



**NOTE ON THE CALENDAR YEAR 2021 BUDGET FOR THE
METROPOLITAN TRANSPORTATION AUTHORITY**

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The Metropolitan Transportation Authority (MTA or Authority) is the largest public transportation system in the United States. Prior to the COVID-19 global pandemic, the MTA served approximately 2.7 billion passengers annually, with an average subway weekday ridership of six million riders and was one of the only public transportation systems in the world that ran 24 hours per day on every day of the year.

The MTA budget is unique within the City's budget process because it is a State-controlled agency and, unlike the City, it operates on a calendar year rather than a fiscal year. The MTA Board approved its 2021 Budget in December 2020, which means that the City's Fiscal 2022 Adopted Budget will not impact the adoption of the Authority's budget. Therefore, MTA's budget has not significantly changed since the Committee on Transportation held its Preliminary Budget Hearing on March 23, 2021. As such, this memorandum will give a brief summary of the MTA's current and unchanged budget, as well as provide an update on any highlights within the MTA in the intervening two-months since the Preliminary Budget hearing.

MTA Budget Overview

The 2021 Budget adopted by the MTA board includes a four-year financial plan for calendar years 2021 –2024 and reflects the fiscal challenges the Authority faces in the new era of the COVID-19 pandemic. The Authority issued a Preliminary Budget in July 2020 for public review and comment before issuing a Final Budget in late November that was presented to the MTA Board for a vote in December 2020. Highlights of the MTA 2021-2024 Adopted Plan include updates on COVID-19 related revenue losses, a funding request of \$8 billion in federal funding (in addition to the \$8.5 billion already received through the federal CARES Act and Coronavirus Response and Relief Supplemental Appropriations Act), and biennial fare and toll increases of four percent in 2021 and 2023.

For Calendar Year 2021, expenses total approximately \$17.6 billion and is funded through a combination of resources, including \$1.8 billion from farebox revenue, a decrease of 73 percent in farebox revenue compared to the \$6.5 billion projected in the Calendar Year 2020 Adopted Budget. This drastic decline in revenue is the direct result of the COVID-19 pandemic, which has significantly reduced MTA ridership. In addition, the Plan anticipates a decrease of \$1 billion, or approximately 16 percent, in local and state taxes and subsidies in 2021 when compared to the 2020 Adopted Budget. Overall, the Authority projects ending cash balances of \$1.8 billion in 2020 (including MLF borrowing of \$2.9 billion), \$29 million in 2021, with projected cash deficits of \$3.3 billion in 2022, \$2.3 billion in 2023, and \$2.2 billion in 2024. Overall, the MTA's expense budget increased by 1.5 percent, or \$250 million between Calendar Year 2020 and Calendar Year 2021 and by 15.4 percent, or \$2.2 billion since Calendar Year 2016.

To help ease the financial strain of the COVID-19 pandemic, the MTA estimated that it would need approximately \$16 billion in new federal aid. Currently, the Adopted budget only assumes receipt of the \$8.5 billion of federal aid pledged to address the MTA's budget shortfalls in 2020 and 2021. As a result, the Calendar Year 2020 is balanced from receipt of \$2.9 billion borrowed through the Federal Reserve's Municipal Liquidity Facility, and the assumption is that 2021 will be balanced with new federal aid. Since the MTA is required by statute to end Calendar Year 2021 on a self-sustaining and balanced basis, the MTA may need to consider service reductions, wage freezes, fare and toll increases beyond the scheduled four percent increases, and/or deficit financing in the absence of the requested federal funding. However, due to the additional receipt of federal stimulus funding, the need for additional service reduction is temporarily off the table.

The MTA's December Adopted Plan included an additional \$4.5 billion in federal aid from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). As of the February Plan, the cumulative deficit remains at \$7.87 billion. However, the \$1.9 trillion American Rescue Plan includes \$30 billion in federal aid for transit, and the Authority remains optimistic that the package will provide the funding needed to close the MTA budget gap.

