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MBTA TRANSIT SERVICE:

THE KEY TO OUR ECONOMIC RECOVERY

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A Better City is a diverse group of business leaders united around a common goal—to enhance Boston and the region’s economic health, competitiveness, vibrancy, sustainability and quality of life. By amplifying the voice of the business community through collaboration and consensus across a broad range of stakeholders, A Better City develops solutions and influences policy in three critical areas central to the Boston region’s economic competitiveness and growth: transportation and infrastructure, land use and development, and energy and environment.

The Forging Ahead budget projections are based on an economic scenario that forecasts fare revenue recovery. These numbers are being updated in real time as new information becomes available. This paper provides an analysis and recommendations to close the budget gap based on data presented on November 23, 2020.

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EXECUTIVE SUMMARY

Since the onset of the COVID-19 pandemic, the MBTA and its workers have continued to deliver critical transit service throughout the region, prioritizing the needs of frontline workers. However, ridership has dropped dramatically, and, the agency is facing a looming budget deficit for the next fiscal year (FY22). In October 2020, the MBTA launched the Forging Ahead process as a strategy for mitigating the pandemic-related budget crisis. It proposes solutions to close the estimated budget gap for FY21-FY22 through internal departmental cost savings goals, reallocation of capital infrastructure dollars, and “service level planning” changes or service cuts. Forging Ahead also makes assumptions on ridership levels over the next eighteen months.

A Better City supports the MBTA proposals and targets on internal MBTA department/programmatic savings goals and temporary reallocation of capital dollars. However, A Better City strongly opposes the \$112 million in proposed service cuts, which can and should be avoided. These service cuts, if implemented, would come at a high price to riders, the public transit system itself, and the economic recovery of the region. They would also result in layoffs for MBTA workers across all modes and cause significant disruption to riders. Some of the service changes could induce crowding and others would eliminate service that could take up to two years and substantial investments for the MBTA to restore.

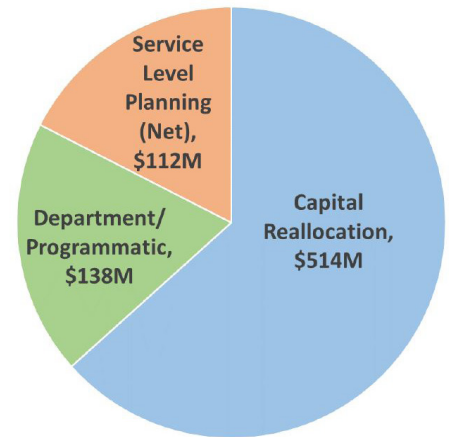


FIGURE I: MBTA FORGING AHEAD COST SAVINGS APPROACH

On December 14, 2020, the agency’s Fiscal Management Control Board (FMCB) is scheduled to vote on preliminary service reductions, and A Better City is calling on the FMCB to delay their vote. At this critical time, the MBTA should consider creative solutions for

THIS ANALYSIS SHOWS VIABLE OPTIONS EXIST THAT COULD GENERATE \$300 MILLION IN REVENUE BEFORE JULY 2021, WHICH IS MORE THAN 2.5 TIMES THE AMOUNT OF FUNDING THAT WOULD BE GENERATED BY THE PROPOSED SERVICE CUTS.

avoiding cuts to the transit service the region needs to recover and thrive. Based on A Better City’s analysis, viable options exist that could generate \$300 million in revenue before July 2021, which is more than 2.5 times the amount of funding that would be generated by the MBTA’s proposed service cuts. The four steps outlined below eliminate the need for service cuts and will allow the MBTA to move forward with the critical transformational projects that will modernize the transit system, relieve roadway congestion, and help the Commonwealth achieve its decarbonization and resiliency goals.

Transit is essential in Massachusetts, and the future of our public transit system, regional economy, and environment are at risk. The MBTA must continue providing safe, reliable, and equitable service across Greater Boston and abandon service cuts that will take effect in the winter, spring, and summer of 2021—just when we expect to see a widespread vaccination effort underway and a related return to the workplace. The MBTA should make every effort to avoid service cuts and meet the needs of our workers, economy, and communities in the region as we emerge from the pandemic in the coming months.

