



Massachusetts
Taxpayers Foundation

The MBTA: New Leadership Raises Hopes of a Turnaround



A Sound MBTA Requires Three Key Components

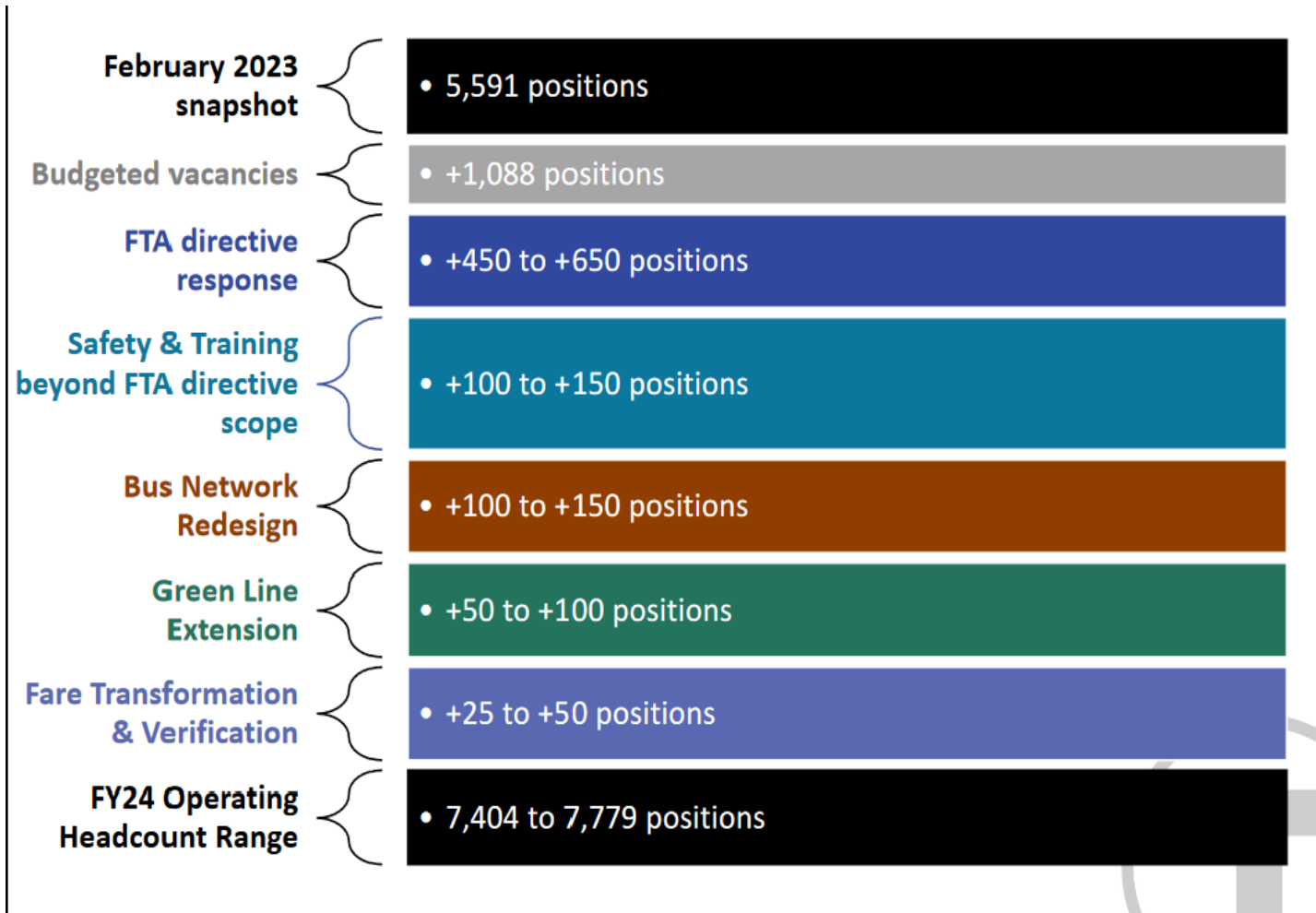
1. Working physical infrastructure
2. Trained workforce to operate and maintain services
3. Fiscal health

