***	***$12,408***	***$12,726***	***$13,058***	***$13,471***
Non-Labor:						
Electric Power	$459	$410	$487	$503	$514	$525
Fuel	172	118	148	153	157	160
Insurance	23	22	30	47	56	72
Claims	392	246	286	295	307	319
Paratransit Service Contracts	484	357	436	517	553	590
Maintenance and Other Operating Contracts	737	858	885	872	869	871
Professional Services Contracts	595	854	780	690	642	640
Materials and Supplies	875	778	889	889	864	872
Other Business Expenses	199	217	192	192	202	217
Total Non-Labor Expenditures	***$3,935***	***$3,862***	***$4,133***	***$4,158***	***$4,164***	***$4,265***
Other Expenditure Adjustments:						
Other	$112	$171	$222	$211	$231	$241
General Reserve	0	170	175	185	185	205
Total Other Expenditure Adjustments	***$112***	***$341***	***$397***	***$396***	***$416***	***$446***
Total Expenditures	**$15,606**	**$15,913**	**$16,937**	**$17,280**	**$17,639**	**$18,183**
Net Cash Balance before Subsidies and Debt Service	**($6,147)**	**($6,723)**	**($10,608)**	**($9,159)**	**($8,342)**	**($8,708)**
Dedicated Taxes & State and Local Subsidies	$8,223	$5,956	$6,009	$7,531	$8,150	$8,375
Debt Service (excludes Service Contract Bonds)	(1,963)	(2,044)	(2,156)	(2,352)	(2,586)	(2,613)
Cash Balance Before Prior-Year Carryover	**$113**	**($2,812)**	**($6,755)**	**($3,980)**	**($2,777)**	**($2,946)**
Adjustments	$0	$4,170	$1,726	$671	$432	$375
Prior-Year Carryover Balance	372	485	1,844	0	0	0
Net Cash Balance	**$485**	**$1,844**	**($3,185)**	**($3,309)**	**($2,346)**	**($2,572)**

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2021-2024
MTA Consolidated November Financial Plan Compared with July Financial Plan
Cash Reconciliation after Below-the-Line Adjustments (Page 1 of 2)

($ in millions)

	Favorable/(Unfavorable)				
	2020	2021	2022	2023	2024
JULY FINANCIAL PLAN 2021-2024 NET CASH SURPLUS/(DEFICIT)	**$702**	**($5,142)**	**($3,485)**	**($1,776)**	**($1,959)**
COVID-19 Identified Impacts	**$322**	**($371)**	**($354)**	**($365)**	**($372)**
Revenue					
Farebox Revenue [1]	131	-	-	-	-
Toll Revenue [1]	181	-	-	-	-
All Other (including advertising, rental, freight, etc.)	1	(0)	(1)	(1)	(1)
Expenses					
Direct COVID-19 Response Expenses [1]	22	(357)	(352)	(363)	(369)
Net Other Expense Impacts [2]	(13)	(13)	(2)	(2)	(2)
CARES Act/Additional Federal Aid	0	-	-	-	-
Agency Baseline Re-estimates	**$365**	**($73)**	**($101)**	**($43)**	**$27**
Rates & Related Assumptions [3]	43	(5)	(6)	22	54
Timing	287	(85)	(91)	(48)	(17)
Other Baseline Re-estimates [4]	34	17	(4)	(17)	(9)
New Needs/Other Investments	**($24)**	**($33)**	**($29)**	**($30)**	**($28)**
Juneteenth Holiday [1]	(20)	(23)	(24)	(25)	(25)
Maintenance/Safety/Technology/All Other	(5)	(10)	(5)	(5)	(3)
Savings Programs	**43**	**(0)**	**1**	**2**	**3**
Impact of Hiring Freeze [5]	43	-	-	-	-
BRPs/BRP Re-estimates	-	(0)	1	2	3
B&T Adjustments	**($220)**	**$1**	**$3**	**$1**	**$0**
B&T Net Baseline Impacts [6]	(220)	1	3	1	0
Debt Service	**$31**	**$128**	**$248**	**$364**	**$466**
Subsidies (Cash)	**($67)**	**($163)**	**($30)**	**$49**	**$60**
Metropolitan Mass Transportation Operating Assist (MMTOA) [1]	(107)	(193)	(5)	(0)	(0)
Petroleum Business Tax (PBT) Receipts	27	-	-	-	-
Real Estate Taxes	47	-	-	-	-
Payroll Mobility Tax (PMT)	70	-	-	-	-
PMT Replacement Funds	(34)	(83)	-	-	-
MTA Aid	(16)	-	-	-	-
For-Hire Vehicle (FHV) Surcharge [1]	(57)	(19)	3	3	3
2020-24 Capital Program Funding from Lockbox for Debt Service	0	-	-	(2)	(17)
State Operating Assistance (18-b) [1]	(64)	-	-	-	-
Local Operating Assistance (18-b) [1]	(64)	-	-	-	-
City Subsidy for MTA Bus	(57)	107	(39)	32	51
City Subsidy for Staten Island Railway	(0)	(4)	7	4	10
CDOT Subsidy for Metro-North Railroad	(5)	5	0	(3)	(6)
B&T Surplus Transfer	210	52	21	28	34
Other Subsidies and Subsidy Adjustments	(17)	(29)	(17)	(12)	(15)

Continued on Page 2

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2021-2024
MTA Consolidated November Financial Plan Compared with July Financial Plan
Cash Reconciliation after Below-the-Line Adjustments (Page 2 of 2)

($ in millions)

