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Metropolitan Transportation Authority

# November 2024 Financial Plan Presentation

11/20/2024

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# Budget results for first ten months of 2024

- 2024 overall revenue and expenses are on budget with expenses below budget by 2.1%

## Revenues

- Subway and bus revenue below budget by 4.5% primarily due to fare evasion, but covered by loss provision built into budget
- Commuter rail revenue better than budget by almost 5%
- B&T revenues on budget
- Dedicated tax receipts are slightly above the reforecast

## Expenses

- Overall operating expenses below budget by 2.1%
  - Operating efficiencies of over \$400 million on target to be delivered

# November Financial Plan update, slightly better than July

	2024	2025	2026	2027	2028
<b>July financial plan forecasted deficit</b>	\$0	\$0	\$0	(\$428M)	(\$469M)
<b>November financial plan forecasted deficit</b>	\$0	\$0	\$0	(\$378M)	(\$419M)

Major contributors to deficits:

- Projected subway and bus fare revenue below midpoint
- Continued lower real estate related taxes



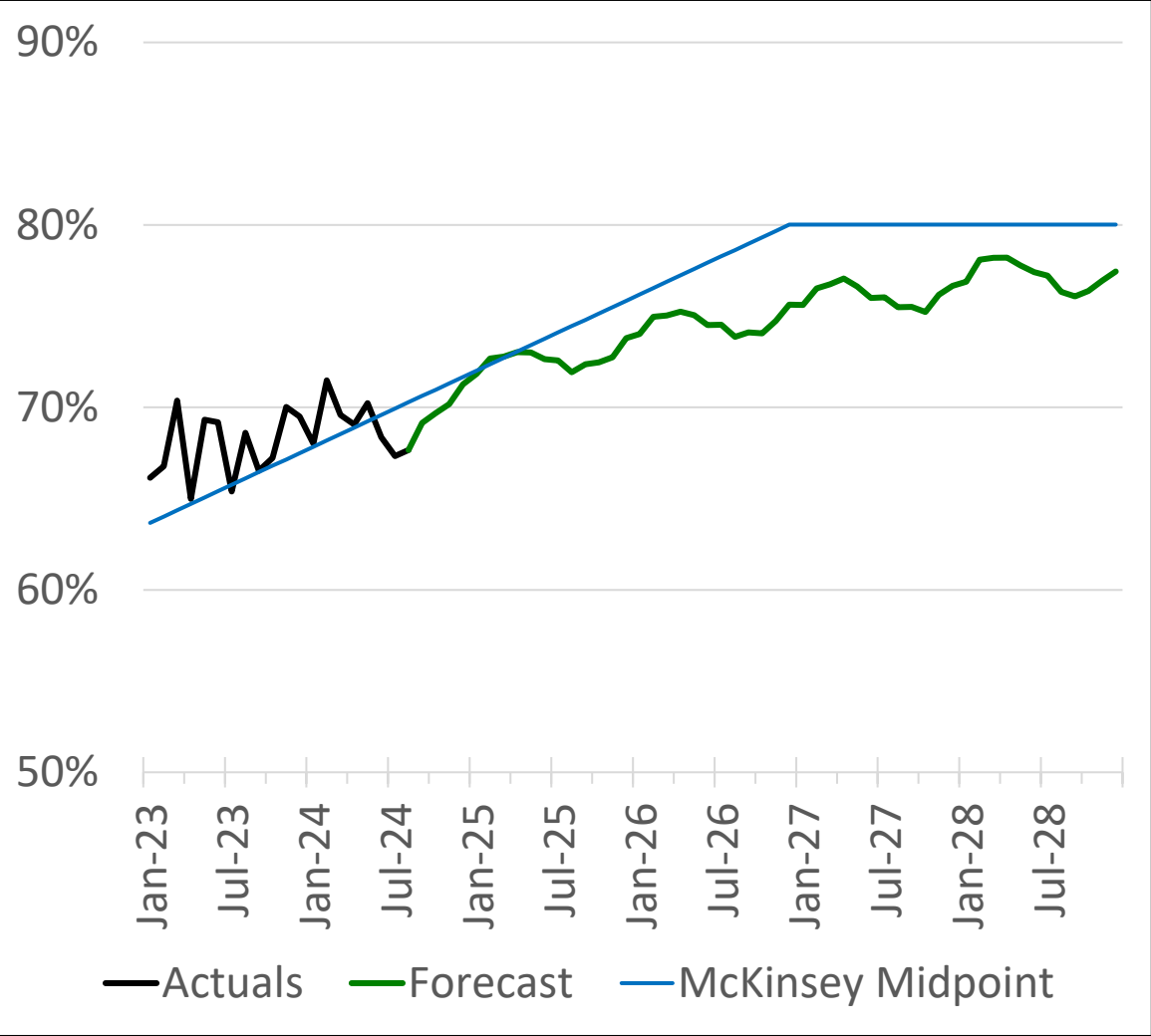
# Changes since the July Plan

- Farebox revenue re-forecast incorporating subway and bus fare evasion loss provision
- Higher commuter rail recovery
- B&T traffic continues to grow
- Subsidies remain steady to forecast
  - Payroll mobility tax tracking to budget
  - Real estate revenues continue to be on budget after July Plan downward adjustment

