



New York City Council

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**Hearing on the Mayor's Fiscal Year 2012 Preliminary Budget &
the Fiscal Year 2011 Preliminary Mayor's Management Report**

Metropolitan Transportation Authority

March 11, 2011

Committee on Transportation

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Budget Summary and Highlights

In the first quarter of 2009, the MTA announced that it was facing a two year budget deficit of close to \$5 billion because its uncontrollable costs (i.e. debt service and fringe benefit) were growing much faster than inflation while ridership and tax receipts were falling drastically due to the recession.

Subsequently, the State Legislature passed, and the Governor approved, a series of new dedicated taxes and fees to help the Authority address its recurring financial needs. At the time, the new taxes were estimated to provide the MTA with an additional \$2.9 billion in Calendar Years 2009 and 2010 and \$2 billion annually thereafter.

2009 Financial Assistance Enacted by the State for the MTA

(\$ 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

Since the new taxes were enacted, the MTA has raised fares and tolls twice, by a total of more than 17 percent, first, by ten percent in July of 2009 and again last December by 7.5 percent. In addition, the Authority has also taken additional steps to aggressively reduce costs and maintain a balanced budget.

Some of the actions taken to close the MTA's budget gaps include:

Administrative Savings: To achieve a balanced budget, the MTA has proposed to reduce administrative positions by 15 percent, freeze management wages and reduce overtime spending.

Service Reductions: Last year, to generate about \$120 million annually in savings, the MTA implemented service cuts that included the elimination of the V and W subway lines, the elimination of certain bus lines and a reduction in the frequency of weekend and off-peak subway service.

Paratransit Reduction: By restricting access and replacing its current door-to-door service with alternative fixed-route transit – trains and buses – the MTA anticipates savings of \$30 million in 2010 and \$80 million in Fiscal 2011 and the outyears.

Future Actions: The MTA is implementing new operating efficiencies that it hopes will produce savings of \$75 million in 2011 and as much as \$200 million by 2014. Although the projected savings of \$75 million for 2011 has been fully identified, the outyear savings are yet to be fully identified. The savings identified for 2011 include \$33 million from a Health Benefit Re-bid, \$20 million from Strategic Sourcing, \$15 million from Information Technology Consolidation, and \$7 million from Inventory savings.

Lastly, despite the aforementioned actions, the Authority's financial condition remains precarious as recent changes in the pension return assumptions by the State Comptroller highlight additional risk the MTA could be facing.

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 2011-2014

MTA Consolidated Statement of Operations - Including MTA Bus Company

(\$ in millions)

Non-Reimbursable	2009 Actual	2010 Final Forecast	2011 Final Proposed	2012 Projected	2013 Projected	2014 Projected
Operating Revenue						
Farebox	\$4,350	\$4,572	\$4,648	\$4,751	\$4,821	\$4,885
Toll Revenue	1,332	1,417	1,423	1,433	1,434	1,439
Other Revenue	461	499	523	549	581	617
Capital & Other Reimburse.	0	0	0	0	0	0
Total Operating Revenue	\$6,144	\$6,488	\$6,594	\$6,733	\$6,836	\$6,941
Operating Expenses						
Labor Expenses	\$6,914	\$6,921	\$7,136	\$7,442	\$7,756	\$8,112
Non-Labor Expenses	2,612	2,708	2,822	2,991	3,202	3,429
Other Expenses Adjustment	(15)	(28)	(25)	(26)	(26)	(28)
General Reserve	0	0	100	100	100	100
Total Operating Expenses Before Non-Cash Liability Adj.	\$9,512	\$9,602	\$10,034	\$10,508	\$11,032	\$11,612
Depreciation	\$1,941	\$2,032	\$2,125	\$2,208	\$2,290	\$2,364
Other Post-Employment Benefit	1,136	1,203	1,265	1,291	1,321	1,350
Environmental Remediation	6	12	10	10	10	11
Total Operating Expenses	\$12,594	\$12,848	\$13,434	\$14,017	\$14,653	\$15,338
Net Operating Deficit	(\$6,451)	(\$6,360)	(\$6,840)	(\$7,285)	(\$7,817)	(\$8,397)
Subsidies	\$4,137	\$4,908	\$5,239	\$5,533	\$5,787	\$6,030
Debt Service	(1,404)	(1,756)	(2,043)	(2,215)	(2,392)	(2,583)
Deficit after Subsidies & Debt	(\$3,718)	(\$3,207)	(\$3,644)	(\$3,966)	(\$4,421)	(\$4,950)
	2009 Actual	2010 Final Forecast	2011 Final Proposed	2012 Projected	2013 Projected	2014 Projected
Conversion to Cash						
Non-Cash Liability Adjs.	\$3,083	\$3,246	\$3,401	\$3,509	\$3,621	\$3,725
GASB Account	(54)	(65)	(47)	(60)	(63)	(66)
All Other	556	(23)	(225)	(287)	(212)	(282)
Cash Bal. Before Prior-Yr. Carryover	(\$133)	(\$50)	(\$516)	(\$803)	(\$1,075)	(\$1,573)
Policy & GAP Closing Actions	\$0	(\$77)	\$521	\$588	\$1,073	\$1,133
Cash Management Actions	0	0	0	0	0	0
Prior Year Carryover	263	130	3	8	0	0
Net Cash Surplus/(Deficit)	\$130	\$3	\$8	(\$207)	(\$2)	(\$440)