For more information on the Authority's budget and response to the COVID-19 pandemic, please see the Fiscal 2022 Preliminary Budget report on the New York City Council's website: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2021/03/MTA-1.pdf>

Highlights Since Preliminary Budget Hearing

Resumption of Overnight Subway Service. Beginning May 6, 2020, the MTA suspended overnight subway service from 1 AM to 5 AM to allow for a complete disinfecting of the system, with bus and third-party alternative transportation services provided to essential workers during hours of closure. Following the urging of the City Council at a February 10, 2020 hearing, the MTA reduced subway closures to two-hours each night beginning on February 22, 2020. On May 17, 2020, 24-hour service was restored, ending the longest planned shutdown since the subway opened in 1904.

Ridership Decline and Recovery. On March 24, 2020 the MTA Chairman, Patrick Foye, released an Op-Ed in the New York Times requesting \$4 billion in financial assistance from the Federal Government to make up revenue losses resulting from the decline in ridership due to the COVID-19 pandemic. At the time of his request, subway ridership had declined 76 percent, buses by 62 percent, MNR by 94 percent, and LIRR by 71 percent. In a normal year, farebox revenue constitutes approximately 40 percent of the MTA's annual budget, or \$6.5 billion.

By the last week of April 2020, ridership had decreased further: subway ridership was down 91 percent; LIRR ridership was down 97 percent; MNR ridership was down 95 percent, and; B&T traffic was down 57 percent. After March 20, 2020 bus ridership was no longer counted because rear-door only boarding was instituted as a measure to improve bus driver safety. MTA began encouraging non-essential workers to stay home. As of April 17, 2020, Subway service on the B, C, W, Z, and 42 Street Shuttle had been suspended, extra L-service on nights and weekends had been suspended, many express trains were running local, Staten Island Railway service was reduced to an hourly schedule, and bus service was reduced.

In May 2020, the MTA hired the McKinsey consulting firm to assess the effects of COVID-19 on the Authority. At the time, McKinsey assumed that MTA ridership would not recover until May

2022. An updated report released by the firm prior to the adoption of the Calendar Year 2021 budget estimated that MTA would only recover 80 to 92 percent of pre-pandemic ridership by the mid-2020s. The report also estimated that the pandemic would “adversely impact MTA’s finances by a net of \$16.2 billion through 2024. Operating revenues were projected to be down \$10.7 billion, subsidies \$6.9 billion lower, and expenses \$2.7 billion higher, partially offset by the receipt of \$4 billion from the CARES Act.”

As of Tuesday, May 25, 2020, weekday ridership on MTA subway and Staten Island Railway was down 58 percent; Bus ridership was down 47 percent; LIRR ridership was down 65 percent; MNR ridership was down 70 percent; Access-A-Ride ridership was down 19 percent; and B&T traffic was increased 2.5 percent. As of Saturday, May 22, ridership on MTA subway and Staten Island Railway was down 45 percent; Bus ridership was down 37 percent; LIRR ridership was down 44 percent; MNR ridership was down 37 percent; Access-A-Ride ridership was down 15 percent; and B&T traffic was down one percent. The difference in ridership numbers between these two dates reflects the variation of ridership patterns between weekdays and weekends, as well as the fact that a significant share of office workers have continued to work from home.

Congestion Pricing Implementation. The Fiscal 2020 New York State Executive Budget authorized MTA to establish a congestion tolling program in the City of New York. Congestion Pricing revenue was estimated to cover 27 percent of the 2020-2024 Capital Plan. However, the rollout of the program was significantly delayed under President Donald J. Trump’s Administration, as it did not inform the State whether or not the plan would require a costly “Environmental Impact Statement”. In late March, the Federal Highway Administration, now overseen by President Joseph R. Biden’s Administration, announced that Congestion Pricing could move forward with a less costly and time consuming “Environmental Assessment”. Currently, the State Budget gives few details on how much drivers would be charged for entering the congestion tolling zone or when the program would fully take effect.