	Favorable/(Unfavorable)				
	2020	**2021**	**2022**	**2023**	**2024**
Below-the-Line (BTL) Adjustments	**$694**	**$1,326**	**$439**	**($549)**	**($768)**
Management and Policy Actions:					
Change in State Aid for the 2015-19 Capital Plan	-	(76)	(161)	(279)	(382)
Drawdown 2020 General Reserve	170	-	-	-	-
Additional Savings Actions	259	601	498	466	461
Redirect of Mansion Tax & Internet Marketplace Tax	424	476	-	-	-
Hold 2020-2024 Committed to Capital	187	181	120	114	-
Use OPEB Trust Proceeds	337	-	-	-	-
MLF Deficit Financing issued 12/01/20	2,900	-	-	-	-
MLF Takeout with Long-Term Deficit Bonds issued in 2022	-	-	-	(143)	(143)
Service Reductions	-	858	1,274	696	212
Permanent Wage Freeze (Rep/Non-Rep through 2022)	58	370	309	315	322
MTA Re-estimates:					
Reversal of Reduced State Aid to Localities (incorporated ATL) [1]	276	5	-	-	-
Reversal of May/June Actual Revenues (incorporated ATL) [1]	(143)	-	-	-	-
Reversal of Additional Sanitization Expenses (incorporated ATL) [1]	94	379	379	379	377
Adjustment to Farebox Revenue Forecasts	-	(1,613)	(1,899)	(2,009)	(1,519)
Rate Increase for MTA-Sponsored Medical Plans	-	(106)	(113)	(121)	(129)
Other:					
Reversal of Juneteenth Holiday Expense Impact (incorporated ATL) [1]	32	32	32	32	33
Reversal of Additional Federal Funding	(3,900)	-	-	-	-
FEMA Reimbursement	-	220	-	-	-
Prior Year Carryover	**($0)**	**$1,142**	**$0**	**$0**	**$0**
NOVEMBER FINANCIAL PLAN 2021-2024 NET CASH SURPLUS/(DEFICIT)	**$1,844**	**($3,185)**	**($3,309)**	**($2,346)**	**($2,572)**

* *Totals may not add due to rounding*

1 This action was captured below the line in the July Financial Plan and incorporated above the line (ATL) in the November Financial Plan.

2 Includes higher Paratransit costs (quicker recovery of usage than projected), COVID-19 death benefits, and inventory adjustments.

3 Includes plan-to-plan rate adjustments for health & welfare (employees and retirees), pension, electric power, fuel, etc.

4 Includes updated operating capital, reimbursable and OTPS adjustments, and cash.

5 Includes payroll savings from hiring freeze of non-essential positions that has been in place since 2017.

6 While B&T Operating Surplus Transfer is captured as a subsidy, B&T's baseline impacts are captured in individual reconciliation categories in the Agency Baseline Adjustments above. To avoid duplication, B&T's baseline impacts are eliminated within this line. Included within B&T's baseline changes in 2020 are increased toll revenue, vacancy savings, and OTPS adjustments. Changes for 2021 to 2024 primarily reflect OTPS adjustments and changes in rates and related assumptions.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2021 - 2024
Consolidated Subsidies
Cash Basis

($ in Millions)

	Actual 2019	November Forecast 2020	Final Proposed Budget 2021	2022	2023	2024
MMTOA, PBT & Real Estate Taxes						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	$1,823.7	$1,415.6	$1,341.8	$1,790.2	$2,090.2	$2,118.4
Petroleum Business Tax (PBT)	648.6	504.6	467.3	601.2	640.7	640.7
Mortgage Recording Tax (MRT)	461.7	401.5	288.0	313.3	340.7	370.6
MRT Transfer to Suburban Counties	(4.9)	(5.8)	(6.4)	(6.8)	(7.1)	(7.5)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)
Interest	5.3	5.3	5.3	5.3	5.3	5.3
Urban Tax	668.5	361.0	319.5	347.5	377.9	411.0
Other Investment Income	1.3	1.3	1.4	1.4	1.4	1.4
	$3,581.9	***$2,661.2***	***$2,394.6***	***$3,029.9***	***$3,426.9***	***$3,517.6***
PMT and MTA Aid						
Payroll Mobility Tax (PMT)	$1,560.5	$1,469.4	$1,375.1	$1,596.2	$1,762.5	$1,840.6
Payroll Mobility Tax Replacement Funds	244.3	161.3	161.3	244.3	244.3	244.3
MTA Aid	311.0	260.9	273.2	305.0	310.5	310.9
	$2,115.8	***$1,891.6***	***$1,809.7***	***$2,145.4***	***$2,317.3***	***$2,395.8***
New Funding Sources						
SAP Support and For-Hire Vehicle Surcharge:						
NYS Operating Support for SAP	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
NYC Operating Support for SAP	0.0	0.0	0.0	0.0	0.0	0.0
For-Hire Vehicle (FHV) Surcharge	336.4	234.7	271.3	387.5	387.5	387.5
Subway Action Plan Account	*336.4*	*232.8*	*268.8*	*300.0*	*300.0*	*300.0*
Outerborough Transportation Account	*0.0*	*0.0*	*0.0*	*50.0*	*50.0*	*50.0*
Less: Assumed Capital or Member Project	*0.0*	*0.0*	*0.0*	*(50.0)*	*(50.0)*	*(50.0)*
General Transportation Account	*0.0*	*1.9*	*2.5*	*87.5*	*87.5*	*87.5*
Less: Transfer to Committed to Capital for SAP	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
2020-24 Capital Program Funding from Lockox for Debt Service:	0.0	0.0	0.0	0.0	0.0	7.5
Central Business District Tolling Program (CBDTP)	*0.0*	*0.0*	*0.0*	*0.0*	*1,000.0*	*1,000.0*
Real Property Transfer Tax Surcharge (Mansion Tax)	*58.1*	*180.0*	*185.7*	*202.0*	*219.7*	*239.0*
Internet Marketplace Tax	*85.1*	*244.3*	*290.0*	*325.5*	*328.7*	*332.0*
Less: Transfer Lockbox Revenues to Committed to Capital	*(143.2)*	*(424.3)*	*(475.7)*	*(527.5)*	*(1,548.4)*	*(1,563.5)*
	$336.4	***$234.7***	***$271.3***	***$387.5***	***$387.5***	***$395.0***
State and Local Subsidies						
State Operating Assistance	$187.9	$124.1	$187.9	$187.9	$187.9	$187.9
Local Operating Assistance	152.5	159.1	187.9	187.9	187.9	187.9
Station Maintenance	171.8	175.2	178.8	183.0	187.5	192.1
	$512.2	***$458.4***	***$554.7***	***$558.9***	***$563.3***	***$568.0***
Other Subsidy Adjustments						
NYCT Charge Back of MTA Bus Debt Service	*($11.5)*	*($11.5)*	*($11.5)*	*($11.5)*	*($11.5)*	*($11.5)*
Forward Energy Contracts Program - Gain/(Loss)	1.0	(29.0)	(14.8)	0.0	0.0	0.0
Fuel Hedge Collateral	40.0	0.0	0.0	0.0	0.0	0.0
MNR Repayment of 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Committed to Capital Program Contributions	0.0	(186.7)	(180.6)	(120.2)	(114.1)	(108.8)
Drawdown of GASB 45 OPEB Reserves	*0.8*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
	$27.9	***($229.7)***	***($209.3)***	***($134.1)***	***($128.1)***	***($122.8)***
Subtotal: Taxes & State and Local Subsidies	**$6,574.2**	**$5,016.1**	**$4,820.9**	**$5,987.6**	**$6,566.9**	**$6,753.7**
Other Funding Agreements						
City Subsidy for MTA Bus Company	$667.6	$361.9	$776.0	$695.6	$669.2	$689.4
City Subsidy for Staten Island Railway	47.2	39.5	40.0	69.9	81.4	101.1
CDOT Subsidy for Metro-North Railroad	145.8	291.0	264.3	201.9	166.7	168.6
	$860.6	***$692.5***	***$1,080.3***	***$967.4***	***$917.3***	***$959.1***
Subtotal, including Other Funding Agreements	**$7,434.8**	**$5,708.6**	**$5,901.2**	**$6,954.9**	**$7,484.2**	**$7,712.8**
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	$788.5	$247.5	$107.8	$575.9	$666.0	$662.4
	$788.5	***$247.5***	***$107.8***	***$575.9***	***$666.0***	***$662.4***
TOTAL SUBSIDIES	**$8,223.3**	**$5,956.1**	**$6,009.0**	**$7,530.8**	**$8,150.2**	**$8,375.2**

