

MTA 2022 Final Proposed Budget

November Financial Plan 2022-2025



Volume 1
November 2021



Metropolitan Transportation Authority

OVERVIEW

MTA 2022 Final Proposed Budget November Financial Plan 2022-2025 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 2022 Final Proposed Budget and the Financial Plan for 2022 through 2025. 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.

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I. Introduction

Executive Summary

The **2021 MTA November Financial Plan** (the “November Plan” or “Plan”), which includes the 2021 November Forecast, the 2022 Final Proposed Budget and a Financial Plan for the years 2022 to 2025, 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 all plans beginning with the 2020 July Plan, reflects the impact the novel coronavirus (COVID-19) 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 during the height of the pandemic, during this late-pandemic period, and eventually under a post-pandemic “new normal”.

The July Plan


The July Plan projected year-end balances of \$0 each year for 2021 through 2025. The most significant aspect of the July Plan was the inclusion of \$6.5 billion in anticipated federal funding aid through the American Rescue Plan Act of 2021 (ARPA), which was signed into law by President Biden on March 11, 2021. The second significant development was the wide-spread availability of COVID-19 vaccinations. As vaccination rates increased, capacity restrictions on restaurants, bars, event venues and businesses were mostly removed, ridership on MTA services increased beyond the worst-case ridership recovery scenario developed by McKinsey & Company, instead tracking consistently with the midpoint between best-case and worst-case scenarios developed by McKinsey. Vehicular crossings on B&T facilities improved even quicker, tracking the best-case scenario developed by McKinsey. These improvements in ridership and traffic, and the improved recovery assumptions, were incorporated into the July Plan.

The July Plan also reflected a 6% toll rate increase that went into effect in mid-April, compared with a four percent increase that had been previously proposed; a four percent fare rate increase was deferred until November 2021, subject to MTA Board approval. The larger toll rate increase was expected to generate \$175 million more than was expected under the four percent assumption. Other Agency re-estimates included \$268 million in New Needs expenses, partially offset by an increase of \$94 million from savings programs. Other Agency re-estimates were \$71 million unfavorable.

The July Plan included favorable re-estimates of state and local subsidy and dedicated tax receipts, which through 2024 increased by \$1.4 billion. Additionally, revenues generated by the Mansion Tax and the Internet Marketplace Tax were redirected back into the Capital Lockbox to provide support for the Capital Program, which reduced overall subsidies available to cover the operating budget by \$515 million. The July Plan also restored Committed to Capital support from the operating budget (“PAYGO”) by \$631 million through 2023.

The July Plan also included two savings actions and deficit borrowing to help close budget gaps that existed even with federal funding from the CARES Act (\$4 billion), CRRSAA (\$4 billion) ARPA

(\$6.5 billion). The MTA proposed service guideline changes going into effect in 2023 to align with the projected post-pandemic “new normal” ridership levels based on the midpoint between the McKinsey best-case and worst-case scenarios. This action would result in savings of \$632 million through 2025. A two-year wage freeze was also included in the July Plan. The MTA would honor all settled contracts, followed by a “pause” until the MTA’s financial picture better came into focus; non-represented employees also would not have wage increases in 2021 and 2022. These actions would save \$734 million through 2025. Lastly, the July Plan included the necessary use of \$1.3 billion of deficit bonding proceeds to close the 2025 deficit.



Even with CRRSAA and ARPA federal assistance, the July Plan was balanced only with the 2021 fare increase, the two-year wage freeze, service adjustments and the use of \$1.3 billion of deficit bond proceeds

(dollars in millions)

	2021	2022	2023	2024	2025	Plan Deficit
Preliminary July Financial Plan ¹	(\$39)	(\$2,842)	(\$2,125)	(\$2,344)	(\$2,655)	(\$10,005)
American Rescue Plan Act (ARPA) Federal Aid	\$22	\$2,492	\$1,527	\$1,740	\$719	\$6,500
2021 Fare Increase	17	178	204	207	213	819
Service Adjustments ²	0	0	220	206	206	632
Two-Year Wage Freeze (Rep/Non-Rep through 2022) ³	0	171	174	191	198	734
Proceeds of MLF Deficit Bonding	0	0	0	0	1,319	1,319
Change in Prior Year Cash Balance	0	0	0	0	0	N/A
July Financial Plan	\$0	\$0	\$0	\$0	\$0	\$0

¹ Includes \$4 billion in CRRSAA Federal Aid; only reflects fare and toll increases in 2023 and 2025.
² Service adjustments tie to the McKinsey midpoint between the “best case” and “worst case” ridership projections.
³ TWU Local 100 and all other settled contracts honored. Assumes contracts for all other pattern-following bargaining units conform to the first two years of the TWU Local 100 contract, followed by two years of a wage freeze.

To achieve balance through 2025, the July Plan relied on the 2021 fare increase, along with the fare and toll increases proposed for 2023 and 2025, the two-year wage freeze, the guidelines-based service adjustments to match anticipated demand, \$14.5 billion in federal funding, and the use of \$1.3 billion of deficit bonding proceeds.

The November Plan

The MTA region has continued to take significant strides in the face of the COVID-19 pandemic. The rollout of highly effective COVID-19 vaccines, in combination with continued measures to control the spread of the virus, have resulted in many businesses and most government offices reopening at, or near, full capacity. New York City public schools began the school year in September with full in-person instruction, and Broadway theaters are once again staging performances. Over the course of the year, ridership and traffic volumes have continued to gradually increase. Currently, subway and bus service are scheduled at 100 percent of pre-pandemic levels with expectations of meeting that schedule on a daily basis, while the LIRR is

providing service at approximately 85 percent of its pre-pandemic level and MNR is providing approximately 82 percent of pre-pandemic service.

Utilization projections in this Plan remain consistent with those used in the July Plan: B&T utilization is based on McKinsey's best-case scenario, and ridership, except for SIR ridership, is based on the midpoint of the McKinsey's best-case and worst-case scenarios. SIR ridership continues to lag and is being projected under the worst-case scenario. Since the July Plan, ridership has slightly outpaced the Mid-Year Forecast, while traffic underperformed slightly, resulting in \$133 million in additional farebox revenue and \$9 million less from toll revenues through 2025. Despite these positive developments, ridership remains below pre-pandemic levels. As of the first week in November, ridership recovery as a percentage of pre-pandemic levels was 55 percent on Subways, 64 percent on Buses, 40 percent on SIR, 52 percent on LIRR and 48 percent on MNR. Traffic on B&T crossings was at 97 percent of the pre-pandemic crossing level. The McKinsey projections anticipate a "new normal" ridership level of between 82% and 91% of pre-pandemic levels by the first quarter of 2024, the result of continuation of hybrid work schedules, with fewer days per week traveling to an office location, increased online shopping at the expense of brick and mortar locations, slower return of tourism, and increases in alternative travel, such as walking and bicycling. B&T traffic is expected to fully recover to its pre-pandemic level by the second quarter of 2022.

In addition to farebox and toll revenue, Agency re-estimates include \$454 million in New Needs expenses and savings program re-estimates which reduce savings by \$302 million from the July Plan. These are fully offset by expense re-estimates that are favorable by \$756 million over the Plan period.

New Needs requests in the November Plan fund initiatives to improve maintenance and operations, enhance IT infrastructure, invest in safety initiatives, improve communications and expand human resources capabilities to expedite critical maintenance and operations hiring. Among the major initiatives are: expansion of the all-electric bus fleet testing program as the MTA transitions to a fully zero-emissions fleet by 2040; additional service-providing staff at NYCT to respond to higher employee absences to ensure scheduled service can be provided; a dedicated auditing staff in the LIRR Signal Group to support recommendations that emerged from a yard derailment investigation; at MNR, twenty-year maintenance of its M-7 fleet and life extension of its M-3A fleet; increased ticket vending machine maintenance, trash removal and fire brigade/EMS coverage to support the opening of East Side Access; weekly employee COVID testing to conform with NY State mandates; the provision of mandated training to security sensitive employees; enhancements and upgrades to the MTA's Peoplesoft system to allow for increased functionality; a new crew dispatching and management system for the LIRR and MNR; and, additional MNR conductors to meet CDOT service requirements.

