

# BUDGETWATCH

## February 2020 Flash Report

**Overall Latest Condition** (reporting on operations for January and subsidies through February):

Overall, results early in 2020 have been favorable. In January, higher subway passenger and toll revenue offset lower bus passenger revenue. Preliminary expenses were slightly favorable; but some of that was the result of timing. Overtime costs were favorable largely due to lower coverage requirements for weather-related events. Debt service was slightly unfavorable which was primarily timing-related. Subsidies have been favorable through February on the strength of a \$32 million favorable variance for the real estate transaction taxes and a \$6 million favorable variance for the Payroll Mobility Tax.

### Passenger and Toll Revenues

Month of January 2020 (\$ in millions)				
	<u>Actual</u>	<u>Adopted Budget</u>	<u>Diff</u>	<u>% Diff</u>
NYCT:				
Subway	\$295.7	\$290.0	\$5.7	1.9%
Bus	76.5	77.3	(0.9)	-1.1%
Other	<u>8.6</u>	<u>8.6</u>	<u>0.0</u>	<u>0.2%</u>
NYCT	\$380.7	\$375.9	\$4.8	1.3%
MTA Bus	17.3	18.7	(1.4)	-7.5%
LIRR	60.4	58.2	2.2	3.8%
MNR	<u>59.7</u>	<u>58.6</u>	<u>1.2</u>	<u>2.0%</u>
<b>Sub-total</b>	<b>\$518.2</b>	<b>\$511.4</b>	<b>\$6.8</b>	<b>1.3%</b>
B&T	<u>159.1</u>	<u>155.6</u>	<u>3.5</u>	<u>2.3%</u>
<b>Total</b>	<b>\$677.3</b>	<b>\$667.0</b>	<b>\$10.3</b>	<b>1.5%</b>

For the month, **passenger revenues** were favorable by \$6.8 million, or 1.3%. Weather, which can adversely impact ridership during winter months, saw mild temperatures, while precipitation—and snowfall in particular—was below the normal level for the month. NYCT revenue was favorable due to higher subway ridership. NYCT bus ridership was also higher than budget, but revenue was unfavorable due to lower-than-budgeted average fare. Revenue was better than the budget at the Commuter Railroads due to higher non-commutation ridership. MTA Bus revenue was unfavorable due to lower ridership and average fare. **Toll revenue** was favorable for the month, reflecting higher than anticipated traffic levels principally because of weather conditions.

### Total Operating Expenses before Non-Cash Liability Adjustments

Month of January 2020 (\$ in millions)				
	<u>Actual</u>	<u>Adopted Budget</u>	<u>Diff</u>	<u>% Diff</u>
NYCT	\$752.2	\$740.3	(\$11.9)	-1.6%
MTA Bus	67.8	72.8	5.0	6.9%
LIRR	146.7	151.0	4.3	2.9%
MNR	115.3	118.8	3.6	3.0%
B&T	<u>35.1</u>	<u>42.0</u>	<u>6.8</u>	<u>16.3%</u>
<b>Total</b>	<b>\$1,117.1</b>	<b>\$1,124.9</b>	<b>\$7.8</b>	<b>0.7%</b>

Overall expenses for January were slightly favorable by \$7.8 million, or 0.7%. B&T was favorable primarily due to vacancies, maintenance, and the timing of toll collection processing fees. MTA Bus' favorable variance was mainly due to the timing of other fringe benefits, lower professional services, maintenance material, and fuel usage. LIRR was favorable primarily due to vacancies and lower timing-related savings in costs for rolling-stock materials. MNR was favorable primarily due to the timing of locomotive overhauls, maintenance material requirements and professional services expenses. These outcomes were partially offset by higher non-labor costs at NYCT mainly due to the timing of maintenance, repair and material requirements.

## Overtime

Month of January 2020 (\$ in millions)				
	Adopted		Diff	%Diff
	Actual	Budget		
NYCT	\$38.1	\$46.8	\$8.7	18.7%
MTA Bus	6.0	5.9	(0.1)	-1.9%
LIRR	11.9	12.8	0.9	7.0%
MNR	9.1	9.5	0.4	4.4%
B&T	<u>2.0</u>	<u>2.4</u>	<u>0.4</u>	<u>15.6%</u>
<b>Total</b>	<b>\$67.0</b>	<b>\$77.3</b>	<b>\$10.3</b>	<b>13.3%</b>

Overtime expenses for the month were \$10.3 million, or 13.3%, favorable, primarily due to favorable timing of \$7 million at NYCT which will be reversed. Fewer-than-budgeted weather events also favorably contributed to variances at all Agencies.

## Debt Service

Debt Service for the month of January was \$247.0 million, which was \$5.7 million or approximately 2.4% unfavorable primarily due to timing, offset by lower than budgeted interest rates.

## State Dedicated Taxes and Fees

YTD February 2020 (\$ in millions)					Month of February 2020 (\$ in millions)				
	Adopted		Diff	%Diff		Adopted		Diff	%Diff
	Actual	Budget				Actual	Budget		
MMTOA	\$0.0	\$0.0	\$0.0	0.0%	MMTOA	\$0.0	\$0.0	\$0.0	0.0%
PBT	107.5	109.2	(1.7)	-1.6%	PBT	45.8	49.2	(3.4)	-6.9%
PMT <sup>1</sup>	244.2	238.3	5.9	2.5%	PMT <sup>1</sup>	211.3	205.4	5.9	2.9%
MTA Aid <sup>2</sup>	0.0	0.0	0.0	0.0%	MTA Aid <sup>2</sup>	0.0	0.0	0.0	0.0%
FHV <sup>3</sup>	<u>74.8</u>	<u>75.3</u>	<u>(0.5)</u>	<u>-0.7%</u>	FHV <sup>3</sup>	<u>37.1</u>	<u>37.6</u>	<u>(0.5)</u>	<u>-1.4%</u>
<b>Total</b>	<b>\$426.5</b>	<b>\$422.8</b>	<b>\$3.7</b>	<b>0.9%</b>	<b>Total</b>	<b>\$294.2</b>	<b>\$292.1</b>	<b>\$2.0</b>	<b>0.7%</b>

The first MMTOA payment for the year is expected in May; MTA Aid receipts, which are transferred quarterly, are scheduled for initial receipt in March. Petroleum Business Tax (PBT) receipts for February were \$3.4 million (6.9%) unfavorable, and year-to-date collections were unfavorable by \$1.7 million (1.6%). February Payroll Mobility Tax (PMT) receipts were \$5.9 million (2.9%) favorable, and year-to-date collections were slightly favorable by \$5.9 million (2.5%). For-Hire-Vehicle Surcharge (FHV) receipts for the month and year-to-date were close to budget.

## Real Estate Transaction Taxes

YTD February 2020 (\$ in millions)					Month of February 2020 (\$ in millions)				
	Adopted		Diff	%Diff		Adopted		Diff	%Diff
	Actual	Budget				Actual	Budget		
MRT	\$96.0	\$76.2	\$19.8	26.0%	MRT	\$46.8	\$38.1	\$8.7	22.8%
NYC Urban	<u>118.8</u>	<u>106.4</u>	<u>12.4</u>	<u>11.6%</u>	NYC Urban	<u>58.3</u>	<u>53.2</u>	<u>5.0</u>	<u>9.5%</u>
<b>Total</b>	<b>\$214.8</b>	<b>\$182.6</b>	<b>\$32.2</b>	<b>17.6%</b>	<b>Total</b>	<b>\$105.0</b>	<b>\$91.3</b>	<b>\$13.7</b>	<b>15.0%</b>

Total real estate transaction taxes for February were \$13.7 million (15.0%) favorable to Budget, increasing the YTD favorable variance to \$32.2 million (17.6%). When compared with last year through February, real estate taxes were \$60.5 million (22.0%) lower; Urban Tax was off last year's level by \$71.0 million, or 34.7%, while MRT is running ahead of last year by \$10.5 million, or 12.3%.

<sup>1</sup> PMT replacement funds, that are expected to total \$244.3 million for the year, are excluded from the results reported in this table.

<sup>2</sup> MTA Aid includes the License Fee, Vehicle Registration Fee, Taxi Fee and Automobile Rental Fee.

<sup>3</sup> For-Hire Vehicle Surcharge

**Regional Mortgage Recording Tax**<sup>4</sup> receipts for February were \$8.7 million, or 22.8%, favorable; MRT-1 was favorable by \$6.7 million, and MRT-2 receipts were favorable by \$2.0 million. YTD MRT receipts were favorable by \$19.8 million (26.0%), with MRT-1 receipts \$16.3 million favorable and MRT-2 receipts \$3.5 million favorable.

