

Proposed 2026 Budget Schedules

INTRODUCTION

The Port Authority requests that the public submits comments on the proposed 2026 Budget by Monday, December 15, 2025 by visiting <https://www.panynj.gov/content/forms/af/port-authority/2026-public-comments.html>. Members of the public wishing to address the Board on the proposed 2026 Budget as part of the Thursday, December 18, 2025 Board Meeting should submit an email that includes their name and affiliation to Speakersprogram@panynj.gov by noon (ET) on Tuesday, December 16, 2025. This can take the form of either: 1) written statements which will be filed with the Board meeting transcripts; or, 2) pre-recorded video statements limited to a maximum of three minutes each that will be broadcast as part of the public Board Meeting. Comments will also be accepted at the public Board Meeting on Thursday, December 18, 2025.

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2026 PROPOSED BUDGET OVERVIEW

The Port Authority's mission is simple yet economically vital to the New York and New Jersey metropolitan region: to "Keep the Region Moving". And the Port Authority has been doing this for over one-hundred years. The Port Authority's vital network of facilities moves millions of people and millions of tons of cargo locally, nationally, and globally as it operates some of the busiest transportation systems in the nation and the world.

The proposed 2026 Budget reflects a deliberate and responsible allocation of agency resources that is laser-focused on advancing key long-term strategic goals and initiatives included in the agency's proposed \$45B 2026-2035 Capital Plan. To that end, the proposed 2026 Budget includes funding to deliver on the agency's core priorities of:

- **Customer Experience & Operational Excellence** The Port Authority is committed to improving the public's day-to-day experience across its facilities and providing exemplary operations.

The proposed 2026 Budget provides \$2.2B for the operation and maintenance of the agency's assets focused on providing best-in-class facilities and customer experience, including \$676M at Aviation, continuing the investments that have earned numerous accolades, including naming the new Terminal A at Newark Liberty International Airport ("EWR") the "World's Best New Airport Terminal" in 2024, and LaGuardia Airport ("LGA") the "Nation's Best Airport" two years in a row.

New for 2026, an additional \$19M or 10% is allocated to PATH's \$200M annual operations budget for major increases in the frequency of train service both during peak weekday hours and weekends.

- **Safety, Security, & Cybersecurity** The Port Authority's priority is to ensure the safety and security of the traveling public, the agency's dedicated employees, and agency facilities.

The proposed 2026 Safety & Security Budget totals \$1.1B, a new record level that is 5.4% higher than the 2025 Budget. This increase is necessary to provide the Port Authority Police Department ("PAPD") and other security-related resources the necessary tools to adapt to the ever-changing physical and cybersecurity threat landscape.

- **21st Century Facilities** The Port Authority is committed to rebuilding or replacing its aging infrastructure with 21st century world-class facilities designed to provide top notch transportation services, enhance customer experience and accommodate future growth.

As part of the proposed 2026-2035 Capital Plan, described more fully below, the proposed 2026 Budget includes \$4.1B of Capital Spending. This spending will advance the ongoing \$19B transformation of JFK, including the opening of two new terminals and completion of the roadway network; provide for a major ramp-up in construction of the new Midtown Bus Terminal; continue building a whole new AirTrain at EWR as well as the opening of the NEC Station access by the end of 2026; advance construction of airport ground access initiatives at LGA Airport; and improve reliability and modernization of PATH's railcar fleet and track infrastructure.

The proposed 2026 Capital Spending Budget also funds essential state of good repair ("SGR") work, including major construction at the George Washington Bridge ("GWB") and its approaches, comprehensive rehabilitation of the Lincoln Tunnel ("LT") helix structure and the deck and superstructure of the Outerbridge Crossing ("OBX"), as well as critical improvements to the Port Newark Port Street Corridor roadway network.

