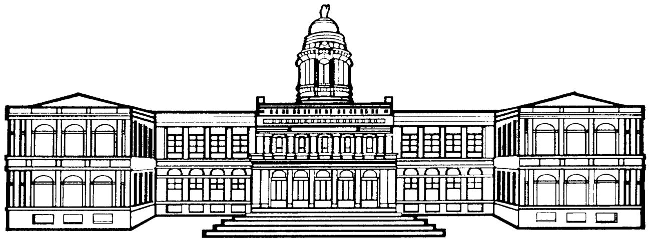

New York City Council
Christine C. Quinn, Speaker

Finance Division
Preston Niblack, Director
Jeffrey Rodus, First Deputy Director

Hearing on the Mayor's Fiscal Year 2011 Executive Budget

Metropolitan Transportation Authority

May 21, 2010

Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

Committee on Transportation

Hon. James Vacca, Chair

Jonathan Rosenberg, Deputy Director, Finance Division
Chima Obichere, Supervising Legislative Financial Analyst

Budget Summary and Highlights

Last December, the MTA Board approved a final budget totaling $13.4 billion for Calendar Year 2010 - $532 million more that the 2009 budget including depreciation and other post employment expenses. The projected end of year cash surplus for Calendar Year 2010 is $2 million compared to $27 million for Calendar year 2009. To achieve a balanced budget, the Authority included in the Adopted Budget earlier cuts that were set aside, last year, after the State passed legislation to institute mobility tax and other surcharges and dedicate the funds to the MTA.

The 2010 Budget (The Plan) includes a significant number of bus and train service reductions, cuts to Student MetroCards and the Access-A-Ride (AAR) programs. Because a majority of the cuts required public hearing before implementation, the Authority commenced public hearings on March 1, 2010 and its Board voted on March 24, 2010 to authorize the implementation of the cuts. However, the cut to Student MetroCards was not voted on by the Board but continues to remain in the MTA's Budget. The Board approved cuts are scheduled to take effect on June 27, 2010.

When fully implemented, the cuts will impact millions of New Yorkers who depend on the transit system Citywide. Some of the cuts contained in the 2010 Budget include:

- **Elimination of the W Line:** This action will eliminate the W train line, which runs express between Astoria in Queens and Lower Manhattan, and extend the Q to Astoria and operate the N local north of Canal Street for an annual savings of $3.4 million.
- **Elimination of the M and Extension of the V Line:** This action will eliminate the M Line providing service between Metropolitan Avenue in Middle Village and Downtown Manhattan but would extend the V service to Metropolitan Avenue. To effect the new changes, V trains would be shortened from their current 600 feet to 480 feet to accommodate shorter platforms on the M route. This action will generate a savings of $4 million annually.
- **Discontinue Lowest-Ridership Weekday Express Bus Service:** The MTA plans to eliminate five express bus routes with low ridership, X16, X18, X20, X25, and X32 that run between Queens and the Bronx High School of Science, for a total savings of $1.8 million annually.
- **Access-A-Ride Service Reduction:** The agency will replace current door-to-door service with feeder service that connects customers to a bus, rail or subway fixed-route service when possible. In addition, two other service related changes are proposed for the access-a-ride program. They include the imposition of conditional eligibility for certain customers and the increased use of taxis and vouchers for trips for AAR customers. In total, this AAR reduction is expected to generate savings of $40 million in 2010 and $80 million in Fiscal 2011 and the outyears.
- **Elimination of Student MetroCards:** The MTA proposes to roll back the current discount for Student MetroCards program. As proposed, students currently riding with fare cards that permit free travel will be required to pay half-fare starting September 2010. However, beginning in September 2011 all students, including those currently paying half-fare, will be required to pay full fare. The anticipated savings from this action, after taking into account the loss of the City's School Fare Reimbursement, is $31 million in 2010, $62 million in 2011 and $170 million in 2012 and the outyears. The City's Fiscal 2011 Executive Budget continues to maintain funding of $45 million for the student MetroCards program.