MTA 2020-2024 Capital Program

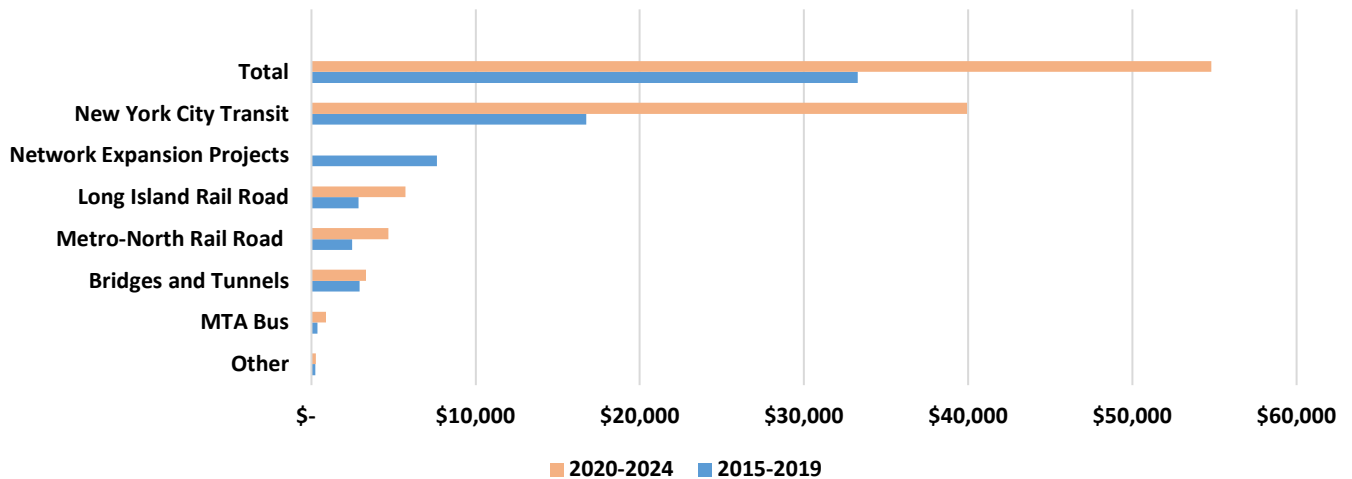
State law requires the MTA to submit to the New York State Capital Program Review Board (CPRB), for its approval, successive five-year capital programs for the Transit System and MTA Staten Island Railway and the Commuter System. MTA Bridges and Tunnels (MTA B&T) and MTA Bus undertake their own capital planning that is not subject to the CPRB approval. However, while not required to do so by statute, the MTA has consistently included five-year capital programs for the two entities in its submissions to the CPRB. By law, the MTA must submit its 2020-2024 Capital Program proposal to the CPRB by October 1, 2019. Although, the Board has up to 90 days to approve or reject the Program, the 2020-2024 Plan was approved by the CPRB on January 1, 2020.

On September 25, 2019, the MTA submitted a proposal for the 2020-2024 Capital Program to the MTA Board, totaling \$54.8 billion. Of the total spending, including for network expansion, \$39.9 billion, or 73 percent, is allocated to New York City Transit, followed by Long Island Railroad at \$5.7 billion (10 percent), Metro-North Railroad at \$4.7 billion (9 percent), Bridges and Tunnels at \$3.3 billion (6 percent), MTA Bus at \$871 million (1.6 percent), and Other at \$254 million (less than one percent). Overall, the 2020-2024 Capital Program is \$21.5 billion greater than the \$33.3 billion 2015-2019 Capital Program, an increase of 65 percent.

