



**Massachusetts Bay
Transportation Authority**

GM Remarks

1/30/2017



Agenda

- FY2017 6 Month Operating Budget Update
- 2016 Top Earners Update
- Governor's FY2018 Budget – House 1 Update
- 2017 Employee Attendance Strategy
- Commuter Rail On-Time Performance Summary



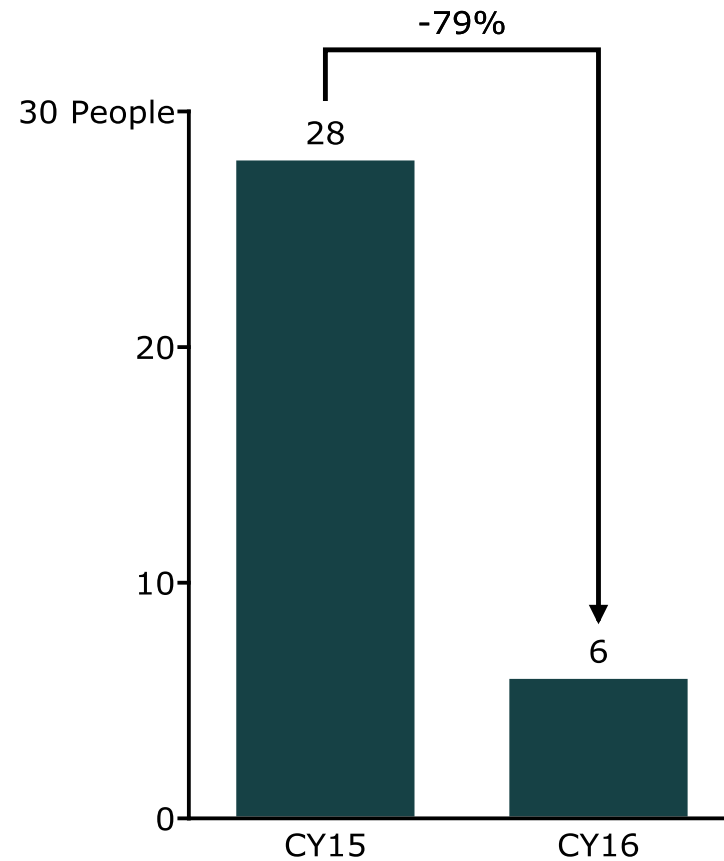
**MBTA structural operating deficit over first 6 months of FY17 was \$22.5M
(not including additional state assistance payments)**

		FY17 1H PERFORMANCE AGAINST FY17 1H BUDGET			
(\$M)		FY17 1H BUDGET	FY17 1H ACTUAL	\$ VARIANCE	% VARIANCE
REVENUES	Operating Revenues	\$363.7	\$361.1	(\$2.6)	-0.7%
	Non-Operating Revenues	\$605.5	\$603.9	(\$1.5)	-0.3%
	Total Revenues	\$969.2	\$965.0	(\$4.2)	-0.4%
EXPENSES	Wages, Benefits and Payroll Taxes	\$393.2	\$393.5	\$0.3	0.1%
	Non-Wage	\$386.9	\$380.2	(\$6.7)	-1.7%
	Operating Expenses	\$780.1	\$773.6	(\$6.4)	-0.8%
	Debt Service	\$228.7	\$213.9	(\$14.8)	-6.5%
	Total Expenses	\$1,008.7	\$987.5	(\$21.2)	-2.1%
Structural Deficit		(\$39.5)	(\$22.5)	\$17.0	-43.2%



2016 top earners: 80% drop in employees making \$200k+ and 100% drop in employees making \$300k+ (2015 – 6; 2016 – 0)