ALTERNATIVE APPROACHES TO AVOID SERVICE CUTS

Massachusetts should be initiating funding plans to meet the region’s transportation needs for the next two years *and* the next two decades. A Better City recommends the following four realistic steps that would generate \$300 million by FY22, eliminate the need to cut transit service, and provide additional revenue the MBTA could use to move forward with many of the unfunded, transformational projects identified in MassDOT’s Focus40 and the Governor’s Commission on the Future of Transportation report.

TABLE I: ALTERNATIVE APPROACHES TO FILL THE BUDGET GAP AND AVOID SERVICE CUTS

A BETTER CITY RECOMMENDED SOLUTIONS	FY21 (\$M)	FY22 (\$M)	TOTAL FY21 & FY22 (\$M)
1. USE ECONOMIC SCENARIO 2		101	101
2. USE UPDATED NUMBERS FROM STATE BUDGET			
<ul style="list-style-type: none"> Updated Sales Tax Transfer to MBTA 	19		19
3. WAIT FOR RESOLUTION ON TRANSPORTATION FINANCE PROPOSALS			
<ul style="list-style-type: none"> Increased Surcharges on TNC (i.e. Uber/Lyft) Fees 		56	56
<ul style="list-style-type: none"> Increased Gas Tax* 		80	80
4. ASSUME REIMBURSEMENT OF ELIGIBLE COVID COSTS		44	44
TOTAL REVENUE	19	281	300

*See Box 6 for details on the House Transportation Finance bill. Recommendation 3 assumes half of the gas tax revenue from the plan would be sent to the MBTA, with the other half being used for non-MBTA transportation investments.

RECOMMENDATION 1: USE ECONOMIC SCENARIO 2 WHICH ASSUMES HIGHER RIDERSHIP AND REVENUE COLLECTION (\$101 MILLION)

Using Economic Scenario 2 is appropriate for budgetary and ridership projections. The MBTA developed three economic scenarios to inform the Forging Ahead budget exercise. It is currently using Economic Scenario 3 — the “worst case” scenario. A Better City’s analysis shows Economic Scenario 2 uses more realistic ridership and economic recovery projections, which also generate \$101 million more in fare collection revenue before the end of FY22. These higher revenue projections could be used to lower the budget deficit and avoid service cuts.

RECOMMENDATION 2: USE UPDATED NUMBERS FROM THE STATE BUDGET TO ACCOUNT FOR ADDITIONAL REVENUE FOR THE MBTA (\$19 MILLION)

The official version of the state’s FY21 budget includes higher funding amounts than previously planned for the MBTA. The legislature unveiled their final FY21 state budget bill on December 3, 2020. It includes an additional \$19 million from higher sales tax revenue collections that is earmarked for the MBTA. Forging Ahead uses a lower sales tax revenue figure based on preliminary estimates, which can now be updated to reflect the additional \$19 million, lowering the future budget deficit.

RECOMMENDATION 3: WAIT FOR THE CURRENT LEGISLATIVE SESSION TO END TO LEARN OUTCOME OF TRANSPORTATION FINANCE PROPOSALS (UP TO \$136 MILLION)

The FMCB should avoid service cuts and wait to vote on potential service cuts until the end of the current legislative session.

Governor Baker, the House, and Senate each support increasing revenue from surcharges on Transportation Network Companies (TNC) (i.e. Uber/Lyft rides). This policy change should be resolved before the legislative session ends on December 31, 2020. The Senate voted to generate \$56 million in FY22 from TNC fees, while the House Transportation Finance bill supports a similar approach and dedicates the new revenue directly to the MBTA. The House bill also supports an increase in the state gas tax, a portion of which could result in an additional \$80 million for the MBTA next year.¹ The operating budget deficit at the MBTA is another reason why the legislature should pass these transportation revenue components of the House Transportation Finance bill.