2020-2024 MTA Capital Program
Dollars in Millions

Program	2020-2024
Core Capital Program	
New York City Transit	\$39,944
Long Island Rail Road	5,714
Metro-North Rail Road	4,689
MTA Bus	871
Other	254
Core Subtotal	\$51,472
Bridges and Tunnels	3,327
Total 2020-2024 Capital Program	\$54,799

The 2020-2024 Capital Program is \$21.5 billion more than the 2015-2019 Capital Program



Where the Funding Will Come From

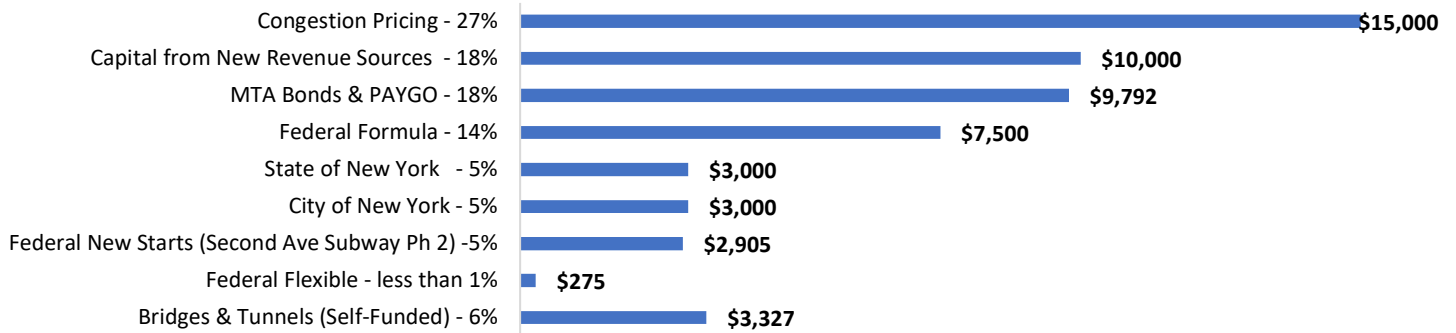
The MTA 2020-2024 Capital Program will be funded from various revenue streams, including congestion pricing estimated at \$15 billion (27 percent), federal funding of \$10.7 billion (19 percent), capital from new revenue sources (progressive tax on high end real estate and the elimination of the internet tax advantage) of \$10 billion (18 percent), bonds (borrowing) and PAYGO of \$9.8 billion (18 percent), B&T Self-Funding of \$3.3 billion (six percent), State funding of \$3 billion (five percent), and City funding of \$3 billion (five percent).

2020-2024 MTA Capital Program Funding Sources
Dollars in Millions

	Proposed 2020-2020
Total 2020-2024 CPR Program Costs	\$51,472
Funding Currently Projected	
Congestion Pricing	\$15,000
Capital from New Revenue Sources	10,000
MTA Bonds & PAYGO	9,792
Federal Formula	7,500
State of New York	3,000
City of New York	3,000
Federal New Starts (Second Ave Subway Phase 2)	2,905
Federal Flexible	275
Subtotal	\$51,472
Bridges & Tunnels Self-Funded	3,327
Total 2015-2019 Funds Available	\$54,799
Funding Gap	\$0

Note: Numbers may not total due to rounding

2020-2024 Capital Program by Funding Source
Dollars in Millions



Appendix: MTA Financial Operations

The MTA adheres to financial planning and budgeting practices that require the preparation of four-year financial plans covering the existing and future calendar years. Unlike the City, the MTA operates on a calendar year rather than a fiscal year. The financial plan includes provision for capital spending (including debt service) authorized by the Capital Programs of the related entities, including those Capital Programs approved by the Capital Programs Review Board.