Employees earning over \$200k

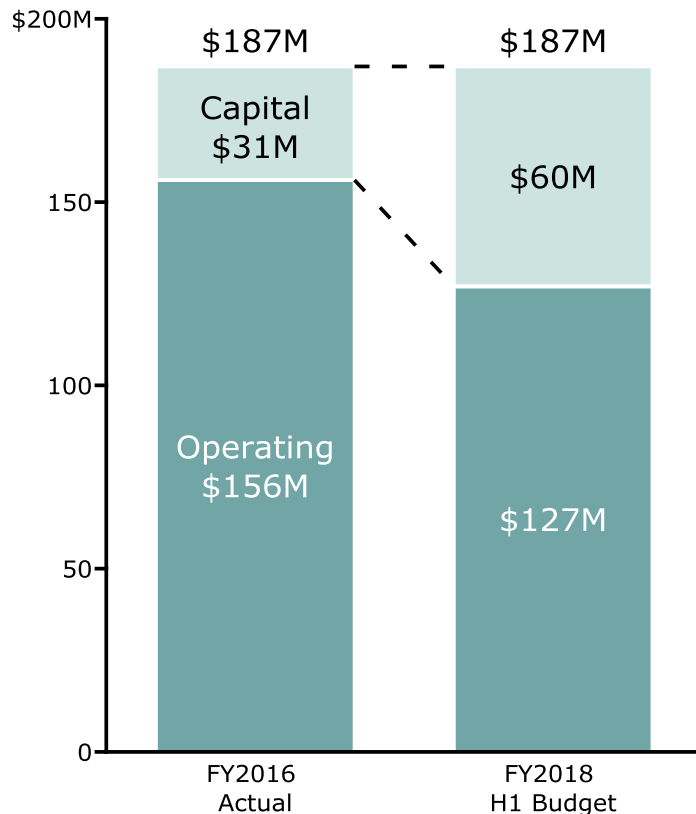


Note: Period covered is calendar year to date through December for 2015 and 2016 (1/1 – 12/31)
2016 data is 1/1/16 – 12/23/16 for 1 bi-weekly employee. The other 5 are weekly employees have data for the full year.



FY2018 House 1 Budget: MBTA to receive \$187M in additional state assistance (\$127M operating / \$60M capital)

Additional State Assistance



- Governor's budget recommends MBTA receive \$187M in additional state assistance in FY18
- \$187M matches the total commitment in FY16 and FY17
- MBTA will receive the \$187M in two segments:
 - \$127M in direct assistance for the operating budget
 - \$60M for FY18 state capital budget for the Capital Maintenance Lock Box
- MBTA management believes the \$127M in operating fund assistance will be sufficient to cover any operating budget deficit in FY18
- Management plans to use a portion of those operating funds for capital projects as the MBTA's fiscal outlook continues to improve



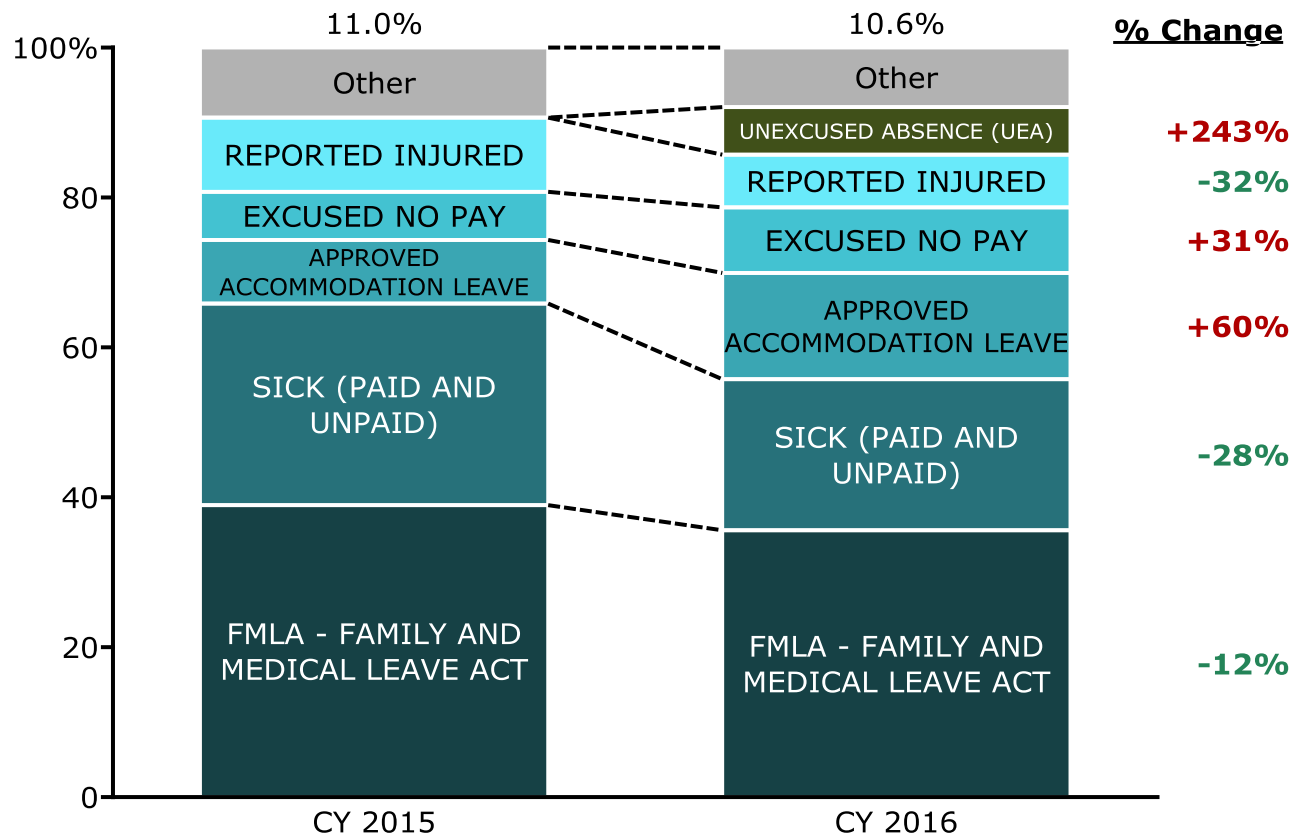
2017 employee attendance strategy - key initiatives