Background / History

On May 7, 2009, the Sate Legislature passed and the Governor signed into law legislation which provides additional sources of revenue to address the financial needs of the MTA through the imposition of taxes and fees within the Metropolitan Commuter Transportation district (MCTD). These new sources of revenue were projected to provide the MTA with an additional $1.1 billion and $1.9 billion in calendar year 2009 and 2010 respectively. Consequently, the MTA Board "the Board" met on May 11, 2009 to rollback a 23 percent fare/toll yield increase it approved on March 27, 2009 and instead adopt a modest fare/toll increase of 10 percent. The Board subsequently voted to restore planned reductions to scheduled service that were part of the Additional Actions for Budget Balance (AABB) list, but left in place other deficit reducing actions included in the MTA February 2009 Financial plan.

May 2009 Financial Assistance Enacted by the State for the MTA

2010 Forecast ($ in millions)

Mobility Tax	0.34% Payroll Tax including net Self Employment	$1,540
Drivers License Fee	Fee of $1 for each six month's of validity including learner's permit	$182
Auto Registration Fee	Fee of $25 per year on registration and renewal of motor vehicles	$27
Taxicab Tax	0.50 cents per taxicab ride imposed on taxicab owners	$85
Auto Rental Tax	Additional tax of five percent on the cost of automobile rentals	$35

Despite the State actions, the Authority continues to face serious financial difficulties.

Last July, when the Authority released its Preliminary Budget (July Plan) for Calendar Year 2010, the Plan remained balanced and included closing operating cash balance/surplus of $39 million in 2010. By law, the MTA is required to have a balanced budget by December 31. As a result, last November the Authority proposed a final budget that was balanced with a combination of subsidies, dedicated taxes, fares, and other revenue sources. However, immediately thereafter the MTA announced that its financial condition had worsened due to a lower than expected revenue collection from the newly enacted taxes compounded by the Governor's action that redirected $143 million in tax revenue that had been collected for and appropriated to the MTA, to the State's General Fund, as part of the State's deficit reduction plan, including $18.9 million for student MetroCards. An arbitrator's cumulative prevailing wage rate determination increased the MTA's costs further by increasing the salary of certain represented employees by 11 percent. After these actions the MTA's once balanced budget was now facing projected deficits of $400 million for 2009 and 2010.

Metropolitan Transportation Authority (MTA)

The Metropolitan Transportation Authority (the “Authority” or “MTA”) was established under the New York State Public Authorities Law in 1965 as a public benefit corporation. The Authority has responsibility for developing and implementing a unified public transportation policy for New York City and the seven New York metropolitan-area counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. It carries out these responsibilities through its subsidiary and affiliate entities that include the New York City Transit Authority (NYCTA) and it subsidiary, the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA); the Staten Island Rapid Transit Operating Authority (SIRTOA); The Long Island Rail Road Company (LIRR); the Metro-North Commuter Railroad Company (MNCRC); the Metropolitan Suburban Bus Authority (MSBA); the MTA Bus Company; and the MTA Capital Construction Company. Another affiliate of the MTA, the Triborough Bridge and Tunnel Authority (TBTA), which is now called the MTA Bridges and Tunnels (B&T), is empowered to construct and operate toll bridges and tunnels and other public facilities in New York City. The revenues from all authorities and subsidiaries support the organization as a whole.

MTA Financial Plan 2010-2013

MTA Consolidated Statement of Operations – Including MTA Bus Company

($ in millions)