**New York City Urban Tax**<sup>5</sup> receipts for February were \$5.0 million, or 9.5%, favorable, while YTD Urban Tax receipts were \$12.4 million (11.6%) favorable. For February, the Real Property Transfer Tax (RPTT) portion of the Urban Tax was unfavorable by \$2.8 million, or 8.1%, while the MRT portion of the Urban Tax was \$7.9 million or 42.9% favorable. YTD, RPTT receipts were \$1.4 million (2.0%) unfavorable, while the MRT portion of the Urban Tax was \$13.7 million (37.5%) favorable.

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<sup>4</sup> Mortgage Recording Taxes consist of two separate taxes on mortgages recorded in the twelve-county region: MRT-1 is a tax on all mortgages, while MRT-2 is also imposed on residential real estate structures containing up to six dwelling units.

<sup>5</sup> New York City Urban Taxes are imposed on commercial property and apartment building transactions within New York City. The MRT component is imposed on mortgages exceeding \$500,000, and the Real Property Transfer Tax component is imposed on transfers exceeding \$500,000.

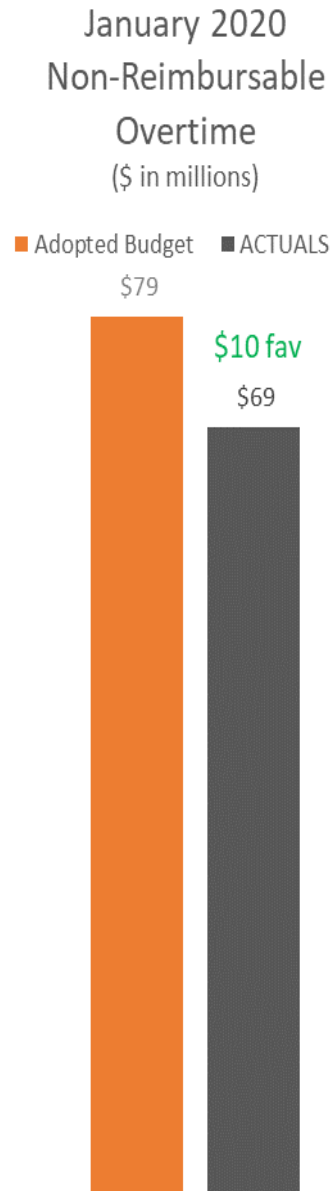




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## Overtime Detail

### 2020 YTD Overtime – Major Drivers through January



#### Non-Reimbursable \$10 million

##### **NYCT \$9 million**

- \$7M due to a 2019 accrual adjustment;
- \$4M fair weather conditions in January compared to monthly forecast; and
- \$1M for vacancy/absentee coverage requirement; partially offset by
- (\$2M) for timing of capital track expense recorded as non-reimbursable expenses.

##### **LIRR \$1 million**

- \$3M lower weather-related overtime; partially offset by
- (\$2M) higher maintenance.

##### **B&T \$0.4 million**

- \$0.2M for lower weather-related overtime; and
- \$0.2M reflects management efficiencies across most decomposition categories.

##### **MNR \$0.4 million**

- \$2M for fewer weather events than planned;
- \$0.4M based upon increased employee availability in the Scheduled Service function; and
- \$0.2M lower required vacancy coverage for must fill jobs; partially offset by
- (\$2M) due to timing differences for payroll and calendar cutoff dates.

##### **MTAHQ (\$0.5 million)**

- (\$0.3M) primarily for MTA Police fare evasion task force coverage and quality of life initiatives, e.g. homelessness; and
- (\$0.3M) for MTA Police backfill coverage; partially offset by
- \$0.1M offset for lower administrative overtime.

##### **MTA Bus (\$0.1 million)**

- (\$0.6M) for maintenance programs and required campaign work; partially offset by
- \$0.3M for fewer weather events;
- \$0.1M for traffic and running time; and
- \$0.1M for lower coverage requirements offset by favorable rates.

# BUDGETWATCH

## Regional Economy Report

### New York City Employment

#### Sectors with Year-over-Year Employment Gains

- Transportation, Utilities
- Information
- Education & Health Services
- Government
- Trade
- Professional & Business Services
- Leisure & Hospitality

#### Sectors with Year-over-Year Employment Losses

- Construction, Mining, Natural Resources
- Manufacturing
- Financial Activities
- Other Services

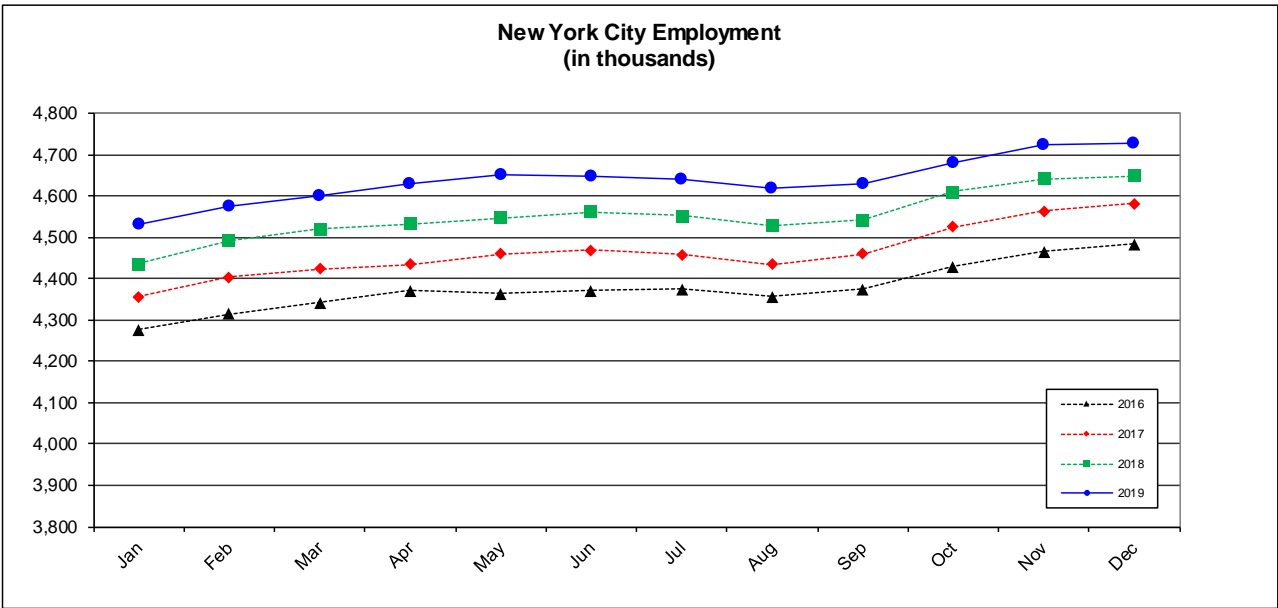
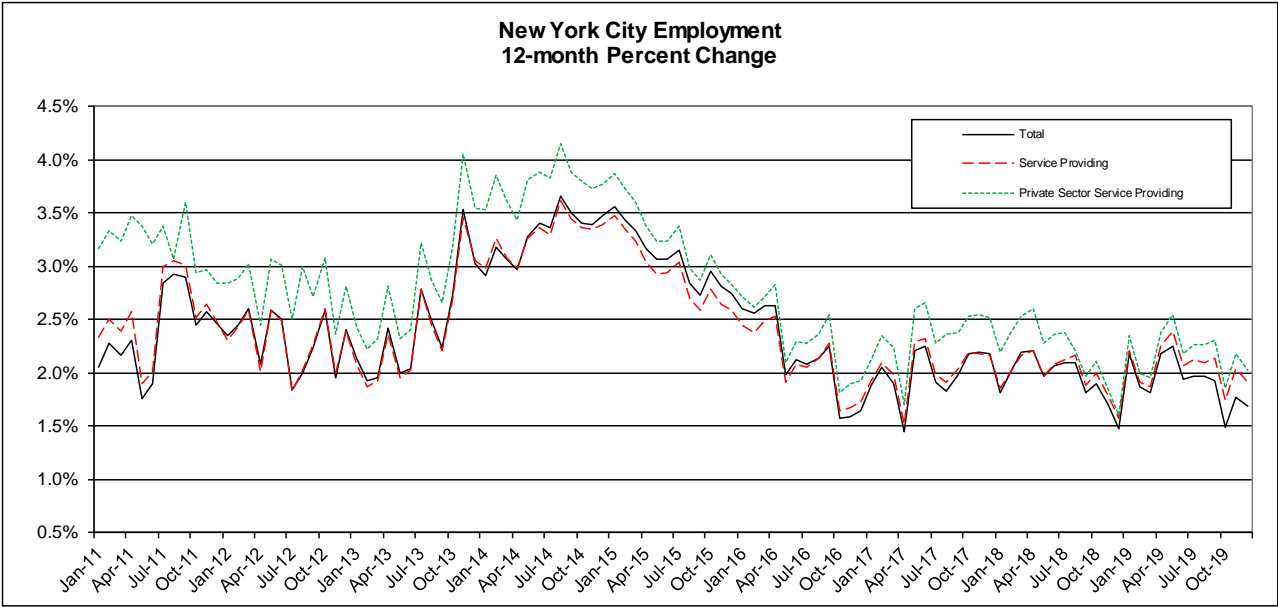
New York City Employment (in thousands)	Dec-19 versus						
	Prelim Dec-19	Revised Nov-19	Dec-18	Nov-19		Dec-18	
				Net	Pct	Net	Pct
<b>Total Employment</b>	<b>4,726.8</b>	<b>4,723.2</b>	<b>4,648.8</b>	<b>3.6</b>	<b>0.1%</b>	<b>78.0</b>	<b>1.7%</b>
<b>Goods Producing</b>	<b>222.6</b>	<b>223.9</b>	<b>228.8</b>	<b>(1.3)</b>	<b>-0.6%</b>	<b>(6.2)</b>	<b>-2.7%</b>
Construction, Mining, Nat Res	154.5	155.5	159.0	(1.0)	-0.6%	(4.5)	-2.8%
Manufacturing	68.1	68.4	69.8	(0.3)	-0.4%	(1.7)	-2.4%
<b>Service Providing</b>	<b>4,504.2</b>	<b>4,499.3</b>	<b>4,420.0</b>	<b>4.9</b>	<b>0.1%</b>	<b>84.2</b>	<b>1.9%</b>
Transportation, Utilities	150.6	148.4	148.4	2.2	1.5%	2.2	1.5%
Trade	512.5	509.4	505.8	3.1	0.6%	6.7	1.3%
Information	207.1	213.6	206.4	(6.5)	-3.0%	0.7	0.3%
Financial Activities	469.1	470.9	476.2	(1.8)	-0.4%	(7.1)	-1.5%
Professional & Business Svcs	798.4	795.7	773.8	2.7	0.3%	24.6	3.2%
Education & Health Svcs	1,094.8	1,090.1	1,049.9	4.7	0.4%	44.9	4.3%
Leisure & Hospitality	471.0	470.6	464.8	0.4	0.1%	6.2	1.3%
Other Services	195.9	196.7	196.9	(0.8)	-0.4%	(1.0)	-0.5%
Government	604.8	603.9	597.8	0.9	0.1%	7.0	1.2%

