



**NEW YORK CITY COUNCIL
FINANCE DIVISION**

Tanisha Edwards, Esq.
Chief Financial Officer and
Deputy Chief of Staff

Richard Lee
Director

Jonathan Rosenberg
Managing Director

Chima Obichere
Deputy Director

Eisha Wright
Deputy Director

Paul Scimone
Deputy Director

Elizabeth Hoffman
Assistant Director

Jack Storey
Unit Head

Hon. Adrienne Adams
Speaker of the Council

Hon. Selvena Brooks-Powers
Chair of the Committee on Transportation &
Infrastructure

**Report on the Calendar Year 2024
Budget and 2024-2027 Financial
Plan of the
Metropolitan Transportation
Authority**

March 14, 2024

Prepared by Michael Sherman, Senior Financial Analyst



Table of Contents

Metropolitan Transportation Authority (MTA) 1

MTA Budget Overview 1

New York City Transit..... 4

MTA 2020-2024 Capital Program 6

MTA 2020-2024 Capital Program Funding..... 6

2020 -2024 Capital Program by Agency..... 7

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 (NYCT) 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 former 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.

Based on a request by Nassau County, in April 2011 the MTA Board approved a resolution authorizing Nassau County the ability to transition bus and paratransit services to a private operator on or before January 1, 2012. As a result, the MTA’s calendar year 2024 financial plan excludes it from all budget forecasts (revenue, expenses, cash, subsidies, and headcount).

MTA Budget Overview

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 basis rather than 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 (CPRB).

The Authority’s Calendar Year (CY) 2024 Adopted Budget totals **\$19.29 billion** of which, \$10.02 billion is allocated to NYCT/SIR. The largest portion of the budget is allocated for labor costs with a total allocation of \$11.79 billion (\$6.26 billion for payroll, \$820 million for overtime, \$2.70 billion for health and welfare, \$1.41 billion for pension, and \$597 million for other labor). Other allocations are for non-labor and other expense adjustments (\$4.69 billion) and debt service (\$2.82 billion).

Figure 1 provides a breakdown of MTA revenue sources for calendar year 2024; dedicated taxes are the largest single source and account for 44.0 percent, or \$8.49 billion, of total MTA revenue.

Figure 1: MTA Revenue Sources– (Dollars in Millions)