	2008 Actual	2009 Final Forecast	2010 Adopted Budget	2011 Projected	2012 Projected	2013 Projected
Operating Revenue						
Farebox	$4,241	$4,357	$4,529	$4,621	$4,707	$4,765
Toll Revenue	1,274	1,331	1,402	1,411	1,419	1,419
Other Revenue/Adj	449	445	452	452	477	512
Student Fare	0	0	49	90	215	215
Total Operating Revenue	**$5,964**	**$6,133**	**$6,432**	**$6,574**	**$6,818**	**$6,911**
Operating Expenses						
Labor Expenses	$6,652	$6,806	$7,006	$7,429	$7,742	$8,074
Non-Labor Expenses	2,553	2,695	2,900	3,009	3,225	3,454
Other Expenses Adjustment	(14)	(22)	(29)	(25)	(28)	(29)
General Reserve	0	0	75	75	75	75
Gap Actions –Expense impact	0	0	(65)	(132)	(126)	(120)
Depreciation	1,791	1,964	2,034	2,120	2,196	2,277
Other Post Employment Benefit	1,349	1,414	1,470	1,529	1,591	1,657
Environmental Remediation	42	10	10	10	10	11
Total Operating Expenses	**$12,373**	**$12,867**	**$13,399**	**$14,015**	**$14,686**	**$15,398**
Net Operating Deficit Before Subsidy	**($6,410)**	**($6,734)**	**($6,967)**	**($7,441)**	**($7,869)**	**($8,488)**
Subsidies	$4,078	$4,200	$5,473	$5,478	$5,774	$6,054
Debt Service	(1,516)	(1,414)	(1,914)	(2,078)	(2,230)	(2,401)
Deficit after Subsidies & Debt	**($3,848)**	**($3,948)**	**($3,408)**	**($4,041)**	**($4,325)**	**($4,836)**

	2008 Actual	2009 Final Forecast	2010 Final Proposed	2011 Projected	2012 Projected	2013 Projected
Conversion to Cash						
Non-Cash Liability Adjs.	$3,182	$3,388	$3,513	$3,659	$3,798	$3,945
GASB Account	(56)	(58)	(54)	(57)	(60)	(63)
All Other	490	381	(15)	(243)	(314)	(231)
Cash Bal. Before Prior-Yr. Carryover	**($232)**	**($237)**	**$36**	**($681)**	**($900)**	**($1,184)**
Policy & GAP Closing Actions	$0	$0	$21	$583	$709	$1,242
Cash Management Actions	0	0	(82)	84	0	0
Prior Year Carryover	495	263	27	2	0	0
Net Cash Surplus/(Deficit)	**$263**	**$27**	**$2**	**($13)**	**($191)**	**$58**

Source: Metropolitan Transportation Authority

*Continued from previous page

MTA BUDGET OVERVIEW

The Calendar Year 2010 Adopted Budget for the MTA includes a four-year financial plan for the years 2010 through 2013. Before gap and cash management actions, the adopted plan reflects a cash surplus of $36 million for Calendar year 2010 while the budget deficits for 2011, 2012, and 2013 stands at $681 million, $900 million, and $1.2 billion respectively, a reflection of a continued downward contraction in the region's economy.

To balance the Calendar Year 2010 Adopted Budget, the Plan includes policy and gap closing actions projected to yield $21 million in calendar year 2010, $583 million in 2011, $709 million in 2012 and $1.2 billion in 2013. As a result of these actions, the 2010 Adopted Budget remains balanced through the calendar year with an anticipated net cash surplus of $2 million. The outlook for the outyears remains bleak as real estate activity and other dedicated taxes that are major sources of revenue for the Authority continue to decline. In fact, since the Preliminary Budget hearing in March, it has been reported that collections from the recently State enacted taxes are lagging behind projections by approximately $50 million. It is not clear at this time if that trend will continue, however, if it does the agency, which has already dealt with an $800 million shortfall, will need to take more actions to keep its budget balanced.

For the outyears, the MTA 2010 Adopted Budget anticipates an end-of-year cash deficit of $13 million in 2011, $191 million in 2012 and a cash surplus of $58 million in 2013. As in the past years, rising debt service costs, increasing pension and healthcare expenses and the depletion of non-recurring resources continue to be the major causes of the Authority's budgetary problems. As part of the gap-closing measures, the MTA anticipates a 7.5 percent fare and toll increase effective January 1, 2011 and January 1, 2013 with expected yield of $420 million in 2011 and an additional yield of $463 million in 2013.