The November Plan includes unfavorable adjustments made to actions previously implemented. These include the restoration of Bus Operator and Cleaner positions and additional overtime in support of Station Agent booth hours of operation and staffing at NYCT, and the re-assessment of the consolidated office space plan from moving B&T staff from 2 Broadway to Randall's Island. Additionally, there were unfavorable adjustments made to prior-year BRPs, including a delay in timekeeping savings, and implementing booth staffing and lunch relief savings at NYCT.

More detail on New Needs and unfavorable adjustments to previously identified savings actions can be found in the Agency sections located in Volume 2 of this Plan.

State and local subsidy and dedicated tax receipts also have improved, with revenue \$1.5 billion

higher through 2025 compared with the July Plan. Projections reflect updated revenue projections of State subsidies provided by the New York State Division of the Budget, as well as improvements in receipts from the real estate transaction taxes and the Payroll Mobility Tax, both due to favorable changes in projections of the economic drivers of these subsidy sources. The 2021 General Reserve of \$170 million is being obligated to partially repay a \$1 billion intracompany loan that was made from capital accounts to the operating budget. Additionally, \$40 million is being restored to the fuel hedge collateral fund, which was reduced in 2019 as a temporary action to improve cash availability.

Debt Service is unfavorable compared with the July Plan by \$298 million through 2025. This is comprised of \$393 million in additional debt service paid from the Capital Lockbox, and a favorable change of \$95 million in debt service costs covered directly by the operating budget.

The November Plan also reflects changes to several items that were below-the-line in the July Plan.

The 2021 fare increase, originally proposed to go into effect in March 2021, and then deferred until November 2021 in the July Plan, is now proposed to be implemented in July 2022. This timing change reduces the farebox revenue that is expected to be generated by \$17 million in 2021 and \$88 million in 2022.

Minor changes in Agency baseline farebox and toll revenue levels reduce the amount of revenue expected to be generated by \$14 million from the 2023 and 2025 proposed fare and toll increases.

The Transformation Management Office has accomplished significant goals since its inception, including bridging strategic and core support functions across the MTA and creating a foundation for central departments to better serve agency operations, as well as providing significant vacancy savings. The focus of transformation is now shifting to the newly created consolidated functional organizations to develop additional efficiencies across the organization. With this shifted focus, the remaining \$25 million in unidentified 2021 Transformation savings is being removed from the Plan, and in place is anticipated annual savings of \$150 million from new efforts that will be spearheaded by the consolidated functional organizations. Overall, these actions reduce savings by \$19 million through 2025.

The MTA had proposed service guideline adjustments to align with the projected post-pandemic “new normal” ridership levels based on the McKinsey worst-case scenario. The proposed changes focused on achieving significant cost reductions, mitigating negative customer impacts, and providing service in response to current and projected ridership, and service would be restored as ridership levels improve. With ridership trending on a path consistent with the midpoint between the McKinsey best-case and worst-case scenarios, service adjustments were scaled back in the July Plan to conform with the updated ridership projections and the accompanying expense savings were reduced to \$220 million in 2023 and \$206 million in 2024 and 2025.

The MTA had also proposed wage freeze through 2022 for all employees, both represented and non-represented. With the arrival of ARPA Federal Aid, this proposed action was revised in the July Plan. The TWU Local 100 contract, a four-year contract that runs from mid-May 2019 through mid-May 2023, along with all other settled contracts, was to be fully honored. Bargaining units that typically follow the TWU pattern settlements had either entered into two-year agreements similar to the first two years of the current TWU contract or were assumed to do so, and those two-year contract costs were reflected in the July Plan, but followed by a “pause” until the MTA’s financial picture better came into focus. Non-represented employees also would not have wage


increases for two years, in 2021 and 2022. Savings from this policy action were estimated in the July Plan to be \$171 million in 2022, \$174 million in 2023, \$191 million in 2024 and \$198 million in 2025.

The financial plan process provides ample opportunities for the MTA Board and our riders to respond to proposals, which prompted a re-evaluation of the proposed service guideline-based changes and the proposed two-year wage freeze. With the MTA welcoming riders back to the subway, bus and commuter railroads, and with finances clearer in the near term thanks to the infusion of \$14.5 billion in federal funding, the proposed service guideline-based changes and the proposed two-year wage freeze are being removed from this Plan, eliminating the savings of almost \$1.4 billion through 2025 that had been included in the July Plan.

Reimbursement of direct COVID-related expenses through the Federal Emergency Management Agency (FEMA) are expected to increase by \$135 million in this Plan due to the extension of the coverage period to December 31, 2021.

The timing of the use of CRRSAA and ARPA federal aid, are altered from the July Plan to maintain annual fiscal balance, although the total amount of aid – \$4 billion from CRRSAA and \$6.5 billion from ARPA – are unchanged from the July Plan.

To balance 2025, \$1.367 billion in proceeds from MLF deficit borrowing will be needed; this is \$48 million more than the deficit borrowing need in the July Plan.

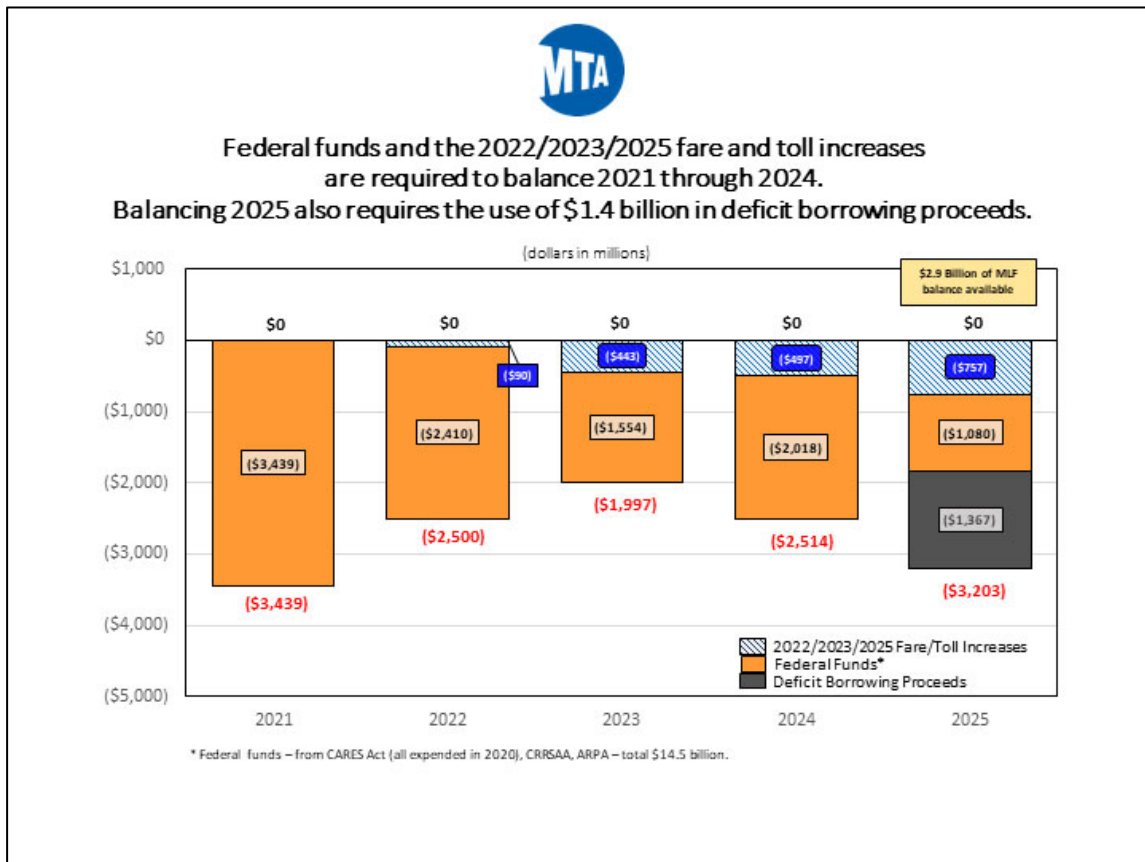


The November Plan
(dollars in millions)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total Plan Change</u>
July Financial Plan	\$0	\$0	\$0	\$0	\$0	\$0
Changes in Farebox and Toll Revenues	\$138	(\$3)	(\$5)	(\$5)	(\$2)	\$124
Agency Expense Adjustments	442	(213)	(77)	(75)	(76)	1
Dedicated Taxes and Subsidies	244	410	336	285	222	1,497
Remove Proposed Service Adjustments	0	0	(220)	(206)	(206)	(632)
Remove Proposed Two-Year Wage Freeze	0	(171)	(174)	(191)	(198)	(734)
Debt Service	21	(46)	(48)	(83)	(142)	(298)
Defer 2021 Fare Increase to July 2022	(17)	(88)	0	0	0	(105)
FEMA Reimbursement Adjustments	(220)	190	165	0	0	135
CRRSAA Federal Funding - Timing Change	(561)	561	0	0	0	0
ARPA Federal Funding - Timing Change	(22)	(643)	27	277	361	0
Use of Deficit Borrowing Proceeds - Timing Change	0	0	0	0	48	48
Other BTL Changes	(24)	4	(4)	(3)	(6)	(34)
November Financial Plan	\$0	\$0	\$0	\$0	\$0	\$0