The MBTA lacks all three

Infrastructure Problems Will Take Years to Resolve

- Eliminate 200+ slow zones
- Resolve 20 FTA findings and 53 required actions for the rail transit system
- Take delivery of remaining Red and Orange Line cars
- Implement AFC 2.0 – new fare collection system
- Construct 9 modernized bus maintenance facilities
- Make MBTA's infrastructure resilient to climate change
- Scale capital delivery to \$3+ billion annually

Increased Headcount Essential to Operate and Maintain the Current System

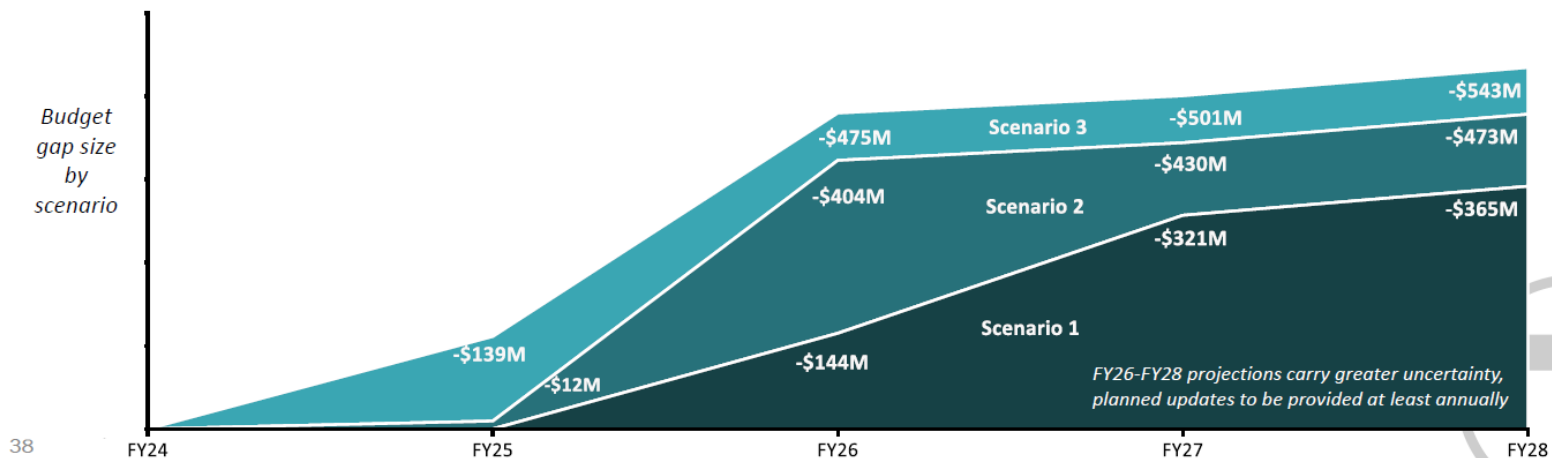


The Operating Budget is Projected to Hit a \$400 - \$500 Million Shortfall in 2-3 Years

Recap of FY24 – FY28 Budget Projections from Pro Forma Presentation

Including Initial (June) FTA directive spending and one-time revenues

- One-time reserve revenues are projected to resolve the budget gap in FY24 and FY25 under Scenarios 1 and 2
- Actual budget gaps depend on fare revenue and actual spending over the next two years

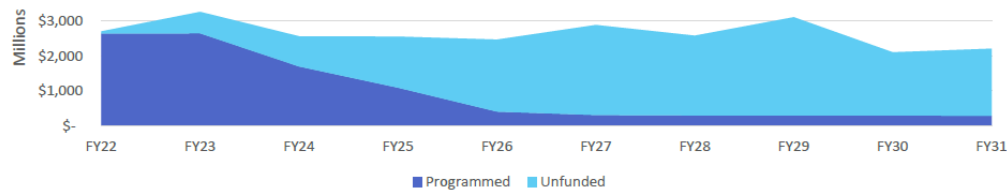


The Capital Budget to Upgrade and Modernize the Current System is Approximately \$15 Billion Short

