

PART 202  
BUDGET AND FINANCIAL AND STRATEGIC OPERATION PLAN FORMAT, SUPPORTING  
DOCUMENTATION AND MONITORING - METROPOLITAN TRANSPORTATION AUTHORITY  
(Statutory Authority: Constitution, article X, §5; State Finance  
Law §8 (14))

Sec.

- 202.1 Purpose and applicability of Part
- 202.2 Definitions
- 202.3 Budget and plan format
- 202.4 Supporting documentation
- 202.5 Monitoring of the budget and plan
- 202.6 Strategic operation plan

Section 202.1 Purpose and applicability of Part.

This Part shall apply to the Metropolitan Transportation Authority, created pursuant to title 11 of article 5 of the Public Authorities Law (§1260 et seq.). The purpose of this Part is to set forth specific requirements in connection with the format of, the preparation and maintenance of supporting documentation for, and the monitoring of, the annual budgets and financial plans, and the format of certain financial information in strategic operation plans, of the Metropolitan Transportation Authority. All requirements of this Part shall apply immediately upon the effective date of this Part, except as otherwise consented to by the Comptroller at the request of the Metropolitan Transportation Authority upon good cause shown.

202.2 Definitions.

For purposes of the Part:

- a. MTA shall mean the Metropolitan Transportation Authority, created by title 11 of article 5 of the Public Authorities Law (§1260 et seq.), as amended.
- b. MTA affiliates shall mean the Triborough Bridge and Tunnel Authority, and the New York City Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority.
- c. MTA subsidiaries shall mean the Long Island Rail Road Company, the Metro-North Commuter Railroad Company, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority; the MTA Capital Construction Company and the First Mutual Transportation Assurance Company, together with all other subsidiary corporations formed by the MTA in accordance with the provisions of section 1266(5) of the Public Authorities Law.
- d. MTA headquarters shall mean the budgetary component within the MTA that provides for certain centralized functions, such as budgeting, cash management, finance and legal services.
- e. MTA Agencies shall mean MTA Headquarters, MTA Affiliates and MTA Subsidiaries.
- f. Budget shall mean the preliminary, proposed final and final operating budgets of the MTA, and each of the MTA agencies.
- g. Plan shall mean the financial plan for the MTA, and each of the MTA agencies, and any updates.
- h. Gap shall mean the difference between projected revenues and expenses for any given fiscal year before a proposed fare increase or other proposed management actions that increase revenues or reduce

costs.

i. Gap-closing program shall mean any combination of management actions that reduce costs or increase revenues that lower a gap in any given fiscal year.

j. Utilization shall mean subway, bus, railroad and paratransit ridership, and bridge and tunnel crossings.

k. Reimbursable shall mean costs and expenses that are funded by capital funds.

l. Capital Program Review Board shall mean the Metropolitan Transportation Authority Capital Program Review Board created by section 1269-a of the Public Authorities Law.

#### 202.3 Budget and plan format.

Each budget and plan shall: (a) be prepared so that information relating to the MTA, and each of the MTA agencies is presented in a consistent manner and format; (b) be prepared in accordance with generally accepted accounting principles, except as otherwise consented to by the Comptroller upon good cause shown; (c) be based on reasonable assumptions and methods of estimation; (d) include estimates of projected operating revenues and other operating funding sources (including but not limited to fares, tolls, taxes and governmental subsidies); (e) include estimates of projected reimbursable and non-reimbursable personal service operating expenses, including but not limited to salary and wage costs, overtime, health insurance and pension costs; (f) include estimates of projected reimbursable and non-reimbursable non-personal service operating expenses, including but not limited to power, fuel, public liability, insurance, materials and supplies, contract services and depreciation; (g) include estimates of projected debt service to finance the capital program approved by the Capital Program Review Board or any amendment proposed by the MTA to the approved capital program; (h) include estimates of projected debt service to finance capital needs that extend beyond the approved capital program or any amendment proposed by the MTA to the approved capital program; (i) include estimates of projected debt service for all other capital projects, such as projects for the Triborough Bridge and Tunnel Authority, to be funded during the Plan period in whole or in part by borrowings; (j) identify any planned transactions that would shift resources, from any source, from one year to another, and the amount of any reserves; (k) except in the case of the Triborough Bridge and Tunnel Authority, include a corresponding cash Budget and Plan, and identify all cash adjustments, in excess of \$500,000, including but not limited to debt service, taxes and government subsidies; (l) be accompanied by a certification by the Executive Director of the MTA to the effect that, to the best of his or her knowledge and belief after reasonable inquiry, the Budget or Plan, as the case may be, is based on reasonable assumptions and methods of estimation and that the requirements of sections 202.3 and 202.4 of this regulation have been satisfied.