Capital Program

CAPITAL BUDGET SUMMARY

2010-2014 MTA Revised Capital Program ($ in millions)

Program Elements	Proposed
Core Capital Programs	
New York City Transit	$12,841
Long Island Rail Road	2,554
Metro-North Railroad	1,703
MTA Bus	325
MTA Wide Security Program	335
MTA Interagency	315
Core Subtotal	**$18,073**
Network Expansion Projects	5,739
Total CPRB Program	**$23,812**
Bridges & Tunnels	2,453
Total 2010-2014 Capital program	**$26,265**

Source: Metropolitan Transportation Authority Numbers may not total due to rounding

Last September, the MTA Board approved a $28.1 billion 2010-2014 Capital Plan, Which was later submitted to the Capital Program Review Board (CPRB) last October. That Plan was vetoed by the CPRB last December.

Subsequently, the MTA prepared a revised $26.3 billion 2010-2014 Capital Program for resubmission to the CPRB, $1.8 billion less than the $28.1 billion Plan vetoed by the CPRB. To prepare the new Plan the MTA adopted a new programmatic approach with the goal of ensuring that all projects demonstrate the delivery of direct customer benefits at the lowest capital cost while creating savings for the operating budget. As a result, the agency will extend the useful life of some of its assets, will replace components instead of entire asset and will forego less critical investments entirely. Combined these actions reduced the original proposed 2010-2014 Capital Program by $1.8 billion. Because Congress has yet to adopt a new transportation reauthorization bill, the MTA revised its original estimates for anticipated federal funding in 2010 and 2011 downward. This action left unchanged the $9.9 billion gap included in the original 2010-2014 Plan.

The revised plan, if approved, will continue to rebuild the system's core infrastructure and expand the region's transit network. The plan, which is $5.2 billion more than the 2005-2009 Capital Plan of $21.1 billion, includes funding sufficient to fully implement projects only in the first two years.

The funding gap in the proposed plan exists partly because new revenue from a mobility tax, fell short in providing recurring revenues to support a full capital program. The new tax provided recurring revenues sufficient only to support debt service of $6 billion in the Capital Plan. This amount, when combined with other available streams of revenues would only allow the MTA to fully fund two years worth of capital program instead of a five-year capital program.

The revised Capital Program includes $18.1 billion for MTA's core programs of which, $335 million is for security program. The expansion program is budgeted at $5.7 billion.

To fund the revised program, the Authority is assuming $6.6 billion in federal funds, including $225 million for the security program. The MTA hopes to secure up to $600 million from the sale of assets and other non-bond sources, in addition to $660 million from the City of which $160 million is a combined City and federal match for the MTA Bus. The recently enacted payroll mobility tax will support approximately $6 billion of new bonds.

While the MTA has invested nearly $80 billion over the past 28 years to bring the regional transit system to a state of good repair, not funding the proposed plan completely could erode the gains of the past and hinder desperately needed system-wide expansion.

Furthermore, it is conceivable that in the absence of additional State and Federal funding, the Authority would seek to close the gaps through a combination of additional service cuts, agency efficiencies and/or fare and toll increases, in addition to the 7.5 percent fare growth already in the budget for 2011 and 2013. The Authority has indicated its commitment to continue to work with its funding partners to identify the additional $9.9 billion funding needed to implement a full 2010-2014 Capital Program.

MTA Revised 2010-2014 Capital Program

Funding Sources ($in millions)

Funding Currently Projected	
Federal Formula	$6,415
Federal Security	225
City Capital Funds	500
MTA Bus Federal & City Match	160
Bridges & Tunnels Dedicated Funds	2,453
MTA Bonds (Payroll Mobility Tax)	6,000
Asset Sales/Pay-As-You-Go Capital	600
Total Funds Currently Projected	**$16,353**
Funding Gap	**$9,912**

MTA's revised 2010-2014 Capital Plan would commit $12.8 billion to New York City Transit (NYCT) for core programs to maintain state of good repair. Of that amount approximately $4 billion or 33 percent is allocated for subway cars, buses, and track replacement. The Plan also includes $2.3 billion for the rehabilitation of passenger stations, among others.

Signals and Communications constitute the single largest investment category proposed by the NYCT. The revised 2010-2014 Capital Plan includes $3.2 billion for signal and communications - $400 million more than the original Plan of $2.8 billion.

