



**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 Preliminary Budget**

**Metropolitan Transportation Authority**

March 22, 2010

**Committee on Transportation**

Hon. James Vacca, Chair

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

## Budget Summary and Highlights

On May 7, 2009, the State 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, at the time, 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 leaving 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 reduced state funding to the MTA by \$143 million, as part of the State's deficit reduction plan, including \$18.9 million for student MetroCards. In addition, an arbitrator's cumulative prevailing wage rate determination of 11 percent for certain represented employees also added to the deficit projected to be \$400 million for 2009 and 2010.

Subsequently, in December 2009 the Board approved a final budget for 2010 with an end of year cash surplus of \$5 million. The approved budget, in essence, reinstated earlier cuts set aside after the State passed legislation for the mobility tax and other surcharges to provide a stable source of revenue to the MTA. The 2010 Budget includes significant number of bus and train service reductions, cuts to Student MetroCards and the Access-A-Ride (AAR) programs. Some of the proposed reductions 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.

- **Eliminate the M and Extend the V:** This action will eliminate the M that provide 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 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 runs between Queens and the Bronx High School of Science, for a total savings of \$1.8 million annually.
- **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.
- **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.

The MTA's position is that the 2009 – 2010 deficits have grown from \$400 million to \$750 million. As required by law, public hearings are to be held before a majority of the proposed cuts can be implemented. As a result, public hearings were commenced March 1, 2010. The Authority's Board is expected to vote on these actions on March 24, 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 its 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 Final Proposed	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	449	464	513	543	568	603
Capital & other Reimburse	0	0	0	0	0	0
<b>Total Operating Revenue</b>	<b>\$5,964</b>	<b>\$6,152</b>	<b>\$6,443</b>	<b>\$6,575</b>	<b>\$6,694</b>	<b>\$6,787</b>
Operating Expenses						
Labor Expenses	\$6,652	\$6,846	\$7,004	\$7,346	\$7,640	\$7,972
Non-Labor Expenses	2,553	2,705	2,977	3,124	3,342	3,570
Other Expenses Adjustment	(14)	(19)	(27)	(26)	(28)	(30)
General Reserve	0	38	75	75	75	75
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
<b>Total Operating Expenses</b>	<b>\$12,373</b>	<b>\$12,957</b>	<b>\$13,582</b>	<b>\$14,178</b>	<b>\$14,827</b>	<b>\$15,532</b>
<b>Net Operating Deficit</b>	<b>(\$6,410)</b>	<b>(\$6,805)</b>	<b>(\$7,139)</b>	<b>(\$7,603)</b>	<b>(\$8,133)</b>	<b>(\$8,745)</b>
Subsidies	\$4,078	\$4,563	\$5,349	\$5,548	\$5,845	\$6,124
Debt Service	(1,516)	(1,469)	(1,914)	(2,078)	(2,230)	(2,401)
<b>Deficit after Subsidies &amp; Debt</b>	<b>(\$3,848)</b>	<b>(\$3,712)</b>	<b>(\$3,703)</b>	<b>(\$4,132)</b>	<b>(\$4,519)</b>	<b>(\$5,022)</b>

	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)	(60)	(62)	(65)	(68)	(71)
All Other	490	211	132	(143)	(165)	(31)
<b>Cash Bal. Before Prior-Yr. Carryover</b>	<b>(\$232)</b>	<b>(\$173)</b>	<b>(\$120)</b>	<b>(\$681)</b>	<b>(\$953)</b>	<b>(\$1,180)</b>
Policy & GAP Closing Actions	\$0	\$11	\$106	\$558	\$634	\$1,122
Cash Management Actions	0	(73)	(9)	84	0	0
Prior Year Carryover	495	263	28	5	0	0
<b>Net Cash Surplus/(Deficit)</b>	<b>\$263</b>	<b>\$28</b>	<b>\$5</b>	<b>(\$34)</b>	<b>(\$319)</b>	<b>(\$58)</b>

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. Due to lower than previously estimated State dedicated taxes and real estate taxes, the adopted plan, when compared to the July 2009 plan, reflects a decrease in deficit of \$82 million in 2009, going from \$255 million to \$173 million, and an increase in deficit of \$68 million in 2010, going from \$52 million to \$120 million. The budget deficits for 2011, 2012, and 2013 now stands at \$681 million, \$953 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 gap closing actions projected to yield \$156 million in calendar year 2010, and growing to \$712 million in 2011, \$953 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 \$5 million, however, 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.