10 Year Unconstrained Capital Investment Framework

Resequencing of major programs will likely be needed to help level-out future unfunded needs, but additional funds are necessary to achieve basic state of good repair and modernization goals

Major Programs Programmed and Unfunded



MAJOR PROGRAMS: TOTAL FUNDING ESTIMATED NEEDS													
Mode	Program	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	TOTAL	Notes
Bus	Bus Transformation	\$181	\$422	\$445	\$374	\$310	\$350	\$444	\$287	\$430	\$430	\$3,674	Includes facilities and future fleet procurements
Rapid Transit	Red / Orange Line Transformation	\$364	\$636	\$428	\$280	\$139	\$347	\$333	\$333	\$229	\$229	\$3,314	Continued vehicle and SGR investments and vehicle acceptance
	Green Line Transformation	\$230	\$272	\$234	\$157	\$212	\$292	\$307	\$311	\$271	\$390	\$2,677	Includes accessibility, SGR, vehicle procurement, and future capacity investments
Rail	Rail Transformation	\$25	\$135	\$163	\$344	\$370	\$480	\$94	\$774	\$46	\$3	\$2,433	Planning, SGR, and future transformation investments
Systemwide	Bridge and Tunnel	\$202	\$202	\$202	\$202	\$202	\$202	\$202	\$202	\$202	\$202	\$2,022	
	Power	\$269	\$233	\$313	\$140	\$171	\$188	\$185	\$185	\$69	\$98	\$1,850	
	Accessibility	\$67	\$104	\$82	\$306	\$302	\$305	\$295	\$295	\$295	\$295	\$2,348	Includes rapid transit station, commuter rail and bus investments, Green Line work included in GLT
	Resiliency	\$0	\$50	\$50	\$50	\$100	\$100	\$100	\$100	\$100	\$100	\$750	Placeholder to reflect future resiliency work
	Other Assets*	\$749	\$626	\$464	\$464	\$464	\$464	\$464	\$464	\$464	\$464	\$5,086	Includes BL, Fare Transformation, Technology, Safety/Security, The RIDE, Ferry, and Mattapan Line, as well as SGR investments across all modes
Expansion	GLX, SCR, and Expansion Project Development	\$608	\$563	\$163	\$79	\$41	\$0	\$0	\$0	\$0	\$0	\$1,454	Includes funding currently programmed for expansion projects in the FY22 CIP
	Red-Blue Connector	\$10	\$21	\$21	\$158	\$160	\$160	\$160	\$160	\$0	\$0	\$850	Current total project cost, divided evenly across years included in the project timeline
Total		\$2,705	\$3,264	\$2,566	\$2,555	\$2,470	\$2,888	\$2,583	\$3,111	\$2,106	\$2,211	\$26,458	

The MBTA Needs Substantial New Resources

To close operating and capital budget gaps, the MBTA will need an estimated \$1.0 - \$1.3 billion in additional dedicated revenues just for the current system



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The MBTA: What's at Stake



MBTA Woes Worsen Workforce Shortages

“The system’s lack of safety and reliability is continuing to hurt the region’s economy, according to Boston-area professionals who responded to the BBJ-Seven Letter poll: 55% said the T’s woes has hurt their business’ ability to attract and retain employees. That’s up from 34% last September.”

Source: Poll: People are using the T more — and giving it poor reviews;
Grant Welker, BBJ, April 18, 2023