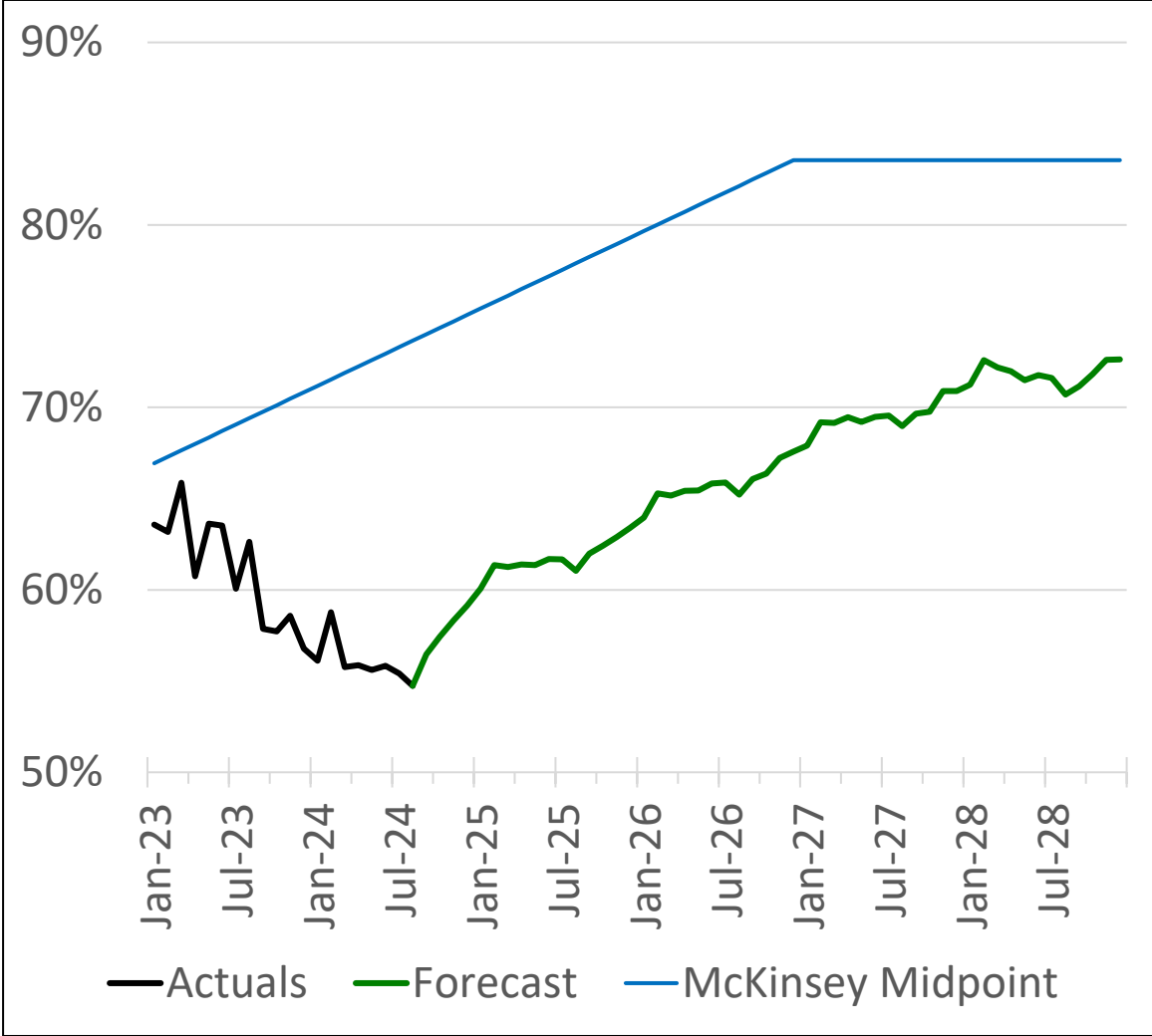
# Reforecasting subway and bus paid ridership to actual trends