Preliminary December 2019 employment in New York City shows a gain of 78,000 jobs (1.7%) when compared to last December's employment level. This marks the 117<sup>th</sup> consecutive month in which employment has improved over its level from one year earlier. The Education & Health Services and Professional & Business Services sectors experienced the greatest gains in the number of jobs among the major sectors, adding 44,900 and 24,600 jobs, respectively, over the past twelve months.

Employment in New York City's service-providing sectors increased by 84,200 jobs (1.9%) over the December 2018 level. Private-sector service-providing employment in New York City increased by 77,200 jobs (2.0%), the 118<sup>th</sup> consecutive month of year-to-year improvement.

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## Regional Economy Report

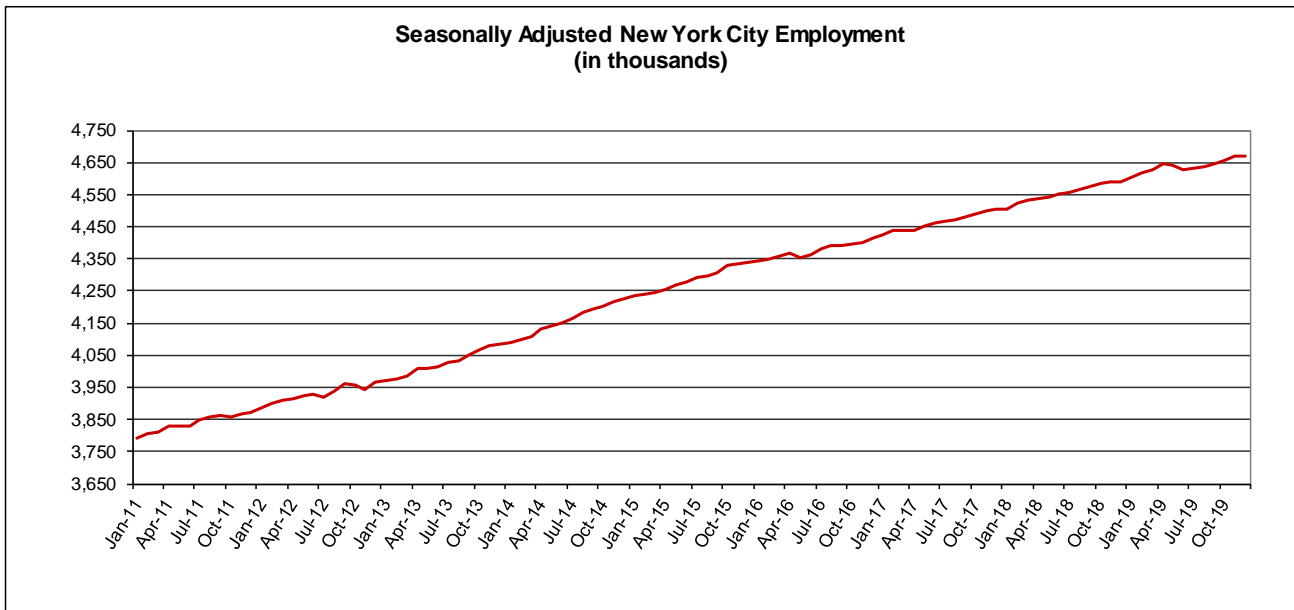




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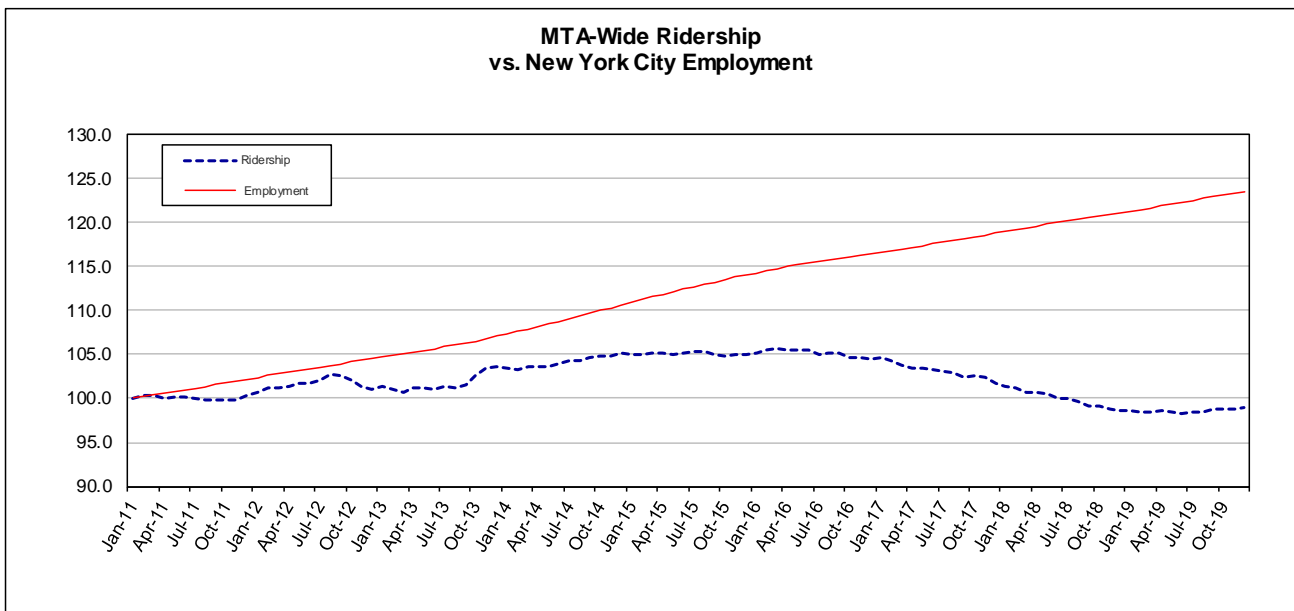
## Regional Economy Report

In December 2019, seasonally adjusted New York City employment of 4.67 million was higher than in December 2018 by 80,200 jobs (1.75%), and was higher than the prior month by 1,700 jobs (0.04%).