RECOMMENDATION 4: ASSUME ADDITIONAL REIMBURSEMENTS FOR COVID-RELATED EXPENSES (UP TO \$44 MILLION)

The MBTA can assume FEMA reimbursement for some COVID-19 related expenses in the FY22 budget projections. The MBTA identified additional COVID-related cleaning and PPE costs in FY22 estimated to cost \$58.4 million, which are eligible for reimbursement by FEMA (75% rate of reimbursement). This would result in an additional \$44 million that could be applied to the FY22 budget.

INTRODUCTION

The MBTA is grappling with how to provide safe transit service during COVID-19 while facing dwindling fare box revenue and high fixed costs to keep passengers safe. The T is by no means an outlier; peer agencies across the nation are tackling the same challenge. With COVID-19 cases surging and no vaccine available, unprecedented numbers of commuters are working from home, leaving our city centers deserted. From Los Angeles to New York, there is a real sense of urgency to review options to help mitigate a deep financial crisis.

One after the other, transit agency heads are urgently calling for a second wave of federal relief and many are also looking for state support. Absent of government support, transit systems may be forced to make significant layoffs and service changes that could impact regional mobility and economic growth for years to come. Here in Massachusetts, the MBTA predicts a budget gap for FY21-FY22 that could exceed \$600 million depending on when and how many riders return to public transit. The MBTA created the Forging Ahead process to eliminate the expected funding gap. Forging Ahead proposes a three-pronged approach to keep the T whole—it includes internal cost savings, service planning changes, and capital reallocation.

The Commonwealth's economic recovery hinges upon the robust offering of public transit services and the MBTA must meet this challenge. The agency, however, is taking a short-sighted approach that proposes significant service cuts timed to take effect right when ridership is expected to increase. This approach will achieve meager short-term cost savings and result in long-term costs to the agency in terms of ridership, revenue, and viability. The Forging Ahead process also places inadequate emphasis on the State of Good Repair and omits any discussion of how to best position the Commonwealth for a large-scale federal infrastructure bill that could help advance many of the region's core transportation projects critical to achieving a 21st Century transit system and meeting Massachusetts' climate change goals by 2050.

1. This assumes half of the gas tax revenue from the bill would be sent to the MBTA, with the other half used for non-MBTA transportation investments.

The MBTA is describing Forging Ahead as a short-term strategy for mitigating the acute, pandemic-related budget crisis and prioritizing the needs of transit dependent communities, but this effort may ultimately reduce MBTA service on a permanent basis. Massachusetts Secretary of Transportation, Stephanie Pollack, recently suggested that the agency may move forward with the proposed service cuts, even if it receives additional federal funding.² She said, “The question is, if you got the federal package this spring but were still seeing 25 or 30 percent of the pre-COVID ridership...whether it would make sense to immediately add service or whether it would make sense to hold onto those federal dollars until we need it for more ridership.” This leaves room to ponder if this exercise is focused exclusively on solving next year’s pressing issues or if it is an attempt to make permanent cuts that address the agency’s longstanding fiscal strains.

At a time when the MBTA needs to be building confidence in its ability to serve essential workers safely and welcome back commuters when there is a vaccine or other therapeutic measures, it is instilling doubt in the public and signaling that Boston and the urban core are closed for business. The agency must find a better way forward that does not compromise the region’s transit system and economy.

CONCERNS ABOUT FORGING AHEAD AND THE MBTA’S APPROACH TO SERVICE CUTS

The MBTA launched the Forging Ahead process to respond to COVID-19-induced revenue loss, pandemic mitigation expenses, and the threat of continued fiscal strain in FY21-FY22 projected to exceed \$600 million. At its core, Forging Ahead seeks to identify cost savings (internal cost savings, service planning changes, and capital reallocation) to fill the agency’s budget gap, while also prioritizing essential services to ensure for transit dependent communities.³

Preserving Essential Services

Mode	Highly Transit Critical	Less Transit Critical
High Ridership Potential FY22	Blue Line, Orange Line, Red Line, Green Line (trunk), Mattapan line, many bus routes, Fairmount CR line	Some bus routes
Low Ridership Potential FY22	Some bus routes, some Commuter Rail service, Charlestown ferry*	Hingham/Hull ferry, some bus routes, some Commuter Rail service