For the outyears, the MTA 2010 Adopted Budget anticipates an end-of-year cash deficit of \$34 million in 2011, \$319 million in 2012 and \$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 Proposed Capital Program (\$ in millions)

Program Elements	Proposed
<b>Core Capital Programs</b>	
New York City Transit	\$13,861
Long Island Rail Road	2,758
Metro-North Railroad	1,839
MTA Bus	325
<b>Core Subtotal</b>	<b>\$18,783</b>
MTA Wide Security Program	650
Interagency	400
Network Expansion Projects	5,739
<b>Total CPRB Program</b>	<b>\$25,572</b>
Bridges & Tunnels	2,508
<b>Total 2010-2014 Capital program</b>	<b>\$28,080</b>

Source: Metropolitan Transportation Authority

Numbers may not total due to rounding

The MTA's proposed \$28.1 billion 2010-2014 Capital Plan, Which was approved by the Authority's Board and submitted to the Capital Program Review Board (CPRB) last October, seeks to rebuild the system's core infrastructure and expand the region's transit network. The Plan, which is \$7 billion more than the 2005-2009 Capital Plan of \$21.1 billion includes a \$10 billion funding gap and as a result, was vetoed by the CPRB. The MTA is currently reworking the Capital Plan and will be resubmitting it to the CPRB soon.

The gap in the vetoed plan existed partly because of the State's action last May. The State's action, which included 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-year worth of capital program instead of a five-year capital program.

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.

For the New York City Transit (NYCT), the 2010-2014 Capital Plan proposed by the Authority would commit \$13.9 billion in core programs to maintain state of good repair. Of that amount approximately \$5 billion or 35 percent is allocated for subway cars, buses, and track replacement. The Plan also includes \$2.4 billion for the rehabilitation of passenger stations, among others.

Signals and Communications constitute the single largest investment category proposed by the NYCT. The vetoed 2010-2014 Capital Plan includes \$2.8 billion for signal and communications.

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

## MTA Proposed 2010-2014 Capital Program

### Funding Sources (\$in millions)

<b>Funding Currently Projected</b>	
Federal Formula	\$8,175
Federal Security	225
City Capital Funds	500
MTA Bus Federal & City Match	160
Bridges & Tunnels Dedicated Funds	2,508
MTA Bonds	6,000
Asset Sales/Pay-As-You-Go Capital	600
<b>Total Funds Currently Projected</b>	<b>\$18,168</b>
<b>Funding Gap</b>	<b>\$9,912</b>

# 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
<b>Total Operating Revenue</b>	<b>\$4,204.0</b>	<b>\$4,311.7</b>	<b>\$4,511.5</b>	<b>\$4,587.2</b>	<b>\$4,796.7</b>	<b>\$4,861.7</b>
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)
<b>Operating Expenses Before Depreciation, OPEB &amp; ER 1</b>	<b>\$6,765.3</b>	<b>\$6,965.1</b>	<b>\$7,155.9</b>	<b>\$7,534.0</b>	<b>\$7,910.8</b>	<b>\$8,314.0</b>
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
<b>Total Operating Expenses</b>	<b>\$8,929.3</b>	<b>\$9,270.5</b>	<b>\$9,579.7</b>	<b>\$9,978.7</b>	<b>\$10,484.3</b>	<b>\$11,017.4</b>
<b>Net Operating Deficit/(Deficit)</b>	<b>(\$4,725.3)</b>	<b>(\$4,958.8)</b>	<b>(\$5,068.3)</b>	<b>(\$5,391.5)</b>	<b>(\$5,687.6)</b>	<b>(\$6,155.7)</b>
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
<b>Deficit after Projected Subsidies</b>	<b>(\$2,031.7)</b>	<b>(\$1,805.2)</b>	<b>(\$1,572.2)</b>	<b>(\$1,832.2)</b>	<b>(\$1,722.9)</b>	<b>(\$2,011.8)</b>
Conversion to Cash						
Depreciation, OPEB & ER	\$2,164.1	\$2,305.4	\$2,423.9	\$2,544.8	\$2,666.6	\$2,790.3
<b>Net Cash Surplus/(Deficit) 2</b>	<b>\$132.4</b>	<b>\$500.2</b>	<b>\$851.7</b>	<b>\$712.6</b>	<b>\$943.7</b>	<b>\$778.5</b>