### Ridership and Employment

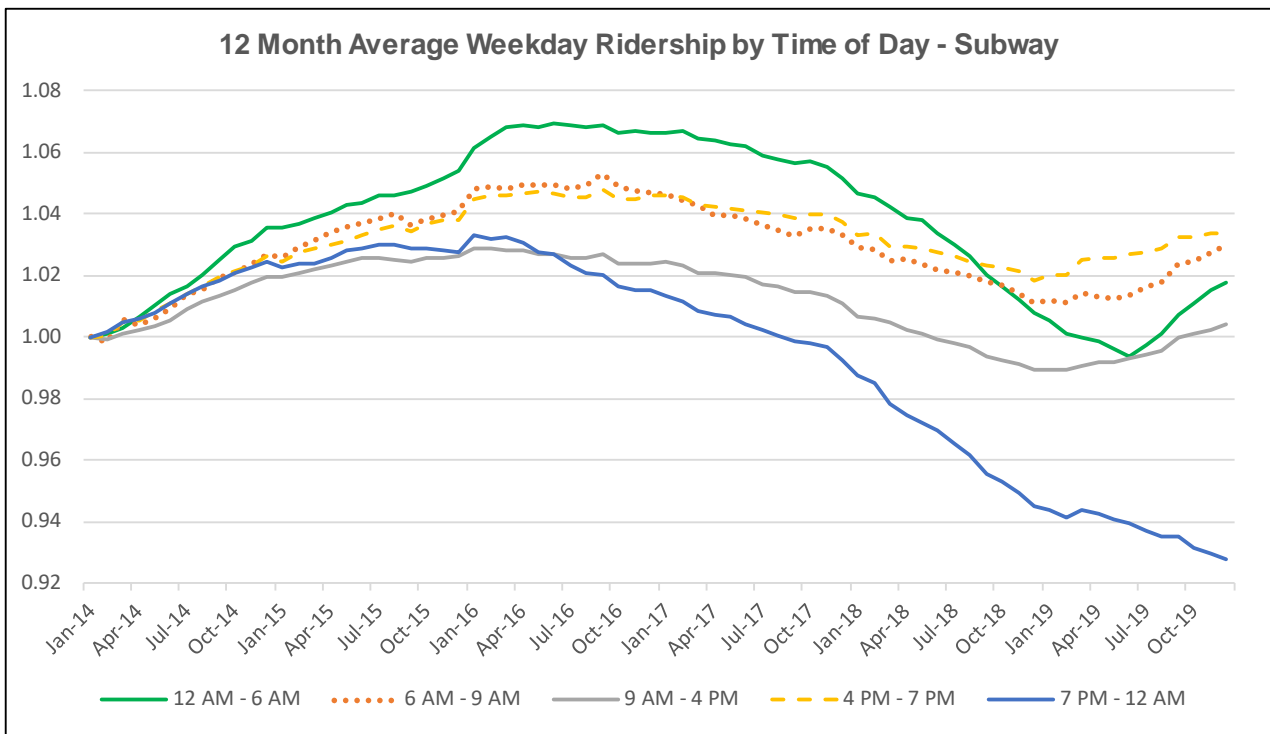
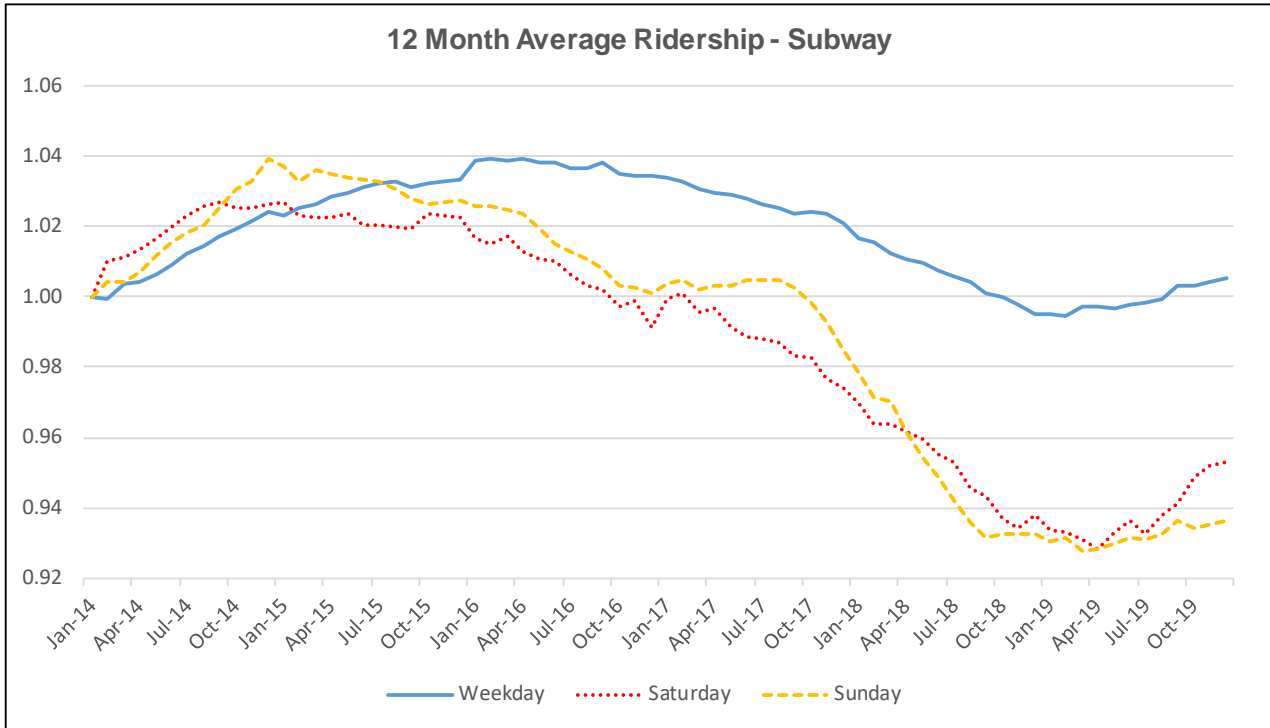
In December 2008, the twelve-month moving average for employment began to decline after increasing in 56 of the previous 59 months. For sixteen consecutive months – though March 2010 – the twelve-month moving average fell, and employment levels declined by 3%. Since then, the twelve-month employment average has increased with almost no interruption. Considering the more recent period since January 2011, the twelve-month average for employment has increased by 23.4% through December 2019, while the 12-month average MTA-wide ridership has fallen by 1.1%. The twelve-month average for ridership in December 2019 increased by 0.2% compared with one year earlier.