MTA Financial Plan 2021-2024

MTA Consolidated Statement of Operations – Including MTA Bus Company

Non-Reimbursable	2019 Actual	2020 Final Estimate	Adopted Budget 2021	2022 Projected	2023 Projected	2024 Projected
Operating Revenue						
Farebox	\$6,351	\$2,393	\$1,746	\$3,461	\$4,566	\$5,088
Toll Revenue	2,071	1,419	1,396	1,962	2,127	2,130
Other Revenue	706	4,621	736	813	846	739
Capital & Other Reimburse.	-	-	-	-	-	-
Total Operating Revenue	\$9,128	\$8,434	\$3,878	\$6,235	\$9,408	\$8,158
Operating Expenses						
Labor Expenses	\$10,161	\$10,614	\$10,723	\$11,117	\$11,465	\$11,860
Non-Labor Expenses	3,642	3,643	3,814	4,083	4,143	4,235
Other Expenses Adjustment	149	94	37	26	28	23
General Reserve	-	170	(160)	185	185	205
Total Operating Expenses Before Non-Cash Liability Adj.	\$13,952	\$14,340	\$14,414	\$15,412	\$15,821	\$16,323
Depreciation	\$2,870	\$2,849	\$2,923	\$2,992	\$3,067	\$3,125
OPED Liability Adjustment	877	1,607	1,760	1,860	1,966	2,032
GASB 68 Pension Expense Adjustment	13	(237)	(311)	(300)	(241)	(348)
Environmental Remediation	42	6	6	6	6	6
Total Operating Expenses After Non-Cash Liability	\$17,752	\$18,566	\$18,792	\$19,969	\$20,618	\$21,138
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,801)	(\$4,226)	(\$4,378)	(\$4,557)	(\$4,798)	(\$4,815)
Debt Service (excluding Service Contract Bonds)	2,630	2,734	2,911	3,176	3,682	3,723
Total Operation Expense with Debt Service	\$16,582	\$17,075	\$17,325	\$18,588	\$19,503	\$20,045
Dedicated Taxes and State/Local Subsidies	\$7,290	\$6,689	\$7,682	\$7,245	\$7,489	\$7,616
Net Surplus/Deficit After Subsidies and Debt Service	(\$164)	(\$1,951)	(\$5,764)	(\$5,108)	(\$4,474)	(\$4,271)
Conversion to Cash Basis: GASB Account	\$-	\$-	\$-	\$-	\$-	\$-
Conversion to Cash Basis: All Other	277	654	95	324	361	247
Cash Balance Before Prior-Year Carryover	\$251	(\$301)	(\$811)	(\$1,125)	(\$1,511)	(\$2,027)
Adjustments	\$-	\$73	\$679	\$1,146	\$1,266	\$1,601
Prior Year Carryover	121	372	143	11	33	-
Net Cash Balance	\$485	\$514	\$5	(\$3,129)	(\$2,441)	(\$2,403)

Numbers may not total due to rounding

Source: MTA 2021 Final Proposed Budget February Financial Plan 2021-2024

New York City Transit Authority

The NYCTA, a subsidiary of the MTA, provides bus and subway service to New York City. The NYCTA is responsible for providing safe, clean, and reliable public transportation services to all persons traveling within the City. The NYCTA employs approximately 47,236 workers who are responsible for the operation and maintenance of 5,725 buses and 6,400 subway cars. Prior to the COVID-19 pandemic, approximately 2.4 billion people rode the City's buses and subways each year.

NYCTA Financial Plan 2021-2024 (Dollars in Millions)

Non-Reimbursable	2019 Actual	2020 Final Estimate	2021 Adopted Budget	2022 Projected	2023 Projected	2024 Projected
Operating Revenue						
Farebox	\$4,594	\$1,777	\$1,262	\$2,496	\$3,287	\$3,655
Other Revenue	467,216	3,224	511,585	564,531	\$588,406	\$674,051
Capital & Other Reimbursement	0	0	0	0	0	0
Total Operating Revenue	\$5,061	\$5,000	\$1,773	\$3,061	\$3,876	\$4,329
Operating Expenses						
Labor Expenses	6,757	7,059	7,042	7,322	7,574	7,861
Non-Labor Expenses	2,102	1,806	1,994	2,186	2,287	2,359
Other Expenses Adjustments	0	0	0	0	0	0
Operating Expenses Before Depreciation, OPEB & ER 1	\$8,859	\$8,866	\$9,036	\$9,509	\$9,861	\$10,220
Depreciation	1,994	1,928	1,978	2,029	2,082	2,136
Other Post Employment Benefit Liab Adj.	0	0	0	0	0	0
GASB 75 OPEB Expense Adjustment	580	1,346	1,472	1,557	1,643	1,699
GASB 68 Pension Expense Adjustment	(27)	(303)	(309)	(309)	(309)	(309)
Environmental Remediation	28	0	0	0	0	0
Total Operating Expenses	\$11,433	\$11,836	\$12,178	\$12,786	\$13,277	\$13,746
Net Operating Surplus/(Deficit) Before Debt Service	(\$6,372)	(\$6,836)	(\$10,404)	(\$9,725)	(\$9,402)	(\$9,418)
Debt Service	\$1,576	\$1,590	\$1,633	\$1,740	\$1,969	\$1,975
Net Operating Surplus/(Deficit) Including Debt Service	(\$7,948)	(\$8,426)	(\$12,037)	(\$8,000)	(\$11,371)	(\$11,393)
Dedicated Tax, State & Local subsidies	4,834	3,914	4,496	4,235	4,202	4,193
Deficit after Projected Subsidies	(3,114)	(\$4,512)	(\$7,541)	(\$3,765)	(\$7,169)	(\$7,200)
Conversion to Cash						
Depreciation, OPEB, GASB & ER Adj.	2,575	2,971	3,141	3,277	3,416	3,526
Net Cash Surplus/(Deficit) 2	(\$539)	(\$1,541)	(\$2,133)	(\$488)	(\$3,753)	(\$3,674)

