



**Massachusetts Bay
Transportation Authority**

FY20 Budget Revisions

Fiscal and Management Control Board

December 16, 2019

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Agenda

- FY20 Budget Revisions
- FY20 Budget Projections
- Next Steps



Proposed Initiatives Supplemental Budget Request

November Budget Amendment Summary		FY 20 Oper Headcount		FY21 Oper Headcount	
		FY20		FY21	
<u>Initiatives</u>					
EHS/Safety Panel	21	-\$2,797,205			-\$3,886,791
QA/QC/E&M inspections	9	-\$7,346,053			-\$8,228,378
Fare transformation (AFC)	9	-\$1,369,274	28		-\$8,697,211
Rail Vision	5	-\$650,549			-\$1,283,983
Bus Transformation	12	-\$579,467	34		-\$6,957,670
Peak Bus Expansion	3	-\$208,619			-\$10,275,031
Off peak bus pilots	14	-\$423,187			-\$1,984,014
Network Redesign	1	-\$54,187	22		-\$5,193,862
Other - PM / Specialized contracts	6	-\$1,058,267			-\$1,736,631
Initiatives Sub total	80	-\$14,486,810	164		-\$48,243,570

Our numbers for various programs, including Rail Vision and Bus Transformation, are reflective of an order of magnitude estimate and are intended to be roughly accurate but not precise, as we are still developing those plans.



Rail Vision & Bus Transformation*

Rail Vision

\$0.7M Cost in FY20

\$1.3M Cost in FY21

To begin to develop Rail Vision per the FMCB's resolution, the new staff will:

- Start and manage the various planning processes (e.g., how to electrify portions of the system, what are the new fleet/facilities needs)
- Identify/prioritize capital projects (start programming into the CIP)
- Develop long-term staffing plan
- Develop contract structures to deliver projects

Bus Transformation

\$1.3M Cost in FY20

\$24.4M Cost in FY21

Define and deliver a transformed Bus experience to new and existing riders, including:

- Stand up Project Management Organization to own vision, roadmap & coordination
- Internal capacity building to enable implementation of Network Redesign & operational process improvements
- Pilot new service approaches
 - Network Redesign Demonstration Projects
 - Weekend / Off-peak pilots
- Increase peak service resources to support meeting Service Delivery Policy

*Assumes external contract for preliminary peak expansion. Peak bus service revenue impacts under review.



Safety, Specialized Hiring/Training and QA/QC

Safety & Specialized Hiring/Training

\$3.9M Cost in FY20

\$5.6M Cost in FY21

Specialized staff and training to perform industry best practice in the focus areas listed below:

- Safety Oversight of Operations
- Incident Response and Investigations
- Oversight Corrective Action Plans Authority Wide
- Audits, Inspections, Observations
- Safety Certifications & Construction Safety
- SMS and Related Safety Training Programs
- Ensuring an effective hazard identification, tracking and resolution process

QA/QC/E&M Support

\$7.3M Cost in FY20

\$8.2M Cost in FY21

Independent checks on system wide inspections and maintenance:

- Asset Inspection and Improved Lifecycle Management
- Enhanced Preventative Maintenance
- Corrective Maintenance
- Configuration Management
- Drive Improved Quality Control