Source: Metropolitan Transportation Authority

MTA BUDGET OVERVIEW

The Calendar Year 2011 Adopted Budget for the MTA includes a Four-Year Financial Plan for the years 2011 through 2014. The Authority issued a Preliminary Budget in July of 2010 for public review and comment before issuing a Final Budget in late November that was presented to the MTA Board for a vote on December 15, 2010.

To balance the Calendar Year 2011 Adopted Budget, the MTA identified and implemented gap closing actions that are expected to produce annual recurring savings in excess of \$521 million. These actions include a 15-percent cut in administrative positions, the freezing of management wages, reduction in overtime spending, and renegotiation of certain contracts with major suppliers. In addition, on December 30, 2010 the MTA implemented a new 7.5-percent fare and toll increases expected to yield \$411 million in 2011, and growing to \$438 million by 2014. Another 7.5-percent fare and toll increase is planned for 2013 and is expected to yield \$454 million in 2013 and \$470 million in 2014. As a result of these actions, the 2011 Adopted Budget remains balanced through the calendar year with an anticipated net cash surplus of \$8 million. The outlook for the outyears, however, remains bleak as real estate activity and other dedicated taxes that are major sources of revenue for the Authority remain flat or continue to decline.

For the outyears, the MTA's current Plan anticipates end-of-year cash deficits of \$207 million in 2012, \$2 million in 2013 and \$440 million in 2014. 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.

Capital Program

CAPITAL BUDGET SUMMARY

2010-2014 MTA Proposed 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

The MTA's revised 2010-2014 Capital Plan, as approved by the Authority's Board and the Capital Program Review Board (CPRB), is \$26.3 billion. The Plan seeks to rebuild the system's core infrastructure and expand the region's transit network. The original Plan of \$28.1 billion proposed by the MTA was vetoed by the CPRB without prejudice on December 31, 2009 to allow the MTA additional time to resolve full funding issues relating to the program, particularly federal funding assumptions made by the Authority.

Currently the gap in the vetoed plan continues to exist. This is, in part, because the new tax revenue stream approved by the State in 2009 to provide recurring revenues can only support debt service of \$6 billion in the Capital Plan. This amount, when combined with other available stream of revenues would only allow the MTA to fully fund the first two years out of five of its Capital Program. Current projection is that the 2010-2014 Capital Plan would increase annual debt service by about \$300 million by 2014. In addition, the MTA would need \$2.2 billion in debt service costs by 2014 just to finance its past Capital Programs. This means that the share of operating revenues used to support the Authority's Capital program is likely to rise beyond the current (2010) rate of 17 percent.

While the MTA has invested more than \$60 billion in the past 29 years to bring the regional transit system to a state of good repair, the precarious funding condition it now faces could erode the gains of the past and hinder desperately needed system-wide expansion projects such as the Second Avenue Subway.

If the MTA is left on its own to fund the remaining three years of the 2010-2014 Capital Plan without additional State and Federal funding, it is conceivable the Authority would seek to close the gaps through a combination of additional service cuts, agency efficiencies and/or fare and toll increases beyond the 7.5-percent fare growth rate already in the budget for 2013.

As for the New York City Transit (NYCT), the 2010-2014 Capital Plan proposed by the Authority would commit \$12.8 billion in core programs to maintain state of good repair. Of that amount, approximately \$4.2 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.