While the Plan is balanced through 2025, it is only balanced with \$10.5 billion in federal funding through CRRSAA and ARPA, as well as with the \$4.0 billion in CARES Act funding that was

received and used to balance the 2020 budget. The Plan’s balanced bottom line is also contingent on the implementation of proposed fare and toll increases in 2022, 2023 and 2025, which contribute a total of \$1.8 billion in revenue over the course of the Plan period. In 2025, almost \$1.4 billion of proceeds from deficit borrowing will be needed to close that year’s budget gap.



Without the fare and toll increases, federal funding, and the availability of deficit borrowing proceeds, each year of the Plan would be substantially out of balance: \$3.4 billion in 2021, \$2.5 billion in 2022, \$2.0 in 2023, \$2.5 billion in 2024, and \$3.2 billion in 2025.

The “Bottom Line”

In total, the cumulative impact of the changes since the July Plan is a continued balanced budget through 2025. But as noted above, this balancing is only achieved with the receipt of \$10.5 billion in federal aid from CRRSAA and ARPA, which is on top of the \$4 billion received and fully expended in 2020 from the CARES Act, the implementation of the fare and toll rate increases proposed for 2022, 2023 and 2025, and the use of \$1.4 billion in deficit borrowing proceeds. The federal funding, however, masks the structural imbalance in MTA’s finances. Without the fare and toll increases, ARPA and the use of deficit borrowing proceeds, 2025 would be \$3.2 billion out of balance. Even if the fare and toll increases were implemented, 2025 would still be out of balance by \$2.4 billion without federal funding and the deficit borrowing proceeds. And with federal funding exhausted in 2025 and only \$1.5 billion remaining in deficit borrowing proceeds, 2026 will likely be significantly out of balance without actions to address the structural imbalance.

Risks to MTA's Financial Future

Even with federal funding, the financial plan is out of balance, with expense growth far outpacing revenue growth. Achieving long-term balance after the end of federal funding and the use of deficit borrowing proceeds will require actions, including some or all of the following:

Implementation of biennial fare and toll increases, including those in 2022, 2023 and 2025.

While the MTA works diligently to control costs, the reality is that combined fares and tolls only cover approximately half of operating costs ("Farebox Operating Ratio") and a little more than a third of total expenses, including capital costs ("Farebox Recovery Ratio"). Moreover, many costs are dependent on pricing factors outside MTA's direct control (e.g., energy, health & welfare and pensions) and many costs are increasing at a rate above the assumed annual increase in fares and tolls of approximately 2 percent. Through 2025, the Plan assumes a combined \$1.8 billion in additional fare and toll revenue from the projected 2022 fare increase and from the projected 2023 and 2025 fare and toll increases.

Finding and implementing innovative savings actions. The MTA must remain focused on existing cost control efforts, not only to avoid "backsliding" but find additional savings throughout the organization as part of a multifaceted approach to addressing the MTA's structural imbalance. With centralized departments in place to better serve agency operations, the focus of transformation has shifted to developing additional efficiencies across the organization, with further savings of \$600 million through 2025 targeted in the November Plan.

Achieving affordable wage settlements. The MTA is committed to honoring the terms of its existing contracts. The proposed two-year wage freeze is removed from the November Plan, and MTA remains committed to negotiating affordable wage settlements with its unions.

Aligning Service to match Board-adopted service guidelines. While service reductions based on "new normal" ridership levels projected by McKinsey have been removed from the November Plan, the MTA will continue to match service with ridership demand, based on long-established, Board-adopted, service guidelines.

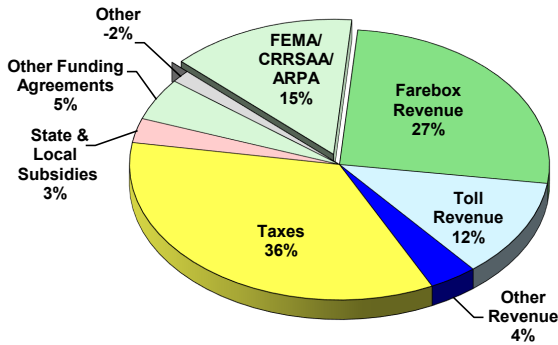
Working with MTA's funding partners to identify new recurring and sustainable funding sources. With expense growth, particularly labor expenses, consistently outpacing the additional revenue expected from proposed biennial fare and toll increases that average two percent per year, new and sustainable funding sources will be critical to surmounting the MTA's fiscal structural imbalance.

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II. MTA Consolidated Financial Plan

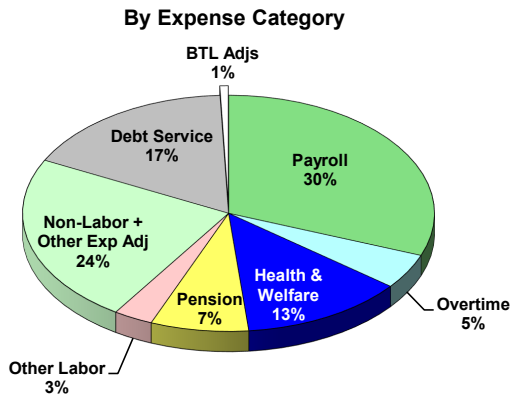
MTA 2022 Final Proposed Budget
Baseline Revenues and Expenses After Below-the-Line (BTL) Adjustments
Non-Reimbursable

Where the Dollars Come From ...

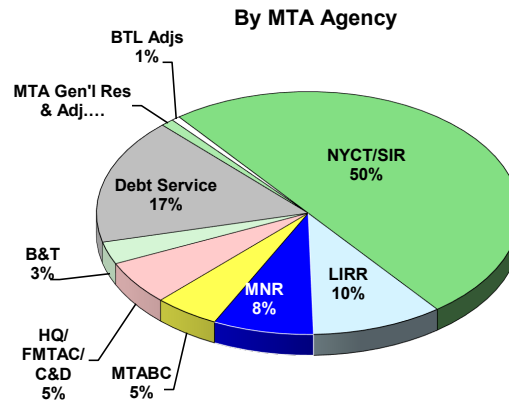


By Revenue Source (\$ in millions)	
Farebox Revenue	\$4,949
Toll Revenue	2,257
Other Revenue	708
Taxes	6,676
State and Local	559
Other Funding Agreements	968
Other ¹	(286)
FEMA/CRRSAA/ARPA	2,740
Total ²	\$18,571

Where the Dollars Go ...



By Expense Category ³ includes below-the-line adjustments (\$ in millions)	
Payroll	\$5,666
Overtime	882
Health & Welfare	2,358
Pension	1,414
Other Labor	568
Total Labor	\$10,888
Non-Labor + Other Exp Adj	4,451
Debt Service	3,111
BTL Adjustments for Expenses ⁴	121
Total ²	\$18,571



By MTA Agency ³ includes below-the-line adjustments (\$ in millions)	
NYCT/SIR	\$9,289
LIRR	1,864
MNR	1,428
MTABC	924
HQ/FMTAC/C&D	1,093
B&T	555
Debt Service	3,111
MTA Gen'l Res & Adjs	185
BTL Adjustments for Expenses ⁴	121
Total ²	\$18,571

¹ Includes cash adjustments and prior-year carryover.

