



MTA 2021 February Financial Plan

February 18, 2021



2020 Actuals vs. 2020 Final Estimate
(both reflecting receipt of \$4.1 billion of CARES Funding)
(dollars in millions)

2020 Final Estimate (December Financial Plan)	\$1,786
<u>Variances: 2020 Preliminary Actual vs Final Estimate - Favorable/(Unfavorable)</u>	
Farebox Revenue	\$184
Toll Revenue	248
Other Revenue	(86)
Capital & Other Reimbursements	(217)
<i>Revenues</i>	<i>\$129</i>
Labor Expenses (including \$380 million in Payroll Tax deferrals)	\$732
Non-Labor Expenses	336
Expense Adjustments	(137)
Debt Service	16
<i>Expenses</i>	<i>\$947</i>
State Subsidies	\$447
MRT / Urban Tax	88
Other Subsidies	18
<i>Subsidies</i>	<i>\$553</i>
2020 Preliminary Actual	\$3,415
Defer use of MLF Deficit Borrowing Proceeds to 2021 and 2022	(\$2,900)
Revised 2020 Year-End Balance	\$514



What has changed since the Adopted 2021 Budget and the 2021-2024 Financial Plan (2021-2024 Plan period cumulative impact)

- *Changes and re-estimates improving financial results:*
 - 2020 Year-end Results, after timing adjustments (\$514 million)
 - Unused 2020 General Reserve (\$170 million)
 - State Subsidy Re-estimates (\$550 million)
 - Other Subsidy Re-estimates (\$268 million)
 - Debt Service Re-estimates (\$66 million)
- *Changes and re-estimates worsening financial results:*
 - Lower CRRSAA Aid than Assumed (\$500 million)
 - Additional Savings Actions Re-estimates (\$92 million)
 - Delay in 2021 Fare/Toll increases (\$32 million)

These re-estimates, as well as other changes, are favorable by \$1,152 million.

This improvement and the anticipated receipt of additional Federal Aid allows us to avoid the Service Reductions in 2022, to maintain higher levels of service for our customers and avoid imminent layoffs.



\$2.9 billion in MLF deficit financing, \$4 billion in CRRSAA Federal Aid, remaining Service Reductions and a Permanent Wage Freeze still leave a cumulative deficit of \$8 billion through 2024

(dollars in millions)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Plan Deficit</u>
Preliminary February Financial Plan ¹	\$514	(\$5,645)	(\$4,693)	(\$3,452)	(\$3,283)	(\$17,073) ²
Proceeds of MLF Deficit Financing	\$0	\$1,650	\$1,250	\$0	\$0	\$2,900
CRRSAA Federal Aid	0	4,000	0	0	0	4,000
Additional Federal Aid	0	0	0	0	0	0
Service Reductions ³	0	0	0	696	559	1,255
Permanent Wage Freeze (Rep/Non-Rep through 2022)	0	0	309	315	322	946
Change in Prior Year Cash Balance	0	0	5	0	0	N/A
February Financial Plan	\$514	\$5	(\$3,129)	(\$2,441)	(\$2,403)	(\$7,972) ²

1 Reflects fare and toll increases in 2021 and 2023.

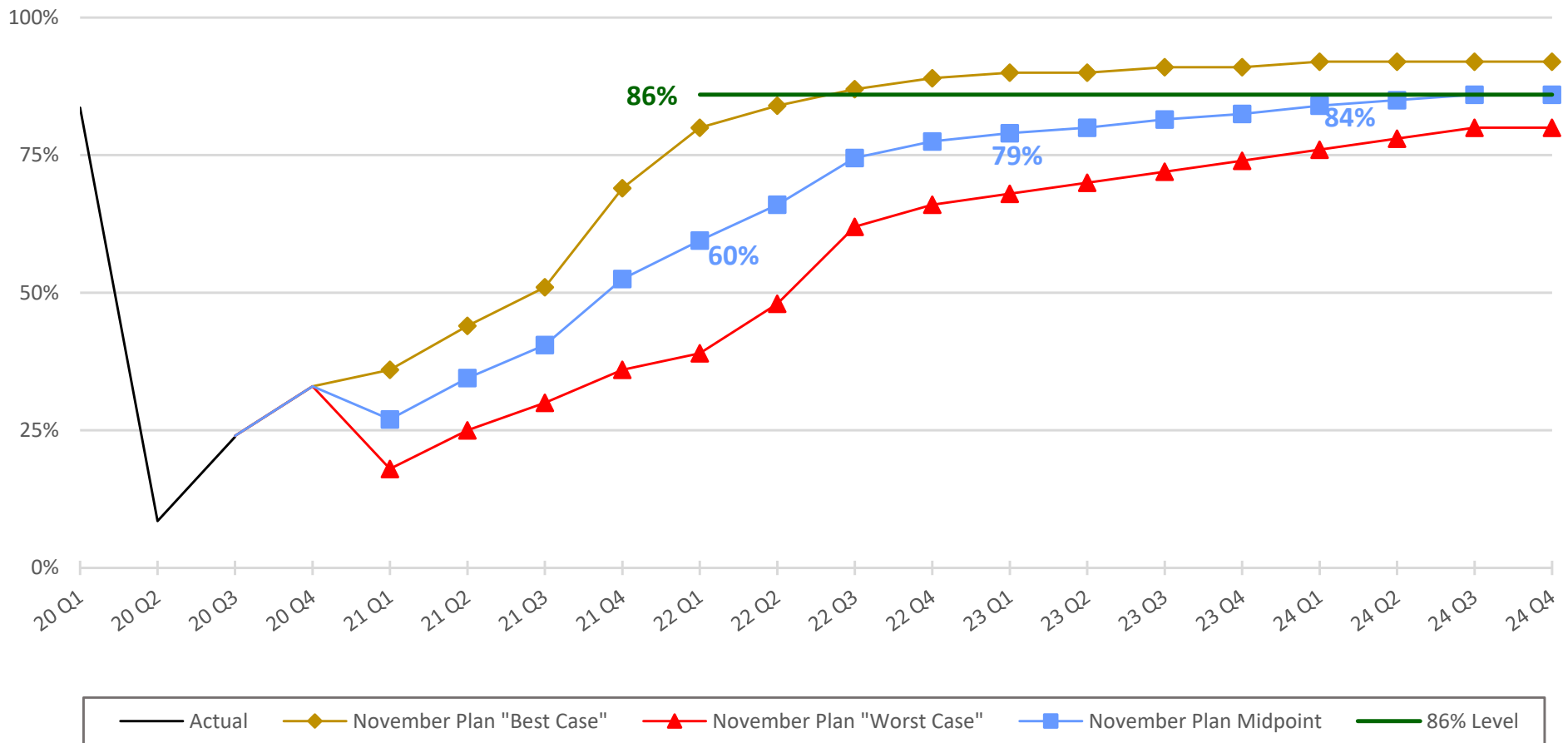
2 Since operating balances roll into subsequent years to reduce deficits, the total deficit over the Plan period is the total of annual deficits only.