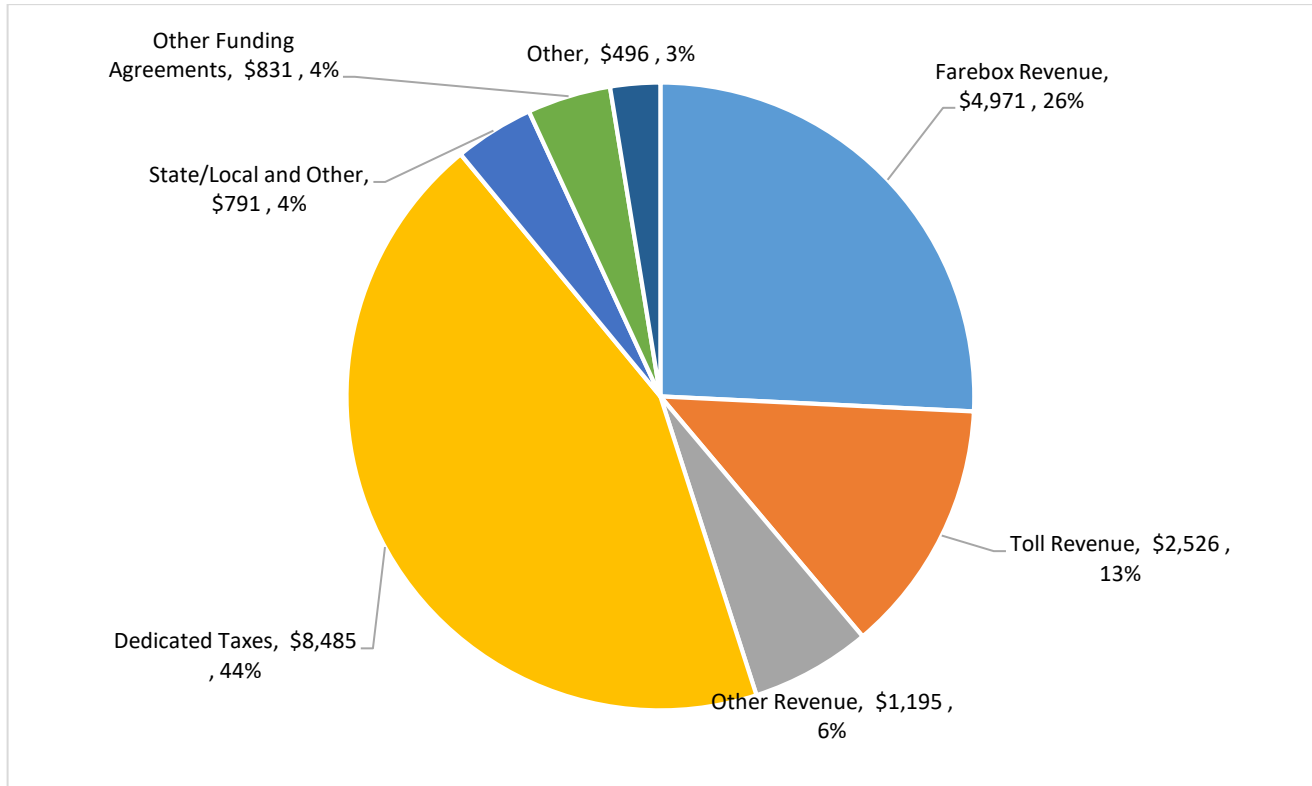


Table 1 provides a breakdown of MTA’s actual spending for CY 2022, final estimate for CY 2023, the Adopted Budget for CY 2024 and planned spending for CY 2025-2027.

Table 1: MTA Consolidated Statement of Operations – Including MTA Bus Company (Dollars in Millions)

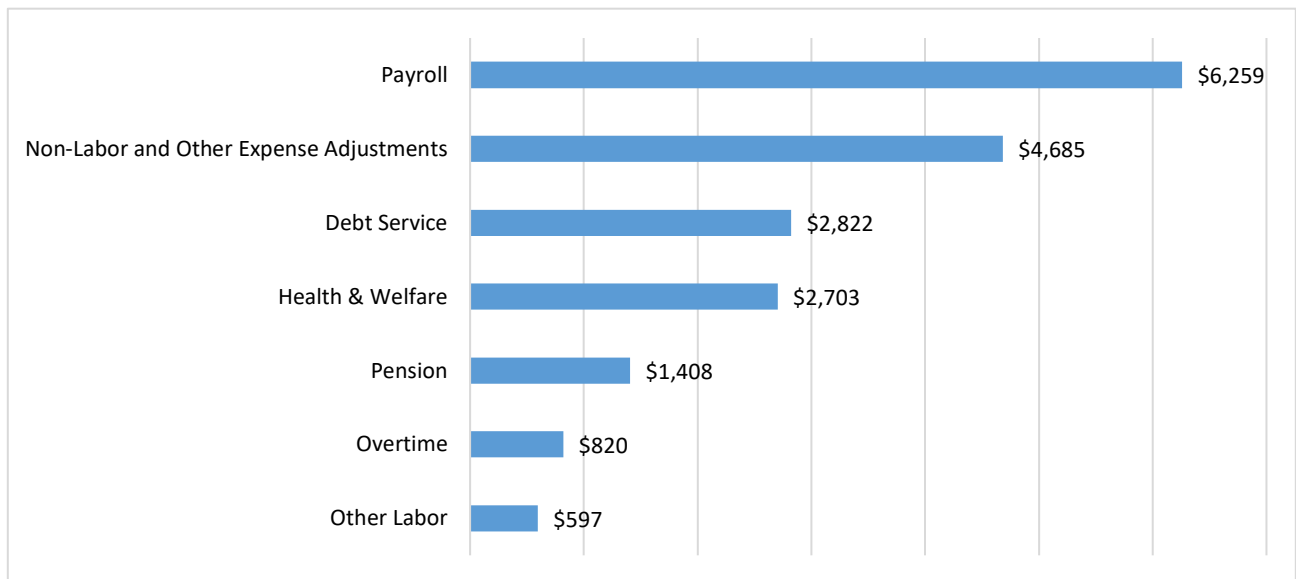
Non-Reimbursable	2022 Actual	2023 November Forecast	Adopted Budget 2024	2025 Projected	2026 Projected	2027 Projected
Operating Revenue						
Farebox Revenue	\$ 4,024	\$4,633	\$5,071	\$5,217	\$5,367	\$5,539
Toll Revenue	2,332	2,400	2,526	2,529	2,531	2,534
Other Revenue	7,657	886	945	958	986	1,005
Capital & Other Reimbursements	0	0	0	0	0	0
Total Revenues	\$ 14,014	\$7,919	\$8,542	\$8,704	\$8,885	\$9,078
Operating Expenses						
Labor Expenses	\$10,666	\$11,580	\$11,787	\$12,360	\$12,910	\$13,476
Non-Labor Expenses	3,804	4,418	4,483	4,605	4,670	4,867
Other Expenses Adjustment	100	14	12	13	13	14
General Reserve	0	185	190	200	205	220
Total Operating Expenses Before Non-Cash Liability Adj.	\$14,570	\$16,197	\$16,472	\$17,178	\$17,799	\$18,577
Depreciation	\$3,286	\$3,475	\$3,560	\$3,614	\$3,669	\$3,731
GASB 68 Pension Expense Adjustment	(393)	(124)	(191)	(148)	(207)	(158)
GASB 75 OPEB Expense Adjustment	1,084	1,258	1,275	1,292	1,312	1,329
GASB 87 Lease Adjustment	21	6	5	5	5	5
Environmental Remediation	26	6	6	6	6	6
Total Operating Expenses After Non-Cash Liability	\$18,594	\$20,817	\$21,128	\$21,947	\$22,584	\$23,491