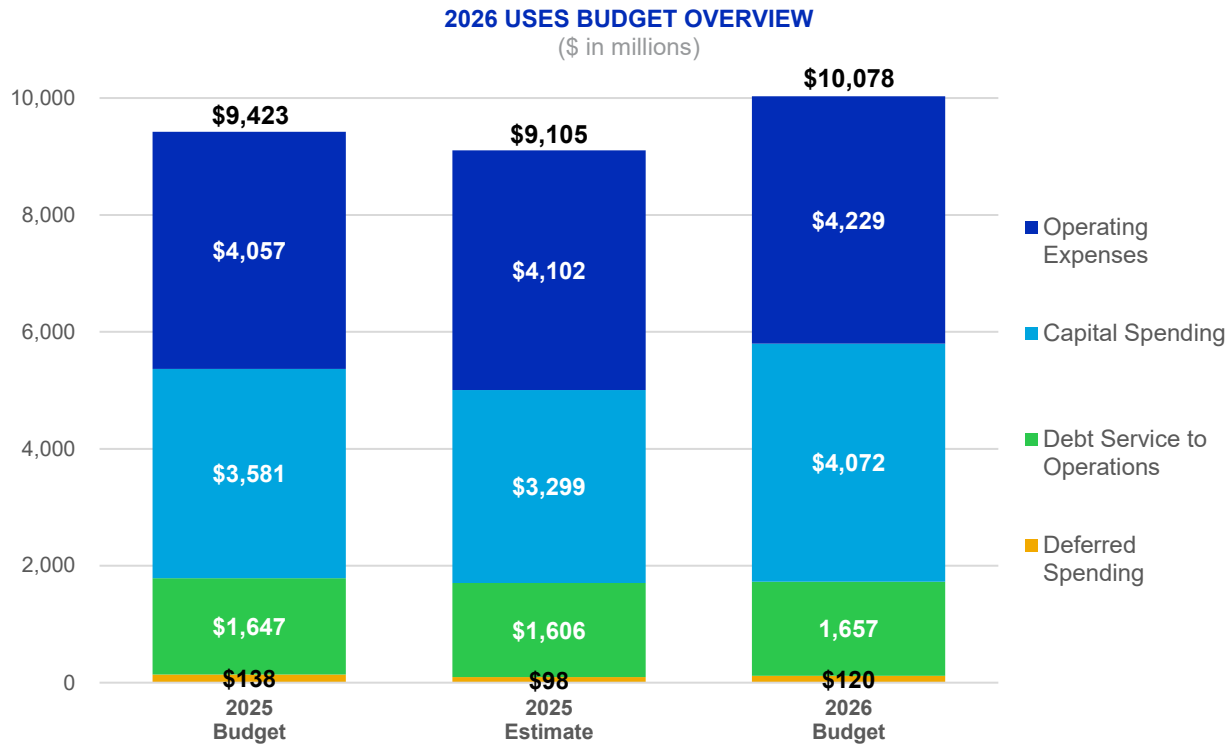
- **Sustainability & Resiliency** The Port Authority is committed to delivering on its Net-Zero Roadmap while also ensuring the climate resilience of its assets amidst the increasing frequency and intensity of extreme weather events.

The proposed 2026 Budget provides over \$41M in funding to advance a net zero emissions future and for severe storm and climate change resiliency-related projects. Of note, funding continues to provide resources to advance the agency's goal of reducing direct green-house-gas ("GHG") emissions by (50%)

by 2030, continues the replacement of internal combustion vehicles from the agency's vehicle fleet through electric vehicle ("EV") replacements to advance its 100% light-duty electrification goal by 2028, and expands the agency's solar power investments across the region's airports.

The proposed 2026 Budget represents the fiscal embodiment of the agency's priorities and standards that charts a strategic roadmap for the year ahead while ensuring the agency delivers on its core mission to "Keep the Region Moving".

2026 PROPOSED TOTAL EXPENDITURE BUDGET ("USES")



Overall, the proposed Uses ensures that the agency maintains its commitment to high standards of safety, security, cleanliness, and customer experience while continuing to rebuild or replacing the agency's aging infrastructure with 21st century facilities designed to enhance customer experience and accommodate future growth and is comprised of the following:

- **Operating Expenses** necessary for the continuity of security, operations and best-in-class customer service across all facilities.
- **Capital Spending** to advance the agency's core transportation mission and commitment to rebuilding the agency's aging infrastructure with 21st century facilities.
- **Debt Service¹** Debt Service Budget includes principal and interest on current outstanding debt that was issued in support of the Capital Plan as well as incremental debt issuances included in the proposed 2026 Plan of Finance that will be presented to the Board in December 2025 for consideration.
- **Deferred Spending** for expenditures that are made in the current year, but which benefit multiple years—such as vehicle purchases, software/hardware purchases, and investments/renovations in properties leased by the Port Authority.