## Paid Ridership, % of 2019

### Subways

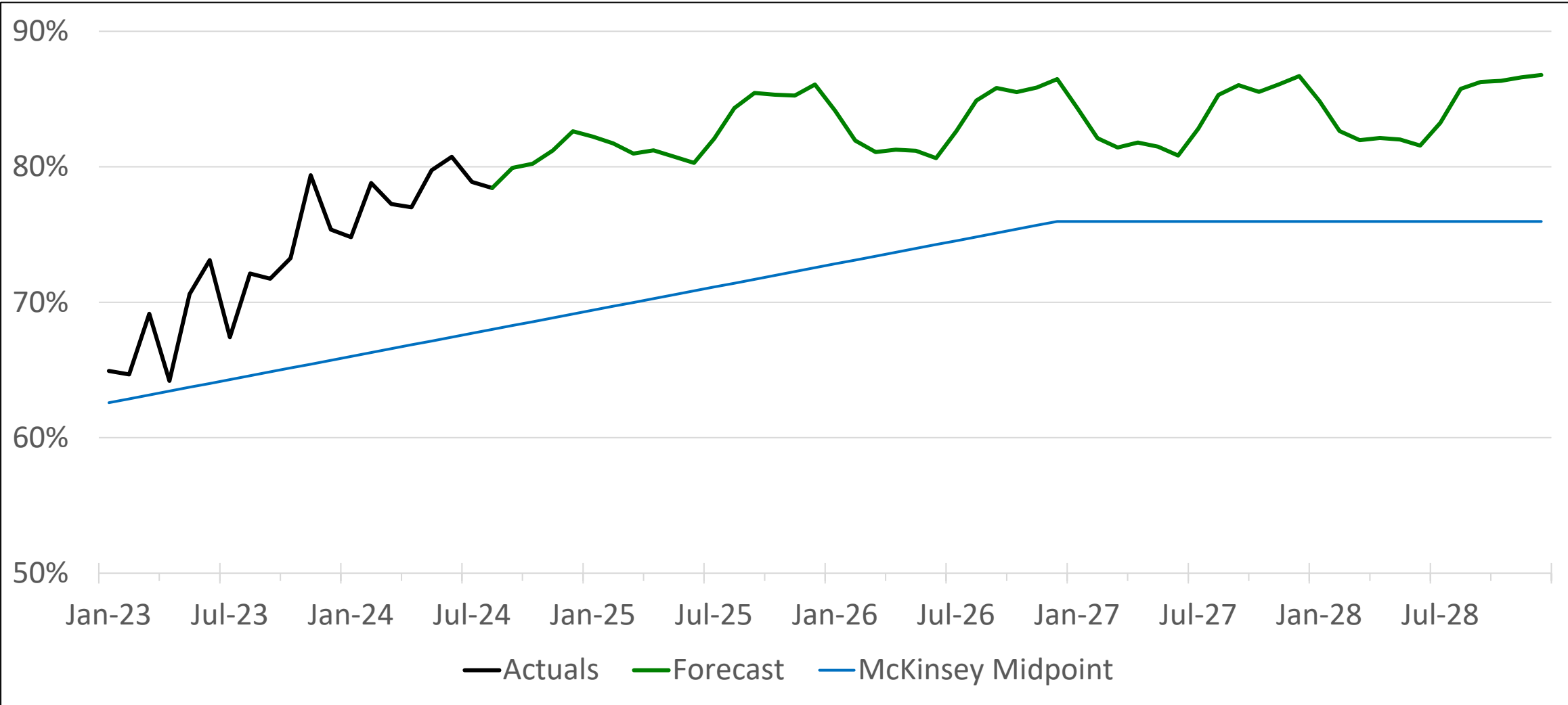


### NYCT Bus



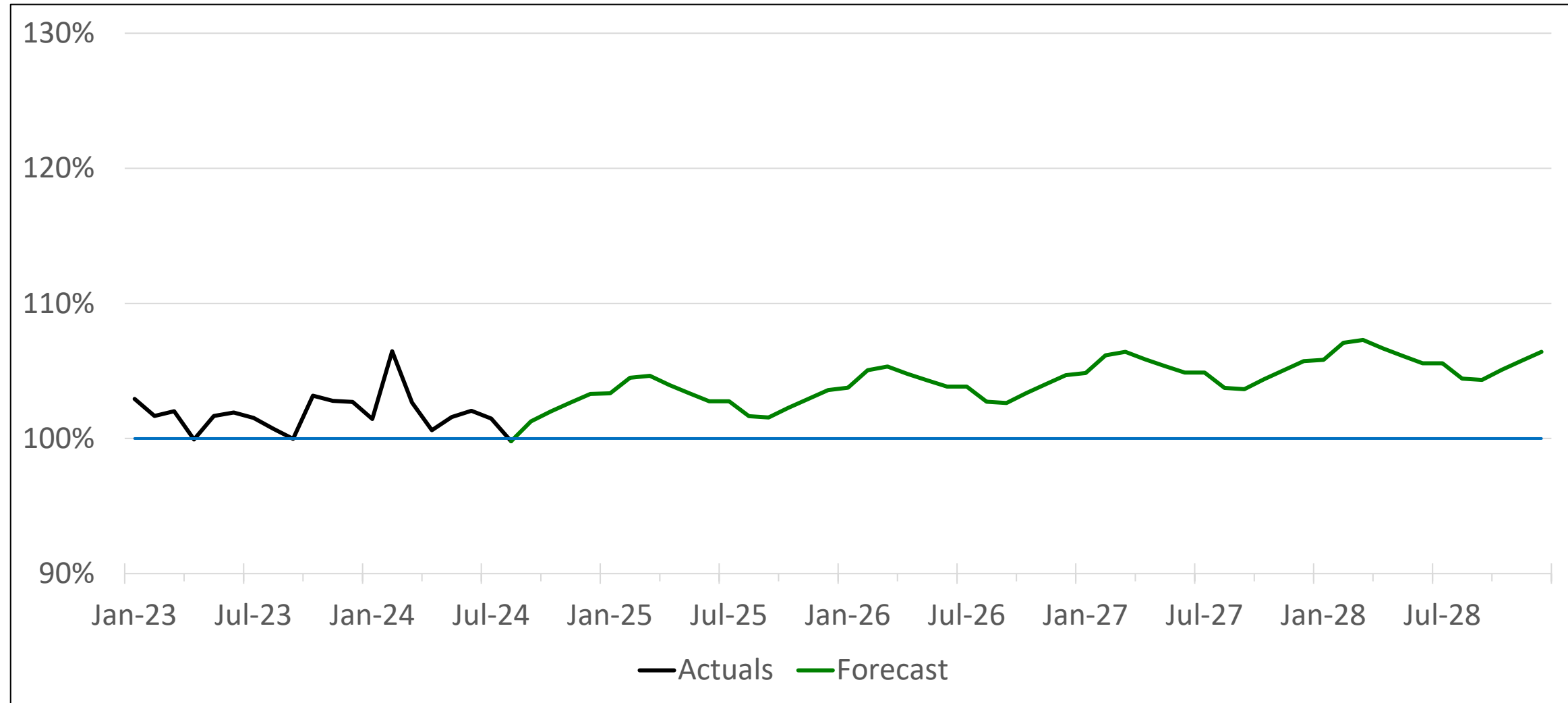
# Railroads paid ridership is forecasted