Budget. As approved by the MTA Board, the NYCTA Operating Budget (reimbursable and non-reimbursable) before depreciation and other post-employment benefits is approximately \$9 billion for Calendar Year 2021. Of that amount, approximately \$7 billion is for labor costs and \$2 billion is for non-labor expenses. In addition, the Adopted Budget includes non-cash depreciation expenses of \$2 billion and other post-employment benefit expenses of \$1.5 billion, including pension expenses reduction adjustment of \$309 million. The budget funds 47,236 positions, of which 4,316 are reimbursable with capital funds, 42,712 are non-reimbursable, and 154 are full-time equivalent.

Operating Revenue/Expense Projections. The NYCTA projects \$1.8 billion in operating revenues for Calendar Year 2021, primarily derived from farebox revenues of \$1.3 billion and other revenues of \$511.6 million. These funds will support the NYCTA's proposed reimbursable and

non-reimbursable expenditures of \$9 billion, excluding debt service, depreciation, and other post-employment benefits, in 2021.

Transit Tax Revenue. The NYCTA is funded, in part, with tax revenues from the Metropolitan Mass Transportation Operating Assistance Account (Metro Account), the Petroleum Business Tax (PBT), the Urban Mass Transportation Operating Account (Urban Account), and Investment Income. The revenues from these accounts are projected to total \$2.2 billion in 2021, which is \$318 million greater than the Final 2020 estimate and \$227 million less than in 2019. The decrease between 2021 and 2019 reflects the impact of the COVID-19 pandemic on NYCTA's transit tax revenue. The Urban Account consists of two separate taxes, the Mortgage Recording Tax (MRT) and the Real Property Transfer Tax (RPTT).

Payroll Mobility Tax and MTA Aid. The Payroll Mobility Tax and MTA Aid going to NYCTA are projected to be \$1.2 billion in Calendar Year 2021, a \$350 million increase from the Final 2020 estimate of \$1.9 billion in 2020 and a \$202 million decrease from the \$1.4 billion tax revenue collected in 2019. In 2012, the State Legislature passed a law granting the City authorization to establish a "Hail accessible interborough licenses" (HAIL licenses) for livery cabs to provide hail services in certain underserved areas of the City. After overcoming legal challenges, the law was implemented during the second half of 2013, and is anticipated to result in increased MTA Aid revenue for the Authority as the City phases in the additional vehicles.