¹ Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period." This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this, the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

2026 PROPOSED OPERATING EXPENSES

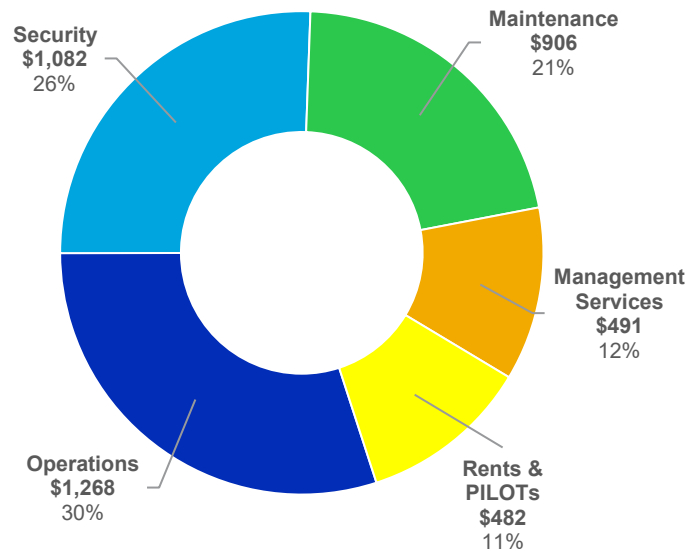
The proposed 2026 Operating Expense Budget totals \$4.2B and includes *inflationary growth of \$136M, or 3.4%* versus the 2025 Operating Expense Budget necessary for the continuity of operations and delivery of best-in-class customer service across all facilities.

An additional *\$36M of priority spending* above inflation is included to:

1. *Implement PATH Service Enhancements* adding \$19M to increase train service frequency during the weekday peak and weekends in response to ridership growth and rider requests;
2. *Provide Expenses Funded by Other Sources* adding \$8M of recoverable costs including: 1) grant funded expenses of \$3M to administer the Environmental Protection Agency (EPA) Clean Ports Program and upgrade technology at the PATH control center; 2) reimbursable construction support services of \$3M provided to and paid for by the Gateway Development Commission (GDC) related to the construction of the Hudson River Tunnel core and shell; and, 3) airline requested expenses of \$2M related to JFK fuel farm regulatory changes;
3. *Fund Non-Discretionary Revenue-Driven Costs* adding \$6M for increased contractual payments paid to the cities of New York and Newark for the three major airports as a direct result of projected revenue growth; and
4. *Provide Temporary Support for Capital Construction²* adding an incremental \$3M to mitigate traffic congestion impacts and provide alternative transportation services as a result of capital construction.

In total, the proposed 2026 Operating Expense Budget—both the baseline inflationary growth of \$136M plus the additional \$36M of priority spending—equates to a \$172M, or 4.2% increase versus the 2025 Operating Expense Budget.

2026 OPERATING EXPENSE BUDGET BY CATEGORY
(\$ in millions)



2026 Operating Expense Budget by Category & Business Segment

(\$ in thousands)	TOTAL	TB&T	PATH	AVIATION	PORT	WTC	ALLOCATED & OTHER
Operations	\$1,267,924	\$208,583	\$221,300	\$675,762	\$31,540	\$101,875	28,864
Security	1,082,354	231,702	94,107	599,344	33,171	90,864	33,166
Maintenance	905,708	158,097	181,805	389,380	56,797	90,323	29,306
Management Services	491,498	38,122	52,725	100,095	34,163	28,360	238,033
Rents & PILOTS	481,863	5,891	1,667	362,015	24,679	72,068	15,543
Total	\$4,229,347	\$642,395	\$551,604	\$2,126,596	\$180,350	\$383,490	\$ 344,912

² These expenses are funded from the proposed 2026 Capital Spending plan but are recorded as Operating Expenses in accordance with Generally Accepted Accounting Principle ("GAAP") standards.

Operating Expense Category Descriptions

Allocated & Other Costs for Staff Department and development expenses allocated to facilities' Operating Expense and Capital Spending Budgets in accordance with the agency's allocation policies.

Maintenance Costs incurred to keep property, facility structures, and equipment operating at a high level of performance. Activities include electrical, general maintenance (including for elevators and escalators, tunnel pumps, automotive maintenance, and servicing, etc.), inspections, mechanical, janitorial/grounds keeping, and snow and ice removal.