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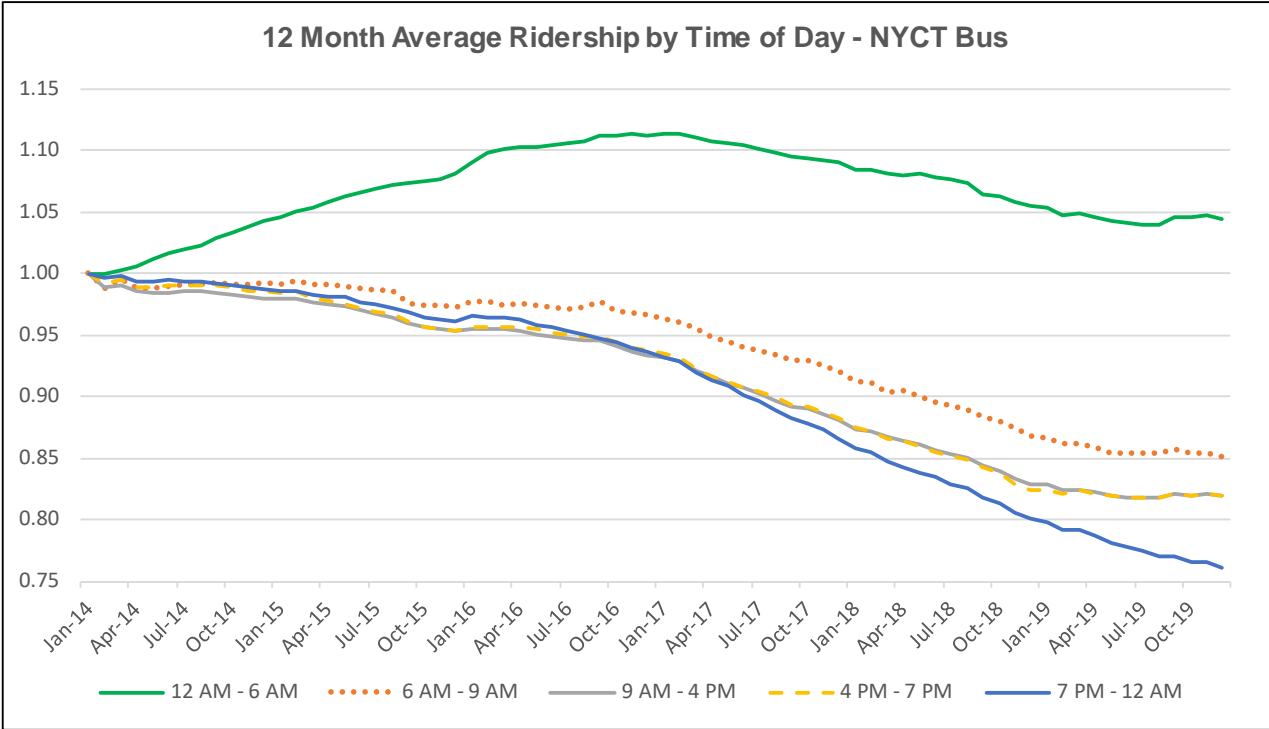
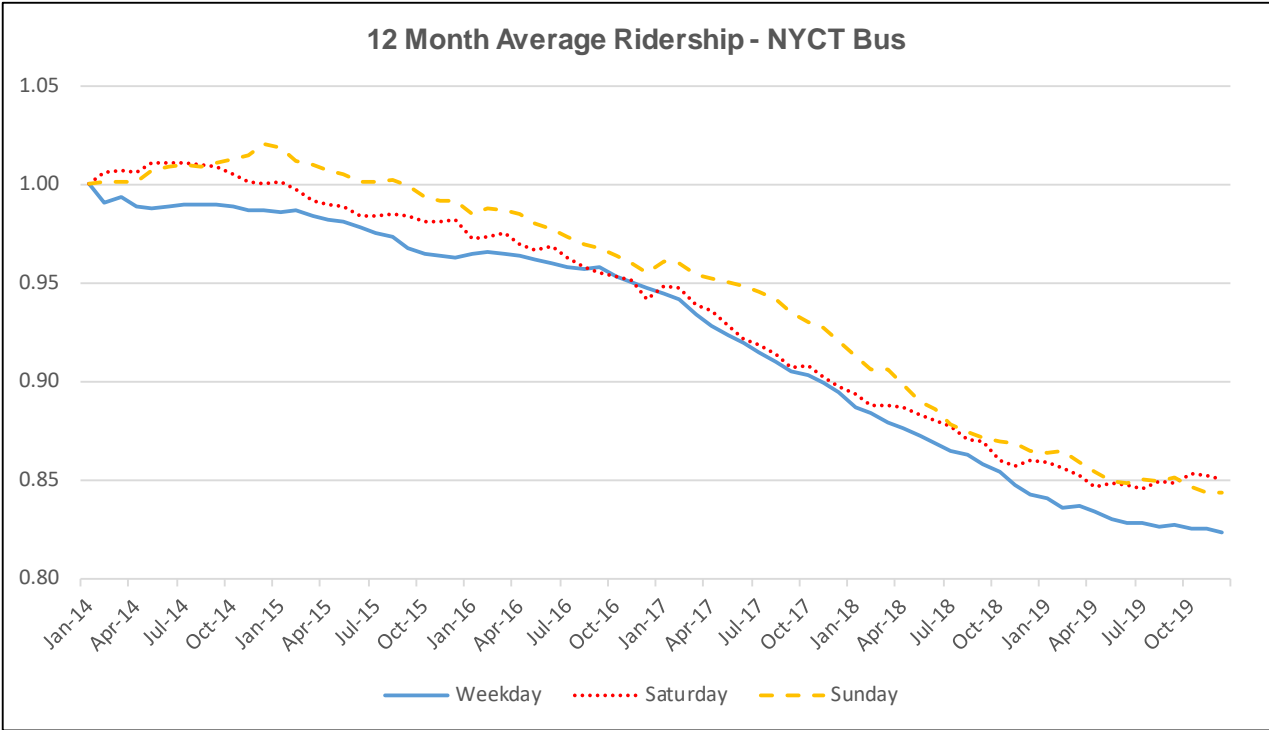
## Regional Economy Report

The following ridership trend graphs depict 12-month averages; for example, the January 2014 data point is the average of February 2013 to January 2014, and the February 2014 data point is the average of March 2013 to February 2014, providing a visual representation of trends over time. Further, data have been standardized to 1.0, allowing for an easier comparison of trends on a single graph.



