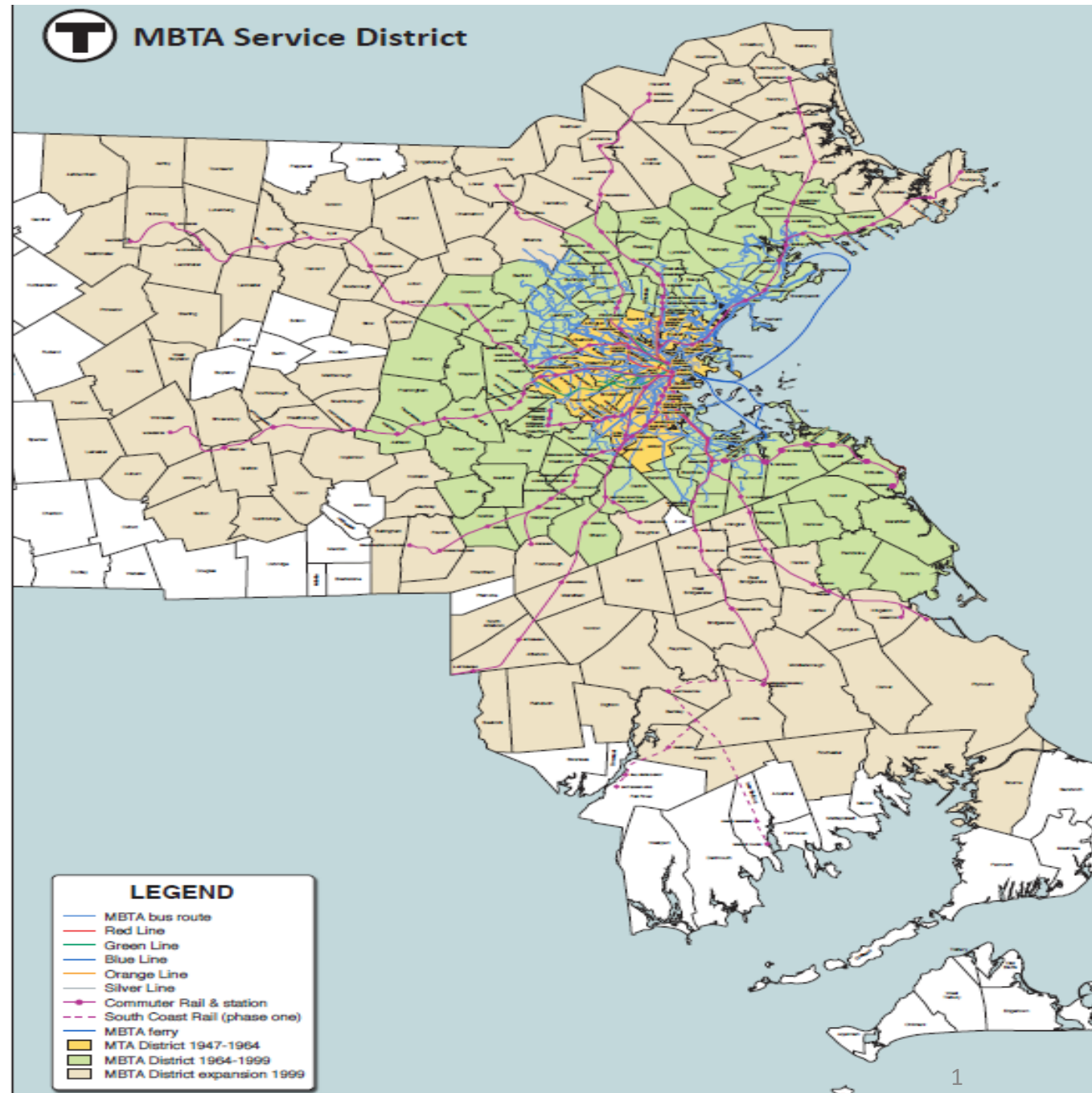


Advisory Board Review

12/07/20

Brian Kane
Acting Executive Director
MBTA Advisory Board
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617-426-6054



What is the report?