Paratransit. Pursuant to a 1993 agreement with the MTA, the City has historically paid 33 percent of the "net operating expenses" limited to no more than a 20 percent increase from the amount the City paid in the prior year. The MTA has pointed out that Paratransit registrants, ridership, and net operating deficits have significantly increased, growing from \$11 million in 1994 to \$549 million in 2019. Under the terms of the agreement, in 2019 for instance, the City paid \$176.4 million leaving NYCTA to pay \$371.9 million. As such, in last year's Adopted Budget the MTA proposed that the City and NYCTA renegotiate the terms of the Paratransit Service Agreement to a 50/50 split. In April, 2020, the State 2020-2021 Enacted Budget imposed a mandate requiring the City to pay fifty percent of the MTA's paratransit costs. While this change does not affect the MTA's budget, such a change impacts the City's budget by more than \$100 million annually. Total paratransit expenses are expected to be \$426.3 million in Calendar Year 2020 and \$508.6 million in Calendar Year 2021, offset by \$159 million and \$231.7 million from the City's reimbursement in 2020 and 2021, respectively.

State Subsidies. For Calendar Year 2021, the State's subsidy to the NYCTA's budget is expected to be \$184.8 million. Of this amount, \$25 million is for school fare reimbursement and \$158.1 million is to match City operating assistance. This funding does not include State dedicated tax revenues to NYCTA of more the than \$3.4 billion (including the Payroll Mobility Tax) expected in 2021.

For-Hire Vehicle Surcharge. For Calendar Year 2021, NYCTA anticipates receiving \$271.3 million from the For-Hire Vehicle Surcharge. This is \$65.1 less than collected in 2019, which COVID-19's effect on taxicab ridership. First enacted in 2019, this surcharge authorizes congestion pricing for For-Hire Vehicles in Manhattan south of 96th Street.

The City's Contribution. For Calendar Year 2021, the City's contribution to the MTA, excluding capital commitments, is approximately \$1 billion. Estimated City subsidies include the following: \$45 million for the NYCTA school fare subsidy; \$15.5 million for the elderly and disabled subsidy;

\$231.7 million for paratransit reimbursement; \$184.8 million to match State Operating Assistance; \$782 million for MTA bus subsidy; \$63.6 million City subsidy for SIRTOA; \$182 million for the maintenance and operation of LIRR and Metro North Railroad stations in the City; \$12 million for E-Z Pass Payments for City vehicles; and \$3 million for Transit Police.

The MTA Bus Company (MTABC)

The MTABC 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 Financial Plan 2021-2024 (Dollars in Millions)

Non-Reimbursable	2019 Actual	2020 Final Estimate	2021 Adopted Budget	2022 Projected	2023 Projected	2024 Projected
Operating Revenue						
Farebox	\$224.8	\$73.2	\$59.8	\$119.3	\$157.7	\$175.8
Other Revenue	17.2	353.4	21.2	22.0	22.2	23.8
Capital & Other Reimbursement.	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Revenue	\$242.1	\$426.6	\$81.0	\$141.3	\$179.9	\$199.5
Operating Expenses						
Labor Expenses	615.1	638.0	654.1	684.0	680.9	687.7
Non-Labor Expenses	218.6	249.5	259.1	259.7	258.2	263.7
Other Expenses Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses Before Depreciation, OPEB & ER 1	\$833.7	\$887.5	\$913.2	\$943.6	\$939.1	\$951.2
Depreciation	\$44.7	\$54.3	\$54.8	\$56.2	\$56.2	\$56.2
Other Post Employment Benefit Liab Adj.	0.0	0.0	0.0	0.0	0.0	0.0
GASB 75 OPEB Expense Adjustment	0.0	58.1	69.9	80.0	89.6	92.6
GASB 68 Pension Expense Adjustment	-51.8	50.9	44.0	44.3	52.4	37.6
Environmental Remediation	1.7	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	\$931.8	1,050.8	1,081.9	1,124.1	1,137.3	1,137.7
Net Operating Surplus/(Deficit) Before Debt Service	(\$689.7)	(\$624.2)	(\$1,000.9)	(\$982.7)	(\$957.4)	(\$938.2)
Debt Service	\$5.8	\$10.8	\$27.7	\$34.0	\$47.6	\$48.3
Net Operating Surplus/(Deficit) Including Debt Service	(\$695.5)	(\$635.0)	(\$1,028.6)	(\$1,016.7)	(\$1,005.0)	(\$986.5)
Dedicated Tax, State & Local subsidies	\$667.6	\$361.9	\$530.1	\$813.9	\$728.5	\$716.7
Deficit after Projected Subsidies	(27.9)	(\$273.1)	(\$498.5)	(\$202.8)	(\$276.5)	(\$269.8)
Conversion to Cash						
Depreciation, OPEB, GASB & ER Adj.	\$98.1	\$163.3	\$168.7	\$180.5	\$198.2	\$186.3
Net Cash Surplus/(Deficit) 2	\$70.2	(\$109.8)	(\$329.8)	(\$22.3)	(\$78.3)	(\$83.5)