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between November and July Financial Plans
Consolidated Subsidies
Cash Basis
($ in Millions)

	2020	2021	2022	2023	2024
MMTOA, PBT and Real Estate Taxes					
Metropolitan Mass Transportation Operating Assistance (MMTOA)	($107.0)	($193.1)	($5.0)	$0.0	$0.0
Petroleum Business Tax (PBT)	26.9	0.0	0.0	0.0	0.0
Mortgage Recording Tax (MRT)	46.6	0.0	0.0	0.0	0.0
MRT Transfer to Suburban Counties	0.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0
Urban Tax	0.5	0.0	0.0	0.0	0.0
Other Investment Income	0.0	0.0	0.0	0.0	0.0
	($33.0)	***($193.1)***	***($5.0)***	***$0.0***	***$0.0***
PMT and MTA Aid					
Payroll Mobility Tax (PMT)	$69.8	$0.0	$0.0	$0.0	$0.0
Payroll Mobility Tax Replacement Funds	(34.1)	(82.9)	0.0	0.0	0.0
MTA Aid	(15.8)	0.0	0.0	0.0	0.0
	$19.8	***($82.9)***	***$0.0***	***$0.0***	***$0.0***
New Funding Sources					
SAP Support and For-Hire Vehicle Surcharge:					
NYS Operating Support for SAP	$0.0	$0.0	$0.0	$0.0	$0.0
NYC Operating Support for SAP	0.0	0.0	0.0	0.0	0.0
For-Hire Vehicle (FHV) Surcharge	(57.4)	(19.0)	2.5	2.5	2.5
Subway Action Plan Account	*(59.2)*	*(21.5)*	*0.0*	*0.0*	*0.0*
Outerborough Transportation Account	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Less: Assumed Capital or Member Project	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
General Transportation Account	*1.9*	*2.5*	*2.5*	*2.5*	*2.5*
Less: Transfer to Committed to Capital for SAP	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
2020-24 Capital Program Funding from Lockbox for Debt Service:	0.0	0.0	0.0	(2.4)	(17.0)
Central Business District Tolling Program (CBDTP)	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Real Property Transfer Tax Surcharge (Mansion Tax)	*(34.9)*	*0.0*	*0.0*	*0.0*	*0.0*
Internet Marketplace Tax	*18.0*	*(32.3)*	*0.0*	*0.0*	*0.0*
Less: Transfer Lockbox Revenues to Committed to Capital	*16.9*	*32.3*	*0.0*	*(2.4)*	*(17.0)*
	($57.4)	***($19.0)***	***$2.5***	***$0.1***	***($14.5)***
State and Local Subsidies					
State Operating Assistance	($63.8)	$0.0	$0.0	$0.0	$0.0
Local Operating Assistance	(63.8)	0.0	0.0	0.0	0.0
Station Maintenance	0.0	0.0	0.0	0.0	0.0
	($127.6)	***$0.0***	***$0.0***	***$0.0***	***$0.0***
Other Subsidy Adjustments					
NYCT Charge Back of MTA Bus Debt Service	$0.0	$0.0	$0.0	$0.0	$0.0
Forward Energy Contracts Program - Gain/(Loss)	3.6	1.0	0.1	0.0	0.0
MNR Repayment of 525 North Broadway	0.0	0.0	0.0	0.0	0.0
Committed to Capital Program Contributions	0.0	0.0	0.0	0.0	0.0
	$3.6	**$1.0**	**$0.1**	**$0.0**	**$0.0**
Subtotal: Taxes & State and Local Subsidies	**($194.6)**	**($293.9)**	**($2.4)**	**$0.1**	**($14.5)**
Other Funding Agreements					
City Subsidy for MTA Bus Company	($57.0)	$107.3	($38.8)	$32.0	$51.3
City Subsidy for Staten Island Railway	0.0	(3.8)	7.1	4.4	10.3
CDOT Subsidy for Metro-North Railroad	(5.5)	5.4	0.5	(2.6)	(6.4)
	($62.5)	***$108.9***	***($31.2)***	***$33.7***	***$55.2***
Subtotal, including Other Funding Agreements	**($257.0)**	**($185.1)**	**($33.6)**	**$33.8**	**$40.7**
Inter-agency Subsidy Transactions					
B&T Operating Surplus Transfer	$210.4	$51.9	$21.4	$27.9	$33.6
	$210.4	***$51.9***	***$21.4***	***$27.9***	***$33.6***
TOTAL SUBSIDIES	**($46.6)**	**($133.1)**	**($12.2)**	**$61.7**	**$74.3**