Until a new Capital Plan is approved, the MTA will continue to progress works in its current 2005-2009 Capital Plan.

New York City Transit (NYCT)

Mission Statement

The New York City Transit (NYCT), a subsidiary of the Metropolitan Transportation Authority (MTA), provides bus and subway service to New York City. The NYCT is responsible for providing safe, clean, and reliable public transportation services to all persons traveling within the City. The NYCT employs approximately 40,000 workers who are responsible for the operation and maintenance of 4,600 buses and 6,300 subway cars. Over 1.5 billion people ride the City's buses and subways each year.

NYCT Financial Plan 2010-2013

February Financial Plan ($ in millions)

Non-Reimbursable and Reimbursable	2008 Actual	2009 Final Forecast	2010 Final Proposed	2011 Projected	2012 Projected	2013 Projected
Operating Revenue						
Farebox	$3,029.4	$3,139.0	$3,328.1	$3,432.7	$3,613.9	$3,648.5
Other Revenue	291.5	241.7	243.0	239.8	261.7	291.2
Capital & Other Reimbursemt-	883.1	931.0	940.4	914.8	921.2	922.1
Total Operating Revenue	**$4,204.0**	**$4,311.7**	**$4,511.5**	**$4,587.2**	**$4,796.7**	**$4,861.7**
Operating Expenses						
Labor Expenses	$5,233.6	$5,351.9	$5,511.0	$5,776.3	$5,987.2	$6,206.3
Non-Labor Expenses	1,531.7	1,613.2	1,691.6	1,757.7	1,923.6	2,107.7
Gap Closing Expenses/Adjust		0	(46.7)	(100.0)	(93.1)	(86.9)
Operating Expenses Before Depreciation, OPEB & ER 1	**$6,765.3**	**$6,965.1**	**$7,155.9**	**$7,534.0**	**$7,910.8**	**$8,314.0**
Depreciation	$1,121.8	$1,250.0	$1,325.0	$1,400.0	$1,475.0	$1,550.0
Other Post Employment Benef	1,026.5	1,055.4	1,098.9	1,144.8	1,191.6	1,240.3
Environmental Remediation	15.8	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	**$8,929.3**	**$9,270.5**	**$9,579.7**	**$9,978.7**	**$10,484.3**	**$11,017.4**
Net Operating Deficit/(Deficit)	**($4,725.3)**	**($4,958.8)**	**($5,068.3)**	**($5,391.5)**	**($5,687.6)**	**($6,155.7)**
Projected Gross Subsidies	$2,693.6	$3,153.6	$3,496.1	$3,497.6	$3,841.3	$3,958.8
Post 2010 Prog to Eliminate the Gap	0.0	0.0	0.0	61.7	123.4	185.1
Deficit after Projected Subsidies	**($2,031.7)**	**($1,805.2)**	**($1,572.2)**	**($1,832.2)**	**($1,722.9)**	**($2,011.8)**
Conversion to Cash						
Depreciation, OPEB & ER	$2,164.1	$2,305.4	$2,423.9	$2,544.8	$2,666.6	$2,790.3
Net Cash Surplus/(Deficit) 2	**$132.4**	**$500.2**	**$851.7**	**$712.6**	**$943.7**	**$778.5**

Source: Metropolitan Transportation Authority **Note: 1-** Excludes Debt Service, **2** - Excludes Prior Year Balance & Interagency Transfers

- **Budget.** As approved by the MTA Board of Directors, the NYCT Operating Budget (reimbursable and non-reimbursable) before depreciation and other post employment benefit is approximately $7.2 billion for Calendar Year (CY) 2010. Of that amount, $5.5 billion is for labor costs and $1.7 billion is for non-labor expenses. In addition, the Adopted Budget contains non-cash depreciation expenses of $1.3 billion and other post-employment benefit expenses, in accordance with GASB number 45, of $1.1 billion. The budget funds 46,703 positions, of which 5,333 are reimbursable and 41,370 are non-reimbursable. Reimbursable positions are those positions generally paid with capital funds.