Non-Reimbursable	2022 Actual	2023 November Forecast	Adopted Budget 2024	2025 Projected	2026 Projected	2027 Projected
Conversion to Cash Basis: Non-Cash Liability Adjs.	\$ (4,024)	\$(4,620)	\$(4,656)	\$(4,769)	\$(4,786)	\$(4,913)
Debt Service (excluding Service Contract Bonds)	3,121	2,655	2,822	2,929	2,998	3,409
Total Expenses with Debt Service	17,691	18,852	19,294	20,107	20,796	21,987
Dedicated Taxes and State/Local Subsidies	\$ 8,556	\$8,988	\$10,107	\$10,216	\$11,090	\$11,403
Net Surplus/(Deficit) After Subsidies and Debt Service	\$ 4,879	\$(1,945)	\$(645)	\$(1,186)	\$(822)	\$(1,506)
Conversion to Cash Basis: GASB Account	0	0	0	0	0	0
Conversion to Cash Basis: All Other	(6,045)	1,945	496	587	260	890
Cash Balance Before Prior-Year Carryover	\$ (1,166)	\$0	\$(149)	\$(600)	\$(562)	\$(615)
Below the Line Adjustments	\$0	\$0	\$149	\$600	\$562	\$615
Prior Year Carryover	1,166	0	0	0	0	0
Net Cash Balance	\$0	\$0	\$0	\$0	\$0	\$0

