



New York City Council
Hon. Adrienne Adams, Speaker of the Council
Majority Whip Selvena Brooks-Powers,
Chair, Committee on Transportation & Infrastructure

Report on the Calendar Year 2025
Adopted Budget and the 2025-2028 Financial
Plan of the Metropolitan Transportation Authority

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Calendar Year 2025 Adopted Plan

MTA Budget Overview

The Metropolitan Transportation Authority (MTA or the Authority) operates on a calendar year budget that is presented and adopted by the Authority's Board in December. The MTA is not a City agency and therefore does not follow the same budget process or fiscal year as the City; it is instead a public benefit corporation that is separate from the City and State of New York. The MTA is made up of several subsidiaries which are also public benefit corporations that carry out the different services that are provided by the MTA. These subsidiaries include:

- New York City Transit (NYCT)
- Long Island Rail Road (LIRR)
- Staten Island Railway (SIR)
- MTA Bus Company (MTABC)
- Metro-North Railroad (MNR)
- Bridges and Tunnels (B&T)
- Grand Central Madison Operating Company

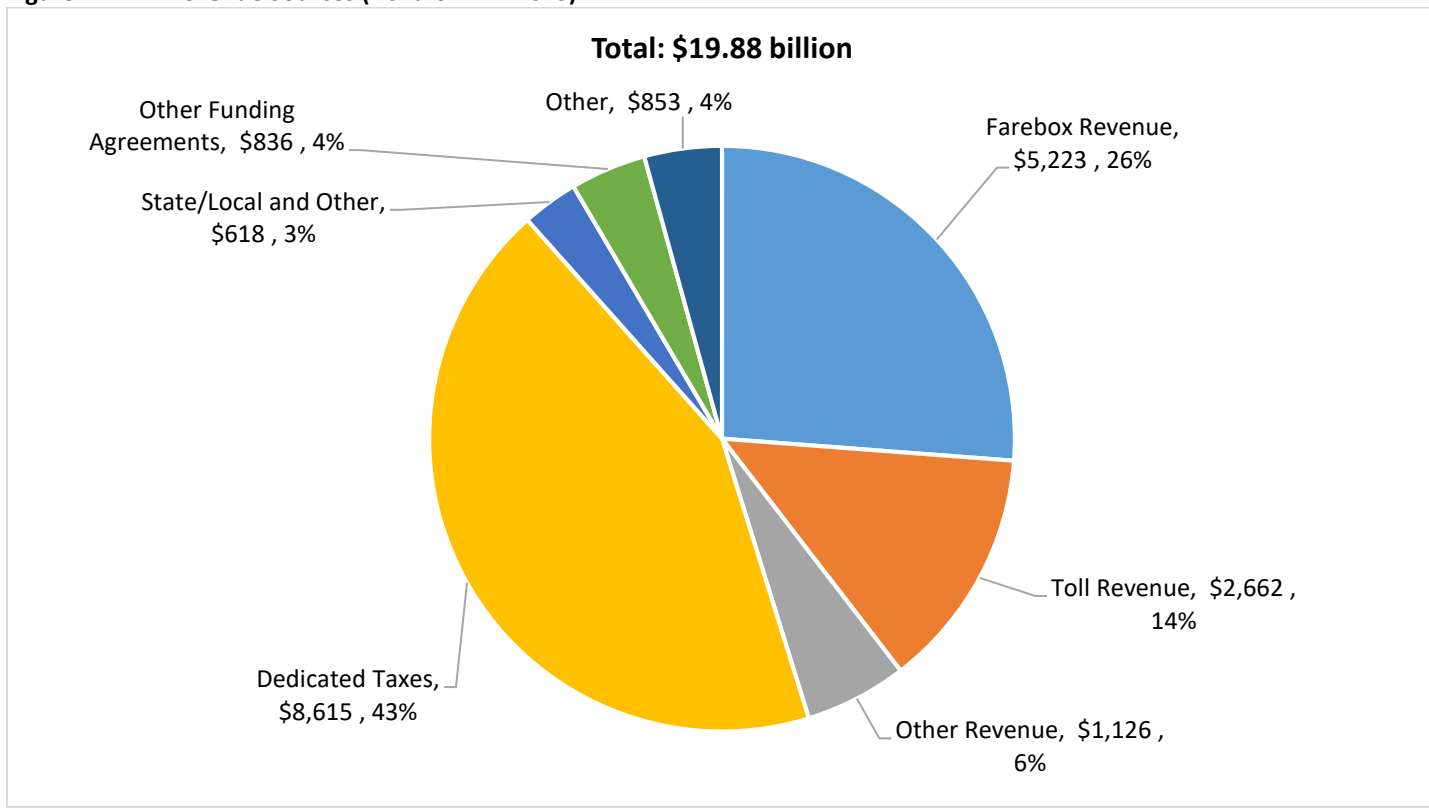
MTA Budget Overview

The MTA adheres to financial planning and budgeting practices that require the preparation of four-year financial plans covering the current and future calendar years. The MTA's 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 Adopted Budget for Calendar Year (CY) 2025 (unless otherwise noted all years refer to calendar years) is **\$19.88 billion**, of which \$10.79 billion is allocated to NYCT/SIR. The largest portion of the budget by expense category is labor with a total allocation of \$12.48 billion (\$6.48 billion for payroll, \$866 million for overtime, \$2.9 billion for health and welfare, \$1.6 billion for pension, and \$595 million for other labor related