- Official review as required by M.G.L 161A 5(d)
- Acting Ex. Dir. attended all Forging Ahead Public meetings
- AB members met as committees & as a full board several times to consider



Forging Ahead Review

Presented by the Executive Committee
December 04, 2020

MBTA Advisory Board
177 Tremont Street, 4th Floor
Boston, MA 02111

617-426-6054
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Report Summary



- Recommends no service cuts
- Memorializes MBTA proposals for history
- Argues that FY22 deficit is not as large as the MBTA says.
- Suggests to only modify budget up to budget gap



“Cut back, don’t cut off”

MBTA Budget Gap



- \$73 million surplus in FY22
- 12 months of FY22 COVID-level cleaning costs through June 2022
- No FEMA reimbursement in FY22 (traditionally 75%)
- \$142 million in service cuts to net \$112 million

Description	FY21	FY22	FY21 and FY22
Budget Gap	-54	-584	-638
<i>COVID-19 Spending</i>	-13	-58	-71
<i>Overtime</i>	-12	-10	-22
Subtotal of Identified Risks	-25	-68	-93
Gap + Risks	-79	-652	-731
<i>Federal Formula Funds</i>	171	209	380
<i>Capital Salaries</i>	66	68	134
<i>Department/Programmatic</i>	64	74	138
<i>Service Level Planning (Net)</i>	14	98	112
Subtotal of Identified Solves	315	449	764
Estimated Balance	236	-203	33
<i>Sales Tax Acceleration Proposal</i>	40	-	40
Subtotal of Identified Opportunities	40	-	40
Balance + Opportunities	276	-203	73

Source: <https://cdn.mbta.com/sites/default/files/2020-11/2020-11-23-fmcb-16-fy21-budget-update.pdf> page 9

Advisory Board Budget Gap



- MBTA Base is \$-653 deficit
- Use \$73 million MBTA surplus to reduce budget gap
- Plan to spend extra for COVID cleaning for 1 year, not 18 months
- Add in 75% FEMA reimbursement to reduce gap
- Budget gap reduced to \$528 million, \$124 million less than base FY22 deficit.

Option	Description	Budget Gap Reduction (millions)	New Gap Size (millions)
A	No Surplus	\$73	\$-579
B	Intensive cleaning for 6 months, not 12 months	\$29	\$-550
C	FEMA Reimburse 75% of 6 months cleaning	\$22	\$-528
A + B + C	No Surplus + Half Year Clean + FEMA Reimburse. (CY22)	\$124	\$-528

What is the difference?



FY22 (millions)			
Budget Action	MBTA Plan	AB Proposal	Difference
FY21 Carryover	\$276	\$262	\$14
Federal Flex	\$209	\$209	\$0
Internal Savings	\$74	\$74	\$0
Capital Salaries	\$68	\$68	\$0
Service Cuts	\$98	\$0	\$-98
FEMA Reimburse	\$0	\$22	\$22
Surplus	\$73	\$12	\$61

Budget Differences?



MBTA

- \$73 million surplus in FY22
- 12 months of COVID-level cleaning costs through June 2022
- No FEMA reimbursement in FY22 (traditionally 75%)
- \$142 million in service cuts to net \$112 million

Advisory Board

- \$12 million surplus in FY22
- 6 months of COVID-level cleaning costs through December 2021
- 75% FEMA reimbursement of cleaning costs
- No service cuts in 2021 or 2022

Advisory Board Recommendation



Do Implement:

- Federal Funds Flex
- Internal Savings
- Capital Salaries shift
- Management rights to schedule service to meet current use
- Return to Service Commission

Don't Implement:

- Major Service Cuts



MBTA Advisory Board Schedule



- Nov. 12: **T** MetroWest Public Meeting
- Nov. 13: **AB** **Advisory Board Service Committee**
- Nov. 14: **T** Boston & Milton Public Meeting
- Nov. 16: **AB** **Advisory Board Meeting**
- Nov. 17: **T** Inner Core West Public Meeting
- Nov. 18: **T** Inner Core North Public Meeting
- Nov. 19: **T** Systemwide Public Hearing
- Nov. 20: **T** **Advisory Board Ferry Committee**
- Nov. 23: **T** Ferry, Kingston & Greenbush Lines Meeting
Joint MassDOT/ **T** FMCB Meeting
- Nov. 24: **AB** **Advisory Board Commuter Rail Committee**
T Rockport/Newburyport Public Meeting
- Nov. 30: **T** Providence/Stoughton line Public Meeting
- Dec. 01: **AB** **Advisory Board Executive Committee**
- Dec. 02: **T** Systemwide Public Meeting
- Dec. 04: **AB** **Advisory Board Meeting**
- Dec. 07: T FMCB Board Meeting**