Signals and Communications constitute the single largest investment category proposed by the NYCT. The 2010-2014 Capital Plan includes \$3.2 billion for signals and communications.

MTA 2010-2014 Capital Program

Funding Sources (\$in millions)

Funding Currently Projected	2010-2011	2012-2014	Total Proposed
Total CPRB Program Cost	\$9,142	\$14,670	\$23,812
Current Projected Funding:			
Federal Formula	2,188	4,227	\$6,415
Federal Security	90	135	225
City Capital Funds	200	300	500
MTA Bus Federal & City Match	64	96	160
MTA Bonds (Payroll Mobility Tax)	6,000	0	6,000
Asset Sales/Pay-As-You-Go Capital	600	0	600
Total CPRB Funds Available	\$9,142	\$4,758	\$13,900
Funding Gap	\$0	\$9,912	\$9,912
Bridges & Tunnels Dedicated Funds	\$954	\$1,499	2,453

Funding Assumptions

Federal Security Funding: the MTA is assuming 2010-2014 Department of Homeland Security (DHS) funding of \$225 million. This amount is consistent with its current security grant funding receipts.

New York City Funds: The 2010-2014 Plan assumes an annual contribution of \$100 million, an increase of \$20 million over the current annual contribution amount of \$80 million. Given the City's current financial conditions, this could be a risky assumption.

MTA Bus Funding: Federal and City Match: With the MTA takeover of the City private bus franchise in 2004, federal funds previously allocated to the City for these properties are now transferred annually to the MTA. The City also provides the match required for grant funding.

MTA Bonds (Payroll Mobility Tax): During its 2009 session, the New York State legislature approved new revenue sources adequate to support debt service on \$6 billion of new bonds for the first two years of the program. No such funding exist going forward.

Other Funds: The MTA anticipates \$600 million in asset sales, pay-as-you-go Capital or other non-bond sources. This funding only supports the first two years of the program.

Future State and Local Funding: The MTA plans to work with its funding partners to identify additional funding of \$9.9 billion needed to close the \$9.9 billion gap identified in the 2010-2014 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 45,000 workers who are responsible for the operation and maintenance of 4,355 buses and 6,374 subway cars. Over 1.5 billion people ride the City's buses and subways each year.

NYCT Financial Plan 2011-2014

February Financial Plan (\$ in millions)

Non-Reimbursable and Reimbursable	2009 Actual	2010 Final Forecast	2011 Final Proposed	2012 Projected	2013 Projected	2014 Projected
Operating Revenue						
Farebox	\$3,132.8	\$3,302.5	\$3,357.8	\$3,433.4	\$3,482.0	\$3,528.0
Other Revenue	252.0	277.3	294.9	319.8	346.7	377.4
Capital & Other Reimbursemt.	938.4	962.8	954.8	941.6	932.2	949.2
Total Operating Revenue	\$4,323.2	\$4,542.7	\$4,607.5	\$4,694.8	\$4,761.0	\$4,854.7
Operating Expenses						
Labor Expenses	\$5,422.9	\$5,468.3	\$5,590.4	\$5,783.3	\$5,981.4	\$6,245.9
Non-Labor Expenses	1,614.5	1,602.4	1,673.7	1,805.4	1,966.7	2,146.4
Gap Closing Expenses/Adjust		0	0	0	0	0
Operating Expenses Before Depreciation, OPEB & ER 1	\$7,037.4	\$7,070.7	\$7,264.1	\$7,588.7	\$7,948.2	\$8,392.3
Depreciation	\$1,231.0	\$1,325.0	\$1,400.0	\$1,475.0	\$1,550.0	\$1,625.0
Other Post Employment Benef.	828.3	879.6	918.7	929.9	943.8	962.6
Environmental Remediation	(1.5)	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	\$9,095.2	\$9,275.3	\$9,582.9	\$9,993.6	\$10,442.0	\$10,979.9
Net Operating Deficit/(Deficit)	(\$4,772.0)	(\$4,732.6)	(\$4,975.4)	(\$5,298.8)	(\$5,681.0)	(\$6,125.2)
Projected Gross Subsidies	\$2,970.9	\$3,366.9	\$3,210.5	\$3,410.2	\$3,517.3	\$3,650.5
Deficit after Projected Subsidies	(\$1,801.1)	(\$1,365.7)	(\$1,764.9)	(\$1,888.6)	(\$2,163.7)	(\$2,474.7)
Conversion to Cash						
Depreciation, OPEB & ER	\$2,057.8	\$2,204.6	\$2,318.7	\$2,404.9	\$2,493.8	\$2,587.6
Net Cash Surplus/(Deficit) 2	\$256.7	\$838.9	\$553.8	\$516.3	\$330.1	\$112.9