² Totals may not add due to rounding.

³ Expenses exclude Depreciation, GASB 75 OPEB Adjustment, GASB 68 Pension Adjustment and Environmental Remediation.

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 2022 - 2025
MTA Consolidated Accrued Statement of Operations By Category
(\$ in millions)

	Actual 2020	November Forecast 2021	Final Proposed Budget 2022	2023	2024	2025
<u>Non-Reimbursable</u>						
Operating Revenues						
Farebox Revenue	\$2,625	\$2,973	\$4,856	\$5,393	\$5,478	\$5,476
Toll Revenue	1,640	2,132	2,257	2,268	2,274	2,295
Other Revenue	4,571	660	708	784	810	823
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	\$8,836	\$5,765	\$7,821	\$8,445	\$8,561	\$8,594
Operating Expenses						
<u>Labor:</u>						
Payroll	\$5,308	\$5,291	\$5,666	\$5,764	\$5,911	\$6,068
Overtime	910	1,001	882	892	898	918
Health and Welfare	1,298	1,421	1,579	1,675	1,781	1,903
OPEB Current Payments	633	729	778	844	916	996
Pension	1,510	1,412	1,414	1,472	1,495	1,530
Other Fringe Benefits	789	966	996	1,044	1,092	1,144
Reimbursable Overhead	(380)	(377)	(428)	(409)	(413)	(410)
Total Labor Expenses	\$10,068	\$10,443	\$10,888	\$11,283	\$11,680	\$12,149
<u>Non-Labor:</u>						
Electric Power	\$385	\$428	\$495	\$500	\$504	\$516
Fuel	103	166	201	190	186	189
Insurance	(5)	33	60	95	113	141
Claims	237	314	427	444	454	468
Paratransit Service Contracts	326	365	424	475	505	527
Maintenance and Other Operating Contracts	773	841	951	949	950	997
Professional Services Contracts	446	646	706	579	591	602
Materials and Supplies	543	521	748	768	773	800
Other Business Expenses	152	210	226	239	243	252
Total Non-Labor Expenses	\$2,961	\$3,525	\$4,240	\$4,240	\$4,319	\$4,493
<u>Other Expense Adjustments:</u>						
Other	\$80	\$32	\$26	\$28	\$23	\$24
General Reserve	335	0	185	190	195	200
Total Other Expense Adjustments	\$415	\$32	\$211	\$218	\$218	\$224
Total Expenses Before Non-Cash Liability Adjs.	\$13,443	\$14,000	\$15,339	\$15,741	\$16,217	\$16,865
Depreciation	\$3,010	\$3,140	\$3,142	\$3,208	\$3,256	\$3,305
GASB 75 OPEB Expense Adjustment	978	1,576	1,618	1,664	1,701	1,739
GASB 68 Pension Expense Adjustment	(77)	7	51	75	(24)	21
Environmental Remediation	123	6	6	6	6	6
Total Expenses After Non-Cash Liability Adjs.	\$17,477	\$18,730	\$20,155	\$20,694	\$21,156	\$21,936
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$4,034)	(\$4,730)	(\$4,817)	(\$4,953)	(\$4,939)	(\$5,071)
Debt Service (excludes Service Contract Bonds)	2,703	2,822	3,111	3,562	3,643	3,756
Total Expenses with Debt Service	\$16,146	\$16,822	\$18,450	\$19,303	\$19,860	\$20,621
Dedicated Taxes & State and Local Subsidies	\$6,687	\$7,939	\$8,206	\$8,364	\$8,470	\$8,658
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$623)	(\$3,118)	(\$2,423)	(\$2,494)	(\$2,828)	(\$3,370)
Conversion to Cash Basis: GASB Account	\$0	\$0	\$0	\$0	\$0	\$0
Conversion to Cash Basis: All Other	641	(852)	(286)	200	199	34
Cash Balance Before Prior-Year Carryover	\$18	(\$3,970)	(\$2,709)	(\$2,293)	(\$2,630)	(\$3,335)
Below the Line Adjustments	\$0	\$3,467	\$2,709	\$2,293	\$2,630	\$3,335
Prior Year Carryover Balance	485	503	0	0	0	0
Net Cash Balance	\$503	\$0	\$0	\$0	\$0	\$0

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2022 - 2025
Plan Adjustments
(\$ in millions)

	Actual 2020	November Forecast 2021	Final Proposed Budget 2022	2023	2024	2025
Cash Balance Before Prior-Year Carryover	\$18	(\$3,970)	(\$2,709)	(\$2,293)	(\$2,630)	(\$3,335)
Fare and Toll Increases:						
<i>Fare Increase in July 2022 (4% Yield)</i>		\$0	\$93	\$204	\$208	\$208
<i>Fare/Toll Increase in March 2023 (4% Yield)</i>		0	0	258	306	307
<i>Fare/Toll Increase in March 2025 (4% Yield)</i>		0	0	0	0	272
<i>Subsidy Impacts from Fare/Toll Increases</i>		<u>0</u>	<u>(3)</u>	<u>(20)</u>	<u>(17)</u>	<u>(30)</u>
Subtotal:		\$0	\$90	\$443	\$497	\$757
MTA Initiatives:						
<i>New Transformation Savings</i>		<u>\$0</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Subtotal:		\$0	\$150	\$150	\$150	\$150
MTA Re-estimates:						
<i>State Aid for the 2015-19 Capital Program</i>		\$0	\$37	\$38	\$38	\$38
<i>East-Side Access</i>		32	(8)	(58)	(76)	(60)
<i>Headquarters Call Center</i>		(3)	0	1	2	4
<i>Repayment of Revolving Bank Line of Credit</i>		<u>0</u>	<u>(300)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal		\$28	(\$271)	(\$19)	(\$35)	(\$18)
Other:						
<i>FEMA Reimbursement</i>		\$0	\$330	\$165	\$0	\$0
<i>CRRSAA Federal Aid</i>		3,439	561	0	0	0
<i>American Rescue Plan (ARPA)</i>		0	1,849	1,554	2,018	1,080
<i>MLF Deficit Financing</i>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,367</u>
Subtotal:		\$3,439	\$2,740	\$1,719	\$2,018	\$2,446
TOTAL ADJUSTMENTS		\$3,467	\$2,709	\$2,293	\$2,630	\$3,335
<i>Prior Year Carryover Balance</i>	\$485	\$503	\$0	\$0	\$0	\$0
Net Cash Surplus/(Deficit)	\$503	\$0	\$0	\$0	\$0	\$0

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2022 - 2025
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2020	November Forecast 2021	Final Proposed Budget 2022	2023	2024	2025
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$2,575	\$2,973	\$4,857	\$5,394	\$5,479	\$5,477
Other Revenue	4,569	709	713	803	830	844
Capital and Other Reimbursements	1,931	2,157	2,135	2,037	2,052	2,037
Total Receipts	\$9,075	\$5,839	\$7,705	\$8,234	\$8,361	\$8,357
Expenditures						
Labor:						
Payroll	\$5,793	\$5,796	\$6,280	\$6,274	\$6,426	\$6,731
Overtime	1,107	1,189	1,088	1,080	1,092	1,104
Health and Welfare	1,355	1,475	1,643	1,728	1,836	1,956
OPEB Current Payments	625	719	772	838	910	990
Pension	1,537	1,493	1,496	1,539	1,562	1,596
Other Fringe Benefits	547	1,239	1,152	1,028	1,063	1,109
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	(5)	(5)	(5)	(5)	(5)
Total Labor Expenditures	\$10,963	\$11,906	\$12,427	\$12,483	\$12,884	\$13,481
Non-Labor:						
Electric Power	\$404	\$439	\$504	\$508	\$512	\$524
Fuel	112	158	199	188	184	187
Insurance	29	13	70	91	116	148
Claims	240	218	305	300	308	320
Paratransit Service Contracts	344	363	422	473	503	525
Maintenance and Other Operating Contracts	700	825	880	873	870	894
Professional Services Contracts	543	751	736	585	581	611
Materials and Supplies	772	670	873	884	903	929
Other Business Expenses	153	192	205	212	223	239
Total Non-Labor Expenditures	\$3,297	\$3,629	\$4,194	\$4,115	\$4,201	\$4,378
Other Expenditure Adjustments:						
Other	\$147	\$182	\$110	\$105	\$111	\$119
General Reserve	335	0	185	190	195	200
Total Other Expenditure Adjustments	\$482	\$182	\$295	\$295	\$306	\$319
Total Expenditures	\$14,742	\$15,717	\$16,915	\$16,892	\$17,390	\$18,177
Net Cash Balance before Subsidies and Debt Service	(\$5,668)	(\$9,878)	(\$9,211)	(\$8,659)	(\$9,030)	(\$9,820)
Dedicated Taxes & State and Local Subsidies	\$7,714	\$8,018	\$8,873	\$9,077	\$9,189	\$9,319
Debt Service (excludes Service Contract Bonds)	(2,028)	(2,110)	(2,371)	(2,711)	(2,788)	(2,834)
Cash Balance Before Prior-Year Carryover	\$18	(\$3,970)	(\$2,709)	(\$2,293)	(\$2,630)	(\$3,335)
Adjustments	\$0	\$3,467	\$2,709	\$2,293	\$2,630	\$3,335
Prior-Year Carryover Balance	485	503	0	0	0	0
Net Cash Balance	\$503	\$0	\$0	\$0	\$0	\$0