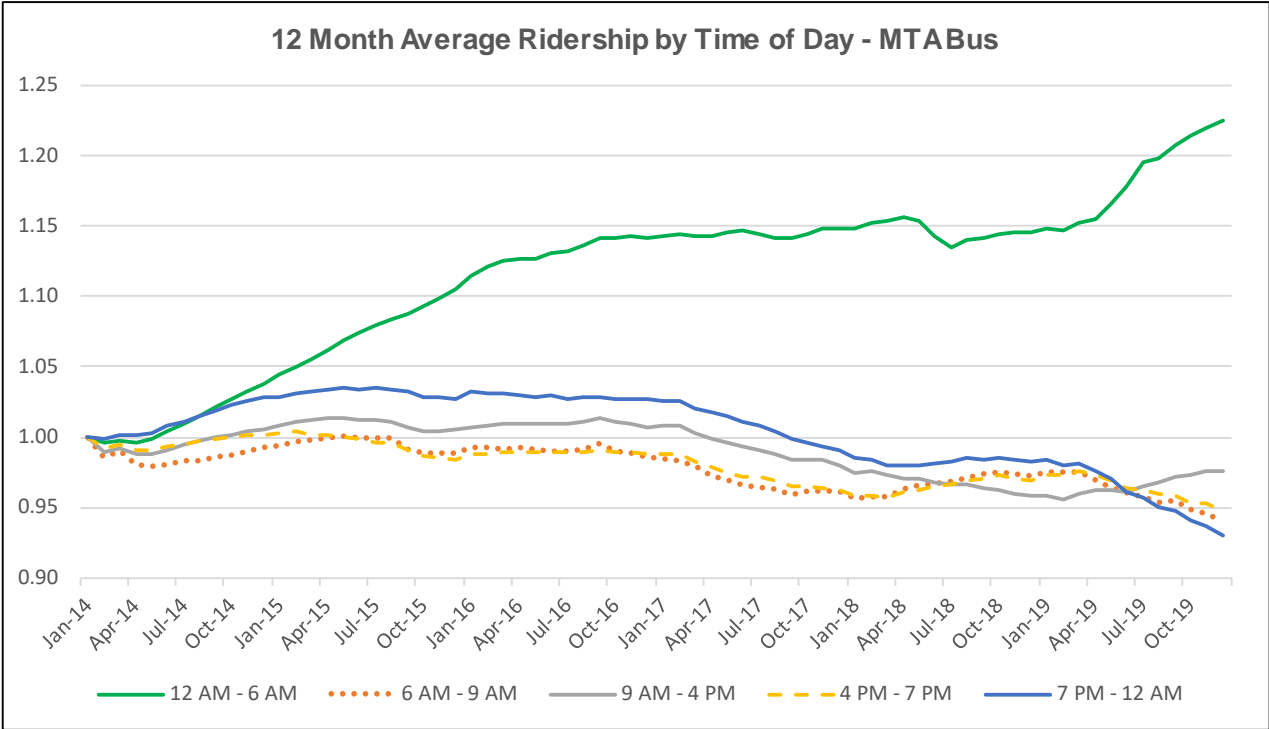
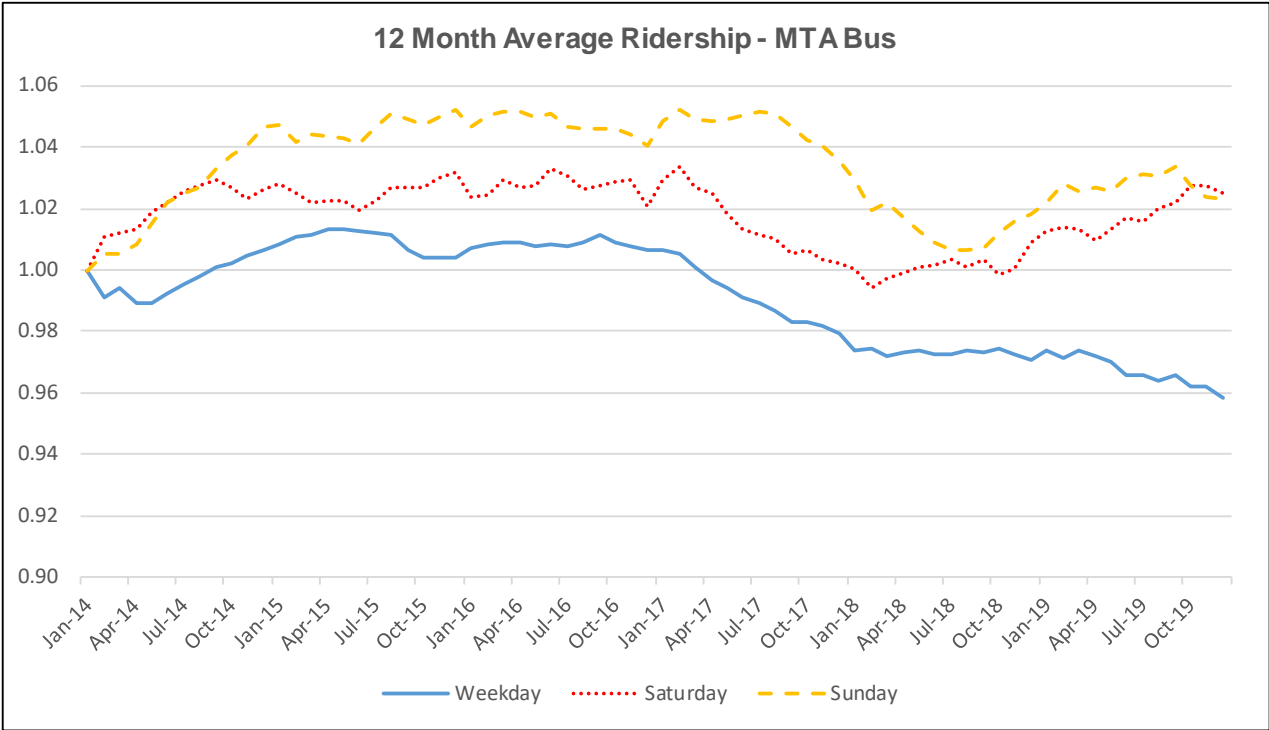
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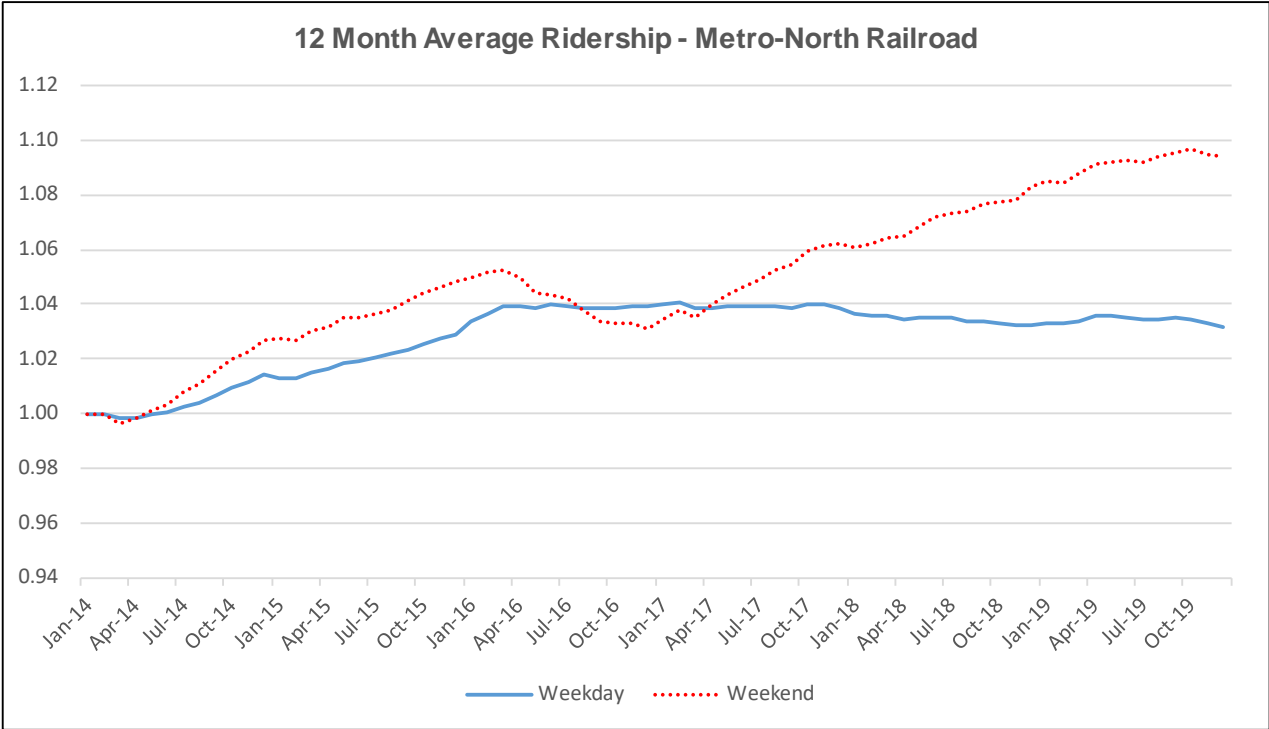
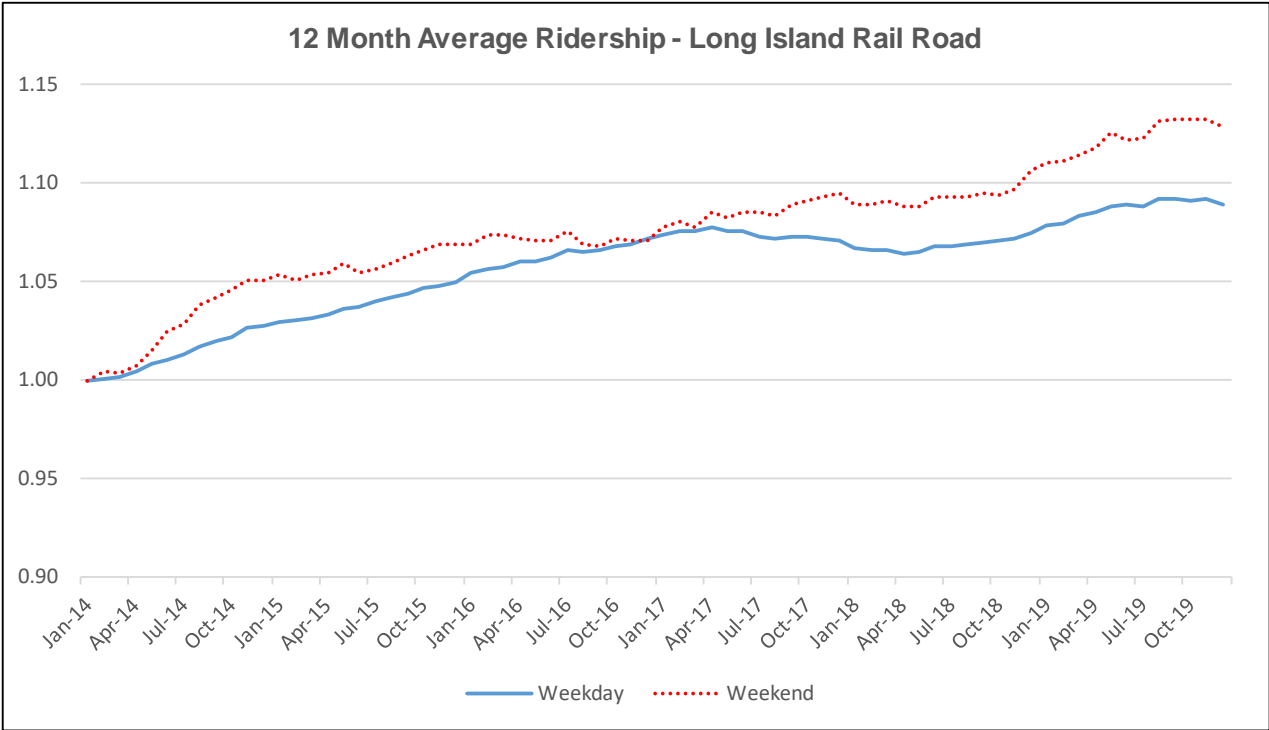
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## Regional Economy Report