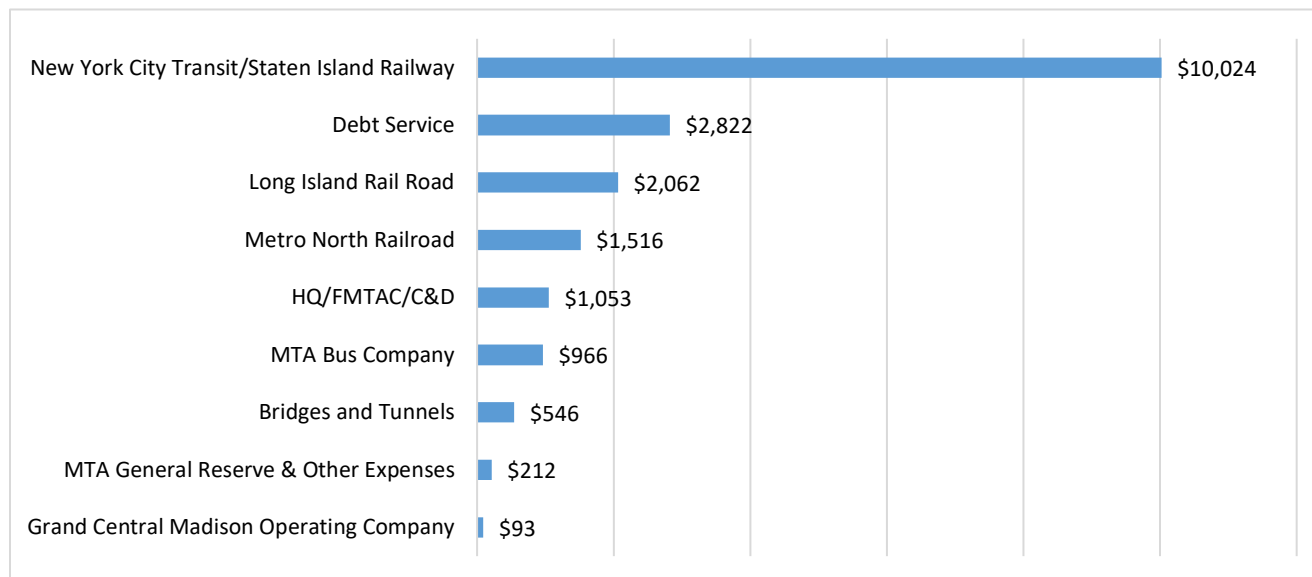
Source: Metropolitan Transportation Authority
 -Numbers may not total due to rounding

Overall, the MTA’s \$19.29 billion Adopted Budget for Calendar Year 2024 is divided between labor costs of \$11.79 billion, non-labor costs of \$4.48 billion, and debt service payments of \$2.82 billion. A detailed breakdown of the Adopted Budget by expense category is shown in Figure 2.

Figure 2: MTA CY24 Expense Budget by Category (Dollars in Millions)



As shown in Figure 3, of the \$19.29 billion expense budget in Calendar Year 2024, \$10.02 billion, or 52 percent is allocated to the New York City Transit/Staten Island Railroad, followed by debt service at \$2.82 billion (14.6 percent), and the LIRR at \$2.06 billion (10.7 percent).

Figure 3: MTA CY24 Budget by Agency (Dollars in Millions)

New York City Transit

The NYCT, a subsidiary of the Metropolitan Transportation Authority, provides bus and subway service to New York City. NYCT is responsible for the operation and maintenance of 5,780 vehicles in its bus fleet and 6,455 subway cars. In 2022, there were more than 3.2 million subway riders per day and an annual ridership of 1 billion. As seen in Table 2, NYCT operating budget reflects a net deficit of \$8.3 billion in 2024 with total expenses of \$14.1 billion and total operating revenue of \$5.8 billion before City and State subsidies.

Table 2: MTA New York City Transit - Accrual Statement of Operations By Category (\$ in millions)