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METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2022-2025
MTA Consolidated November Financial Plan Compared with July Financial Plan
Cash Reconciliation after Below-the-Line Adjustments
(\$ in millions)

Page 1 of 2

	Favorable/(Unfavorable)				
	2021	2022	2023	2024	2025
JULY FINANCIAL PLAN 2022-2025					
NET CASH SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0	\$0
Agency Baseline Re-estimates	\$659	\$33	\$58	\$48	\$76
Revenue					
Farebox Revenue ¹	147	(3)	(5)	(5)	(2)
Toll Revenue ¹	(9)	-	-	-	-
Pensions	33	37	(2)	(23)	(27)
Energy	1	(52)	(35)	(24)	30
COVID Impacts (Revenue and Expenditures)	54	87	87	87	87
Claims	39	9	0	0	0
Paratransit (Net)	18	56	42	48	49
IT Savings	96	11	11	11	8
Timing and Other Baseline Re-estimates	280	(112)	(40)	(47)	(68)
New Needs/Investments	(\$61)	(\$182)	(\$70)	(\$58)	(\$83)
Maintenance	(3)	(87)	(33)	(33)	(60)
Safety & Security	(41)	(70)	(8)	(6)	(5)
Technology Enhancements	(15)	(9)	(11)	(8)	(6)
Service/Service Support	-	(9)	(13)	(5)	(5)
All Other New Needs	(2)	(8)	(6)	(6)	(6)
Savings Programs	(\$2)	(\$74)	(\$76)	(\$74)	(\$76)
New BRPs and Re-estimates (including ASAs)	(2)	(74)	(76)	(74)	(76)
B&T Adjustments	(\$16)	\$7	\$6	\$6	\$4
B&T Net Baseline Impacts ¹	(16)	7	6	6	4
General Reserve ²	\$170	(\$5)	\$0	\$0	\$0
Debt Service	\$21	(\$46)	(\$48)	(\$83)	(\$142)
Subsidies (Cash)	\$74	\$415	\$336	\$285	\$222
Metropolitan Mass Transportation Operating Assist (MMTOA)	-	358	326	201	115
Petroleum Business Tax (PBT) Receipts	13	12	7	10	11
Real Estate Taxes	92	53	37	37	42
Payroll Mobility Tax (PMT)	151	145	23	(11)	(47)
PMT Replacement Funds	-	-	-	-	-
MTA Aid	(23)	-	-	-	-
For-Hire Vehicle (FHV) Surcharge	10	-	-	-	-
Lockbox Revenues to fund Debt Service	(4)	19	46	91	153
State Operating Assistance (18-b)	-	-	-	-	-
Local Operating Assistance (18-b)	-	-	-	-	-
City Subsidy for MTA Bus	57	(170)	(109)	(35)	(50)
City Subsidy for Staten Island Railway	-	(9)	12	4	1
CDOT Subsidy for Metro-North Railroad	(16)	7	(3)	(7)	(2)
B&T Surplus Transfer	20	(4)	(4)	2	4
Other Subsidies and Subsidy Adjustments	(225)	4	(1)	(7)	(6)

Continued on Page 2

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2022-2025
MTA Consolidated November Financial Plan Compared with July Financial Plan
Cash Reconciliation after Below-the-Line Adjustments
(\$ in millions)

Page 2 of 2

	Favorable/(Unfavorable)				
	2021	2022	2023	2024	2025
Below-the-Line (BTL) Adjustments	(\$844)	(\$148)	(\$206)	(\$123)	(\$2)
<i>Fare and Toll Increases:</i>					
Defer 2021 Fare Increase to July 2022	(17)	(88)	-	-	-
Other Adjustments to Fare/Toll Increases	-	-	(3)	(4)	(7)
<i>MTA Efficiencies:</i>					
New Transformation Savings	(25)	4	(1)	2	2
<i>Management and Policy Actions:</i>					
Service Reductions	-	-	(220)	(206)	(206)
Two-Year Freeze (Rep/Non-Rep through 2022)	-	(171)	(174)	(191)	(198)
<i>MTA Re-estimates:</i>					
East-Side Access	0	(1)	(1)	(0)	(0)
Headquarters Call Center	-	-	-	-	-
State Aid for the 2015-19 Capital Program	-	0	0	0	0
Repayment of Revolving Bank Line of Credit	-	-	-	-	-
<i>Other:</i>					
FEMA Reimbursement	(220)	190	165	-	-
CRRSAA Federal Aid	(561)	561	-	-	-
ARPA Federal Aid	(22)	(643)	27	277	361
Proceeds of MLF Deficit Bonding	-	-	-	-	48
Prior Year Carryover	\$0	\$0	\$0	\$0	\$0
NOVEMBER FINANCIAL PLAN 2022-2025	\$0	\$0	\$0	\$0	\$0
NET CASH SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0	\$0

* Totals may not add due to rounding

Notes to Cash Reconciliation after Below-the-Line Adjustments:

¹ 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 2021 include favorable OTPS adjustments partially offset by lower toll revenue. Changes for 2023 - 2025 primarily reflect new needs and an unfavorable additional savings action re-estimate.

² The 2021 unspent General Reserve will be released to pay back a portion of an MTA intercompany loan, which is reflected in Subsidies.

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2022 - 2025

Consolidated Subsidies

Cash Basis

(\$ in Millions)