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 benefits is approximately \$7.3 billion for Calendar Year (CY) 2011. Of that amount, \$5.6 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 \$1.4 billion and other post-employment benefit expenses, in accordance with GASB number 45, of \$918.7 million. The budget funds 45,700 positions, of which 5,370 are reimbursable and 40,330 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 2011, which is primarily derived from farebox revenues of \$3.4 billion, Capital and other reimbursements of \$954.8 million and other revenues of \$294.9 million. These funds will support the NYCT's proposed reimbursable and non-reimbursable expenditures of \$7.3 billion, excluding depreciation and other post-employment benefits, in 2011.
- **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 2011, which is \$156 million more than the CY 2010 amount of \$1.6 billion but \$429 million less than the CY 2008 amount of \$2.1 billion. The Urban Account consists 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. For 2011 through 2013, total Dedicated Taxes and State & Local Subsidies, on an accrual basis, are projected to fall short, compared to the of the 2010 February Plan, by \$238 million in 2011, \$242 million in 2012, and \$267 million in 2013, due primarily to lower Payroll Mobility Tax (PMT) and real estate forecasts.
- **New State Taxes and Fees.** The Adopted 2011 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 2011.
- **The City's Contribution.** For CY 2011, the City's contribution, excluding Capital commitments, to the NYCT's budget is expected to be approximately \$710 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; \$105 million for paratransit reimbursement; \$158 million to match State Operating Assistance; \$302 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 \$122.6 million in CY 2011, which includes \$105 million from City reimbursements.
- **State Subsidies.** For CY 2011, 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 2011.

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 80 routes with over 1,252 local and express buses that include 170 Clean Natural Gas (CNG) buses and 389 low floor hybrid electric buses.

In 2008, to provide all bus customers served by the MTA with the same level of service, the MTA moved to streamline management and support functions by consolidating the operational responsibilities for the MTA Bus, NYCT Department of Buses and Long Island Bus. The proposed Calendar Year 2011 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	2009 Actual	2010 Final Forecast	2011 Final Proposed	2012 Projected	2013 Projected	2014 Projected
Operating Revenue						
Farebox	\$160.0	\$167.8	\$169.5	\$172.0	\$174.2	\$176.5
Other Revenue	21.4	17.7	18.8	19.0	19.4	19.8
Capital & Other Reimbursemts	0.1	6.6	7.3	7.4	7.5	7.6
Total Operating Revenue	\$181.5	\$192.1	\$195.6	\$198.4	\$201.1	\$203.9
Operating Expenses						
Labor Expenses	\$339.2	\$364.3	\$384.2	\$393.2	\$404.7	\$411.2
Non-Labor Expenses	119.0	147.0	138.8	141.0	148.4	156.5
Operating Expenses Before Depreciation & GASB Adjs. 1	\$458.1	\$511.3	\$522.9	\$534.2	\$553.1	\$567.7
Depreciation	\$36.5	\$40.2	\$42.2	\$42.2	\$42.2	\$42.2
Other Post Employment Benef	47.1	67.6	68.5	70.0	71.6	73.0
Environmental Remediation	2.0	0	0	0	0	0
Total Operating Expenses	\$543.7	\$619.1	\$633.6	\$646.4	\$666.9	\$682.9
Net Operating Surplus/(Deficit)	(\$362.2)	(\$427.0)	(\$438.1)	(\$448.0)	(\$465.8)	(\$479.1)
Post-2010 Prog to Eliminate the Gap	\$0	\$0	\$0	\$0	\$0	\$0
Deficit after GAP Actions	(\$362.2)	(\$427.0)	(\$438.1)	(\$448.0)	(\$465.8)	(\$479.1)
Conversion to Cash						
Depreciation & OPEB	\$85.6	\$107.8	\$110.7	\$112.2	\$113.8	\$115.2
Net Cash Surplus/(Deficit) 2	(\$276.6)	(\$319.2)	(\$327.4)	(\$335.8)	(\$352.0)	(\$363.9)