- Full implementation of TPA across all 45 departments
- Actively manage ADA program (ADA lead hired on 10/1)
- Enforce new “40 hour rule” for OT (12/19 L589 agreement)
- Use data-science and advanced analytics tools to identify pattern absenteeism
- Enforce progressive discipline for attendance policy violations



Active management has reduced sick and FMLA usage, but usage of other leave types has increased over the course of the year

Unscheduled Absence Rate -- All Transportation Operators



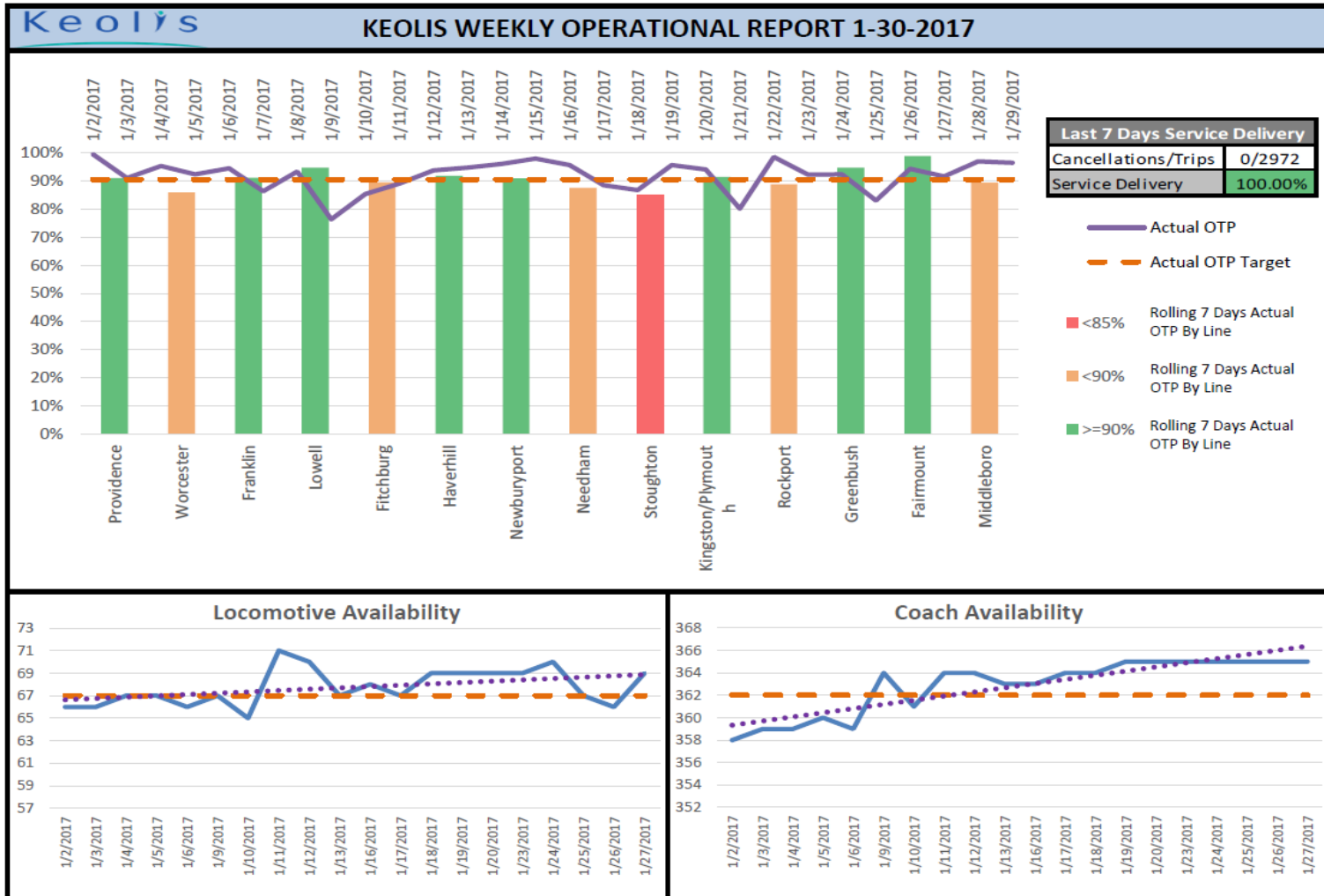
Approved accommodation leave and other leave types have increased despite decreases in FMLA and sick usage

Source: MBTA Internal Data

Draft for Discussion & Policy Purposes Only



Commuter Rail On-Time Performance Summary By Line & Equipment Availability



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