costs). Other allocations are for non-labor and other expense adjustments (\$4.88 billion) and debt service (\$2.52 billion). Figure 1 provides a breakdown of the MTA revenue sources for 2025. Dedicated taxes are the largest single source of MTA revenue, accounting for 43 percent, or \$8.6 billion, of total revenue.

Figure 1: MTA Revenue Sources (Dollars in Millions)



Source: Metropolitan Transportation Authority

Table 1 provides a breakdown of MTA’s actual spending for 2023, final estimate for 2024, the Adopted Budget for 2025 and planned spending for 2026 through 2028.

In City Fiscal 2024, the City operating subsidy contribution to the MTA totaled \$1.4 billion, up 17 percent from \$1.2 billion in Fiscal 2023. The City’s annual contributions have increased steadily since 2020. Even after adjusting for inflation, the City’s contributions from 2015 through 2019 were notably less than in recent years. While multiple factors explain the recent uptick, this trend in part reflects a lag in spending on projects planned under the MTA’s 2015-2019 Program. The City currently makes operating subsidy payments to the MTA for a variety of programs, including: the MTA Bus Company, Access-A-Ride paratransit services, free fares for schoolchildren, reduced fares for seniors and disabled riders, maintenance associated with commuter rail stations within the City and the Staten Island Railway.

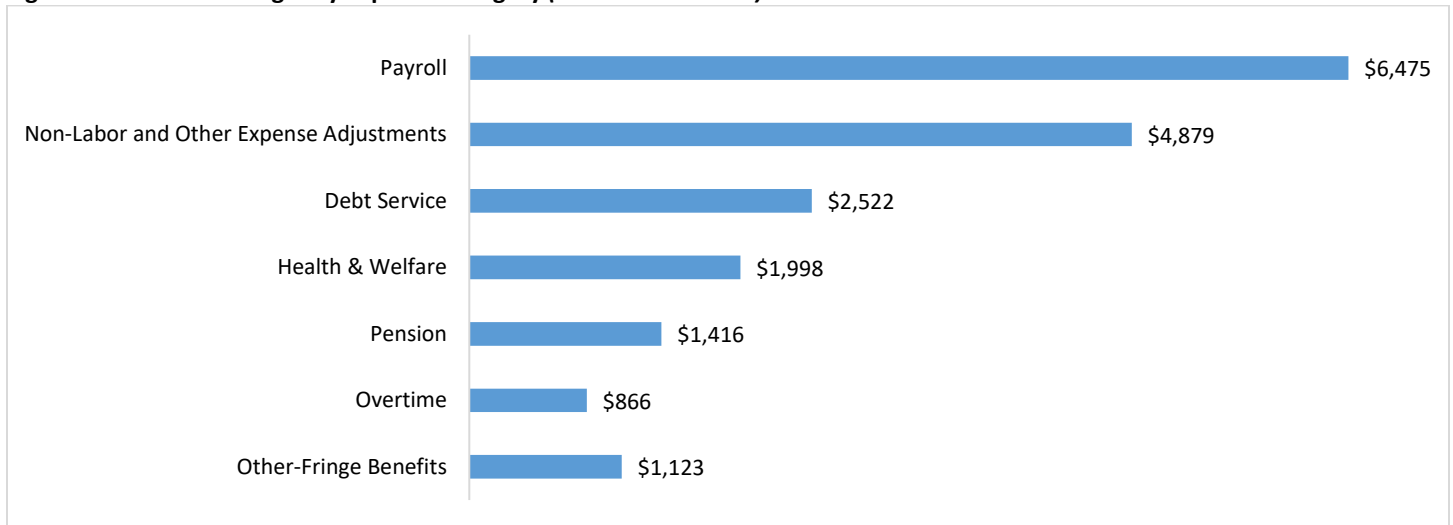
Table 1: MTA Consolidated Statement of Operations – Including MTA Bus Company (Dollars in Millions)