Source: Metropolitan Transportation Authority

Note: 1- Excludes Debt Service, 2 - Excludes Prior Year Balance & Interagency Transfers & Subsidies

- Operating Revenue/Expense Projections.** The MTABC’s operating revenue for CY 2011 is projected to be \$195.6 million, which includes farebox revenue of \$169.5 million, Capital and other reimbursement of \$7.3 million, and other operating revenue of \$18.8 million. The budget projects the combined reimbursable and non-reimbursable expenses before depreciation to be \$515.7 million for CY 2011. These expenses include \$384.2 million in labor costs and \$138.8 million in non-labor costs. The depreciation expense and the other post-employment benefit expenses are projected to be \$42.2 million and \$68.5 million respectively.

The New York City subway system operates on more than 660 miles of track in over 238 directional route-miles serving the boroughs of Manhattan, the Bronx, Queens, and Brooklyn. The Staten Island Rapid Transit Authority (SIRTOA) operates a 14-mile rapid transit line linking 22 communities and the Staten Island-Manhattan Ferry service. The Authority’s bus system, including the newly created MTA Bus, serves all five boroughs. On average, the combined transit (6,290 subway cars) and bus systems (5,838 buses) transport over 2.3 billion riders annually.

Capital expenditures for the NYCT are coordinated by the MTA. NYCT’s capital program includes major infrastructure improvements to subway stations (for example, track and signal replacements and upgrading of security), modernization of subway stations, major equipment replacements and the implementation of an Automated Fare System.

FY 2012 January Capital Commitment Plan

Dollars in thousands

	2011	2012	2013	2014	2011-2014
MTA Bus (MT)	\$39,909	\$0	\$0	\$0	\$39,909
Staten Island Rail (ST)	3,342	900	0	0	4,242
New York City Transit (T)	222,821	103,600	40,000	40,000	406,421
TOTAL	\$266,072	\$104,500	\$40,000	\$40,000	\$450,572

The February 2011 Capital Commitment Plan includes \$450.6 million in Fiscal 2011 -2014 for the New York City Transit (NYCT) including City and Non-City funds. This represents approximately 1.3 percent of the City’s total \$33.2 billion January Plan for Fiscal 2011-2014. The agency’s February Commitment Plan for Fiscal 2011 - 2014 remains unchanged from the September Commitment Plan.

Over the past five years, the NYCT has committed an average of 63.6 percent of its annual Capital Plan. Therefore, it is assumed that a portion of the agency’s Fiscal 2011 Capital Plan will be rolled into Fiscal 2012, thus increasing the size of the Fiscal 2012-2015 Capital Plan. Since Adoption last June, the Capital Commitment Plan for Fiscal 2011 has increased from \$251.9 million to \$266.1 million, an increase of \$14.2 million or 5.6 percent.

Currently the NYCT’s appropriations total \$365.2 million in City funds for Fiscal 2011. These appropriations are to be used to finance the agency’s remaining \$177.7 million City-funded Fiscal 2011 Capital Commitment Program. The agency has \$187.5 million more, or over two times the funding it needs, to meet its remaining Capital Commitment Program for the current fiscal year.

Preliminary Ten Year Capital Strategy

The NYCT’s Fiscal 2012-2021 Preliminary Ten-Year Capital Strategy, as proposed by the City, is divided into three program areas that include track work, transit improvement, and Staten Island Rapid Transit Operating Authority (SIRTOA). In the Plan, the City will contribute \$569.8 million to the Transit Authority.

Of that amount, \$400 million will be committed to track work, \$166.2 million to various transit improvement project, and \$3.6 million to the Staten Island Rapid Transit Authority (SIRTOA).

Over the past 29 years, the MTA has committed close to \$50 billion to fund the NYCT Capital Program. As discussed earlier, the 2010-2014 Capital Program was approved by the MTA Board and the Capital Program Review Board (CPRB) last June. However, the CPRB only authorized the first two years of the Program that was fully funded. At this time it is difficult to predict if the 2010-2014 Capital Program will be fully funded. The MTA' 2010-2014 Capital Program contains \$23 billion of which, \$12.8 billion would be invested in the NYCT core system. If the MTA's Capital Program is not fully funded, its ability to meet its operating needs could be seriously impaired.