to be higher

## Paid Ridership, % of 2019 Commuter Railroads



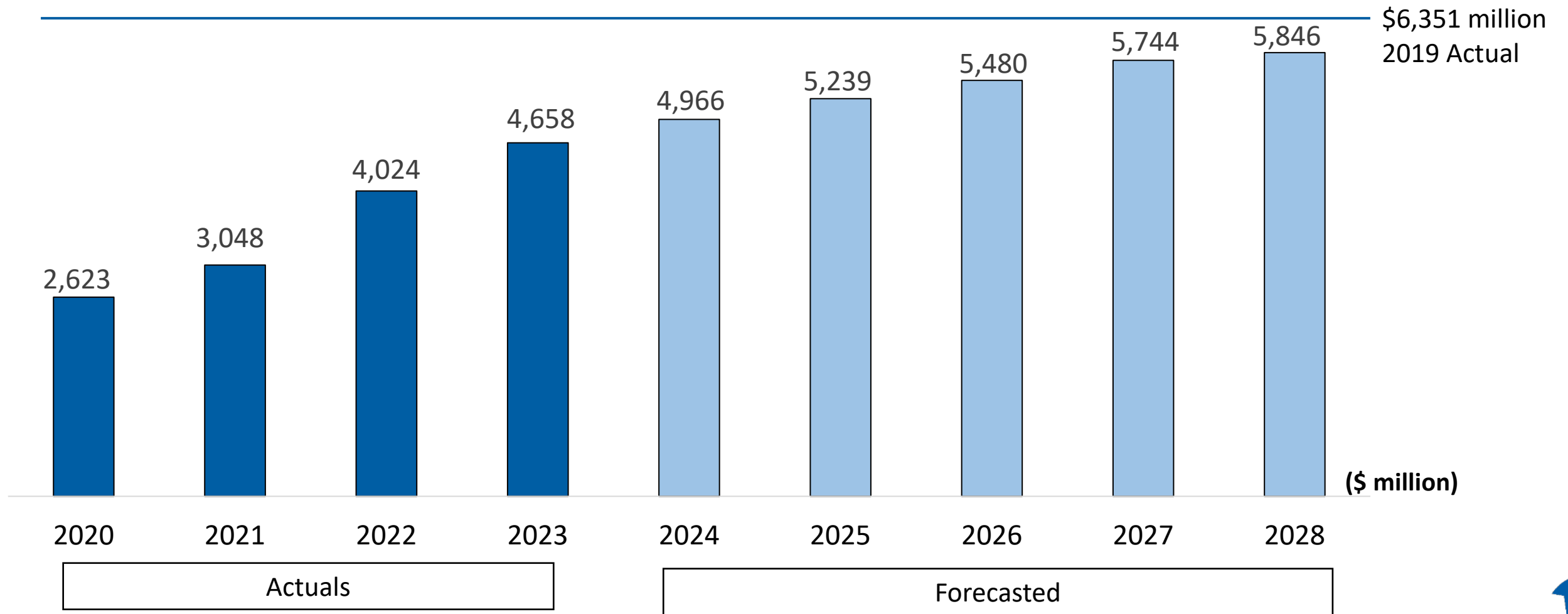
# Bridges and Tunnels paid traffic is forecasted to continue to grow