Non-Reimbursable	Actual 2023	November Forecast 2024	Adopted Budget 2025	Plan 2026	Plan 2027	Plan 2028
Operating Revenues						
Farebox Revenue	\$4,658	\$4,966	\$5,157	\$5,282	\$5,364	\$5,428
Toll Revenue	2,419	2,576	2,583	2,611	2,637	2,654
Other Revenue	881	3,314	966	1,034	1,078	1,124
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	\$7,958	\$10,856	\$8,706	\$8,926	\$9,078	\$9,206
Operating Expenses						
Labor:						
Payroll	\$5,820	\$6,071	\$6,475	\$6,616	\$6,763	\$6,915
Overtime	1,152	1,105	866	882	906	920
Health & Welfare	1,581	1,791	1,998	2,144	2,296	2,463
OPEB Current Payment	827	880	945	1,022	1,105	1,195
Pensions	1,339	1,379	1,416	1,557	1,613	1,690
Other-Fringe Benefits	1,059	1,096	1,123	1,174	1,240	1,296
Reimbursable Overhead	(474)	(520)	(528)	(525)	(510)	(520)
Total Other Expense Adjustments	\$169	\$214	\$213	\$218	\$234	\$239
Depreciation	\$3,549	\$3,664	\$3,642	\$3,647	\$3,699	\$3,760
GASB 49 Environmental Remediation	51	6	6	6	6	6
GASB 68 Pension Expense Adjustment	170	(260)	(220)	(272)	(202)	(427)
GASB 75 OPEB Expense Adjustment	581	768	779	796	807	819
GASB 87 Lease Adjustment	20	14	12	12	12	12
Environmental Remediation	(2)	(3)	(3)	(3)	(3)	(3)
Total Operating Expenses after Non-Cash Liability Adjustments	\$20,049	\$20,884	\$21,571	\$22,171	\$23,094	\$23,630
Conversion to Cash Basis: Non-Cash Liability Adjustments	(\$4,378)	(\$4,190)	(\$4,217)	(\$4,186)	(\$4,320)	(\$4,168)
Debt Service (excludes Service Contract Bonds)	2,631	2,891	2,522	2,956	3,263	3,501
Total Expenses with Debt Service	\$18,302	\$19,585	\$19,876	\$20,942	\$22,037	\$22,963
Dedicated Taxes and State/Local Subsidies	\$8,887	\$9,831	\$10,096	\$11,093	\$11,524	\$11,843
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$1,457)	\$1,103	(\$1,074)	(\$923)	(\$1,435)	(\$1,914)
Conversion to Cash Basis: All Other	1,457	(1,353)	814	423	497	878
Cash Balance Before Prior-Year Carryover	\$0	(\$250)	(\$260)	(\$500)	(\$938)	(\$1,035)
Below the Line Adjustments	\$0	\$250	\$260	\$500	\$559	\$616
Prior Year Carryover Balance	0	0	0	0	0	0
Net Cash Balance	\$0	\$0	\$0	\$0	(\$379)	(\$419)

Source: Metropolitan Transportation Authority

Overall, the MTA’s \$19.88 billion Adopted Budget for 2025 is divided between labor costs of \$12.48 billion, non-labor costs of \$4.88 billion, and debt service payments of \$2.52 billion. A detailed breakdown of the Adopted Budget by expense category is shown in Figure 2.