- Goal of this framework is to preserve service at or above Service Delivery Policy levels for all services in the High Ridership and High Transit Critical quadrant
- Service Delivery Policy was approved by FMCB in 2017 and quantifies MBTA’s target minimum acceptable service level by mode across multiple metrics (incl. hours of operation, frequency, crowding)

*Charlestown Ferry was initially considered as part of essential service, but after further examination, has been moved to low ridership based on further review of Fall 2020 ridership

FIGURE 2: MBTA SERVICE LEVEL PLANNING FRAMEWORK

2. <https://www.bostonglobe.com/2020/11/13/metro/mbta-service-cuts-appear-inevitable-regardless-federal-bailout/>

3. Essential services are defined as service provided to highly transit critical riders that are projected to have high ridership in FY22, namely, many bus routes, the Fairmount Commuter Rail line, Blue line, Orange line, Green line (trunk), Mattapan line, and some Commuter Rail lines, see page 7, [Forging Ahead Service Scenarios presentation](#).

The MBTA is seeking to reduce costs associated with service—officially classified as “Service Level Planning”—by \$112 million between this fiscal year and next (FY21 & FY22). The proposed cuts would change the face of Massachusetts transit offerings today and over the long-term, in particular on the Commuter Rail and Ferry service. A Better City is concerned with the approach the MBTA is taking to service cuts for several reasons, including the underlying assumptions (e.g. economic scenarios and ridership projections); value for money (e.g. level of service cuts to costs savings achieved); safety of riders and access to service both today and in the future; and pace of the public input and MBTA decision-making process.

TABLE 2: OVERVIEW OF PROPOSED SERVICE LEVEL PLANNING CHANGES (BY MODE)

COMMUTER RAIL
End Foxboro Pilot & Old Colony Late Night
Eliminate All Weekend Service
Eliminate Weekday Service After 9pm
Reduce Midday Trains
Reduce Peak Service by 18%, Including Reduction of Locomotives (8) and Coaches (50)
Station Closure
FERRY
Elimination of Service (Total)
<ul style="list-style-type: none"> • Direct Hingham (F1) • Hingham/Hull local (F2H) • Charlestown/Boston (F4)
SUBWAY
All Lines – Loss of Post-Midnight Service
E-Line – Stop Service at Brigham Circle and Divert to Route 39 Bus
Reduce Frequency by 20% on All Lines
Reduce Off-Peak Frequency by an Additional 20% on All Lines
BUS
5% Frequency Reduction on Essential Routes
10% Reduction on All Non-Essential Routes
10% Additional Reduction on All Non-Essential Routes
Eliminate or Restructure Bottom-Right Box Routes, Including Suburban Program Subsidy
Eliminate Redundant Routes That are Within ¼ Mile of Bus or Rapid Transit ⁴
Consolidate Routes ⁵
Stop Service at Midnight
Eliminate Very Low Ridership, Redundant Options on Portion of Most Routes ⁶
Eliminated Routes ⁷
THE RIDE
Increase Scheduling Window From 30 to 40 Minutes
Changes to ADA/Premium Service Area Based on Fixed Route Eliminations/Restructuring

SOURCE: [Forging Ahead: Scenario and Service Planning, Fiscal Management Control Board, November 9, 2020.](#)

4. Fully redundant: 325, 326, 456; Within ¼ mile of alt.: 43, 55, 68; Within ¼ mile of alt. (post-GLX): 80, 88 (consolidate 88 & 90, extend to Clarendon Hill)

5. 62/76, 84/78, 214/216, 352/354, 501/503, 502/504

6. Eliminate: 18 (w/in ¼ mile of Red Line), 170, 221, 428, 434, 716

7. 25 routes to be eliminated

Scenario 3

The economic impacts of COVID-19 have depressed travel and mobility, especially on the MBTA, and telecommuting is standard practice for the foreseeable future