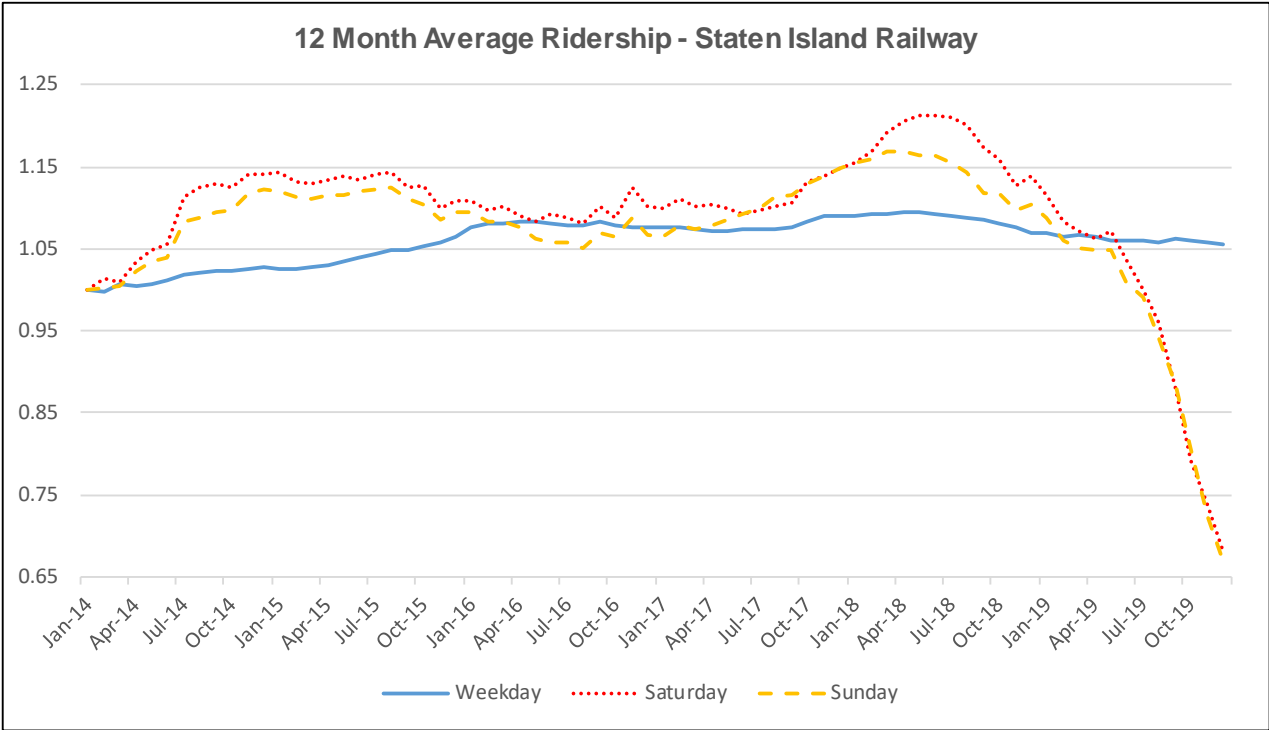
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## Regional Economy Report



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## Regional Economy Report



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## Regional Economy Report

### Consumer Price Index

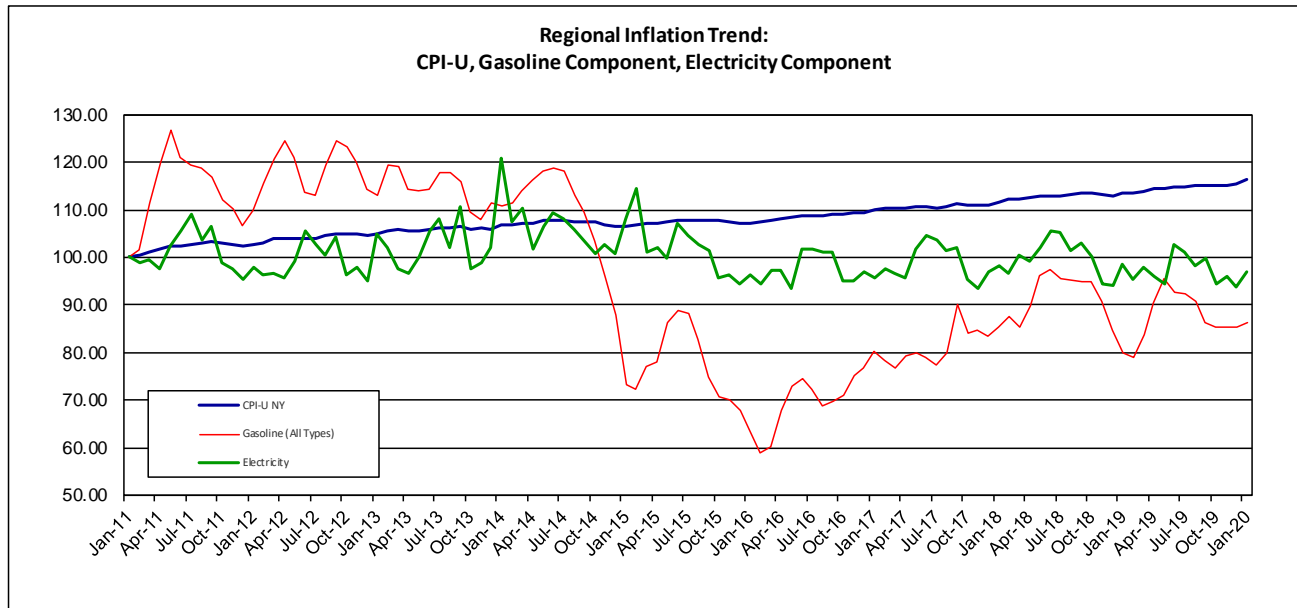
#### Goods Reporting Month-over-Month Price Increases

- Apparel
- Food
- Medical Care
- Electricity
- Gasoline
- Transportation

#### Goods Reporting Month-over-Month Price Declines

None

	Jan-20	Dec-19	Jan-19	Jan-20 versus			
				Dec-19		Jan-19	
				Net	Pct	Net	Pct
<b>Regional CPI-U</b>	<b>282.02</b>	<b>279.82</b>	<b>275.14</b>	2.20	0.8%	6.88	2.5%
Medical Care Component	523.63	519.53	501.40	4.10	0.8%	22.23	4.4%
Electricity Component	176.82	171.33	179.79	5.49	3.2%	(2.97)	-1.7%
Gasoline (all grades) Component	214.24	211.71	198.22	2.54	1.2%	16.02	8.1%
<b>National CPI-U</b>	<b>257.97</b>	<b>256.97</b>	<b>251.71</b>	1.00	0.4%	6.26	2.5%