	Actual 2020	November Forecast 2021	Final Proposed Budget 2022	2023	2024	2025
MMTOA, PBT & Real Estate Taxes						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$1,564.0	\$2,247.5	\$2,281.5	\$2,309.9	\$2,248.8	\$2,228.2
Petroleum Business Tax (PBT)	565.1	596.4	602.0	591.7	591.7	591.7
Mortgage Recording Tax (MRT)	462.7	623.5	626.7	633.0	649.0	674.7
MRT Transfer to Suburban Counties	(5.8)	(3.9)	(6.8)	(7.1)	(7.5)	(7.9)
MTA Bus Debt Service	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)	(12.6)
Interest	5.3	5.3	5.3	5.3	5.3	5.3
Urban Tax	377.0	390.5	462.1	500.1	537.1	576.8
Other Investment Income	1.7	0.3	0.3	0.3	0.3	0.3
	\$2,957.8	\$3,847.3	\$3,958.9	\$4,020.8	\$4,012.3	\$4,056.5
PMT and MTA Aid						
Payroll Mobility Tax (PMT)	\$1,560.8	\$1,674.3	\$1,741.1	\$1,785.9	\$1,829.8	\$1,874.3
Payroll Mobility Tax Replacement Funds	195.4	293.1	244.3	244.3	244.3	244.3
MTA Aid	<u>248.8</u>	<u>250.2</u>	<u>305.0</u>	<u>310.5</u>	<u>310.9</u>	<u>311.2</u>
	\$2,005.1	\$2,217.7	\$2,290.4	\$2,340.7	\$2,385.0	\$2,429.7
New Funding Sources						
SAP Support and For-Hire Vehicle Surcharge:						
For-Hire Vehicle (FHV) Surcharge	\$223.2	\$237.9	\$354.2	\$392.5	\$392.5	\$392.5
Subway Action Plan Account	222.1	234.5	300.0	300.0	300.0	300.0
Outerborough Transportation Account (OBTA)	0.0	0.0	50.0	50.0	50.0	50.0
Less: OBTA Projects	0.0	0.0	(50.0)	(50.0)	(50.0)	(50.0)
General Transportation Account	1.1	3.4	54.2	92.5	92.5	92.5
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 Lockbox for Debt Service:	499.9	5.3	57.5	99.0	155.6	223.9
Central Business District Tolling Program (CBDTP)	0.0	0.0	0.0	1,000.0	1,000.0	1,000.0
Real Property Transfer Tax Surcharge (Mansion Tax)	176.5	305.8	307.3	311.7	320.6	332.8
Internet Marketplace Tax	260.0	343.5	319.1	322.3	324.5	327.7
Less: Transfer Lockbox Revenues to Committed to Capital	63.5	(644.0)	(568.8)	(1,535.0)	(1,489.5)	(1,436.6)
	\$723.2	\$243.2	\$411.7	\$491.6	\$548.1	\$616.4
State and Local Subsidies						
State Operating Assistance	\$150.3	\$225.5	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	216.6	194.7	187.9	187.9	187.9	187.9
Station Maintenance	<u>174.8</u>	<u>177.4</u>	<u>181.0</u>	<u>184.5</u>	<u>188.3</u>	<u>192.5</u>
	\$541.7	\$597.6	\$556.9	\$560.3	\$564.2	\$568.3
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)	(26.1)	11.2	14.4	0.1	0.0	0.0
Fuel Hedge Collateral	0.0	(40.0)	0.0	0.0	0.0	0.0
Interagency Loan	0.0	(170.0)	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	(367.3)	(120.2)	(114.1)	(108.8)	(103.8)
Drawdown of OPEB Trust Proceeds	<u>337.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$297.3	(\$580.1)	(\$119.8)	(\$128.0)	(\$122.8)	(\$117.7)
Subtotal: Taxes & State and Local Subsidies	\$6,525.1	\$6,325.7	\$7,098.1	\$7,285.4	\$7,386.8	\$7,553.2
Other Funding Agreements						
City Subsidy for MTA Bus Company	\$354.2	\$455.3	\$502.1	\$611.1	\$642.3	\$651.3
City Subsidy for Staten Island Railway	39.5	18.6	59.5	73.0	67.5	68.7
CDOT Subsidy for Metro-North Railroad	<u>299.5</u>	<u>308.0</u>	<u>226.5</u>	<u>200.7</u>	<u>198.5</u>	<u>211.0</u>
	\$693.2	\$781.9	\$788.1	\$884.8	\$908.3	\$931.0
Subtotal, including Other Funding Agreements	\$7,218.3	\$7,107.6	\$7,886.3	\$8,170.2	\$8,295.1	\$8,484.3
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	\$495.3	\$910.5	\$986.9	\$906.3	\$893.6	\$834.8
	\$495.3	\$910.5	\$986.9	\$906.3	\$893.6	\$834.8
TOTAL SUBSIDIES	\$7,713.6	\$8,018.1	\$8,873.1	\$9,076.6	\$9,188.7	\$9,319.1

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

	2021	2022	2023	2024	2025
MMTOA, PBT and Real Estate Taxes					
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$0.0	\$357.5	\$326.3	\$201.4	\$115.3
Petroleum Business Tax (PBT)	13.4	12.1	7.4	9.6	11.2
Mortgage Recording Tax (MRT)	43.9	28.5	35.0	34.4	39.0
MRT Transfer to Suburban Counties	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0
Urban Tax	48.1	24.5	2.3	2.4	2.6
Other Investment Income	(1.5)	(1.5)	(1.4)	(1.4)	(1.4)
	\$104.0	\$421.2	\$369.6	\$246.4	\$166.6
PMT and MTA Aid					
Payroll Mobility Tax (PMT)	\$150.8	\$144.9	\$23.4	(\$10.8)	(\$46.5)
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0	0.0
MTA Aid	(23.0)	0.0	0.0	0.0	0.0
	\$127.8	\$144.9	\$23.4	(\$10.8)	(\$46.5)
New Funding Sources					
SAP Support and For-Hire Vehicle Surcharge:					
For-Hire Vehicle (FHV) Surcharge	\$9.8	\$0.0	\$0.0	\$0.0	\$0.0
Subway Action Plan Account	9.8	0.0	0.0	0.0	0.0
Outerborough Transportation Account (OBTA)	0.0	0.0	0.0	0.0	0.0
Less: OBTA Projects	0.0	0.0	0.0	0.0	0.0
General Transportation Account	0.0	0.0	0.0	0.0	0.0
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:	(4.4)	19.4	46.3	91.4	152.5
Central Business District Tolling Program (CBDTP)	0.0	0.0	0.0	0.0	0.0
Real Property Transfer Tax Surcharge (Mansion Tax)	120.1	105.3	92.0	81.6	72.9
Internet Marketplace Tax	0.0	0.0	0.0	0.0	0.0
Less: Transfer Lockbox Revenues to Committed to Capital	(124.5)	(85.9)	(45.6)	9.7	79.6
	\$5.4	\$19.4	\$46.3	\$91.4	\$152.5
State and Local Subsidies					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance	0.0	0.0	0.0	0.0	0.0
Station Maintenance	0.0	0.0	0.0	0.0	0.0
	\$0.0	\$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)	1.1	2.4	0.0	0.0	0.0
Fuel Hedge Collateral	(40.0)	0.0	0.0	0.0	0.0
Interagency Loan	(170.0)	0.0	0.0	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
	(\$208.9)	\$2.4	\$0.0	\$0.0	\$0.0
Subtotal: Taxes & State and Local Subsidies	\$28.2	\$587.8	\$439.2	\$326.9	\$272.6
Other Funding Agreements					
City Subsidy for MTA Bus Company	\$56.6	(\$169.5)	(\$109.2)	(\$35.3)	(\$50.2)
City Subsidy for Staten Island Railway	0.0	(8.6)	12.4	4.5	1.1
CDOT Subsidy for Metro-North Railroad	(16.5)	6.8	(2.9)	(7.5)	(1.7)
	\$40.2	(\$171.4)	(\$99.7)	(\$38.3)	(\$50.8)
Subtotal, including Other Funding Agreements	\$68.4	\$416.5	\$339.5	\$288.7	\$221.8
Inter-agency Subsidy Transactions					
B&T Operating Surplus Transfer	\$19.6	(\$4.0)	(\$3.9)	\$1.9	\$4.3
	\$19.6	(\$4.0)	(\$3.9)	\$1.9	\$4.3
TOTAL SUBSIDIES	\$88.0	\$412.5	\$335.6	\$290.6	\$226.2

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2022-2025
Debt Affordability Statement after Below-the-Line Adjustments ⁽¹⁾
 \$ in millions