## Paid Traffic, % of 2019



# Farebox revenue forecasted to increase within \$500 million of 2019 level

## Farebox Revenue

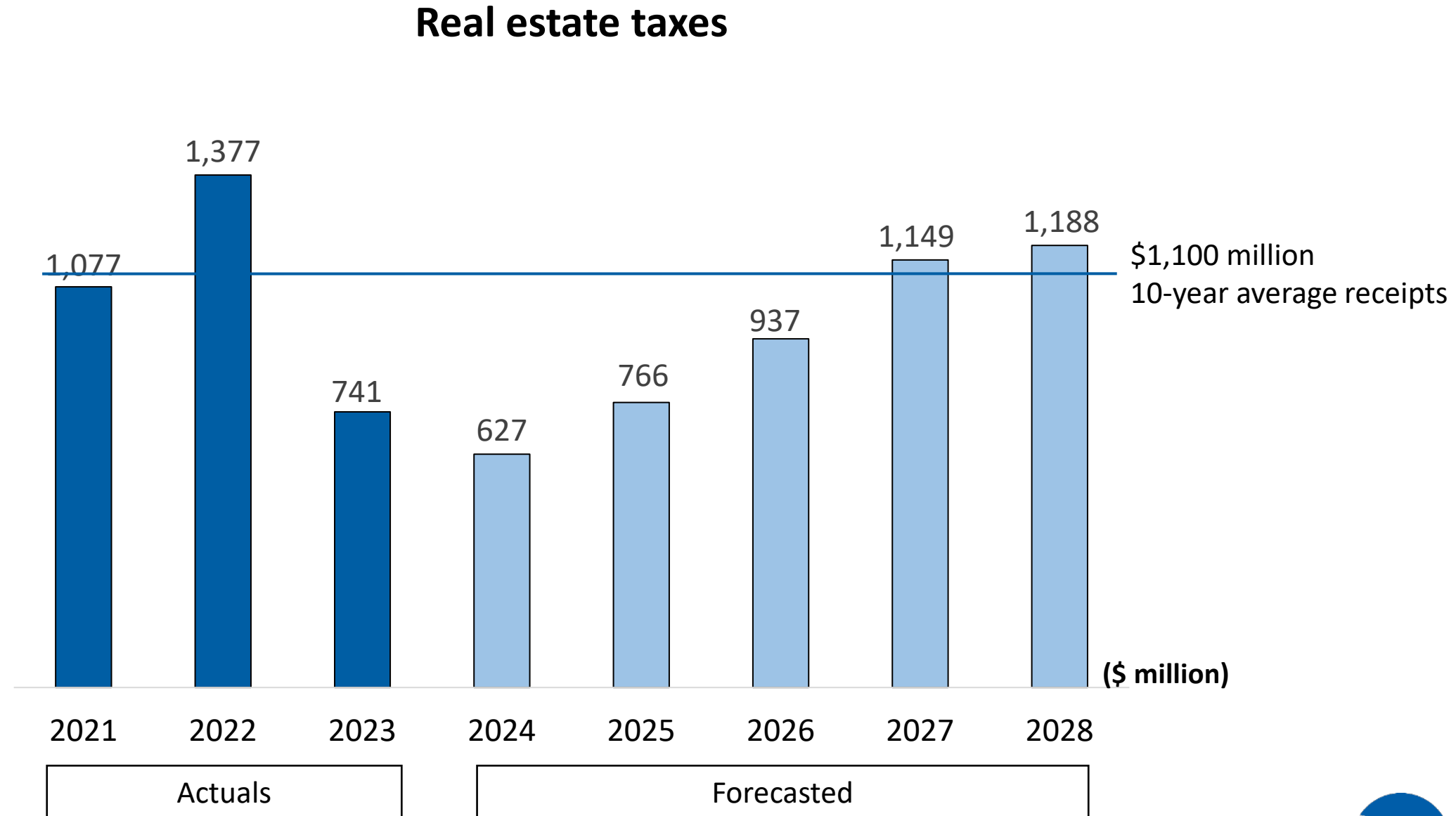


4% fare increase assumed in 2025 and 2027