Management Services Costs incurred for functions that support facility business operations as well as agency-wide management, including corporate costs related to agency oversight and support and Departmental management.

Operations Costs incurred for facility operations, including utilities, PATH train operations and railcar and signal system inspections, customer care representatives, revenue collection contracts, insurance, and AirTrain, shuttle bus, parking lot, and taxi dispatch operations.

Rents & Payments in Lieu of Taxes (PILOT) Payments to governmental agencies and other landlords in return for the use of land, buildings, offices, or other property.

Security Costs incurred—both police and civilian—to provide safe and secure facilities by maintaining vigilance for potential threats and investing in infrastructure and new technology (including cybersecurity).

CAPITAL SPENDING

The Port Authority's 2026-2035 Capital Plan

The Port Authority stands at the center of the regions' movement across air, land, rail, and sea. Assuring the Port Authority's critical infrastructure is ready to deliver on the agency mission of keeping the region moving, requires foresight and planning – leading to 10-year planning horizons. The Board of Commissioners approved the 2017-2026 Capital Plan in 2017 and is now considering the proposed 2026-2035 Capital Plan that will serve as a roadmap for investment across the region. The new \$45 Billion plan continues the Agency's ambitious rebuilding program. This \$45 billion 2026-2035 Capital Plan includes \$42 billion in direct spending on Port Authority projects and the commitment to support debt service on up to \$2.7 billion of GDC borrowing for the Hudson Tunnel project. It funds both the completion of major projects underway and the start of the next generation of critical infrastructure.

Proposed 2026 Capital Spending Budget

The proposed 2026 Capital Spending Budget is the inaugural year of the newly proposed 2026-2035 Capital Plan. The proposed 2026 Capital Spending Budget totals \$4.1B and continues to advance the agency's core transportation mission and commitment to rebuilding the agency's aging infrastructure with 21st century facilities.

The proposed 2026 Capital Spending Budget includes funding to advance a number of significant projects and milestones, including: 1) substantial investments in JFK Redevelopment to transform the airport into a unified, world-class international gateway, including the opening of the first gates in the New Terminals 1 and 6 and completion of the roadways; 2) a major ramp up in the construction efforts for Phase 1 of the new Midtown Bus Terminal; 3) ongoing advancements to build a wholly new AirTrain at EWR; 4) investments in PATH's railcar fleet and track infrastructure to reduce delays and improve reliability; and, 5) the continuation of major construction on the Port Street Corridor Improvement project at Port Newark.

Capital Spending by Line Department*

(\$ in thousands)	2024 ACTUAL	2025 BUDGET†	2025 ESTIMATE	2026 BUDGET†
Aviation	\$1,395,898	\$2,072,063	\$1,961,000	\$2,286,922
Tunnels, Bridges, & Terminals	593,535	960,089	799,000	1,152,062
PATH	381,768	338,481	352,000	280,372
Port	78,141	133,570	105,000	154,011
World Trade Center***	101,050	73,996	78,000	132,195
Ferry & Other	107	2,857	4,000	66,263
Total**	\$2,550,499	\$3,581,056	\$3,299,000	\$4,071,825