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METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2021-2024
Debt Affordability Statement after Below-the-Line Adjustments (1)
$ in millions

Forecasted Debt Service and Borrowing Schedule	Notes	2019 ACTL	2020	2021	2022	2023	2024
Combined MTA/TBTA Forecasted Debt Service Schedule	1, 2, 3	$2,630.2	$2,734.3	$2,911.6	$3,176.1	$3,573.2	$3,611.7
Forecasted New Long-Term Bonds Issued	4	-	1,228.6	4,654.9	6,384.9	3,773.2	2,670.8
Forecasted Debt Service by Credit [9]	**Notes**	**2019 ACTL**	**2020**	**2021**	**2022**	**2023**	**2024**
Transportation Revenue Bonds							
Pledged Revenues	5	$14,020.5	$8,129.5	$9,245.4	$12,610.7	$14,357.0	$14,572.7
Debt Service	9	1,583.5	1,663.0	1,807.5	2,000.8	2,270.5	2,296.3
Debt Service as a % of Pledged Revenues		*11%*	*20%*	*20%*	*16%*	*16%*	*16%*
Dedicated Tax Fund Bonds							
Pledged Revenues	6	$648.6	$504.6	$467.3	$601.2	$640.7	$640.7
Debt Service	9	381.8	390.0	391.9	427.0	433.1	432.7
Debt Service as a % of Pledged Revenues		*59%*	*77%*	*84%*	*71%*	*68%*	*68%*
Triborough Bridge and Tunnel Authority General Revenue Bonds							
Pledged Revenues	7	$1,434.9	$834.6	$807.8	$1,371.2	$1,534.8	$1,532.5
Debt Service	9	558.5	572.5	602.9	638.7	761.0	776.7
Debt Service as a % of Total Pledged Revenues		*39%*	*69%*	*75%*	*47%*	*50%*	*51%*
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds							
Pledged Revenues	8	$876.4	$262.1	$204.9	$732.5	$773.8	$755.8
Debt Service	9	101.7	102.1	102.1	103.3	103.1	93.7
Debt Service as a % of Total Pledged Revenues		*12%*	*39%*	*50%*	*14%*	*13%*	*12%*
Debt Service Supported by Lockbox Revenues	10						
Debt Service	10	$0.0	$0.0	$0.0	$0.0	$0.0	$7.5
2 Broadway Certificates of Participation							
Lease Payments		$4.7	$6.8	$7.1	$6.3	$5.5	$4.7
Cumulative Debt Service (Excluding State Service Contract Bonds)	**Notes**	**2019 ACTL**	**2020**	**2021**	**2022**	**2023**	**2024**
Total Debt Service after Below the Line Adjustments:	12	$2,630.2	$2,734.3	$2,911.6	$3,176.1	$3,716.2	$3,754.7
Fare and Toll Revenues after Below the Line Adjustments	12	$8,422.1	$3,812.8	$3,462.8	$5,625.4	$7,168.7	$7,772.7
Total Debt Service as a % of Fare and Toll Revenue after BTL Adjustments		*31.2%*	*71.7%*	*84.1%*	*56.5%*	*49.8%*	*46.5%*
Operating Revenues and Subsidies after Below the Line Adjustments	12	$16,417.7	$14,997.9	$10,983.2	$13,735.0	$15,823.6	$16,611.0
Total Debt Service as a % of Operating Rev/Subsidies after BTL Adjs.		*16.0%*	*18.2%*	*26.5%*	*23.1%*	*22.6%*	*21.7%*
Non-reimbursable Expenses after Below the Line Adjustments	12	$17,752.2	$15,240.4	$17,565.7	$18,522.0	$19,448.9	$20,468.8
Total Debt Service as a % of Non-Reimbursable Exp after BTL Adjs.		*14.8%*	*17.9%*	*16.6%*	*17.1%*	*18.4%*	*17.6%*
2015-19 Capital Plan State Share	11	$0.0	$0.0	$0.0	$44.3	$46.0	$46.0
Debt Service Supported by Lockbox Revenues	10	$0.0	$0.0	$0.0	$0.0	$0.0	$7.5
Total Debt Service Less State Share and Debt Service Supported by Lockbox Revenues	10, 11	$2,630.2	$2,734.3	$2,911.6	$3,131.8	$3,527.2	$3,558.2
Operating Revenues and Subsidies Less State Aid for 2015-19 Capital Program and Lockbox Revenues for Debt Service		**$16,417.7**	**$14,997.9**	**$10,983.2**	**$13,690.7**	**$15,777.6**	**$16,557.5**
Total Debt Service as a % of Operating Revenue/Subsidies Less State Share and Lockbox Share	10, 11	***16.0%***	***18.2%***	***26.5%***	***22.9%***	***22.4%***	***21.5%***

Notes on the following page are integral to this table.