3 Service reductions tie to the McKinsey “worst case” updated ridership projections.



McKinsey projected the “new normal” ridership level between 80% and 92% of pre-pandemic levels by the end of 2024 (86% midpoint)

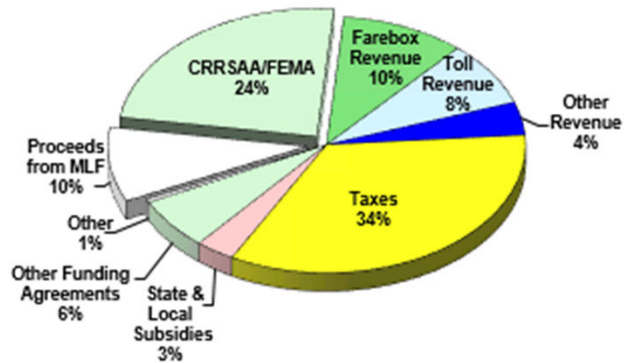
MTA ridership as a percentage of pre-pandemic projections





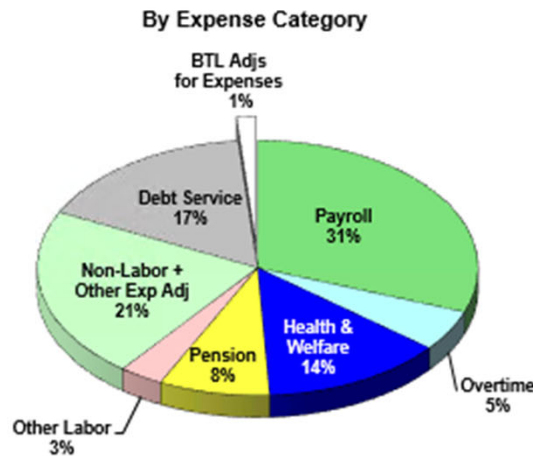
MTA 2021 Adopted Budget Baseline Revenues and Expenses after Below-the-Line Adjustments

Where the Dollars Come From



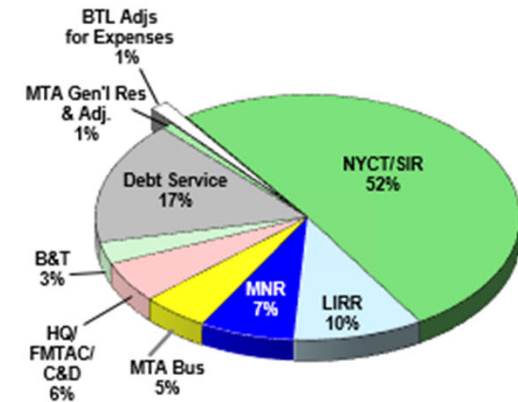
By Revenue Source includes below-the-line adjustments (\$ in millions)	
Farebox Revenue	\$1,768
Toll Revenue	1,435
Other Revenue	736
Taxes	5,990
State and Local	558
Other Funding Agreements	1,139
Other ¹	88
Proceeds from MLF	1,650
CRRSAA/FEMA	4,215
Total²	\$17,579

Where the Dollars Go



By Expense Category ³ includes below-the-line adjustments (\$ in millions)	
Payroll	\$5,433
Overtime	917
Health & Welfare	2,361
Pension	1,443
Other Labor	568
Total Labor	\$10,723
Non-Labor + Other Exp Adj	3,691
Debt Service	2,911
BTL Adjustments for Expenses	249
Total²	\$17,574

By MTA Agency



By MTA Agency ³ includes below-the-line adjustments (\$ in millions)	
NYCT/SIR	\$9,102
LIRR	1,771
MNR	1,292
MTABC	913
HQ/FMTAC/C&D	973
B&T	522
Debt Service	2,911
MTA Gen'l Res & Adjs	(160)
BTL Adjustments for Expenses	249
Total²	\$17,574

1. Includes cash adjustments and prior-year carryover.
2. Totals may not add due to rounding.

3. Expenses exclude Depreciation, GASB 68 & 75 Adjustments and Environmental Remediation.
4. Below-the-line expense adjustments cannot be segmented by expense category or by Agency.