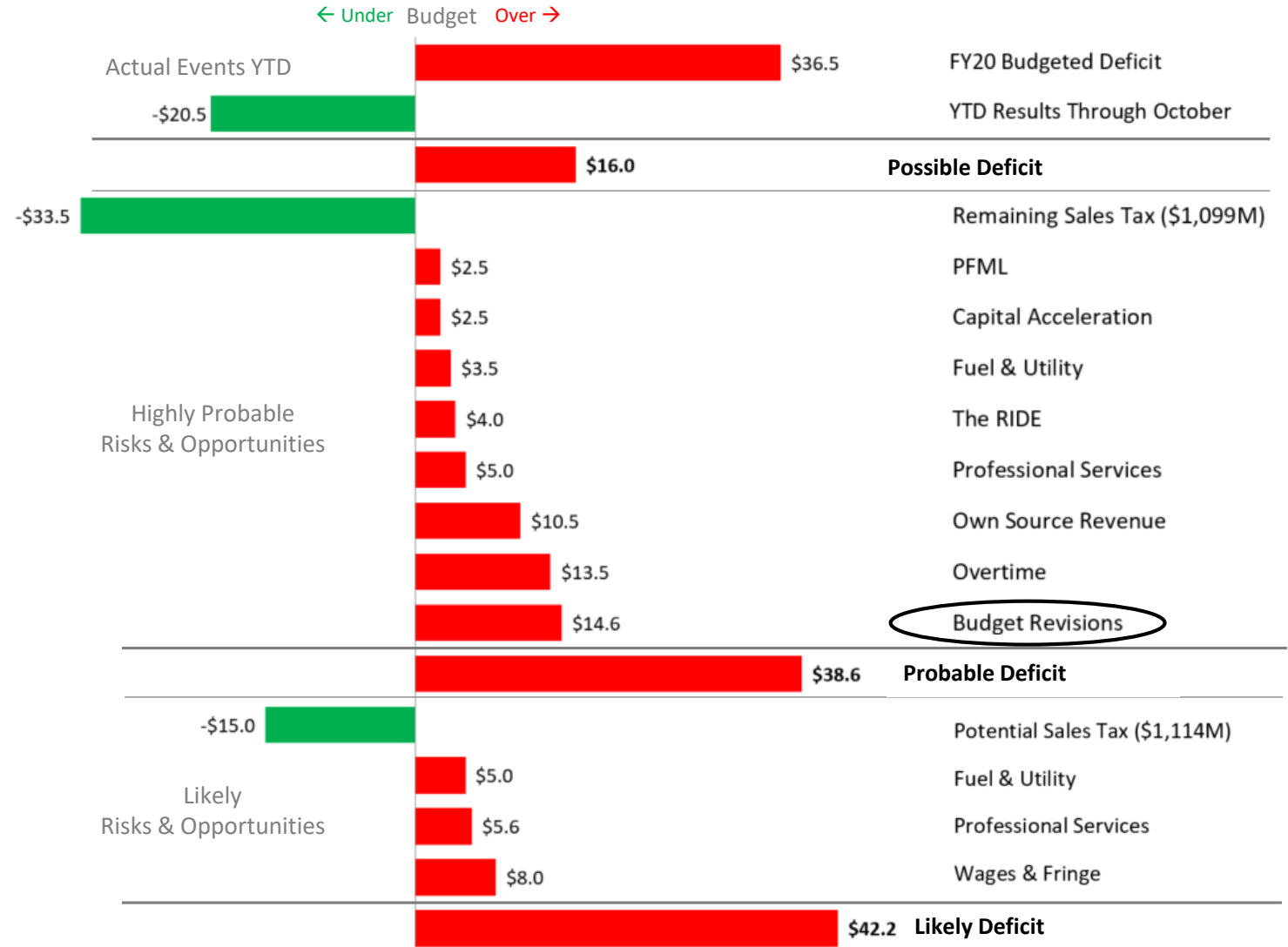
FY20 Risks and Opportunities Including Program Initiatives

- Budget Revisions total \$14.6M
- Potential Sales Tax Revenue of \$1,114M as per comptroller letter of November 15, 2019.

Prior Assumptions

- Regulatory changes (PFML) projected to drive transportation vacancies
- Capital acceleration, professional services and Safety Panel Recommendations increasing demands on operations departments and customer facing communications (E&M, CEX, CTD)
- Winter cold and snowfall is a major expense driver, impacting fuel & utility, overtime and other costs
- RIDE \$2M trending unfavorable due to contract delays and lower than expected productivity improvements
- Own Source Revenue trending closer to FY19 results
- Streamlined hiring processes and aggressive hiring targets projected to increase headcount related expenses

**Due to Rounding, actual subtotals and graphed subtotals may differ slightly*



Sales Tax Projections

Sales Tax Base Revenue Amount (BRA) vs. Actual Collections
 Revenue Projected to Exceed BRA in FY20