Forecasted Debt Service and Borrowing Schedule		Notes	2020 ACTL	2021	2022	2023	2024	2025
Combined MTA/TBTA Forecasted Debt Service Schedule	1, 2, 3		\$2,703.0	\$2,822.3	\$3,111.1	\$3,562.5	\$3,642.9	\$3,756.1
Forecasted New Long-Term Bonds Issued	4		-	677.0	4,132.7	4,409.1	1,459.1	1,971.0
Forecasted Debt Service by Credit ⁹		Notes	2020 ACTL	2021	2022	2023	2024	2025
Transportation Revenue Bonds								
Pledged Revenues	5		\$8,777.6	\$10,753.0	\$12,679.6	\$13,197.6	\$13,316.8	\$13,839.8
Debt Service	10		1,636.3	1,678.1	1,771.6	1,837.5	1,841.5	1,827.1
Debt Service as a % of Pledged Revenues			19%	16%	14%	14%	14%	13%
Dedicated Tax Fund Bonds								
Pledged Revenues	6		\$565.1	\$596.4	\$602.0	\$591.7	\$591.7	\$591.7
Debt Service	10		388.1	388.9	387.3	391.9	391.5	386.5
Debt Service as a % of Pledged Revenues			69%	65%	64%	66%	66%	65%
Payroll Mobility Tax Bonds								
Pledged Revenues	7		\$1,809.7	\$1,924.6	\$2,046.1	\$2,096.4	\$2,140.8	\$2,185.5
Debt Service	10		-	50.1	213.1	460.5	487.4	505.5
Debt Service as a % of Pledged Revenues			0%	3%	10%	22%	23%	23%
Triborough Bridge and Tunnel Authority General Revenue Bonds								
Pledged Revenues	8		\$1,138.8	\$1,620.0	\$1,694.3	\$1,693.9	\$1,690.4	\$1,690.6
Debt Service	10		569.9	596.0	588.6	680.7	684.4	749.3
Debt Service as a % of Total Pledged Revenues			50%	37%	35%	40%	40%	44%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds								
Pledged Revenues	9		\$568.9	\$1,023.9	\$1,105.7	\$1,013.1	\$1,006.0	\$941.4
Debt Service	10		102.0	102.1	103.3	103.1	93.7	91.7
Debt Service as a % of Total Pledged Revenues			18%	10%	9%	10%	9%	10%
Triborough Bridge and Tunnel Authority 2nd Subordinate Revenue Bonds								
Pledged Revenues	11		\$466.9	\$921.8	\$1,002.4	\$910.0	\$912.3	\$849.6
Debt Service	10		-	-	7.5	12.9	18.5	20.9
Debt Service as a % of Total Pledged Revenues			0%	0%	1%	1%	2%	2%
Debt Service Secured by Lockbox Revenues								
Debt Service	10		\$0.0	\$0.0	\$33.3	\$70.2	\$121.1	\$171.2
2 Broadway Certificates of Participation								
Lease Payments			\$6.7	\$7.0	\$6.3	\$5.5	\$4.7	\$3.9
Cumulative Debt Service (Excluding State Service Contract Bonds)		Notes	2020 ACTL	2021	2022	2023	2024	2025
Total Debt Service before Below-the-Line Adjustments:		1, 2, 3	\$2,703.0	\$2,822.3	\$3,111.1	\$3,562.5	\$3,642.9	\$3,756.1
Fare and Toll Revenues before Below-the-Line Adjustments			\$4,264.9	\$5,104.6	\$7,113.0	\$7,661.3	\$7,751.6	\$7,771.1
Total Debt Service as a % of Fare/Toll Revenue			63.4%	55.3%	43.7%	46.5%	47.0%	48.3%
Operating Revenues (including Fare/Toll Revenues) and Subsidies			\$15,523.5	\$13,703.9	\$16,027.2	\$16,809.5	\$17,031.4	\$17,251.8
Total Debt Service as a % of Operating Revenues and Subsidies			17.4%	20.6%	19.4%	21.2%	21.4%	21.8%
Non-Reimbursable Expenses with Non-Cash Liabilities			\$17,476.9	\$18,729.8	\$20,155.5	\$20,693.5	\$21,155.8	\$21,936.0
Total Debt Service as a % of Non-reimbursable Expenses			15.5%	15.1%	15.4%	17.2%	17.2%	17.1%
Total Debt Service <u>after</u> Below the Line Adjustments:		15	\$2,703.0	\$2,822.3	\$3,111.1	\$3,562.5	\$3,642.9	\$3,756.1
Fare and Toll Revenues after Below the Line Adjustments		15	\$4,264.9	\$5,104.6	\$7,206.2	\$8,123.7	\$8,265.8	\$8,558.3
Total Debt Service as a % of Fare and Toll Revenue after BTL Adjustments			63.4%	55.3%	43.2%	43.9%	44.1%	43.9%
Operating Revenues and Subsidies after Below the Line Adjustments		15	\$15,523.5	\$17,142.7	\$18,857.7	\$18,971.6	\$19,545.8	\$20,455.1
Total Debt Service as a % of Operating Rev/Subsidies after BTL Adjs.			17.4%	16.5%	16.5%	18.8%	18.6%	18.4%
Non-reimbursable Expenses after Below the Line Adjustments		15	\$17,476.9	\$18,701.6	\$20,277.0	\$20,562.3	\$21,040.6	\$21,803.9
Total Debt Service as a % of Non-Reimbursable Exp after BTL Adjs.			15.5%	15.1%	15.3%	17.3%	17.3%	17.2%
2015-19 State Operating Aid (Capital Plan State Share) - Below the Line		13	\$0.0	\$0.0	\$37.0	\$38.4	\$38.4	\$38.4
Lockbox Revenues to Fund Certain PMT Bonds Issued for the 2020-24 CP		14	-	5.3	16.7	15.9	15.9	31.8
Lockbox Revenues to Fund Interest on TBTA 2nd Subordinate BAN Interest		14	-	-	7.5	12.9	18.5	20.9
Debt Service Secured by Lockbox Revenues		12	-	-	33.3	70.2	121.1	171.2
Total Debt Service Less State Operating Aid, Debt Service Supported by Lockbox Revenues (Net Debt Service to be Paid by Operating Budget)		12, 13, 14	\$2,703.0	\$2,816.9	\$3,016.6	\$3,425.0	\$3,448.9	\$3,493.8
Operating Revenues and Subsidies Less State Operating Aid and Lockbox Revenues			\$15,523.5	\$17,137.4	\$18,763.2	\$18,834.2	\$19,351.8	\$20,192.8
Total Debt Service as a % of Operating Revenue/Subsidies Less State Operating Aid and Lockbox Revenues			17.4%	16.4%	16.1%	18.2%	17.8%	17.3%

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 bonds to be issued assume 30-year level debt service with the principal amortized over the life of the bonds, with the following exceptions: 1) PMT Bonds for Deficit Financing which are 30-year bonds, amortized on a level debt service basis over 20 years, from year 11 to year 30; 2) PMT Bonds for the MTA Bond funded portion of the 2020-24 capital program (\$9,792 million portion) which are 30-year bonds, amortized on a level debt service basis over 20 years, from year 11 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, and the Payroll Mobility Tax Obligation Resolution 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 *Payroll Mobility Tax Obligations pledged revenues consist of Payroll Mobility Tax and Aid Trust Account Receipts.*
- 8 *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.*
- 9 *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.*
- 10 *A debt service schedule for each credit is attached as addendum hereto.*
- 11 *Triborough Bridge and Tunnel Authority Second Subordinate (2nd SUB) 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 and Subordinate Revenue Bonds.*
- 12 *Debt service secured by lockbox revenues. Lockbox revenues consist of sales tax revenues, mansion tax and CBDTP revenues.*
- 13 *The 2015-19 Capital Plan includes capital projects funded by the State through additional operating aid appropriated to the MTA on an annual basis.*
- 14 *Certain PMT and TBTA 2nd SUB debt service to be paid by Lockbox revenues.*
- 15 *These totals incorporate the Plan's Below-the-Line Adjustments.*

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III. Plan Adjustments

Plan Adjustments

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

Fare/Toll Increases

Fare Increase in July 2022 – An increase in fare rates, yielding a 4% increase in farebox revenues, is assumed for implementation in July 2022 and is projected to generate an annualized increase of \$208 million in MTA consolidated farebox revenue (as measured in 2024, when ridership is expected to recover to the “new normal” level). Consolidated farebox revenue is expected to increase by \$93 million in 2022, \$204 million in 2023, \$208 million in 2024 and by \$208 million in 2025.

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. These items are offsets to the consolidated farebox revenue generated from the fare increase, and are included within “Subsidy Impacts from Fare/Toll Increases”; when these subsidy offsets are factored in, the net change to the MTA from the proposed 2022 increase is \$90 million in 2022, \$198 million in 2023, \$200 million in 2024 and \$200 million in 2025. These net projections when compared with the July Plan are lower by \$17 million in 2021, lower by \$88 million in 2022; and unchanged for 2023 through 2025.

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 is projected to generate a \$306 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by \$258 million in 2023, \$306 million in 2024 and \$307 million in 2025. Factoring in the MTA Bus, SIR and B&T adjustments included in “Subsidy Impacts from Fare/Toll Increases” (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), the net increase to the MTA is \$233 million in 2023, \$295 million in 2024 and \$298 million in 2025. Compared with the July Plan, net projections are lower by \$3 million in 2023, and lower by \$4 million in 2024 and 2025.