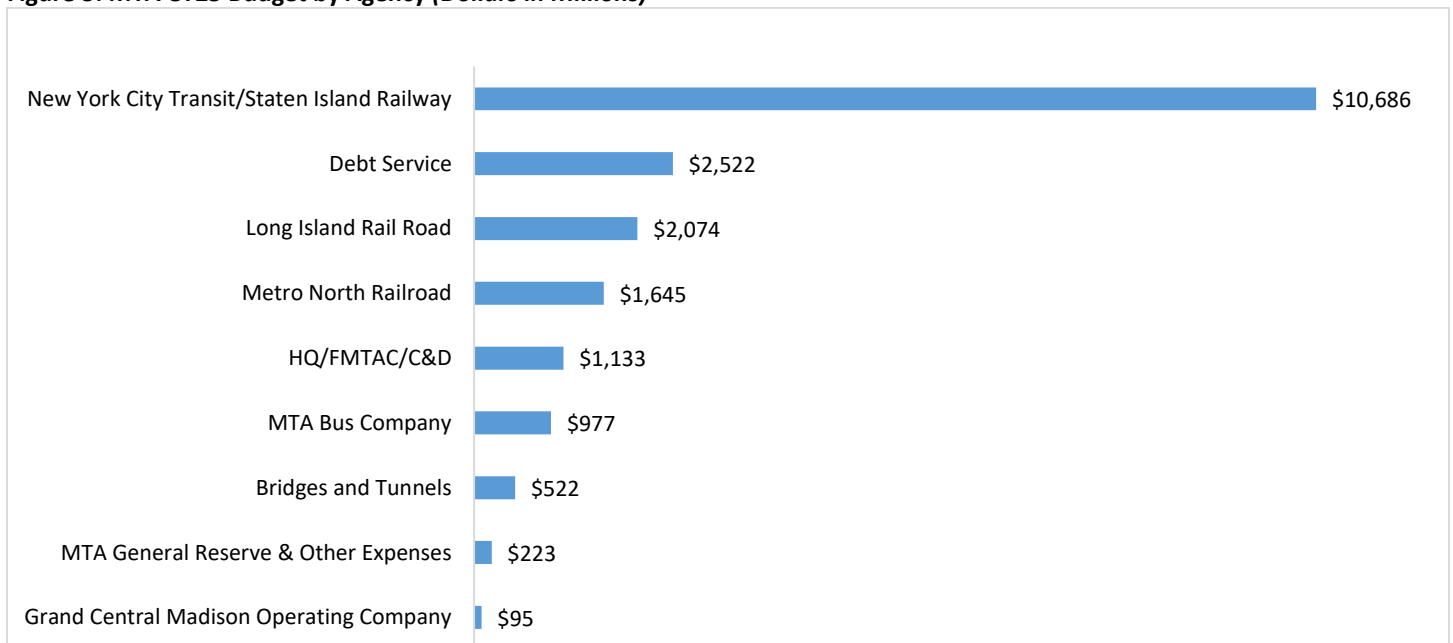
Figure 2: MTA CY25 Budget by Expense Category (Dollars in Millions)



Source: Metropolitan Transportation Authority

As presented in Figure 3, the largest portion of the \$19.88 billion expense budget for 2025, \$10.69 billion, or 54 percent is allocated to the New York City Transit/Staten Island Railroad, followed by debt service at \$2.52 billion (12.7 percent), and the LIRR at \$2.074 billion (10.4 percent).

Figure 3: MTA CY25 Budget by Agency (Dollars in Millions)



Source: Metropolitan Transportation Authority

Table 2 provides a breakdown of non-reimbursable operating revenues for CY 2023-2028.

Table 2: Non-Reimbursable Operating Revenues for CY 2023-2028 (Dollars in Millions)

Non-Reimbursable Operating Revenues	Actual 2023	Final Estimate 2024	Adopted Budget 2025	Projected 2026	Projected 2027	Projected 2028
Farebox Revenue	\$4,658	\$4,966	\$5,157	\$5,282	\$5,364	\$5,428
Toll Revenue	2,419	2,576	2,583	2,611	2,637	2,654
Other Revenue	881	3,314	966	1,034	1,078	1,124
Total	\$7,958	\$10,856	\$8,706	\$8,926	\$9,078	\$9,206

Source: Metropolitan Transportation Authority

New York City Transit Authority

NYCTA, a subsidiary of the MTA, provides bus and subway service in New York City; NYCTA 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 3, NYCTA will be operating at a deficit of \$8.3 billion before operating subsidies in 2024 with total expenses of \$14.08 billion and total operating revenue of \$5.78 billion.