MTA Staten Island Railway (SIR)

The SIR operates and maintains 63 subway cars over 14.3 route miles and 28.6 miles of mainline track that serves 22 stations located primarily on the south shore of Staten Island.

MTA Staten Island Railway (SIR) Financial Plan 2021 – 2024

Non-Reimbursable	2019 Actual	2020 Final Estimate	2021 Adopted Budget	2022 Projected	2023 Projected	2024 Projected
Operating Revenue						
Farebox	\$6.7	\$2.4	\$1.8	\$3.5	\$4.6	\$5.1
Other Revenue	2.7	25.4	2.4	2.4	2.4	2.7
Capital & Other Reimbursement.	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Revenue	\$9.4	\$27.8	\$4.2	\$5.9	\$7.0	\$7.9
Operating Expenses						
Labor Expenses	\$46.6	\$52.1	\$53.1	\$51.6	\$52.7	\$55.2
Non-Labor Expenses	11.0	16.1	13.1	13.2	13.5	14.0
Other Expenses Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses Before Depreciation, OPEB & ER 1	\$57.6	\$68.1	\$66.2	\$64.9	66.2	69.3
Depreciation	\$11.6	\$12.0	\$12.0	\$12.0	\$17.5	17.5
Other Post Employment Benefit Liab Adj.	0.0	0.0	0.0	0.0	0.0	0.0
GASB 75 OPEB Expense Adjustment	5.8	5.5	6.5	4.7	4.9	5.1
GASB 68 Pension Expense Adjustment	0.3	(0.1)	(1.1)	(1.1)	(1.2)	(1.2)
Environmental Remediation	(0.1)	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	\$75.2	85.5	83.6	80.5	87.4	90.1
Net Operating Surplus/(Deficit) Before Debt Service	(\$65.0)	(\$57.8)	(\$79.4)	(\$74.5)	(\$80.4)	(\$82.8)
Debt Service	\$0.7	\$3.9	\$10.3	\$15.7	\$21.3	\$21.5
Net Operating Surplus/(Deficit) Including Debt Service	(\$65.7)	(\$61.7)	(\$89.7)	(\$90.2)	(\$101.7)	(\$104.3)
Dedicated Tax, State & Local subsidies	\$53.0	\$44.4	\$45.9	\$69.2	\$72.3	\$78.1
Deficit after Projected Subsidies	(\$12.7)	(\$17.3)	(\$43.8)	(\$21.0)	(\$29.4)	(\$26.2)
Conversion to Cash						
Depreciation, OPEB, GASB & ER Adj.	\$17.6	\$17.4	\$17.4	\$15.6	\$21.2	\$21.4
Net Cash Surplus/(Deficit) 2	\$4.9	\$0.1	(\$26.4)	(\$5.4)	(\$8.2)	(\$4.8)

Operating Revenue/Expense Projections. The SIR's operating revenue for Calendar Year 2021 is projected to be \$4.2 million, which includes farebox revenue of \$1.8 million and other operating revenue of \$2.4 million. The budget projects a combined reimbursable and non-reimbursable expense before depreciation and other post-employment benefits of \$66.2 million. These expenses include \$53.1 million in labor costs and \$13.1 million in non-labor costs. The depreciation expense and the other post-employment benefit expenses are projected to be \$12 million and \$6.5 million respectively. In addition, there is a pension expense reduction adjustment of \$1.1 million.