Fare and Toll Increase in March 2025 – An increase in fares and tolls, yielding a 4% overall increase in farebox and toll revenues, is assumed for implementation in March 2025 and is projected to generate a \$319 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by \$272 million in 2025. Factoring in the MTA Bus, SIR and B&T adjustments included in “Subsidy Impacts from Fare/Toll Increases”, the net increase to the MTA is \$246 million 2025. Compared with the July Plan, net projections are lower by \$3 million in 2025.

MTA Consolidated Utilization

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

		November Forecast 2021	Final Proposed Budget 2022	2023	2024	2025
Fare Revenue						
Long Island Rail Road	Baseline	\$296.766	\$554.949	\$629.998	\$648.698	\$661.296
	2022 Yield Increase	0.000	11.470	25.200	25.948	26.452
	2023 Yield Increase	0.000	0.000	22.404	26.986	27.510
	2025 Yield Increase	0.000	0.000	0.000	0.000	24.458
		\$296.766	\$566.419	\$677.602	\$701.632	\$739.716
Metro-North Railroad ¹	Baseline	\$260.522	\$514.836	\$581.011	\$584.210	\$590.143
	2022 Yield Increase	0.000	6.218	13.781	13.859	14.013
	2023 Yield Increase	0.000	0.000	11.371	13.391	13.549
	2025 Yield Increase	0.000	0.000	0.000	0.000	11.874
		\$260.522	\$521.054	\$606.162	\$611.460	\$629.579
MTA Bus Company ²	Baseline	\$132.865	\$178.962	\$193.879	\$197.203	\$196.607
	2022 Yield Increase	0.000	3.633	7.755	7.888	7.864
	2023 Yield Increase	0.000	0.000	6.875	8.204	8.179
	2025 Yield Increase	0.000	0.000	0.000	0.000	7.250
		\$132.865	\$182.595	\$208.509	\$213.294	\$219.900
New York City Transit ³	Baseline	\$2,280.821	\$3,602.796	\$3,982.921	\$4,042.391	\$4,022.872
	2022 Yield Increase	0.000	71.735	157.433	160.126	159.345
	2023 Yield Increase	0.000	0.000	138.957	166.468	165.656
	2025 Yield Increase	0.000	0.000	0.000	0.000	146.227
		\$2,280.821	\$3,674.531	\$4,279.310	\$4,368.985	\$4,494.100
Staten Island Railway ²	Baseline	\$2.038	\$4.507	\$5.439	\$5.534	\$5.518
	2022 Yield Increase	0.000	0.091	0.218	0.221	0.221
	2023 Yield Increase	0.000	0.000	0.193	0.230	0.230
	2025 Yield Increase	0.000	0.000	0.000	0.000	0.203
		\$2.038	\$4.599	\$5.849	\$5.985	\$6.171
Total Farebox Revenue	Baseline	\$2,973.013	\$4,856.050	\$5,393.247	\$5,478.035	\$5,476.436
	2022 Yield Increase	0.000	93.148	204.386	208.042	207.895
	2023 Yield Increase	0.000	0.000	179.799	215.279	215.123
	2025 Yield Increase	0.000	0.000	0.000	0.000	190.012
		\$2,973.013	\$4,949.198	\$5,777.432	\$5,901.357	\$6,089.466
Toll Revenue						
Bridges & Tunnels ⁴	Baseline	\$2,131.558	\$2,256.999	\$2,268.020	\$2,273.535	\$2,294.699
	2023 Yield Increase	0.000	0.000	78.235	90.941	91.788
	2025 Yield Increase	0.000	0.000	0.000	0.000	82.322
		\$2,131.558	\$2,256.999	\$2,346.255	\$2,364.477	\$2,468.808
TOTAL FARE & TOLL REVENUE						
Baseline	\$5,104.570	\$7,113.049	\$7,661.267	\$7,751.570	\$7,771.135	
2022 Yield Increase	0.000	93.148	204.386	208.042	207.895	
2023 Yield Increase	0.000	0.000	258.034	306.220	306.911	
2025 Yield Increase	0.000	0.000	0.000	0.000	272.334	
	\$5,104.570	\$7,206.197	\$8,123.687	\$8,265.833	\$8,558.275	

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.

Below-the-Line Adjustments – November Financial Plan

No new actions have been proposed in the November Plan. The following below-the-line actions were proposed during the July Plan and remain below the line, with adjustments where noted, in the November Plan:

New Transformation Savings – Since its inception, the Transformation Management Office has accomplished significant goals, including bridging strategic and core support functions across the MTA and creating a foundation for central departments to better serve agency operations, as well as providing significant vacancy savings. The focus of transformation is now shifting to the newly created consolidated functional organizations to develop additional efficiencies across the organization. With this shifted focus, the remaining \$25 million in unidentified 2021 Transformation savings is being removed from the Plan, and in place is anticipated annual savings of \$150 million from new efforts that will be spearheaded by the consolidated functional organizations. Overall, these actions reduce savings by \$19 million through 2025.

East Side Access – The terminal and right-of-way operating and maintenance plans and safety and security plans for the East Side Access “Mega” project remain below the line in the November Plan with minor increases of \$1 million in each of 2022 and 2023 and less than \$1 million in 2024 and 2025.

MTA Consolidated Call Center – The centralized call center, designed to improve operations by simplifying workstreams, reducing redundancies and standardizing processes and allowing the MTA to deliver a clear, high quality and consistent “One MTA” customer experience, remains below the line in the November Plan with no change from the July Plan proposal. The MTA continues to project an initial net investment in 2021 of \$3 million and \$1 million in 2022, and then will realize efficiencies resulting in net savings of \$1 million in 2023, \$2 million in 2024 and \$4 million in 2025.

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 remain at the same levels in the November Plan at \$37 million in 2022 and \$38 million each year thereafter.

Repayment of Revolving Bank Line of Credit – The November Plan maintains the payment of the line of credit in 2022 that was drawn on in 2020 to provide liquidity.

FEMA Reimbursement – The July Plan included reimbursement from the Federal Emergency Management Agency (“FEMA”) for an estimated \$360 million in direct COVID-related expenses through September 2021. The November Plan includes updated submissions for reimbursement, as well as the extension through December 2021 for qualified expenses, with the anticipated reimbursement amount increasing by \$135 million. Anticipated timing of the FEMA reimbursement, however, has been adjusted from a 2021/2022 timeframe to a 2022/2023 timeframe. The \$135 million increase in covered expenses, along with the delay in receiving reimbursement, result in a \$220 million decrease in 2021, followed by increases of \$190 million in 2022 and \$165 million in 2023.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Federal Aid – The MTA expects to receive \$4.0 billion from CRRSAA, which was signed into law on December 27, 2020. The MTA will use \$3.4 billion to balance 2021, with the remainder used towards balancing 2022.

American Rescue Plan Act (ARPA) Federal Aid – The MTA expects to receive \$6.5 billion in additional federal aid, which will be used to cover deficits in 2022 through 2025, utilizing \$1.849

billion in 2022 after CRRSAA funding has been exhausted, \$1.554 billion in 2023, \$2.018 billion in 2024 and \$1.080 billion in 2025.

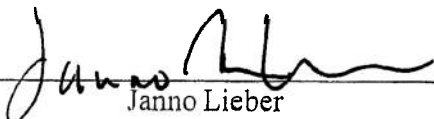
Proceeds of MLF Deficit Bonding –To cover budget deficits, the MTA was granted the authority by the 2020-2021 State Enacted Budget to borrow up to \$10 billion in deficit financing through December 2022. The Municipal Liquidity Facility (“MLF”) was established by the Federal Reserve as a source of emergency financing for state and local governments and public entities to ensure they have access to credit during the COVID pandemic. The MTA utilized the MLF to borrow the maximum \$2.9 billion allowed under the program before the lending window closed at the end of 2020. The MLF loan is due for repayment in 2023, and the MTA expects to issue long-term bonds in 2023 to repay the Federal Reserve. In the July Plan, it was anticipated the MTA would use \$1.319 billion of MLF deficit financing proceeds in 2025. To balance 2025 in the November Plan, \$1.367 billion of proceeds from deficit financing will be necessary.

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, Janno Lieber, Acting 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: 
Janno Lieber
Acting Chairman and Chief Executive Officer

Dated: 11/12/21

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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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