Notes

1 *Floating rate notes assumed at the variable rate assumption plus the current fixed spread to maturity.*

2 *Synthetic fixed-rate debt assumed at swap rate; floating rate notes assumed at swap rate plus the current fixed spread to maturity.*

3 *All debt service numbers reduced by Build America Bonds (BAB) subsidy.*

4 *All debt to be issued assumes 30-year level debt service debt with principal amortized over the life of the bonds, except for: 1) the Railroad Rehabilitation and Improvement Financing (RRIF) loan which is amortized from the year of issuance to 2037 on a level debt service basis, based on an interest rate of 2.38%; 2) MTA TRB Bonds to fund the 2020-24 Capital Program which are 30-year bonds, amortized on a level debt service basis over 20 years, from year 11 to year 30, and; 3) TRB New Money Bonds for MTA Bond Funded Portion of Approved Capital Programs, which are 30-year bonds, CAPI through the first year, and amortized on a level debt service basis over 29 years, from year 2 to year 30.*

5 *Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies; funds contributed to the General Transportation Account of the NYC Transportation Assistance Fund; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses. Starting in 2006, revenues, expenses and debt service for MTA Bus have also been included.*

6 *Dedicated Tax Fund pledged revenues as shown above consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; in addition, while not reflected in the DTF pledged revenue figures above, the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Transportation Operating Assistance Account for the benefit of the MTA are also pledged. After the payment of debt service on the MTA Dedicated Tax Fund Bonds, these subsidies are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTOA.*

7 *Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.*

8 *Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.*

9 *A debt service schedule for each credit is attached as addendum hereto.*

10 *A debt service schedule for each credit is attached as addendum hereto.*

11 *The 2015-19 Capital Plan includes $7.3 billion of capital projects funded by the State through additional operating aid appropriated to the MTA on an annual basis.*

12 *These totals incorporate the Plan's Below-the-Line Adjustments.*

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2021-2024
Operating Budget Reserves - Baseline after Below-the-Line Adjustments [1]
($ in millions)

	Actual 2019	November Forecast 2020	Proposed Budget 2021	2022	2023	2024
MTA General Reserve (annual) [2]	$0.0	$0.0	$175.0	$185.0	$185.0	$205.0
MTA Retiree Welfare Benefits Trust [3,4]	$414.9	$0.0	$0.0	$0.0	$0.0	$0.0
MTA OPEB Fund [3,5]	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
MTA Payroll Tax Reserve [3,6]	$0.0	$472.8	$236.4	$0.0	$0.0	$0.0
MTA Labor Reserve [3,7]	$76.2	$0.0	$0.0	$0.0	$0.0	$0.0
B&T Necessary Reconstruction Fund [3,8]	$411.5	$404.3	$404.3	$404.3	$404.3	$404.3

[1] All balances supplied in the table incorporate below-the-line actions in Volume 1.

[2] The 2019 General Reserve was not needed in 2019. A below-the-line policy action was proposed to shift the 2019 General Reserve into 2021 and to draw down the 2020 General Reserve.

[3] These Funds do not include projections for investment earnings beyond 2019.

[4] This is the balance of the MTA Retiree Welfare Benefits Trust Fund. A below-the-line action was proposed to use the balance of the fund to pay retiree Health & Welfare benefits (OPEB Current Payment); balance is as of the end of the year.

[5] The MTA OPEB Fund is a reserve account to maintain funds withdrawn from the MTA Retiree Welfare Benefits Trust. A below-the-line action was proposed to use the balance of the fund to pay retiree Health & Welfare benefits (OPEB Current Payment); balance is as of the end of the year.

[6] The CARES Act permits a deferral of the payroll tax in 2020, to be paid in equal installments over a two-year period in 2021 and 2022.

[7] Reserve accounts have been set up to fund future labor settlements. Balance is as of the end of the year.

[8] The Necessary Reconstruction Reserve may be used for the payment of the cost and expense of current and anticipated necessary reconstruction of pledged projects. Balance is as of September 30, 2020.

III. Plan Adjustments

Plan Adjustments

The discussion that follows reflects proposed Plan Adjustments to the Baseline.

Fare/Toll Increases

Fare and Toll Increase in March 2021 – An increase in fare and toll rates, yielding a 4% increase in farebox and toll revenues, is assumed for implementation in March 2021 and based on the July Plan utilization forecasts is projected to generate an annualized increase of $329 million in MTA consolidated farebox and toll revenues (as measured in 2024, when ridership and vehicle traffic are expected to return to pre-pandemic levels. Consolidated farebox and toll revenues are expected to increase by $153 million in 2021, by $276 million in 2022, by $326 million in 2023, and by $329 million in 2024.

The projected farebox yield increases were estimated prior to receiving McKinsey's updated analysis of farebox revenue. As noted in the Executive Summary, MTA is incorporating McKinsey's "worst case" ridership scenario in the November Plan, and as a consequence additional farebox revenue generated from the assumed 2021 yield increase will be lower by $52 million in 2021, $73 million in 2022, $75 million in 2023 and $56 million in 2024. These impacts are incorporated in the Adjustment to Farebox Revenue Forecasts item under MTA Re-estimates later in this Plan Adjustments section.