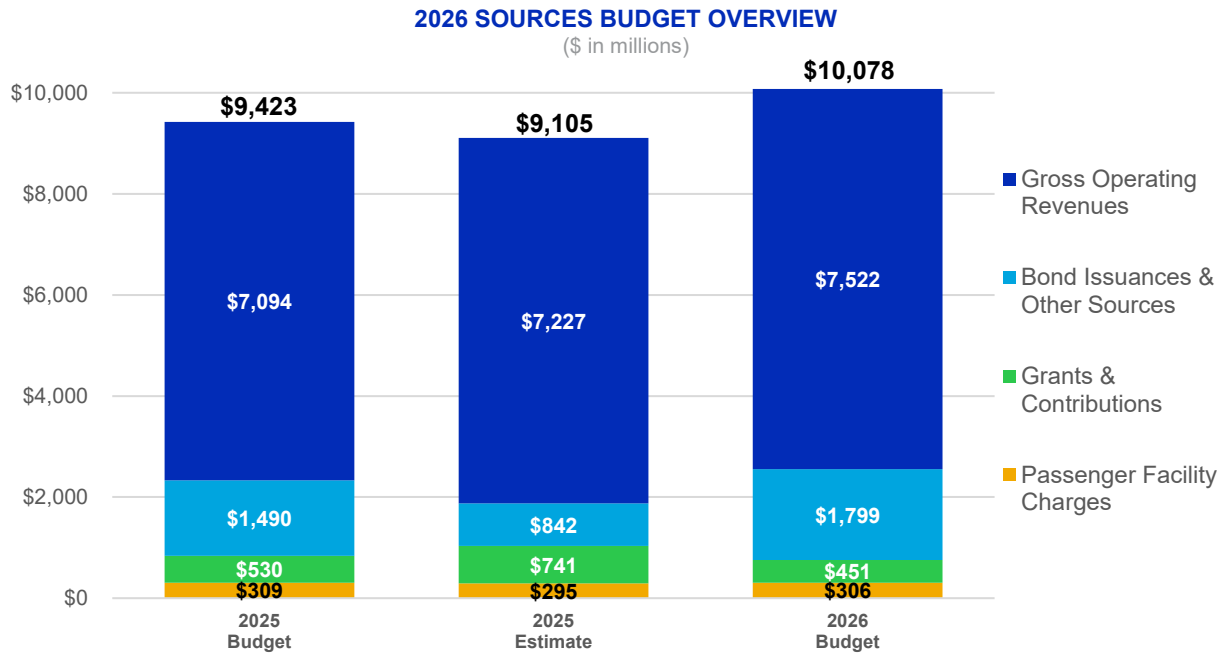
* Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period." This statement requires that the Port Authority account for interest expense forecasted during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

** Capital Spending Budget funding sources include Consolidated Bonds, Variable Rate Master Notes, Consolidated Bond Reserve Funds, PFCs, and Contributions in Aid of Construction.

*** World Trade Center Capital Spending includes investments for PATH's WTC Station.

† The 2025 Capital Spending Budget and the proposed 2026 Capital Spending Budget excludes Capital Project-related expenditures that are included in the Capital Plan but due to GAAP are required to be included as Operating Expenses of (\$26M) and (\$31M), respectively.

2026 PROPOSED BUDGET - SOURCES



The Sources Budget is comprised of the following:

- **Gross Operating Revenues** various contractual inflation-based escalations and scheduled toll increases previously approved by the Board, as well as projected activity growth.
- **Debt Issuances & Other Sources³** includes bond or other debt issuances in alignment with the funding strategy and needs of the Capital Spending as well as debt issuances for the purposes of refunding currently outstanding debt for debt service savings.
- **Grants & Contributions** includes contributions in aid of construction and grants in connection with operating activities from various federal aid programs.
- **Application of Passenger Facility Charges (PFC)**—which are collected from passengers utilizing the airports and applied to eligible airport Capital.

³ Other Sources includes unspent proceeds from previous bond issuances and financial income.

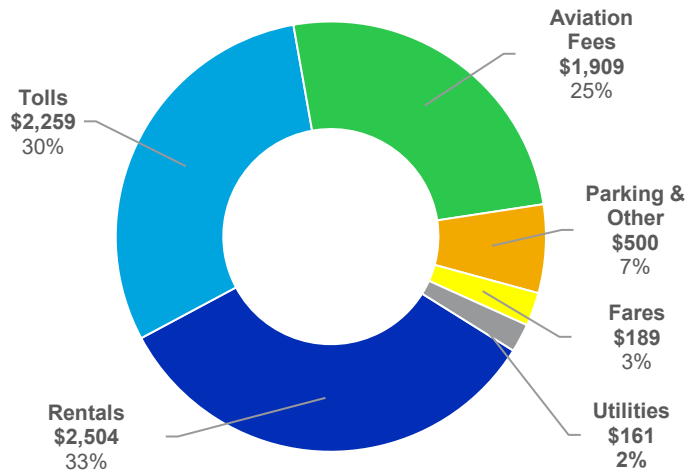
2026 PROPOSED GROSS OPERATING REVENUES

The projected 2026 Gross Operating Revenue Budget totals \$7.5B and reflects a projected increase of \$428M, or 6.0% versus the 2025 Gross Operating Revenue Budget, including \$81M of incremental revenue required to achieve the necessary capital capacity to advance the \$45B Proposed 2026-2035 Capital Plan, address the long-term revenue impact of changed commuting and traveling habits post-COVID-19 pandemic, and the continuing inflationary impacts on Operating and Capital costs.

