



# **MTA 2021 Budget and 2021-2024 Financial Plan**

**December 16, 2020**



## Deficit reduction actions implemented or identified

(dollars in millions)

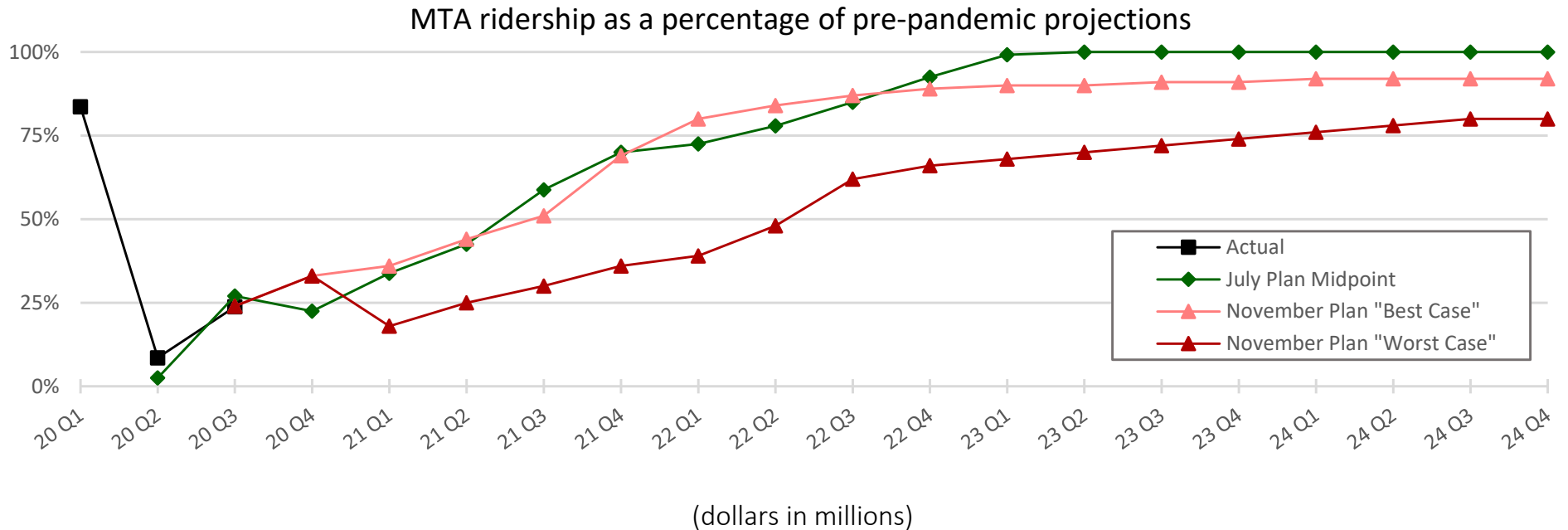
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Plan Total</u>
<b>Preliminary November Financial Plan <sup>1</sup></b>	<b>(\$2,492)</b>	<b>(\$6,121)</b>	<b>(\$3,611)</b>	<b>(\$1,785)</b>	<b>(\$1,905)</b>	<b>(\$15,914) <sup>2</sup></b>
Additional Savings Actions	259	601	498	466	461	2,285
Direct Capital Lockbox to Operating	424	476	0	0	0	900
Direct Committed to Capital to Operating	187	181	120	114	0	602
Use OPEB Trust Fund for Current OPEB Expense	337	0	0	0	0	337
COVID FEMA Reimbursement	0	220	0	0	0	220
2020 General Reserve	<u>170</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>170</u>
<b>Sub-Total</b>	<b>\$1,377</b>	<b>\$1,477</b>	<b>\$618</b>	<b>\$580</b>	<b>\$461</b>	<b>\$4,514</b>
MLF Deficit Borrowing	2,900	0	0	0	0	2,900
Debt service on MLF Borrowing (take out with 2023 bonds)	0	0	0	(143)	(143)	(286)
Change in Prior Year Cash Balance	0	1,786	0	0	0	1,786
<b>Preliminary November Financial Plan</b>	<b>\$1,786 <sup>2</sup></b>	<b>(\$2,858)</b>	<b>(\$2,993)</b>	<b>(\$1,348)</b>	<b>(\$1,587)</b>	<b>(\$8,786) <sup>2</sup></b>

1 Reflects 4% fare and toll increases in 2021 and 2023.

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



## The May 1 McKinsey analysis has been updated, and preliminary results are more pessimistic



	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Change from July Plan Midpoint to November Plan Midpoint	\$0	(\$849)	(\$849)	(\$1,329)	(\$1,043)
Change from July Plan Midpoint to November Plan "Worst Case"	\$0	(\$1,613)	(\$1,899)	(\$2,009)	(\$1,519)
<b>Preliminary November Financial Plan</b>	<b>\$1,786</b>	<b>(\$2,858)</b>	<b>(\$2,993)</b>	<b>(\$1,348)</b>	<b>(\$1,587)</b>
"Worst Case" Adjustment to Farebox Revenue Forecasts	0	(1,613)	(1,899)	(\$2,009)	(\$1,519)
<b>Preliminary November Financial Plan ("Worst Case")</b>	<b>\$1,786</b>	<b>(\$4,471)</b>	<b>(\$4,892)</b>	<b>(\$3,357)</b>	<b>(\$3,106)</b>



## An assumed \$4.5 billion of new federal aid will balance the 2021 budget

(dollars in millions)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Preliminary November Financial Plan ("Worst Case")</b>	<b>\$1,786</b>	<b>(\$4,471)</b>	<b>(\$4,892)</b>	<b>(\$3,357)</b>	<b>(\$3,106)</b>
New Federal Aid	\$0	\$4,500	\$0	\$0	\$0
Service Reductions <sup>1</sup>	\$0	\$0	\$1,274	\$696	\$559
Permanent Wage Freeze (Rep/Non-Rep through 2022)	0	0	309	315	322
Additional Fare/Toll Increases Above 4%	0	0	0	0	0
Deficit Financing	0	0	0	0	0
Change in Prior Year Cash Balance	0	0	29	0	0
<b>December Financial Plan</b>	<b>\$1,786</b>	<b>\$29</b>	<b>(\$3,280)</b>	<b>(\$2,346)</b>	<b>(\$2,225)</b>

1 Service reductions, and service increases beyond 2022, tie to the McKinsey "worst case" updated ridership projections



## Without additional federal aid, difficult choices will be required to balance the 2021 budget

(dollars in millions)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Preliminary November Financial Plan ("Worst Case")</b>	<b>\$1,785</b>	<b>(\$4,471)</b>	<b>(\$4,892)</b>	<b>(\$3,357)</b>	<b>(\$3,106)</b>
New Federal Aid	\$0	\$0	\$0	\$0	\$0
Service Reductions <sup>1</sup>	\$0	\$858	\$1,274	\$696	\$559
Permanent Wage Freeze (Rep/Non-Rep through 2022)	58	370	309	315	322
Additional Fare/Toll Increases Above 4%	0	0	0	0	0
Deficit Financing	0	0	0	0	0
Change in Prior Year Cash Balance	0	58	0	0	0
<b>November Financial Plan</b>	<b>\$1,843</b>	<b>(\$3,185)</b>	<b>(\$3,309)</b>	<b>(\$2,346)</b>	<b>(\$2,225)</b>

1 Service reductions, and service increases beyond 2022, tie to the McKinsey "worst case" updated ridership projections. 2021 savings reflect May start.