



Citizens Budget Commission Releases “Reform At the Bargaining Table: Labor’s Participation Needed to Improve the MTA’s Financial Outlook”

Report Details the Need to Improve Productivity at the MTA and Recommends “Net-Zero” Wage Increases

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New York, NY – April 30, 2019 – The Citizens Budget Commission (CBC) today released “Reform At the Bargaining Table: Labor’s Participation Needed to Improve the MTA’s Financial Outlook,” a report detailing the critical need to slow the growth of labor expenses if the Metropolitan Transportation Authority (MTA) is to become fiscally sound. In 2019 labor costs are expected to surpass \$10 billion, or nearly three-fifths of the MTA’s operating budget.

The labor contract with the MTA’s largest collective bargaining unit, the Transport Workers Union, will expire on May 15, 2019. The majority of other collective bargaining agreements also will expire in 2019. Despite the well-documented fiscal crisis facing the MTA, its financial plan assumes all represented workers will receive annual 2 percent wage increases upon the expiration of the current contracts.

CBC recommends any pay increases be conditioned on generating offsetting savings; such a “net-zero” approach would save the MTA an estimated \$72 million in 2019, growing to almost \$400 million by 2022. This would solve approximately 40 percent of the MTA’s projected cash deficit in 2022.

“Solving the MTA’s financial crisis requires the participation of all stakeholders—including MTA workers,” said Andrew S. Rein, President of the Citizens Budget Commission. “Motorists, riders, and taxpayers are all playing a part by contributing additional revenue to the MTA. To stabilize and improve the region’s transit system, union leadership and insightful front line worker engagement is needed to improve productivity, reduce costs, and improve performance.”

The report also reveals that the MTA's productivity lags other systems in some important areas. The MTA's bus productivity is particularly low, ranking 8th among systems in 10 large cities. Raising bus productivity to the 10-city median could produce savings of more than \$400 million.

To read "Reform At the Bargaining Table: Labor's Participation Needed to Improve the MTA's Financial Outlook," visit <https://cbcny.org/research/>.

About Citizens Budget Commission

The Citizens Budget Commission (CBC) is a nonpartisan, nonprofit civic organization whose mission is to achieve constructive change in the finances and services of New York City and New York State government. CBC's mission is rooted in serving the citizenry at large, rather than narrow special interests; preserving public resources, whether financial or human; and focusing on the well-being of future New Yorkers, the most underrepresented group in city and state government.