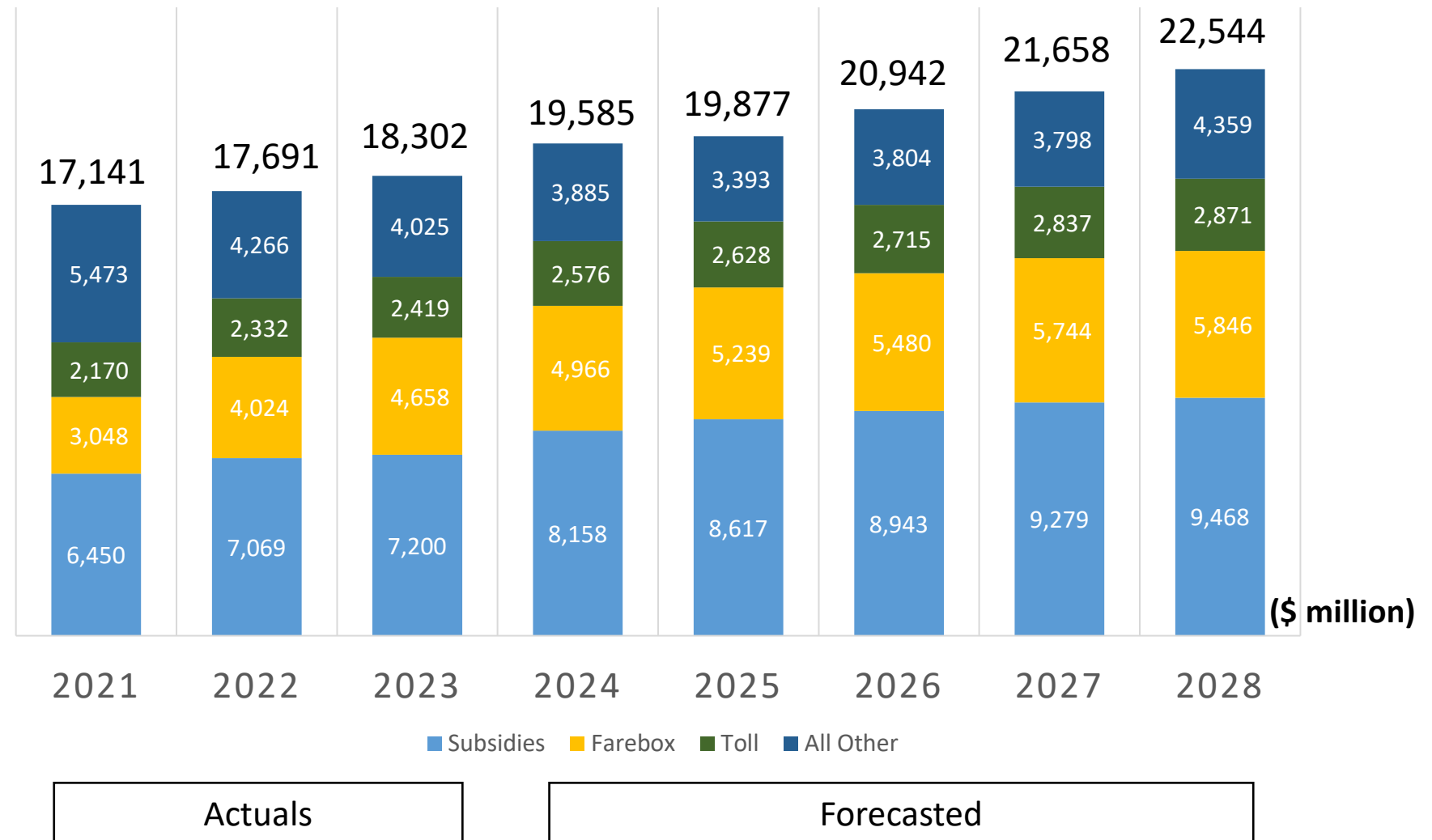
# Real estate related taxes forecasted to increase to average

*Real estate revenues continue to be on budget after July Plan downward adjustment*