Increases in farebox revenues generated at MTA Bus and SIR are used to hold down NYC subsidies that cover the costs associated with these operations. Additionally, 10% of all B&T surplus toll revenues are delayed for distribution to NYCT and the Commuter Railroads, per MTA Board policy, until B&T results are audited. These items are offsets to the consolidated farebox and toll revenue generated from the fare and toll increases, and are included within "Subsidy Impacts of 2021/2023 Fare/Toll Increase"; when factored in, the net change to the MTA from the proposed 2021 increase is $148 million in 2021, $269 million in 2022, $318 million in 2023, and $319 million in 2024. These net projections are unchanged from the July Plan, and compared with the February Plan are $125 million lower in 2021, $50 million lower in 2022, and $1 million lower in 2023.

Fare and Toll Increase in March 2023 – An increase in fares and tolls, yielding a 4% overall increase in farebox and toll revenues, is assumed for implementation in March 2023 and based on the July Plan utilization forecasts is projected to generate a $341 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by $289 million in 2023, and $341 million in 2024. Factoring in the MTA Bus, SIR and B&T adjustments included in "Subsidy Impacts of the 2021/2023 Fare/Toll Increase," the net increase to the MTA is $281 million in 2023 and $331 million in 2024. Compared with the July Plan, these projections are lower by less than $1 million annually, and compared with the February Plan, the net projection is $3 million lower in 2023.

As noted above, the additional farebox revenue generated from the assumed 2023 yield increase will be lower, as a consequence of incorporating McKinsey's "worst case" ridership scenario, by $65 million in 2023 and $58 million in 2024. These impacts are incorporated in the Adjustment to Farebox Revenue Forecasts item under MTA Re-estimates later in this Plan Adjustments section.

MTA Consolidated Utilization

MTA Agency Fare and Toll Revenue Projections, in millions
Including the Impact of Fare & Toll Yield Increases

		November Forecast 2020	Final Proposed Budget 2021	2022	2023	2024
Fare Revenue						
Long Island Rail Road	Baseline	$278.435	$407.179	$652.787	$801.037	$815.974
	2021 Yield Increase	0.000	13.923	26.111	32.041	32.639
	2023 Yield Increase	0.000	0.000	0.000	28.487	33.582
		$278.435	**$421.103**	**$678.898**	**$861.565**	**$882.195**
Metro-North Railroad [1]	Baseline	$262.801	$405.474	$643.688	$783.671	$789.475
	2021 Yield Increase	0.000	7.170	14.576	18.204	18.348
	2023 Yield Increase	0.000	0.000	0.000	15.644	18.461
		$262.801	**$412.644**	**$658.263**	**$817.519**	**$826.284**
MTA Bus Company [2]	Baseline	$73.191	$114.901	$183.908	$223.671	$225.374
	2021 Yield Increase	0.000	3.918	7.356	8.947	9.015
	2023 Yield Increase	0.000	0.000	0.000	7.903	9.342
		$73.191	**$118.819**	**$191.265**	**$240.521**	**$243.731**
New York City Transit [3]	Baseline	$1,776.698	$2,376.137	$3,800.886	$4,620.252	$4,654.821
	2021 Yield Increase	0.000	79.334	149.461	181.677	183.053
	2023 Yield Increase	0.000	0.000	0.000	160.323	190.251
		$1,776.698	**$2,455.472**	**$3,950.347**	**$4,962.252**	**$5,028.125**
Staten Island Railway [2]	Baseline	$2.362	$3.400	$5.445	$6.619	$6.667
	2021 Yield Increase	0.000	0.116	0.218	0.265	0.267
	2023 Yield Increase	0.000	0.000	0.000	0.234	0.277
		$2.362	**$3.516**	**$5.663**	**$7.118**	**$7.211**
Total Farebox Revenue	*Baseline*	*$2,393.488*	*$3,307.093*	*$5,286.714*	*$6,435.249*	*$6,492.311*
	2021 Yield Increase	*0.000*	*104.461*	*197.722*	*241.133*	*243.322*
	2023 Yield Increase	*0.000*	*0.000*	*0.000*	*212.592*	*251.914*
		$2,393.488	***$3,411.554***	***$5,484.437***	***$6,888.975***	***$6,987.546***
Toll Revenue						
Bridges & Tunnels [4]	Baseline	$1,419.286	$1,395.827	$1,961.744	$2,126.849	$2,129.541
	2021 Yield Increase	0.000	48.149	78.470	85.074	85.182
	2023 Yield Increase	0.000	0.000	0.000	76.300	88.589
		$1,419.286	**$1,443.976**	**$2,040.214**	**$2,288.223**	**$2,303.312**
TOTAL FARE & TOLL REVENUE						
	Baseline	$3,812.774	$4,702.920	$7,248.458	$8,562.098	$8,621.852
	2021 Yield Increase	*0.000*	*152.610*	*276.192*	*326.207*	*328.503*
	2023 Yield Increase	*0.000*	*0.000*	*0.000*	*288.892*	*340.503*
		$3,812.774	***$4,855.530***	***$7,524.650***	***$9,177.198***	***$9,290.858***
McKinsey "Worst Case" Revenue Adjustments						
	Baseline	$0.000	($1,560.700)	($1,826.200)	($1,869.000)	($1,404.000)
	2021 Yield Increase	0.000	(52.000)	(73.000)	(74.800)	(56.200)
	2023 Yield Increase	0.000	0.000	0.000	(64.800)	(58.400)
		$0.000	**($1,612.700)**	**($1,899.200)**	**($2,008.600)**	**($1,518.600)**
NET FARE & TOLL REVENUE						
	Baseline	*$3,812.774*	*$3,142.220*	*$5,422.258*	*$6,693.098*	*$7,217.852*
	2021 Yield Increase	*0.000*	*100.610*	*203.192*	*251.407*	*272.303*
	2023 Yield Increase	*0.000*	*0.000*	*0.000*	*224.092*	*282.103*
		$3,812.774	**$3,242.830**	**$5,625.450**	**$7,168.598**	**$7,772.258**

1 Metro-North Railroad utilization figures include both East of Hudson and West of Hudson services.
2 MTA Bus and Staten Island Railway revenues from fare increases are used to reduce NYC subsidies to MTA Bus and SIR.
3 New York City Transit utilization figures include Paratransit and Fare Media Liability.
4 Distribution of 10% of B&T surplus toll revenue is delayed to subsequent year per MTA Board resolution.

