



MBTA FY22 Operating Budget Oversight Report Presentation

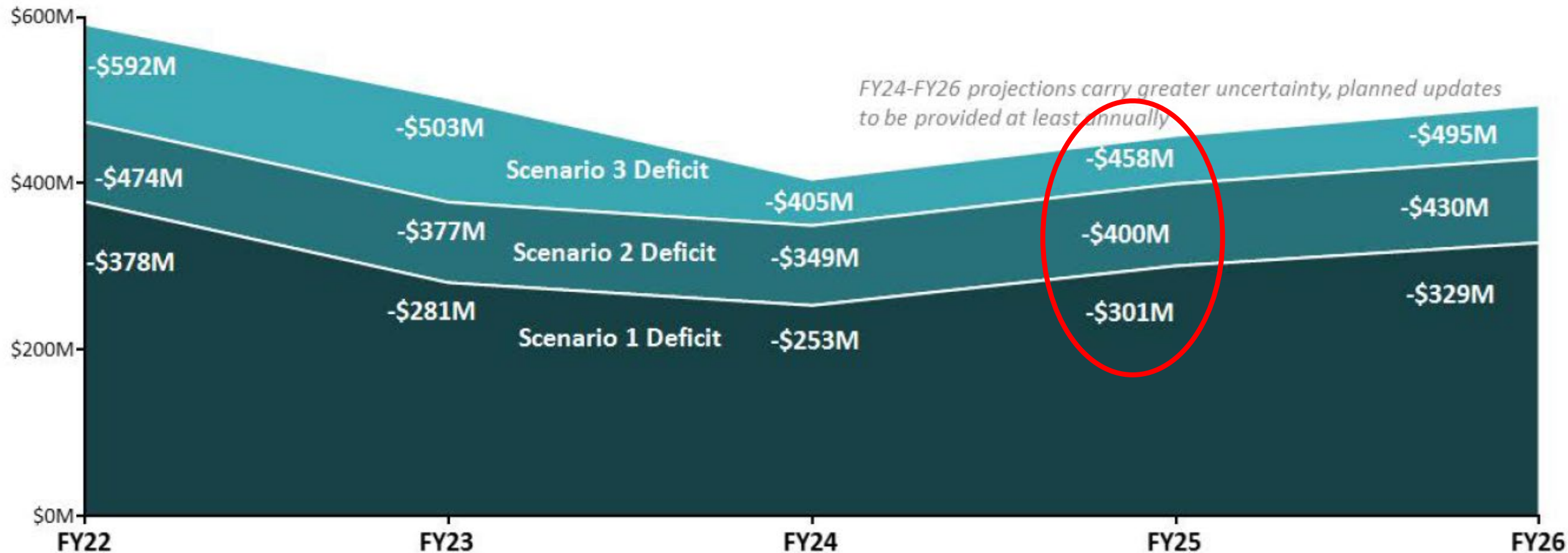
Themes

- **Accountability & Transparency:**
 - 7-member, MBTA-only governing board with municipal representation
 - SGR backlog number emphasis
- **Cost Containment:**
 - Looming fiscal cliff in 3 years
 - Limit expense growth to 2.4% annually
 - Go slow on Free Fares
 - Take time on Means Tested Fares



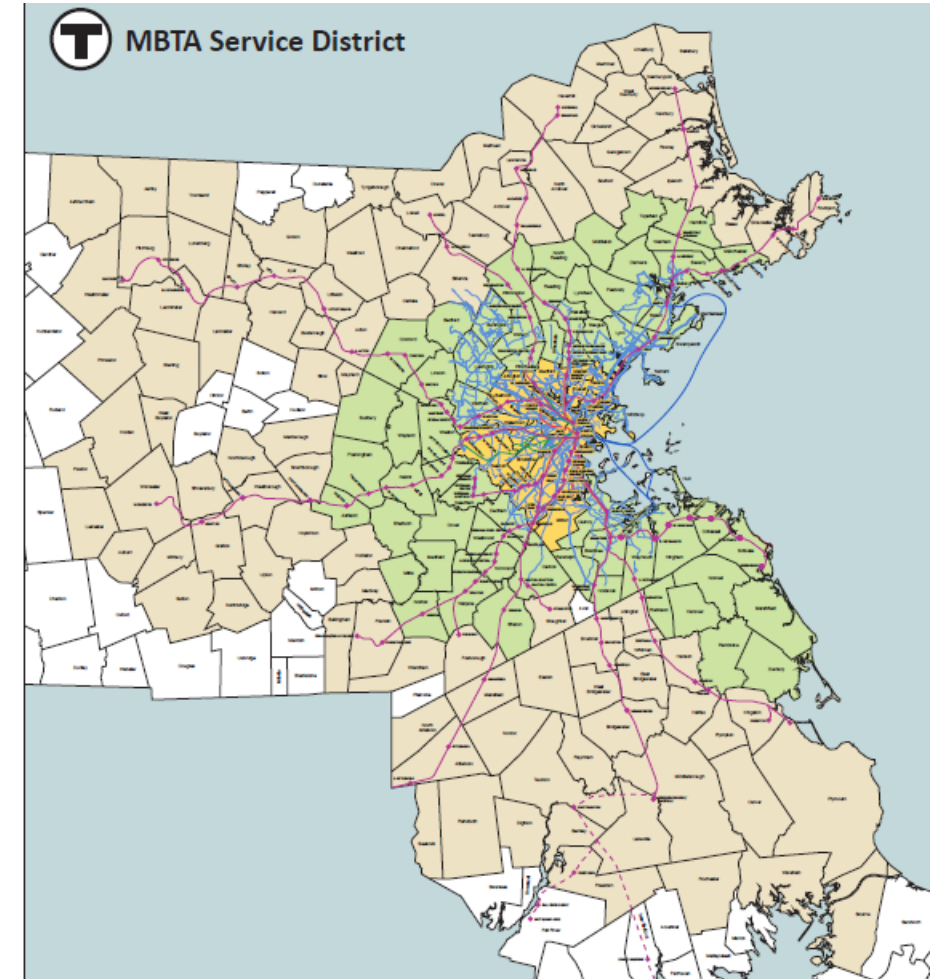
Background

- FYs22-24 are currently solved due to \$867 million in federal operating funds
- FY25 deficit is \$300-\$450 million unless fare-paying ridership returns



Accountability & Transparency

- 7-member MBTA-only Board.
 - 7 members allows committees
 - Maintains & Increases transparency of T safety, finances and operations
- Municipal Voice
 - T is the only large US system without municipal representation
 - \$180 million in FY22
- T-only board maintains accountability and transparency FMCB has achieved



Legislature must act – 23 days!

Cost Containment

- **Limit growth rate** to 2.4% annually as per FY22-FY26 Pro Forma
- Streamline **Ambassador Program**
- Consider **SPTO** on part of the Green Line to reduce headcount
- **Hiring Plan** consistent with the Strategic Plan and budget



Cost Containment Continued

- Go slow on **Free Fares** until a counterparty is identified to pay for it. A great idea, but the T cannot afford to pay for it alone.
- Hold off on **Means Tested Fares** until partners agree to fund it and administer it. Also a great idea, but the T cannot afford to pay for it alone.



FY22 Budget Highlights

- \$1.9B revenue vs. \$2.4B expense
- \$605M one-time revenue
- FY22 operating expenses are up 6.5% vs. FY21 budget, and 15.7% vs FY20 actuals
- 2.4% total growth due lower interest rates
- 6,351 headcount, 438 brand new FY22 for safety, GLX etc. pushes up wage, fringe benefit costs



Thank You

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The member communities of the MBTA Advisory Board thank you!