- **Operating Revenue / Expense Projections.** The NYCT projects $4.5 billion in operating revenues for CY 2010, which is primarily derived from farebox revenues of $3.3 billion, capital and other reimbursements of $940.4 million and other revenues of $243 million. These funds will support the NYCT's proposed reimbursable and non-reimbursable expenditures of $7.1 billion, excluding depreciation and other post employment benefits, in 2010.
- **Transit Tax Revenue.** The NYCT is funded, in part, with tax revenues from the Metropolitan Mass Transportation Operating Assistance Account (Metro Account), Petroleum Business Tax (PBT), Mortgage Recording Tax and the Urban Mass Transportation Operating Account (Urban Account). The revenue from these accounts is projected to be $1.7 billion in CY 2010, which is $123 million more than the CY 2009 revenue of $1.6 billion but $429 million less than the $2.1 billion collected in CY 2008. Urban Account consist of two separate taxes - a Mortgage Recording Tax (MRT) and a Real Property Transfer Tax (RPTT) imposed on New York City commercial real property transactions of more than $500,000. Current forecasts project an 8.3 percent growth for commercial MRT receipts and a 77.5 percent growth for RPTT in 2010. While this represents a significant increase in percentage terms, projected urban tax receipts in 2010 of $282 million would still remain 68 percent below tax receipts of $884 million collected in 2007 due to continued weakness in the real estate market.
- **New State Taxes and Fees.** The Adopted 2010 Plan includes a set of new taxes, fees and surcharges enacted by the State in 2009 for the benefit of the MTA. Although current collections from these taxes are lagging, the NYCT subsidies from the new State taxes are projected to be $1.2 billion in calendar year 2010.
- **City Contribution.** For CY 2010, the City's contribution, excluding capital commitments, to the NYCT's budget is expected to be approximately $693 million. The subsidy is comprised of the following: $45 million for the reduced student fare; $14 million for the reduced fare for the elderly and the disabled; $158 million to match State Operating Assistance; $301 million for private bus subsidy; $86 million for the maintenance and operation of Long Island Railroad and Metro North Railroad stations in the City and $89 million for paratransit reimbursement.
    - **Paratransit.** Pursuant to an agreement between the City and the MTA, the NYCT assumed operating responsibility for all paratransit services required under the Americans with Disability Act of 1990. The City reimburses the NYCT for thirty-three percent of net paratransit operating expenses less fare revenues and urban tax proceeds. Total paratransit revenue is expected to be $109 million in CY 2010, which includes $89 million from City reimbursements.
- **State Subsidies.** The State's subsidy to the NYCT's budget for CY 2010 is estimated to be $183 million. Of this amount, $25 million is for school fare reimbursement and $158 million is to match city operating assistance. This funding does not include State dedicated tax revenues of $2.9 billion expected in 2010.

The MTA Bus Company (MTABC)

The MTA Bus Company was created in September 2004 pursuant to an agreement between the City of New York and the MTA to consolidate the operations of seven private franchise bus companies. The purpose of the takeover was to improve the quality and efficiency of bus service formerly provided by the private bus franchise operators. The agreement calls for the City to pay MTABC the difference between the actual cost of operating the bus routes and all revenues and subsidies received by the MTABC and allocable to the operation of the bus routes. As a result, the costs of MTABC operations are fully reimbursable by the City to the MTA.

MTA Bus operates the tenth largest transit fleet in the nation providing service on 81 routes with over 1,300 local and express buses that include 254 CNG buses and 334 low floor hybrid electric buses.

The proposed Calendar Year 2010 budget, the fifth comprehensive budget for the MTABC, reflects the goal to continue current service levels and provide safe and secure service for its customers.