Management and Policy Actions – July Financial Plan

The following below-the-line actions were proposed during the July Plan and remain below the line in the November Plan:

Delay Use of the 2019 General Reserve to 2021 – The General Reserve is a contingency fund set at approximately one percent of the operating expense budget. The drawdown of the 2019 General Reserve of $165 million is reserved for use in 2021.

MTA Transformation Plan (as of 2020 Feb Financial Plan) and MTA Transformation Plan – Revised Timing – In 2019, the MTA procured the services of a management consulting firm, AlixPartners, to review operations throughout the organization and recommend changes to simplify and streamline internal processes, clarify roles and responsibilities across the Agencies, and solidify accountability so that the MTA can efficiently deliver the safe and reliable service its customers deserve. Although the pandemic has delayed the full implementation of the Transformation Plan, savings have been realized to date from ongoing vacancies and the MTA hiring freeze; these 2020 savings have been incorporated into Agency baselines. The savings from the consolidation and organizational efficiencies are projected to generate savings in the out-years of $431 million in 2021, $472 million in 2022, and $475 million in each of 2023 and 2024.

Change in State Aid for the 2015-19 Capital Plan – Pursuant to the State's $7.3 billion funding commitment for the 2015-2019 Capital Program, as authorized through legislation enacted in 2016, State Aid will decrease compared to the July Plan by $898 million over the Plan period to coincide with the reduction in assumed debt service resulting from the State issuing its own debt and the assumption that all future obligations associated with the $7.3 billion commitment will be directly funded by the State.

Repayment of Revolving Bank Line of Credit – To provide liquidity, the MTA drew on its line of credit in 2020; the line of credit is expected to be repaid in 2022.

Management and Policy Actions – November Financial Plan

Drawdown 2020 General Reserve – The MTA will release the unexpended 2020 General Reserve of $170 million.

Additional Savings Actions – MTA management issued instructions to Agencies to identify savings in key areas, including overtime, consulting services and other non-personnel expenses. They have been able to isolate the following savings for the November Plan. For overtime, tighter controls on the use of overtime, which includes reducing unscheduled overtime and related fringe benefits, better "extra list" management for bus operators, and reducing availability overtime backfill provisions provide savings of $948 million over the Plan period. For consulting services expenses, contract reductions resulting from the use of existing EAM systems for asset management, replacing consultants with in-house staff, reducing reliance on consultants for IT support, closing walk-in E-ZPass centers for cash customers (which have been closed since the start of the COVID pandemic), and reducing the use of consultants for Transformation support amount to savings of $314 million over the Plan period. For other non-personnel expenses, reductions in various categories, including electric power, fuel and labor from lower operating service levels, reduced inventory building, better management of non-revenue fleet, elimination of bus wi-fi and Bus Time SMS, revised vehicle inspection schedules and reductions on non-essential repairs, business travel, membership dues and training programs total $1,023 million over the Plan period. The total savings in 2020 is $259 million, $601 million in 2021, $498 million in 2022, $466 million in 2023, and $461 million in 2024.

Redirect of Mansion Tax and Internet Marketplace Tax – Public Authorities Law 553-j was amended in the 2020-2021 State Enacted Budget to allow the MTA to use monies in the Central Business District Tolling Lockbox Fund through the end of 2021 to offset revenue declines or operating expense increases resulting from the COVID pandemic. Receipts from the Real Property Transfer Tax Surcharge and the Internet Marketplace Tax are deposited in the lockbox; revenues from the Central Business Tolling Program will also be deposited in the lockbox, once tolling commences. The MTA is required to repay the lockbox if it receives sufficient funds from the federal government or from insurance due to COVID-19, but only after first repaying any COVID-19 related public or private borrowings, draws on lines of credit, issuances of revenue anticipation loans or OPEB Trust. The November Plan includes such transfers from the lockbox of $424 million in 2020 and $476 million in 2021 to assist in covering operating expenses.

Hold 2020-2024 Committed to Capital Contributions – The MTA is proposing that annual Committed to Capital transfers, operating funds earmarked for capital use, will not be made during the Plan period. This action will retain in the operating budget $187 million in 2020, $181 million in 2021, $120 million in 2022 and $114 million in 2023.

Use OPEB Trust Proceeds – The OPEB ("Other Post-Employment Benefits" Trust Fund is being applied to 2020 current OPEB payments.

MLF Deficit Financing issued 12/01/20 – To cover the 2020 deficit, the MTA will use the authority granted in the 2020-2021 State Enacted Budget to borrow up to $10 billion in deficit financing through December 2022. The MTA intends to utilize the Federal Reserve's Municipal Lending Facility ("MLF"), which was established by the Federal Reserve as a source of emergency financing for state and local governments and public entities to ensure they have access to credit during the COVID pandemic. The MTA intends to borrow the maximum allowed under the program, $2.9 billion, before the lending window closes at the end of 2020.

MLF Takeout with Long-Term Deficit Bonds issued in 2023 – The MTA expects to issue long-term bonds in 2023 to repay the MLF loan. This is the debt service associated with the issuance.