ECONOMIC SCENARIOS DRIVING FORGING AHEAD ARE TOO CONSERVATIVE

The MBTA developed three economic scenarios to inform the budget development process. Forging Ahead uses Economic Scenario 3, the most conservative of three economic scenarios, to forecast ridership and revenue. It is the “worst case” scenario that projects the largest budget gap (\$584 million) in FY22 and is based on stalled economic growth, decreased travel, and increased teleworking practices (see Box 1).⁸

IMAGE 2

BOX 1: THE THREE MBTA ECONOMIC SCENARIOS

The MBTA developed three economic scenarios to help inform the Forging Ahead process. The agency adopted Economic Scenario 3, the worst case scenario, for its budget projections. This scenario estimates similar or lower ridership than today in July 2021 when many expect a significant uptick in transit demand to occur. This conservative approach could backfire on the MBTA and result in insufficient or lack of service when people return to the workplace, which could have long-term impacts on the mobility and transit demand within the region.

- **SCENARIO 1 (2021-2023):** Under this scenario, economic, demographic, and mobility patterns gradually return to mostly pre-COVID conditions with few changes in travel behavior and only slight increases in the number of teleworkers.
- **SCENARIO 2 (2021-2023):** Under this scenario, travel patterns diverge from economic recovery as consumers and employees adapt to a new normal especially in light of new and emerging remote meeting and e-commerce technologies.
- **SCENARIO 3 (2021-2023):** Under this scenario, the economic impacts of COVID continue to depress travel and mobility for a longer period of time, especially on the MBTA. Telecommuting becomes the standard practice for the foreseeable future.

SOURCE: [Scenario Planning for MassDOT and the MBTA, October 16, 2020 – Draft for October 19, 2020 Board Meeting](#)

The ridership projections used in Economic Scenario 3 assume similar or lower transit demand in 2021 than the system has today (see Table 3). This assumption provides an unrealistic picture of future service demand and fare revenue recovery. It also presupposes delayed COVID-19 abatement and economic recovery, as well as a considerable amount of teleworking and mode shift.

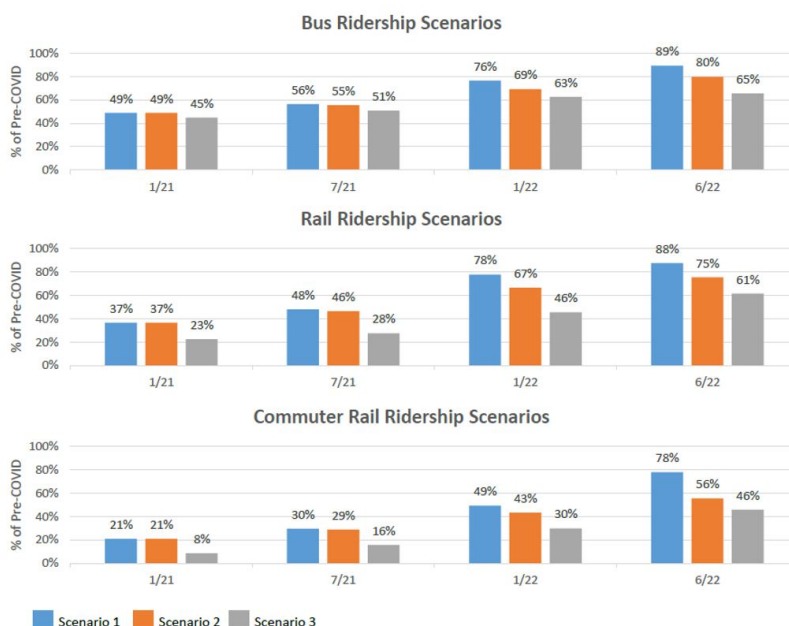


FIGURE 3: MBTA ECONOMIC SCENARIO RIDERSHIP PROJECTIONS

8. <https://cdn.mbta.com/sites/default/files/2020-10/2020-10-19-fmcb-14-economic-scenario-planning-accessible.pdf>

Recent employee and employer surveys indicate a different trend, which is that workers want to return to their physical workplace (with some flexibility) when the economy re-opens and that they plan to return to the same mode they used prior to the pandemic when they do (see Box 2). Further, with the announcement of several potential vaccines, there are solid indications that the pandemic could come to an end earlier than anticipated, provoking an earlier economic recovery.