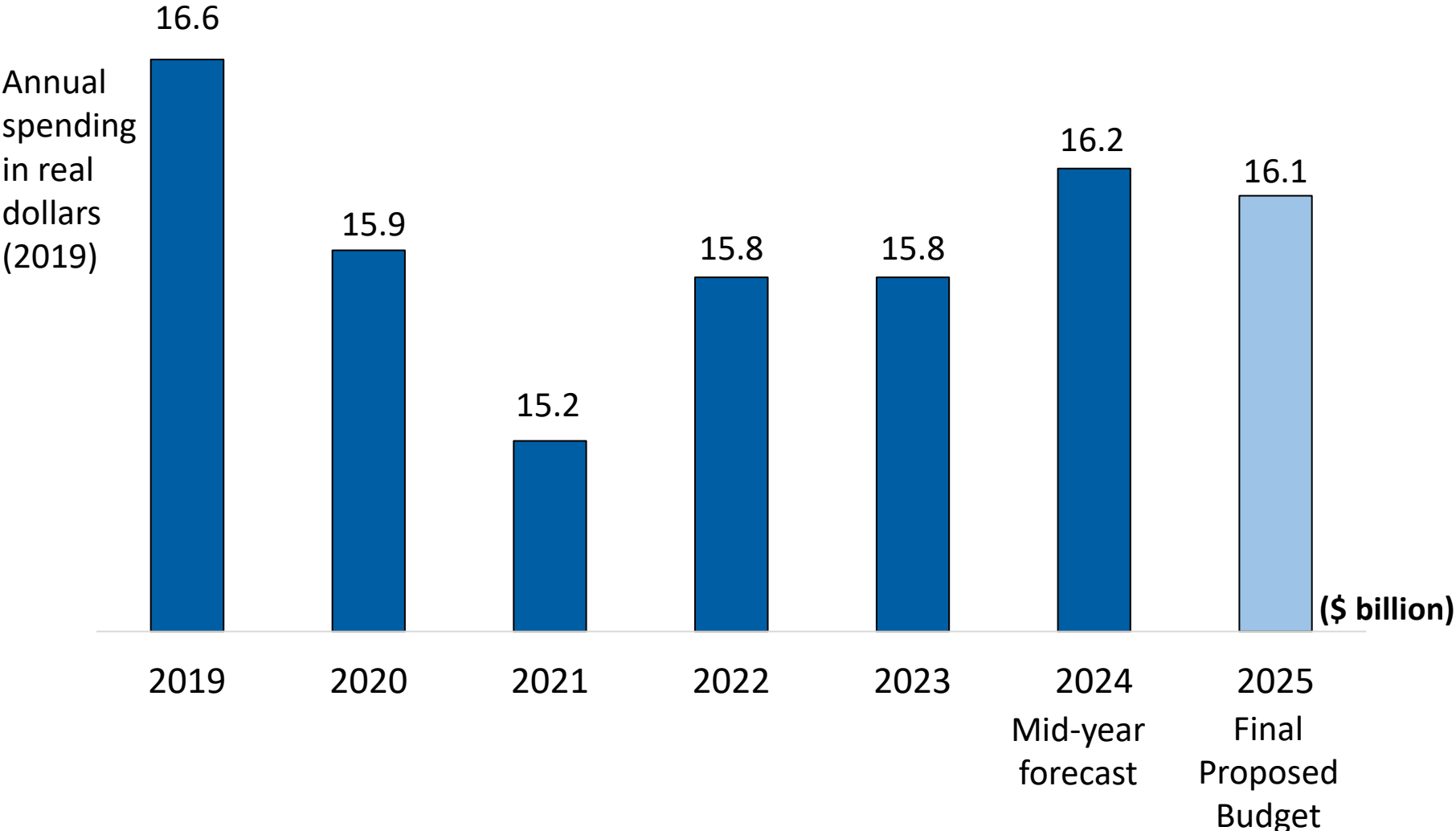
# Overall revenue is forecasted to increase modestly

*Steady growth in revenue projected to cover most of the expense growth*



# MTA continues to contain expense growth below the rate of inflation

**3% reduction in inflation-adjusted spending since 2019**



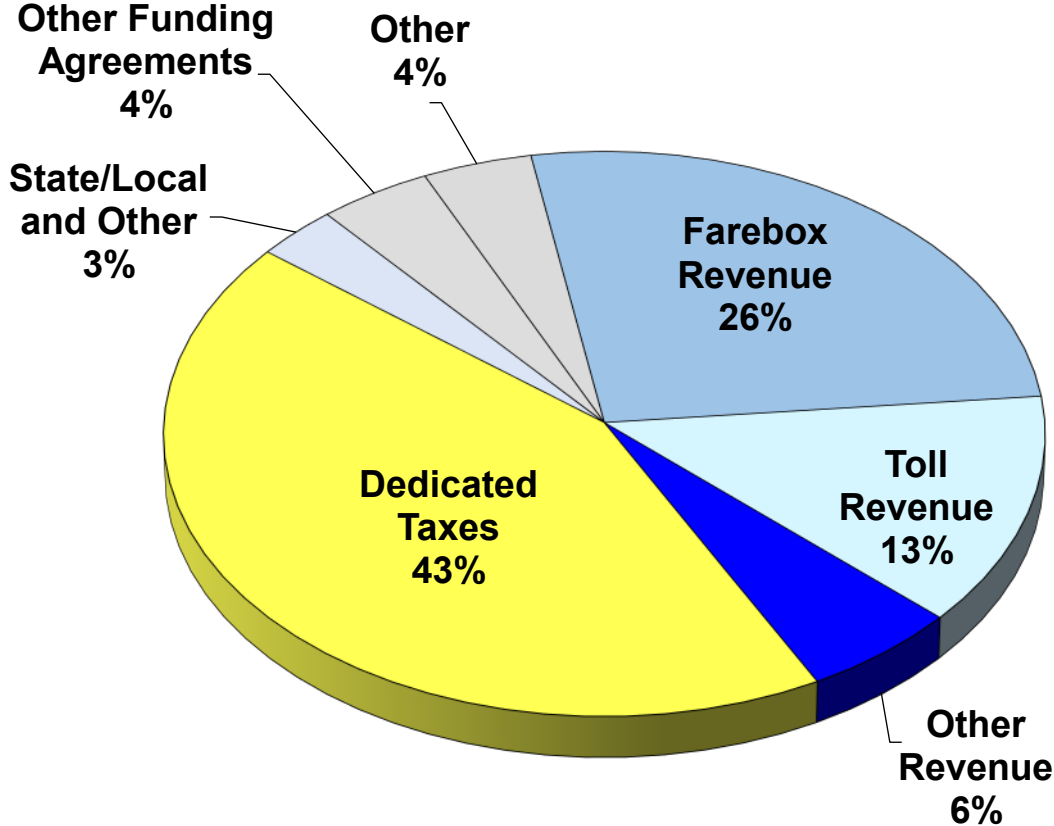
*Expense growth contained to priority initiatives*