The proposed revenue initiatives include:

1. An increase in *Airport Ground Transportation Access Fees* of \$71M for taxis and For-Hire Vehicles ("FHV") to align with peer airport fees and support ongoing redevelopment efforts;
2. The first of four phased-in increases to *PATH Fares* of \$5M to cover the cost of service enhancements; and,
3. Revisions to the *Bus Toll and Terminal Fee Structure* of \$5M, creating three new bus classes for bus tolls separated by vehicle type, and adding a fee charged on bus arrivals to support ongoing operations and the delivery of the new midtown bus terminal.

2026 GROSS OPERATING REVENUE BUDGET BY CATEGORY
(\$ in millions)



2026 Gross Operating Revenue Budget by Category & Business Segment

(\$ in thousands)	TOTAL	TB&T	PATH	AVIATION	PORT	WTC	OTHER*
Rentals	\$2,503,503	\$40,610	\$10,086	\$1,785,459	\$276,791	\$368,890	\$21,667
Bridge & Tunnel Tolls	2,258,577	2,258,577	-	-	-	-	-
Aviation Fees**	1,908,860	-	-	1,908,860	-	-	-
Parking & Other	499,526	1,799	3,715	319,663	120,218	35,392	18,739
PATH Fares	189,085	-	189,085	-	-	-	-
Utilities	161,906	1,506	165	129,498	2,017	25,217	3,503
Total	\$7,521,457	\$2,302,492	\$203,051	\$4,143,480	\$399,026	\$429,499	\$43,909

* Other includes the agency's Development facilities and Gateway Development Commission ("GDC") reimbursements for agency construction support services of the new Hudson River Tunnel Core and Shell project in alignment with the Support or Executing Party Agreement ("SEP").

** Excludes non-cash impacts of Labor expenses recovered via Aviation Fees.

Gross Operating Revenue Category Descriptions

Aviation Fees Amounts derived from various cost recovery formulas contained in agreements with airlines operating at the Port Authority's three major airports based on the Port Authority's Operating Expenses and Capital Spending. These fees include Flight Fees, Landing Fees, Monorail Fees, Fuel Service Fees, and Federal Inspection Fees.

This category also includes AirTrain fares and the Airport Ground Transportation Access Fee which is assessed on FHV trips (both pick-ups and drop-offs) and taxi trips (only pick-ups) accessing the airports.

Parking & Other Amounts derived from hourly or daily fee rates for the use of public and tenant parking lots.

This category also includes various other fees such as Port Cargo Facility Charges ("CFC") which are paid by ocean carriers to reimburse Port Authority investments in eligible intermodal transportation and road capacity projects at the seaports, Port dockage and wharfage fees which are tariffs charged for use of public berths, One WTC Tenant Service Recoveries which reimburse the Port Authority for services provided to tenants, and the full reimbursement by the GDC to the Port Authority for agency-incurred Operating Expenses associated with construction support services of the new Hudson River Tunnel Core and Shell project, amongst others.

Rentals Amounts charged for the use of space at various Port Authority facilities. There are two primary types of rentals: 1) fixed rentals, which are fixed monthly amounts stipulated in tenant lease agreements; and, 2) percentage and variable rentals, which are based on certain types of revenue producing activities.

Tolls Amounts generated from tolls collected at the Port Authority's six vehicular bridge and tunnel crossings.

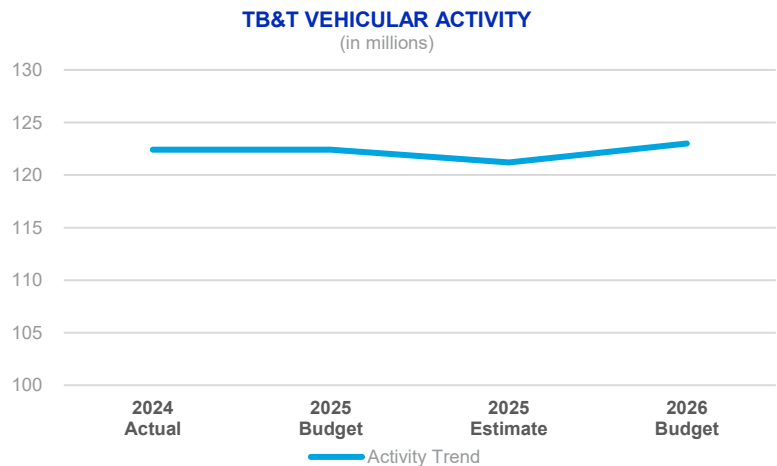
Fares Amounts generated from fares charged to riders using the PATH mass transit system.