Non-Reimbursable and Reimbursable	2022 Actual	2023 Final Estimate	2024 Adopted Budget	2025 Projected	2026 Projected	2027 Projected
Operating Revenue						
Farebox	\$2,951.4	\$3,348.4	\$3,688.1	\$3,798.9	\$3,912.7	\$4,055.6
Other Revenue	5,367.3	662.0	761.2	776.7	798.6	806.0
Capital & Other Reimbursement.	0	1,229.1	1,332.8	1,332.5	1,349.5	1,311.4
Total Operating Revenue	\$8,318.7	\$5,239.5	\$5,782.1	\$5,908.2	\$6,060.8	\$6,173.0
Operating Expenses						
Labor Expenses	\$7,013.8	\$8,610.3	\$8,860.7	\$9,213.4	\$9,599.7	\$9,948.7
Non-Labor Expenses	2,116.7	2,426.4	2,418.8	2,469.5	2,509.0	2,570.8
Other Expenses Adjustments	0	0	0	0	0	0
Operating Expenses Before Depreciation, OPEB & ER 1	\$9,130.5	\$11,036.8	11,279.5	11,682.9	12,108.7	12,519.5
Depreciation	\$2,156.3	\$2,199.0	\$2,243.0	\$2,288.0	\$2,334.0	\$2,381.0
OPEB Liability Adjustment	0	0	0	0	0	0
GASB 68 Pension Expense Adjustment	(348.3)	(333.0)	(333.0)	(333.0)	(333.0)	(333.0)
GASB 75 OPEB Expense Adjustment	864.5	876.0	885.0	893.0	903.0	912.0
GASB 87 Lease Adjustment	15.3	7.7	7.7	7.7	7.7	7.7
Environmental Remediation	0.5	0	0	0	0	0
Total Expenses	\$11,818.8	\$13,786.5	\$14,082.3	\$14,538.6	\$15,020.4	\$15,487.2
Net Surplus/(Deficit)	(\$3,500.1)	(\$8,547.0)	(\$8,300.2)	(\$8,630.5)	(\$8,959.6)	(\$9,314.2)

Source: MTA 2024 Budget and 2024-2027 Financial Plan Adoption Materials

- **Budget.** As approved by the MTA Board, the NYCT Operating Budget (reimbursable and non-reimbursable) before depreciation and other post-employment benefits is approximately \$11.3 billion for Calendar Year 2024. Of that amount, approximately \$8.9 billion is for labor costs and \$2.4 billion is for non-labor expenses. In addition, the Adopted Budget includes non-cash depreciation expenses of \$2.2 billion. The budget funds 49,867 positions, of which 4,854 are reimbursable with capital funds and 45,180 are non-reimbursable.
- **Operating Revenue/Expense Projections.** The NYCT projects \$5.8 billion in operating revenues for Calendar Year 2024, primarily derived from farebox revenues of \$3.7 billion, plus capital and other reimbursements of \$1.3 billion, and other revenues of \$761 million. These funds will support the NYCTA's proposed reimbursable and non-reimbursable expenditures of \$11.3 billion, excluding debt service, depreciation, and other post-employment benefits, in 2024.
- **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 \$3.1 billion in 2024, which is \$229.2 million greater than the 2023 final estimate. 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 \$2.0 billion in Calendar Year 2024, a \$375.3 million increase from the estimated \$1.6 billion in 2023. In 2012, the State Legislature passed a law granting the City authorization to establish a "Hail accessible inter-borough 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 was anticipated to result in increased MTA Aid revenue for the Authority as the City phases in the additional vehicles. However, due to the surge in app-held vehicles the launch has been unsuccessful.
- **Paratransit.** Pursuant to an agreement between the City and the MTA, the NYCTA assumed operating responsibility for all paratransit services required under the federal Americans with Disability Act of 1990. The City reimburses the NYCTA for 70 percent of net paratransit operating expenses less fare revenues and urban tax proceeds. Total paratransit expenses are expected to be \$613.6 million in CY 2024, offset by \$429 million from City reimbursements.
- **State Subsidies.** For CY 2024, the State's subsidy to the NYCTA's budget is expected to be \$337.9 million. Of this amount, \$150.0 million is State general subsidy, \$29.8 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 than \$5.9 billion (including the Payroll Mobility Tax) expected in 2024.
- **For-Hire Vehicle Surcharge.** For CY 2024, NYCTA anticipates receiving \$325.0 million from For-Hire Vehicle Surcharge. Of which, \$25.0 million is related to congestion pricing surcharge for For-Hire Vehicles in Manhattan south of 96th Street.
- **The City's Contribution for Calendar Year 2024.** The City's contribution to the MTA, excluding capital commitments, is approximately \$1.0 billion. Estimated City subsidies include: \$45.0 million for the NYCTA school fare subsidy; \$15.5 million for the elderly and disabled subsidy; \$429.0 million for paratransit reimbursement; \$158.1 million to match State Operating Assistance; \$521.6 million for

MTA bus subsidy; \$54.6 million City subsidy for SIRTOA; \$205.7 million for the maintenance and operation of Metro North Railroad stations in the City; \$11.8 million for E-Z Pass Payments for City vehicles; and \$3.5 million for Transit Police.