MTA Bus Financial Plan 2010-2013

($ in millions)

Non-Reimbursable and Reimbursable	2008 Actual	2009 Final Forecast	2010 Final Proposed	2011 Projected	2012 Projected	2013 Projected
Operating Revenue						
Farebox	$155.3	$159.2	$163.4	$166.2	$168.6	$170.5
Other Revenue	24.7	19.8	20.6	21.7	21.9	22.2
Capital & Other Reimbursemt-	0.0	2.7	7.8	11.1	11.4	11.9
Total Operating Revenue	**$180.0**	**$181.7**	**$191.8**	**$199.0**	**$201.9**	**$204.6**
Operating Expenses						
Labor Expenses	$339.4	$343.7	$368.0	$382.4	$395.1	$409.1
Non-Labor Expenses	128.3	124.0	138.1	145.2	148.5	157.1
Other Expenses Adjustment	0	0	(1.5)	(3.0)	(3.0)	(3.1)
Operating Expenses Before Depreciation & GASB Adjs. 1	**$467.7**	**$467.7**	**$504.6**	**$524.6**	**$540.6**	**$563.1**
Depreciation	$34.4	$37.1	$40.2	$42.2	$42.2	$42.2
Other Post Employment Benef	48.8	66.8	67.6	68.5	70.0	71.6
Total Operating Expenses	**$550.9**	**$571.6**	**$612.4**	**$635.3**	**$652.8**	**$676.9**
Net Operating Surplus/(Deficit)	**($370.9)**	**($389.9)**	**($420.6)**	**($436.3)**	**($450.9)**	**($472.3)**
Post-2010 Prog to Eliminate the Gap	$0	$0	$0	$5.4	$10.7	$16.1
Deficit after GAP Actions	**($370.9)**	**($389.9)**	**($420.6)**	**($430.9)**	**($440.2)**	**($456.2)**
Conversion to Cash						
Depreciation &OPEB	$83.2	$103.9	$107.8	$110.7	$112.2	$113.8
Net Cash Surplus/(Deficit) 2	**($287.7)**	**($286.0)**	**($312.8)**	**($320.2)**	**($328.0)**	**($342.4)**

Source: Metropolitan Transportation Authority Note: 1- **Excludes Debt Service,** 2 - **Excludes Prior Year Balance & Interagency Transfers & Subsidies**

- **Operating Revenue / Expense Projections.** The MTABC operating revenue for CY 2010 is projected to be $191.8 million, which includes farebox revenue of $163.4 million, capital and other reimbursement of $7.8 million and other operating revenue of $20.6 million. The budget includes $504.6 million of combined reimbursable and non-reimbursable expenses before depreciation in CY 2010. These expenses include $368 million in labor costs and $138.1 million in non-labor costs. The depreciation expense and the other post-employment benefit expenses are projected to be $40.2 million and $67.6 million respectively.

Capital Budget Summary – City Funds

FY 2011 Executive Capital Commitment Plan

Dollars in thousands

	2011	2012	2013	2014	2011-2014
MTA Bus (MT)	$0	$0	$0	$0	$0
Staten Island Rail (ST)	350	350	350	361	1,411
New York City Transit (T)	73,532	64,277	66,044	58,422	262,275
TOTAL	$73,882	$64,627	$66,394	$58,783	$263,686

The May 2010 Capital Commitment Plan includes $263.4 million in Fiscals 2011 -2014 for the New York City Transit (NYCT), including City and Non-City funds). This represents approximately one percent of the City's total $28.6 billion Executive Plan for Fiscals 2011-2014. The agency's May Commitment Plan for Fiscals 2011 – 2014 is 35.9 percent less than the $410.9 million scheduled in the September Commitment Plan, a decrease of $147.5 million.

Over the past five years, the NYCT has committed on average 78.8 percent of its annual capital plan. Therefore, it is assumed that a portion of the agency's Fiscal 2010 Capital Plan will be rolled into Fiscal 2011, thus greatly increasing the size of the Fiscal 2011-2014 Capital Plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2010 has remained unchanged at $243 million.

Currently the NYCT's appropriations total $308.8 million in city-funds for Fiscal 2010. These appropriations are to be used to finance the agency's $173 million city-funded Fiscal 2010 capital commitment program. The agency has $135.8 million or nearly two times the funding it needs to meet its entire capital commitment program for the current fiscal year.