Service Reductions – Without additional federal aid, the MTA must consider difficult and painful alternatives. The most difficult action would be significant service reductions. With ridership remaining extremely low, and projections even worse than those included in the July Plan, MTA is considering service reductions to be more aligned with ridership levels. Initial reviews indicate service reductions of 40% percent for the subway and bus systems and 50% for the commuter railroads could accommodate current ridership levels and could yield a partial year (May implementation) savings of $858 million in 2021, and $1.27 billion in annualized savings in 2022. Accompanying the service reductions would be workforce impacts estimated to be 9,367 positions. The proposed service reductions under consideration focus on achieving significant cost reductions, mitigating negative customer impacts, and rightsizing service in response to current and projected ridership. Service could be restored as ridership levels improve, and savings would be reduced to $696 million in 2023 and $212 million in 2024.

Permanent Wage Freeze – The MTA is also proposing a permanent wage freeze for all employees, both represented and non-represented, through 2022. This action would save $58 million in 2020, $370 million in, $309 million in 2022, $315 million in 2023 and $322 million in 2024.

MTA Re-estimates

Adjustment to Farebox Revenue Forecasts – MTA's fiscal situation is dire and service level decisions may need to be made during the next few months if additional federal aid is not forthcoming. From a service planning and implementation perspective, it would be more problematic if farebox revenue fell even further. Therefore, MTA is incorporating McKinsey's "worst case" ridership scenario in the November Plan, which results in farebox revenue falling short of the July Plan projections by $1.56 billion in 2021, $1.83 billion in 2022, $1.87 billion in 2023 and $1.40 billion in 2024. MTA hopes it will experience an "upside surprise" and can respond accordingly; with a "downside surprise" MTA may not have the time or means to respond.

As noted above under Fare and Toll Increases in this Plan Adjustments section, the impact of these adjusted farebox revenue forecasts has an impact on the revenues anticipated from the 4% revenue yield increases assumed for 2021 and 2023. In total, the estimated increase in farebox revenue from the two increases is reduced by $52 million in 2021, $73 million in 2022, $140 million in 2023 and $115 million in 2024, and these changes are included in the Adjustment to Farebox Revenue Forecasts. The total impact from McKinsey's "worst case" ridership scenario is farebox revenue falling short of the July Plan by $1.62 billion in 2021, $1.90 billion in 2022, $2.01 billion in 2023 and $1.52 billion in 2024.

Rate Increase for MTA-Sponsored Medical Plans – The MTA's self-insured medical plan is administered by Aetna and covers the medical needs of active NYCT and MTA Bus represented employees, retirees and their dependents. Renewal of the Aetna contract is expected to increase expenses by $106 million, $113 million, $121 million and $129 million in 2021 to 2024, respectively. Contract renewal increases are primarily due to higher than projected member enrollment, plan enhancements that were implemented in 2017, and higher escalators than anticipated in Medicare Advantage premiums. Partially offsetting these increases are lower costs per employee driven by fewer claims than projected.

FEMA Reimbursement – The November Plan includes reimbursement from the Federal Emergency Management Agency ("FEMA") for the estimated $293 million in direct COVID-related expenses incurred from the start of the pandemic through September 15, 2020, the cut-off date established by FEMA. FEMA typically reimburses 75% of local claim amounts, with the remaining portion covered by the State; however, with the State experiencing fiscal stress, MTA expects to receive $220 million in 2021, assuming the remaining 25% will not be received.

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IV. Appendix

Certification of the Chairman and Chief Executive Officer
of the Metropolitan Transportation Authority
in accordance with Section 202.3(l) of the
State Comptroller's Regulations

I, Patrick J. Foye, Chairman and Chief Executive Officer of the Metropolitan Transportation Authority ("MTA") hereby certify, to the best of my knowledge and belief after reasonable inquiry, including certifications from senior management at the MTA agencies, that the attached budget and financial plan is based on reasonable assumptions and methods of estimation and that the requirements of Section 202.3 and 202.4 of the Regulations referenced above have been satisfied.

Metropolitan Transportation Authority

By: Pat Foye
Patrick J. Foye
Chairman and Chief Executive Officer

Dated: November 5, 2020

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V. Other

The MTA Budget Process

MTA budgeting is a rigorous and thorough on-going process and culminates with the passage of the Budget in December. In the course of a year, MTA prepares a February, July and November Financial Plan, and Adoption Materials in December. In addition to the existing year, each Plan requires Agencies to prepare four-year projections which include the upcoming and three following calendar years.

Both the July and November Financial Plans are divided into two distinct volumes:

- Volume I summarizes the complete financial plan, including the baseline as well as policy items and other "below-the-line" items;

- Volume II includes detailed Agency information supporting baseline revenue, expense, cash and headcount projections. Also included is detailed information supporting actions taken to increase savings as well as individual Agency deficit reduction programs.

July Plan

The July Financial Plan provides the opportunity for the MTA to present a revised forecast of the current year's finances, a preliminary presentation of the following year's proposed budget, and a three year re-forecast of out-year finances. This Plan may include a series of gap closing proposals necessary to maintain a balanced budget and actions requiring public hearings. The Mid-Year Forecast becomes the basis on which monthly results are compared for the remainder of the year.

November Plan

After stakeholders weigh in and the impact of new developments and risks are quantified, a November Plan is prepared, which is an update to the July Financial Plan. The November Plan includes a revised current year and finalization of the proposed budget for the upcoming year and projections for the three out-years.

December Adopted Budget

In December, the November Plan is updated to capture further developments, risks and actions that are necessary to ensure budget balance and is presented to the MTA Board for review and approval.

February Plan

Finally, certain below-the-line policy issues included in the December Adopted Budget are moved into the baseline and technical adjustments are made. This results in what is called the February Plan. The Adopted Budget is allocated over the 12 month period and becomes the basis on which monthly results are compared.

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