- Fare and Toll Increases Fare/Toll Increase, August 2025 (4 percent yield)** – An increase in fares and tolls, yielding a 4 percent overall increase in farebox and toll revenues, is assumed to be implemented in August 2025 and is projected to generate \$302.0 million in 2026, the first full year after implementation
- Fare/Toll Increase, March 2027 (4 percent yield)** – An increase in fares and tolls, yielding a 4 percent overall increase in farebox and toll revenues, is assumed to be implemented in March 2027 and is projected to generate \$324.0 million in 2028 the first full year after implementation.
- Paratransit Reimbursement.** Pursuant to a 1993 agreement with the MTA, the City 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 for the MTA’s provision of paratransit services. The MTA has pointed out that paratransit registrants, ridership, and net operating deficits have significantly increased, growing from \$11.0 million in 1994 to \$549.0 million in 2019. Under the terms of the agreement, in 2019 the City covered \$176.4 million of the cost of paratransit services, leaving NYCTA to pay \$371.9 million. Because of the increasing cost to the MTA, in State Fiscal 2020 the Governor proposed that the City and NYCTA renegotiate the terms of the Paratransit Service Agreement, so that the cost was evenly shared between the MTA and the City. In April, 2020, the State Fiscal 2020 Enacted Budget imposed a mandate requiring the City to pay fifty percent of the MTA’s paratransit costs which was increased to 80 percent in the State Fiscal 2023 Enacted Budget. It will require legislative renewal to keep the City’s contribution level at 80 percent.
- Payroll Mobility Tax and MTA Aid.** In the State’s Fiscal 2023 Budget the Payroll Mobility Tax (PMT) percentage was slightly increased from 0.34 percent to 0.60 percent for New York City businesses with a payroll over \$437,500.¹ In 2024, the final estimated receipts from Payroll Mobility Tax and MTA Aid totaled \$3.53 billion, an increase of \$803 million from 2023. The MTA 2025 Adopted Budget anticipates PMT and MTA Aid receipts to grow from \$3.7 billion this year to \$4.0 billion by 2028.
- Casino Revenue.** The MTA anticipates it will collect \$500 million annually starting in 2026 from casino revenue.

¹ New York State Department of Finance

Table 3: MTA New York City Transit - Accrual Statement of Operations by Category (Dollars in Millions)

Non-Reimbursable and Reimbursable	2024 Final Estimate	2025 Adopted Budget	2026 Projected	2027 Projected	2028 Projected
Operating Revenue					
Farebox	\$3,505	\$3,637	\$3,748	\$3,818	\$3,871
Other Revenue	3,115	777	830	861	904
Capital & Other Reimbursement.	1,433	1,412	1,416	1,372	1,392
Total Operating Revenue	\$8,054	\$5,825	\$5,994	\$6,051	\$6,167
Operating Expenses					
Labor Expenses	\$9,003	\$9,384	\$9,752	\$10,083	\$10,494
Non-Labor Expenses	2,647	2,631	2,698	2,781	2,849
Operating Expenses Before Depreciation, OPEB & ER 1	\$11,650	\$12,016	\$12,450	\$12,865	\$13,343
Depreciation	\$2,177	\$2,192	\$2,209	\$2,227	\$2,245
GASB 68 Pension Expense Adjustment	(324)	(324)	(324)	(324)	(324)
GASB 75 OPEB Expense Adjustment	489	494	504	509	514
GASB 87 Lease Adjustment	8	8	8	8	8
Total Expenses	\$13,999	\$14,385	\$14,847	\$15,284	\$15,786
Net Surplus/(Deficit)	(\$5,945)	(\$8,560)	(\$8,852)	(\$9,233)	(\$9,618)

Source: Metropolitan Transportation Authority

MTA 2025-2029 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 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 2025-2029 Capital Program proposal to the CPRB by October 1, 2024. The Board had up to 90 days to approve or reject the Program. The 2025-2029 Plan was vetoed by Speaker Heastie and Majority Leader Andrea Stewart Cousins on December 24, 2024 due to the expansive \$33.4 billion dollar funding gap in the Capital Plan. The MTA must now either revise and re-submit a new Capital Plan to the CPRB or convince legislators to fund the Plan.