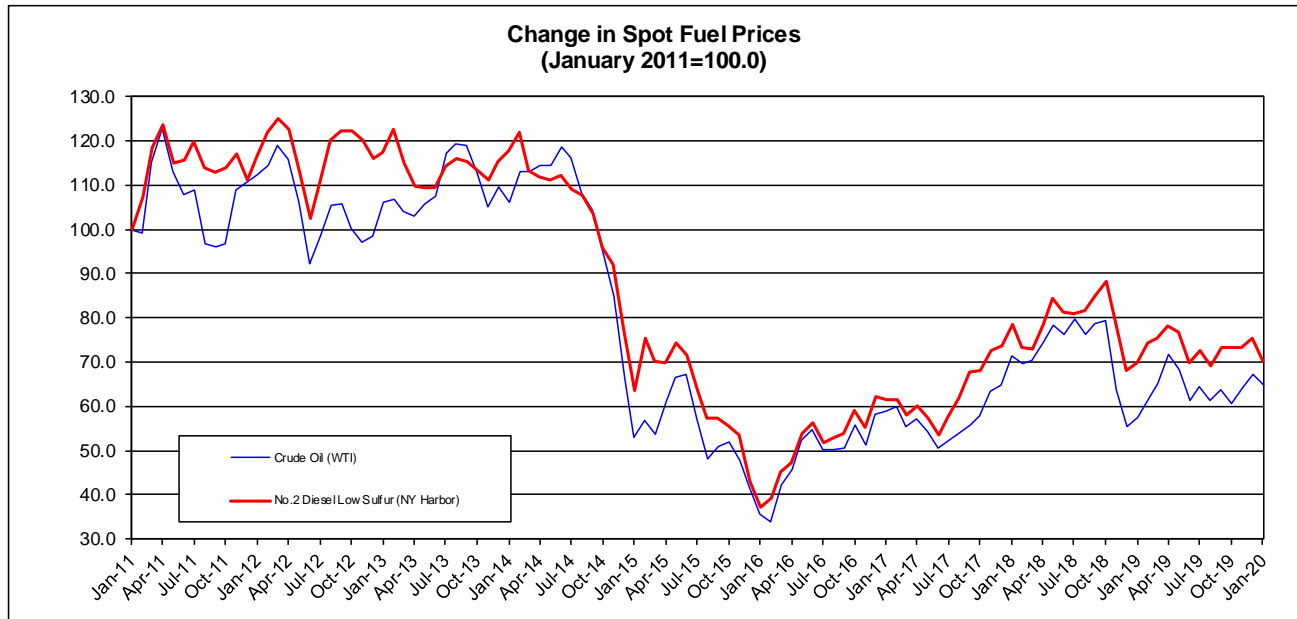


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## Regional Economy Report

### Fuel Prices

Fuel - Spot Prices <i>NY Harbor, except Crude Oil (WTI)</i>	Latest Price:			Jan-20 versus		
	2/10/20	Jan-20	Dec-19	Jan-19	Dec-19	Jan-19
Crude Oil (\$/bbl)	49.59	57.68	59.88	51.38	-3.7%	12.3%
Conventional Regular Gasoline (\$/gal)	1.56	1.66	1.71	1.43	-2.9%	16.7%
Low Sulfur No.2 Diesel Fuel (\$/gal)	1.61	1.86	1.99	1.85	-6.6%	0.5%
No.2 Heating Oil (\$/gal)	1.58	1.84	1.97	1.82	-6.6%	1.0%





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## Regional Economy Report

Nassau, Suffolk Employment (in thousands)				Dec-19 versus			
	Prelim	Revised	Dec-18	Nov-19		Dec-18	
	Dec-19	Nov-19		Net	Percent	Net	Percent
<b>Total Employment</b>	<b>1,365.7</b>	<b>1,367.3</b>	<b>1,358.1</b>	<b>-1.6</b>	<b>-0.1%</b>	<b>7.6</b>	<b>0.6%</b>
<b>Goods Producing</b>	<b>158.0</b>	<b>162.5</b>	<b>155.5</b>	<b>-4.5</b>	<b>-2.8%</b>	<b>2.5</b>	<b>1.6%</b>
Construction, Mining, Nat Res	86.1	90.2	84.0	-4.1	-4.5%	2.1	2.5%
Manufacturing	71.9	72.3	71.5	-0.4	-0.6%	0.4	0.6%
<b>Service Providing</b>	<b>1,207.7</b>	<b>1,204.8</b>	<b>1,202.6</b>	<b>2.9</b>	<b>0.2%</b>	<b>5.1</b>	<b>0.4%</b>
Transportation, Utilities	45.1	44.2	45.8	0.9	2.0%	-0.7	-1.5%
Trade	235.3	232.9	234.7	2.4	1.0%	0.6	0.3%
Information	16.6	16.6	17.0	0.0	0.0%	-0.4	-2.4%
Financial Activities	67.9	67.5	68.7	0.4	0.6%	-0.8	-1.2%
Professional & Business Svcs	169.7	168.7	170.1	1.0	0.6%	-0.4	-0.2%
Education & Health Svcs	285.5	287.0	282.6	-1.5	-0.5%	2.9	1.0%
Leisure & Hospitality	126.5	126.9	121.6	-0.4	-0.3%	4.9	4.0%
Other Services	60.3	60.2	61.2	0.1	0.2%	-0.9	-1.5%
Government	200.8	200.8	200.9	0.0	0.0%	-0.1	0.0%

Orange, Rockland, Westchester Employment (in thousands)				Dec-19 versus			
	Prelim	Revised	Dec-18	Nov-19		Dec-18	
	Dec-19	Nov-19		Net	Percent	Net	Percent
<b>Total Employment</b>	<b>729.5</b>	<b>734.7</b>	<b>730.0</b>	<b>-5.2</b>	<b>-0.7%</b>	<b>-0.5</b>	<b>-0.1%</b>
<b>Goods Producing</b>	<b>73.0</b>	<b>76.1</b>	<b>73.4</b>	<b>-3.1</b>	<b>-4.1%</b>	<b>-0.4</b>	<b>-0.5%</b>
Construction, Mining, Nat Res	43.8	46.9	43.8	-3.1	-6.6%	0.0	0.0%
Manufacturing	29.2	29.2	29.6	0.0	0.0%	-0.4	-1.4%
<b>Service Providing</b>	<b>656.5</b>	<b>658.6</b>	<b>656.6</b>	<b>-2.1</b>	<b>-0.3%</b>	<b>-0.1</b>	<b>0.0%</b>
Transportation, Utilities	26.8	26.5	26.6	0.3	1.1%	0.2	0.8%
Trade	116.3	115.8	121.2	0.5	0.4%	-4.9	-4.0%
Information	11.5	11.5	11.8	0.0	0.0%	-0.3	-2.5%
Financial Activities	39.5	39.2	37.5	0.3	0.8%	2.0	5.3%
Professional & Business Svcs	92.0	94.5	94.5	-2.5	-2.6%	-2.5	-2.6%
Education & Health Svcs	163.7	164.1	160.3	-0.4	-0.2%	3.4	2.1%
Leisure & Hospitality	65.5	65.4	62.6	0.1	0.2%	2.9	4.6%
Other Services	30.7	30.4	32.0	0.3	1.0%	-1.3	-4.1%
Government	110.5	111.2	110.1	-0.7	-0.6%	0.4	0.4%

Dutchess, Putnam Employment (in thousands)				Dec-19 versus			
	Prelim	Revised	Dec-18	Nov-19		Dec-18	
	Dec-19	Nov-19		Net	Percent	Net	Percent
<b>Total Employment</b>	<b>152.1</b>	<b>153.0</b>	<b>151.1</b>	<b>-0.9</b>	<b>-0.6%</b>	<b>1.0</b>	<b>0.7%</b>
<b>Goods Producing</b>	<b>17.5</b>	<b>17.6</b>	<b>17.5</b>	<b>-0.1</b>	<b>-0.6%</b>	<b>0.0</b>	<b>0.0%</b>
Construction, Mining, Nat Res	8.6	8.7	8.3	-0.1	-1.1%	0.3	3.6%
Manufacturing	8.9	8.9	9.2	0.0	0.0%	-0.3	-3.3%
<b>Service Providing</b>	<b>134.6</b>	<b>135.4</b>	<b>133.6</b>	<b>-0.8</b>	<b>-0.6%</b>	<b>1.0</b>	<b>0.7%</b>
Transportation, Utilities	5.0	5.0	4.9	0.0	0.0%	0.1	2.0%
Trade	19.8	19.7	20.1	0.1	0.5%	-0.3	-1.5%
Information	1.9	1.9	1.8	0.0	0.0%	0.1	5.6%
Financial Activities	4.8	4.9	4.9	-0.1	-2.0%	-0.1	-2.0%
Professional & Business Svcs	14.0	14.4	13.4	-0.4	-2.8%	0.6	4.5%
Education & Health Svcs	40.8	41.2	40.6	-0.4	-1.0%	0.2	0.5%
Leisure & Hospitality	14.8	14.9	14.6	-0.1	-0.7%	0.2	1.4%
Other Services	7.2	7.2	7.1	0.0	0.0%	0.1	1.4%
Government	26.3	26.2	26.2	0.1	0.4%	0.1	0.4%

# BUDGETWATCH

## Regional Economy Report