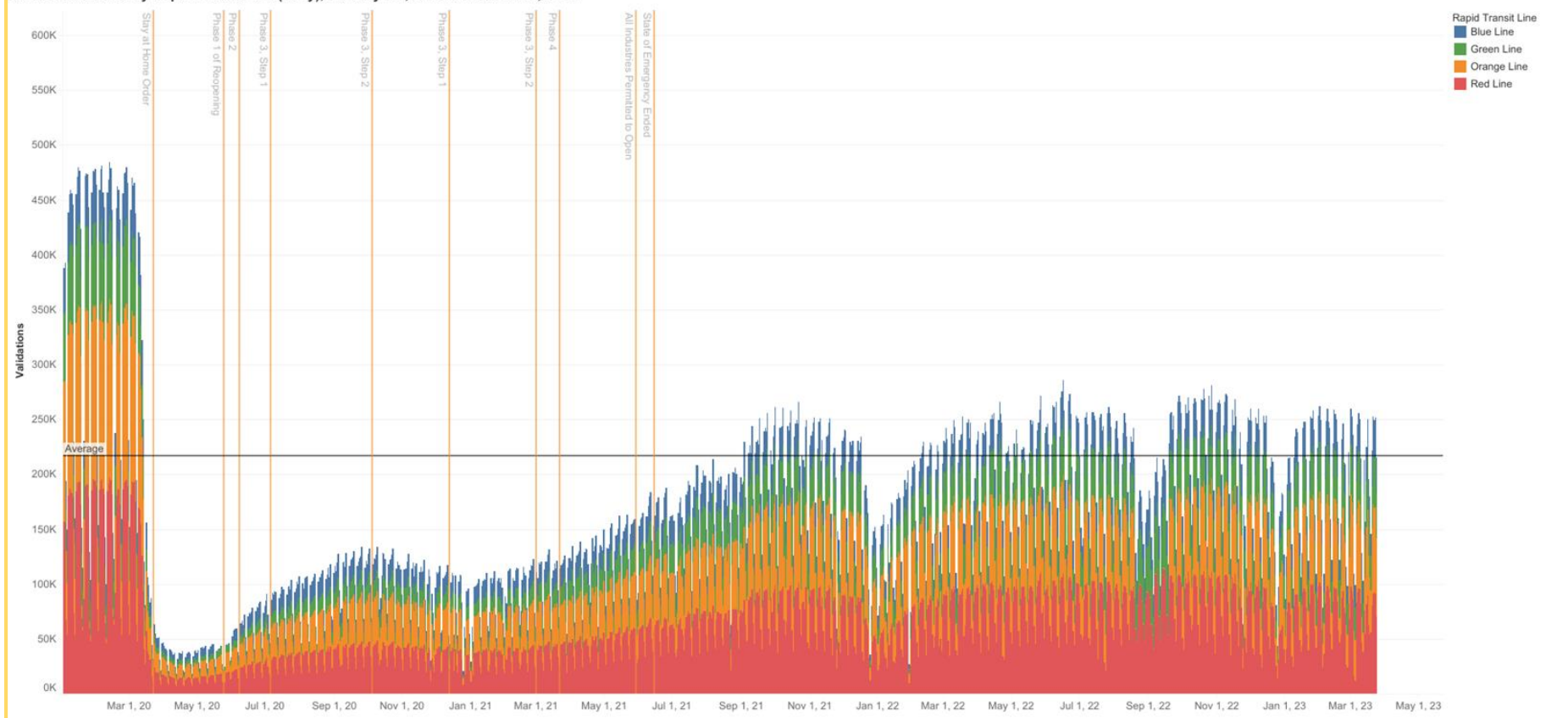


Unreliable Service Undermines an Important Tool to Tackle the Housing Crisis

- 175 MBTA communities must develop at least one zoning district where multi-family housing is permitted within one-half mile of a commuter rail, subway, or bus station or ferry terminal to increase affordable housing options near transit stations
- *If the MBTA cannot improve its operations, the benefit of being within walking distance of a transit hub disappears if the transit system is perceived as unsafe and unreliable, forcing people to their cars.*

Rail Ridership Has Stagnated at 55% Pre-pandemic Levels Over the Past 20 Months

MBTA Validations by Rapid Transit Line (Daily), January 1st, 2020 to March 24th, 2023



March 01, 2020

October 2021

March 23, 2023



Insight. Influence. Impact.

One Last Chance to Get it Right?

A Turnaround Agenda for the Next 12 – 24 Months

- Narrow MBTA's immediate priorities:
 1. Infrastructure: Target spending on critical infrastructure to return safe and reliable services across the system
 2. Workforce: Implement a multi-year recruitment and hiring plan, overhaul internal communications, and imbed a safety culture
 3. Resources: Quantify gaps and timing of operating and capital funding cliffs
- Develop communication tools that inform the public of real-time service issues, schedule changes, and strategic milestones to build trust in the management of the system