Overview and Process

The MTA's proposed 2025-2029 totaled \$68.4 billion. While the Capital Plan is 24.8 percent greater than the MTA's 2020-2024 Capital Plan which totaled \$54.8 billion, the vast majority of funding is being allocated to maintain a state of good repair across the system. The only expansion project detailed in the Capital Plan is the Interborough Express (IBX) project, which would connect Bay Ridge, Brooklyn to Jackson Heights, Queens.

Table 4: MTA Proposed 2025-2029 Capital Plan by Agency (Dollars in Millions)

Transit System	Allocation
New York City Transit, Staten Island Railway, MTA Bus	\$47,840
Long Island Rail Road	6,005
Metro-North Railroad	6,005
Interagency	300
Major Projects & Expansion	5,250
Sub-Total of Allocations Subject to CPRB Approval	\$65,400
Bridges and Tunnels	3,000
Total 2025-2029 Capital Plan	\$68,400

Source: MTA 2025-2029 Proposed Capital Plan

As shown in Table 5, the MTA estimates \$14.0 billion in federal funding for the 2025-2029 Capital Plan, however this is highly dependent on whether the funding authorized in the 2021 Infrastructure Investment and Jobs Act will be reauthorized after 2026 and continue for all five years of the Capital Plan, despite a shift in priorities by the new presidential administration.

Table 5: MTA Capital Plan by Source (Dollars in Millions)

MTA Capital Plan by Source	Proposed 2025-2029
Funding Currently Projected	
Federal Government	\$14,000
MTA Borrowing from Outside Investors and MTA Revenue	13,000
New York State	4,000
New York City	4,000
Total Funding	\$35,000
Program Cost	\$68,400
Funding Gap	(\$33,400)

Source: MTA 2025-2029 Proposed Capital Plan

The MTA further assumes that substantial federal grants will be awarded to fund the \$2.75 billion IBX light rail project. Finally, the MTA's Capital Plan assumes \$4.0 billion in State funding and \$4.0 billion in City funding, both of which have yet to be negotiated.

20-Year Needs Assessment Snapshot

An aging transit system infrastructure is one of the major risks identified in the MTA's 20-Year Needs Assessment report. The 20-Year Needs Assessment also identified climate change as a growing risk to the transit system. Coastal flooding, rainstorms, heat waves, and other extreme weather events threaten MTA's infrastructure and ability to provide service safely. Finally, the report made the case that the MTA needs to meet evolving rider needs, by making stations more accessible and upgrading technology to improve communication and comfort for riders. Below are highlights of the top risks identified in the 20-Year Needs Assessment:

- 69 percent of the subway system use 100+ year old signaling
- 81 New York City Transit power substations are in poor or marginal condition
- 95 percent of structure supports and framing of the Grand Central Artery are in poor or marginal condition
- 53 percent of stations along Metro-North's Harlem line have platforms in poor or marginal condition
- 80 Long Island Rail Road Bridges and viaducts need significant repairs
- 75 percent of all Long Island Rail Road tunnels are in poor or marginal condition

Capital Projects Overview

The MTA's 2025-2029 Proposed Capital Plan was almost entirely focused on maintaining a state of good repair across its system. Approximately 90 percent of the Plan was allocated to updating transit stations, replacing substations, shoring up rolling stock, and maintaining aging signals and infrastructure. The only expansion plan detailed in the Capital Plan was the IBX. Major plan highlights include:

- \$10.9 billion for 2,000 new railcars (R211's)
- \$9.0 billion to repair deteriorating elevated train tracks and tunnel structures
- \$7.8 billion to address aging infrastructure and outdated technology at transit stations
- \$7.1 billion in new accessibility work, including elevators and ramps for at least 60 subway stations and six railroad stations.

- According to the MTA, the total percentage of fully accessible stations will rise to approximately 50 percent after the 60 new station renovations included in the Proposed Capital Plan are completed
- \$5.4 billion to modernize aging subway signals
- \$4.0 billion to upgrade the MTA's aging electrical systems
- \$2.75 billion to begin work on the IBX and light rail transit,
- \$1.1 billion to install modern fare gates to mitigate fare evasion