Utilities Amounts derived from the resale of electricity, water, steam, and other fuels to tenants based on consumption levels.

2026 PROPOSED ACTIVITY VOLUMES

TB&T Activity Volumes

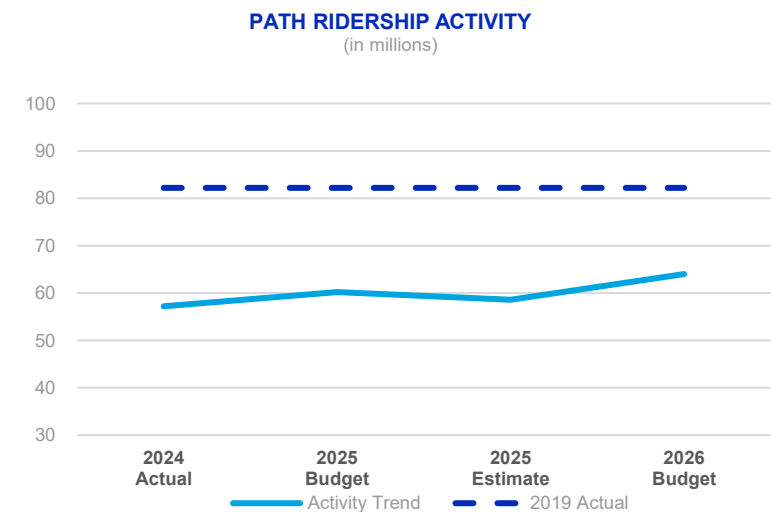
In 2026 approximately 123M vehicles are projected to use the Port Authority's bridge and tunnel crossings. This reflects a modest growth of 1M vehicles, or 1% versus the 2025 Budget.



PATH Activity Volumes

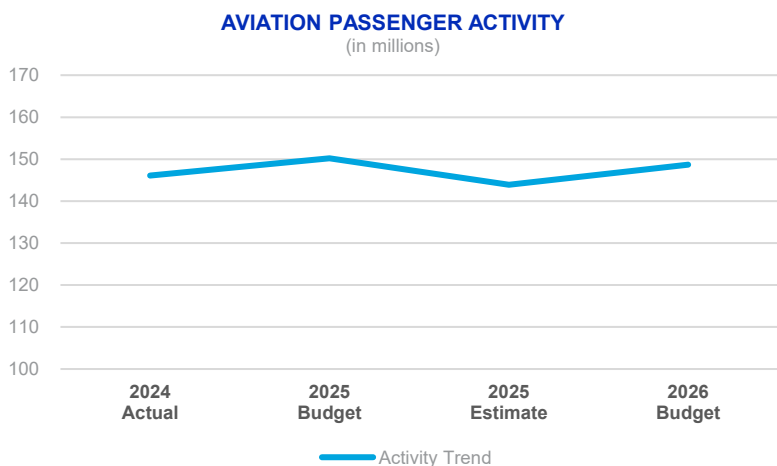
In 2026 64M riders are projected to use the PATH transit system. This reflects a projected increase of 4M riders, or 9% versus the 2025 Budget driven by continued office occupancy growth and strong regional employment.

Projected 2026 ridership is 78% of 2019 pre-pandemic levels, reflecting PATH's slow ridership recovery from the COVID-19 pandemic (similar to other mass transit commuter rail systems).



Aviation Activity Volumes

In 2026, 149M passengers are projected to use the Port Authority's airports. Despite a decrease of (1M) passengers, or (1%) versus the 2025 Budget driven by a modest decrease in domestic travel resulting from continued FAA restrictions at Newark Airport through October 2026, the forecasted passenger volume of 149M would set a record.



Port Activity Volumes

In 2026 Port twenty-foot equivalent unit ("TEU") Containers are projected to total 8.5M, which is in line with the 2025 Budget.