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 June 27, 2023, the MTA submitted an amendment to the 2020-2024 Capital Program to the CPRB, totaling \$55.4 billion. Of the total spending, including for network expansion, \$34.0 billion, or 61.3 percent, is allocated to New York City Transit, followed by Long Island Railroad at \$3.4 billion (6.2 percent), Metro-North Railroad at \$3.4 billion (6.1 percent), Bridges and Tunnels at \$3.3 billion (6 percent), MTA Bus at \$839 million (1.5 percent), and MTA Interagency at \$168.0 million (less than one percent). Overall, the 2020-2024 Proposed Capital Program is \$22.1 billion greater than the \$33.3 billion 2015-2019 Capital Program, representing a 66.4 percent increase.

Table 3: 2020-2024 MTA Proposed Capital Program (Dollars in Millions)

Program	2020-2024
Core Capital Program	
New York City Transit	\$33,964
Long Island Rail Road	3,446
Metro-North Rail Road	3,408
MTA Bus	839
MTA Interagency	168
Core Subtotal	\$41,825
Network Expansion	\$10,291
CPRB Total	\$52,116
Bridges and Tunnels	3,327
Total 2020-2024 Capital Program	\$55,442

Numbers may not total due to rounding

MTA 2020-2024 Capital Program Funding

The MTA 2020-2024 Capital Program is funded from various revenue streams, including congestion pricing estimated at \$15.0 billion (27.1 percent), federal funding of \$13.1 billion (23.6 percent), capital from new revenue sources (progressive tax on high end real estate and the elimination of the internet tax advantage) of \$10.0 billion (18 percent), issuance of bonds and PAYGO of \$7.4 billion (13.3 percent), B&T Self-Funding of \$3.3 billion (6.0 percent), State funding of \$3 billion (5.6 percent), and City funding of \$3.0 billion (5.4 percent).

Table 4: 2020-2024 MTA Capital Program Funding Sources (Dollars in Millions)

Program Funding Plan	Proposed 2020- 2024
Funding Currently Projected	
Capital from Central Business District Tolling Sources	\$15,000
Capital from New Revenue Sources	10,000
Federal Formula	9,984
Federal New Starts (2nd Ave Subway Ph 2)	2,005
Federal Flexible & Other	1,084
Federal Subtotal	13,073
MTA Bonds & PAYGO	7,393
State of New York	3,101
City of New York	3,007
Other Contributions	542
Total CPRB Program	\$52,116
Bridges and Tunnels Bonds & PAYGO/Cash	3,327
Total 2020-2024 Program	\$55,442

Numbers may not total due to rounding

2020 -2024 Capital Program by Agency

NYCT Subway and SI Railway. The Authority's Capital Plan includes a \$34.0 billion investment in NYCT subways and the SI Railway. The funding includes \$9.6 billion for stations, \$6.7 billion for signals and communications upgrades along subway lines, \$4.3 billion for subway cars, and \$2.6 billion for subway track.

Long Island Rail Road (LIRR). The Authority's 2020-2024 Capital Plan includes \$3.4 billion to fund construction within the LIRR, including \$452.1 million to upgrade signals and communications equipment, \$1.1 billion for track improvements, and \$802.6 million for station improvements, including several additional ADA-accessible stations.

Metro-North Railroad (MNR). The Authority's 2020-2024 Capital Plan includes \$3.4 billion for capital projects within the MNR, including \$1.4 billion for track and structures, \$890.0 million in funding for stations, and \$725.7 million for rolling stock.

Network Expansion. The Authority's 2020-2024 Capital Plan includes \$10.3 billion for network expansion. The funding includes \$5.2 billion for the Second Avenue Subway Phase 2, \$2.7 billion for Penn Station Access, \$798.2 million for East Side Access, and \$640.5 for regional investments.