- *Queens network redesign*
- *Fare evasion mitigation efforts*
- *Penn Station Access*
- *Paratransit services*
  
- *Refundings continue to provide debt service savings*



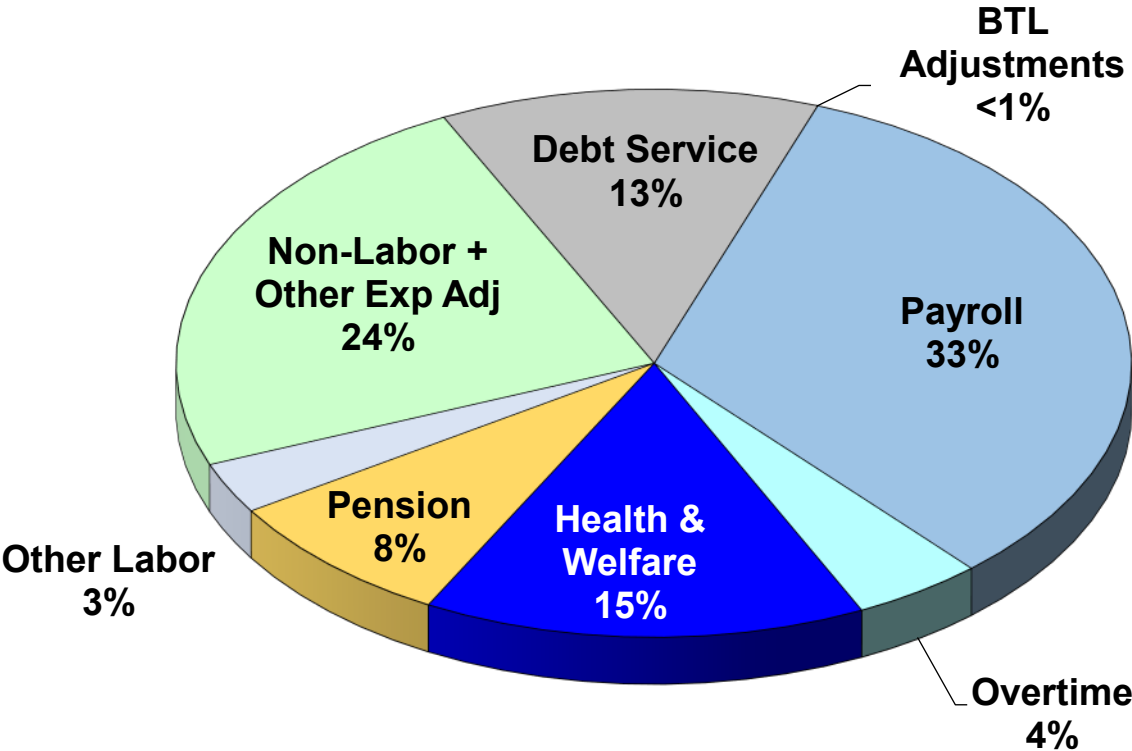
# MTA's 2025 final proposed budget is \$19.9 billion

*Where the dollars come from...*



*Where the dollars go...*

By Expense Category



Note: After below-the-line adjustments. Shown on non-reimbursable and accrual basis. Farebox Revenue represented 38% of funding in 2019.



## Other significant assumptions in the November Plan

- 4% fare and toll increase assumed in 2025 and 2027
- Paratransit reimbursement remains at 80% from NYC (requires legislation renewal)
- Casino revenue of \$500 million per year starting in 2026
- MTA continues operating efficiency savings of \$500 million in 2025 and beyond

# Risks to the financial plan

Assumption	Risk	Potential Annual Cost
Continued paid ridership recovery	Slower progress in reducing fare evasion	(\$325 million) for 5% lower recovery
Paratransit reimbursement	80% share from NYC decreases to 50%	(\$200 to \$250 million)
Dedicated tax receipts	Slower economy / no real estate recovery	(\$300 to \$600 million)
Casino revenue	Timing slower than anticipated	(\$500 million) in 2026-28
2025-29 Capital Program	Higher operating expenses and debt service	Higher fares or reduced service