Source: Metropolitan Transportation Authority

Note: 1 - Excludes Debt Service, 2 - Excludes Prior Year Balance &amp; 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 \$7.3 billion for Calendar Year (CY) 2010. Of that amount, \$5.5 billion is for labor costs and \$1.8 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 amount of \$1.6 billion but \$429 million less than the CY 2008 amount of \$2.1 billion. 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. For the NYCT, subsidies from the new State taxes are projected to be \$1.2 billion in calendar year 2010.
- **The City's 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; \$89 million for paratransit reimbursement; \$158 million to match State Operating Assistance; \$301 million for private bus subsidy; and \$86 million for the maintenance and operation of Long Island Railroad and Metro North Railroad stations in the City.
- **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 \$88.8 million from City reimbursements.
- **State Subsidies.** For CY 2010, the State's subsidy to the NYCT's budget is expected 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
<b>Total Operating Revenue</b>	<b>\$180.0</b>	<b>\$181.7</b>	<b>\$191.8</b>	<b>\$199.0</b>	<b>\$201.9</b>	<b>\$204.6</b>
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)
<b>Operating Expenses Before Depreciation &amp; GASB Adjs. 1</b>	<b>\$467.7</b>	<b>\$467.7</b>	<b>\$504.6</b>	<b>\$524.6</b>	<b>\$540.6</b>	<b>\$563.1</b>
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
<b>Total Operating Expenses</b>	<b>\$550.9</b>	<b>\$571.6</b>	<b>\$612.4</b>	<b>\$635.3</b>	<b>\$652.8</b>	<b>\$676.9</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>(\$370.9)</b>	<b>(\$389.9)</b>	<b>(\$420.6)</b>	<b>(\$436.3)</b>	<b>(\$450.9)</b>	<b>(\$472.3)</b>
Post-2010 Prog to Eliminate the Gap	\$0	\$0	\$0	\$5.4	\$10.7	\$16.1
<b>Deficit after GAP Actions</b>	<b>(\$370.9)</b>	<b>(\$389.9)</b>	<b>(\$420.6)</b>	<b>(\$430.9)</b>	<b>(\$440.2)</b>	<b>(\$456.2)</b>
Conversion to Cash						
Depreciation & OPEB	\$83.2	\$103.9	\$107.8	\$110.7	\$112.2	\$113.8
<b>Net Cash Surplus/(Deficit) 2</b>	<b>(\$287.7)</b>	<b>(\$286.0)</b>	<b>(\$312.8)</b>	<b>(\$320.2)</b>	<b>(\$328.0)</b>	<b>(\$342.4)</b>

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 projects the combined reimbursable and non-reimbursable expenses before depreciation to be \$504.6 million for 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 2010 Adopted Capital Commitment Plan

*Dollars in thousands*

	2010	2011	2012	2013	2010-2013
MTA Bus (MT)	\$66,881	\$0	\$0	\$0	\$66,881
Staten Island Rail (ST)	\$2,882	\$350	\$350	\$350	\$3,932
New York City Transit (T)	\$173,281	\$52,053	\$48,777	\$66,044	\$340,155
<b>TOTAL</b>	<b>\$243,044</b>	<b>\$52,403</b>	<b>\$49,127</b>	<b>\$66,394</b>	<b>\$410,968</b>

The January 2010 Capital Commitment Plan includes \$410.9 million in Fiscals 2010 -2013 for the New York City Transit (NYCT), including City and Non-City funds). This represents approximately one percent of the City's total \$39.14 billion January Plan for Fiscals 2010-2013. The agency's January Commitment Plan for Fiscals 2010 - 2013 remains unchanged from the September Commitment Plan.

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.