#### 202.4 Supporting documentation.

The MTA shall prepare working papers that detail the assumptions and methods of estimation used to calculate all operating and capital budget projections, consistent with prudent budgetary practices. The working papers shall be completed contemporaneously with the release of its Budgets and Plans and shall include a statement supporting the reasonableness of each estimate, and the underlying information on which the estimate is based, such as actual results from prior years, inflationary

trends and economic data, assumptions regarding the cost of future collective bargaining agreements, utilization, demographic and other pertinent data. The MTA also shall prepare and make available for public inspection with the release of its budgets and plans: (a) a reconciliation that identifies all changes in estimates in excess of \$500,000, from the projections in the previous Budget or Plan (the reconciliation shall identify changes in operating revenues and receipts, expenses and disbursements, gap-closing programs, collective bargaining costs, staffing levels and other changes as may be necessary); (b) a projection of the number of employees to be employed by the MTA, and each of the MTA agencies covered in the Plan, including (1) whether the sources of funding of such employees' salaries and benefits are reimbursable or non-reimbursable, (2) numbers of full-time and full-time equivalents, and (3) functional classification (e.g., operating, maintenance, administrative); (c) a statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on each revenue and expense category, including the estimated impact on staffing, whether any positions to be eliminated are vacant or filled and whether the reduction will occur through attrition, layoff or other action; (d) a statement of the source and amount of any non-recurring receipt or savings in excess of \$1,000,000 that is planned for use in any given fiscal year; (e) in the case of the Plan, a debt affordability statement showing the budgetary impact of planned borrowings for each year of the Plan, consisting of the following: (1) an estimated debt service schedule for each year of the Plan, (2) the estimated principal amount of each year's borrowings and assumed interest rate(s), (3) projected debt service for each credit (other than borrowings secured solely by State service contract payments), as a percentage of total pledged revenues, and (4) cumulative debt service (other than borrowings secured solely by State service contract payments), as a percentage of each of the following: (i) operating revenues and government subsidies, (ii) fare and toll revenues, and (iii) non-reimbursable expenses; (f) in the case of the Plan, a statement of the annual projected capital costs by capital element (e.g., "rolling stock and buses") and sources of funding for each year of the Plan, and for each capital project, a statement projecting the annual commitment, total project cost, expected date of completion and an estimate of the annual cost for operating and maintaining those capital projects or capital elements that, when placed into service, are expected to have an impact of \$1 million or more on the operating budget.

#### 202.5 Monitoring the budget and plan.

The MTA shall prepare and make available for public inspection one or more reports on the following: (a) within sixty days of the release of the adopted Budget and any updates to the Budget (except any updates released within 90 days of the close of the current fiscal year): (1) monthly projections for the current fiscal year of all revenues and expenses, in a format consistent with the Budget and Plan, (2) monthly projections for the current fiscal year of all receipts and disbursements, in a format consistent with the Budget and Plan, (3) monthly projections for the current fiscal year of staffing for the MTA and each of the MTA Agencies, in a format consistent with section 202.4(b), and (4) monthly projections for the current fiscal year of utilization for each of the MTA Agencies that operate transportation systems, including bridges and tunnels; (b) within sixty days after the close of each month, in a format consistent with the Budget and Plan: (1) a comparison

of actual revenues and expenses to planned levels for each of the MTA Agencies, explaining and quantifying variances that are due to timing or have a budgetary impact, (2) a comparison of actual receipts and disbursements to planned levels for each of the MTA Agencies, explaining and quantifying variances that are due to timing or have a budgetary impact, (3) a comparison of actual staffing to planned levels for the MTA and each of the MTA Agencies, explaining and quantifying variances that are due to timing or have a budgetary impact, and (4) a comparison of actual utilization to planned levels for each of the MTA Agencies that operate transportation systems, including bridges and tunnels, with an explanation of any variance and budgetary impact; (c) each quarter, until implemented or rescinded, the status of each gap-closing initiative with a projected value equal to or greater than \$1,000,000 in any given fiscal year including milestones, impact on staffing, current implementation status, actual savings or revenues to date and projected annual savings or revenues in comparison to Budget and Plan projections. (The MTA, with the consent of the State Comptroller, may limit reporting to the largest initiatives that comprise 90 percent of the value of the agency gap-closing program); (d) each month, transfers to or from the corporate and stabilization accounts, interagency loans and other reserves or accounts; (e) each month, the status of capital projects by capital element, including but not limited to commitments, expenditures and completions, and an explanation of material variances from the Plan, cost overruns and delays.

#### 202.6 Strategic operation plan.

Financial information required to be submitted by the MTA pursuant to paragraphs (d) and (e) of subdivision (1) of section 1269-d of the Public Authorities Law for operating resources and costs shall be presented in a format consistent with the Budget and Plan.