TABLE 3: FORGING AHEAD RIDERSHIP PROJECTIONS OUT OF SYNC WITH CURRENT INDICATORS

MODE	RIDERSHIP		
	SEPTEMBER 2020	JANUARY 2021	JULY 2021
BUS	41% to >60%	45%	51%
SUBWAY	22% to 37%	23%	28%
COMMUTER RAIL	13%	8%	16%

SOURCE: [Forging Ahead: Scenario and Service Planning, Fiscal Management Control Board, November 9, 2020](#), page 8.

The underlying assumptions the MBTA adopts for the Forging Ahead process should be realistic. While taking a conservative approach to budgeting under normal times may be prudent, underestimating revenue and overestimating budget deficits during a temporary, albeit serious crisis is needlessly detrimental to service and transformational capital investments. Boston Mayor Marty Walsh recently spoke out underscoring that the MBTA, like many struggling cities and businesses, has a responsibility to find the revenue it needs without making cuts that do not meet the city and region’s immediate needs and that “could damage our recovery.”⁹

9. <https://boston.cbslocal.com/2020/11/13/mbta-service-cuts-massachusetts-transit-boston-mayor-marty-walsh/>

BOX 2: RESULTS OF THE A BETTER CITY AND THE CITY OF BOSTON EMPLOYEE COMMUTER SURVEY AND MASSINC POLL

A BETTER CITY, in collaboration with the City of Boston, distributed an employee commuter survey in August 2020 and received over 4,200+ responses from employees at large companies and medical and academic institutions in Metro Boston.

KEY TAKEAWAYS

1. The majority of respondents plan to return to their pre-pandemic commuting habits, suggesting they view COVID disruptions will be temporary.
2. The majority of those planning to make the switch to driving indicate that their primary motivation is safety, suggesting that some amount of this behavior change could be impermanent in a post-vaccine future.
3. Eighty percent of respondents report a desire to telework more than they did before the pandemic, but only about 20% want to telework full time after their workplaces fully reopen.
4. The demographics of the survey respondents, most notably the relatively short commute distances and proximity to transit, support a lifestyle with little to no regular car usage.
5. Ten percent of subway riders and 11% of bus riders plan to switch to biking and walking, modes that are complementary to transit. This suggests elasticity within that ridership to return to transit.

MASSINC, with support from the Barr Foundation, also recently surveyed 1,340 residents across the Commonwealth about their views on the proposed MBTA service cuts, tentative funding solutions, and future commuting trends.

KEY TAKEAWAYS

1. Two-thirds of survey respondents opposed service cuts, with strong opposition from pre-COVID transit riders*
 - Commuter Rail (48%) and bus (40%) route and ferry (37%) elimination were most opposed
 - Fifty-four percent (54%) of respondents thought cuts would be unlikely to be reversed
2. Sixty-six percent (66%) of respondents favored additional support from the state to avoid cuts
3. Most pre-COVID transit riders plan to come back to public transit
 - Twenty-three percent (23%) reported they plan to use public transit every day/a few times a week post-pandemic**
4. Seventeen percent (17%) of respondents said teleworking was not an option and
 - Sixty-two percent (62%) of employed/furloughed/seeking work indicated a desire to telework a few times a week

SOURCES: A Better City, [Anticipating Post Pandemic Commute Trends in Metro-Boston](#), November 2020; MassINC, MBTA Service Cuts Poll, November 2020

NOTES: *73% of pre-COVID subway, 72% of pre-COVID bus, and 79% of pre-COVID 72%, Commuter Rail riders opposed service cuts. **27% reported using public transit every day/a few times a week pre-COVID.

PROPOSED SERVICE CUTS WOULD RESULT IN HIGH COSTS TO RIDERS AND VERY LITTLE SAVINGS

The T has an obligation to the public to ensure adequate, safe, and reliable service *today* and *tomorrow*. In Greater Boston, public transportation is one of the most important components of a successful reopening of the economy. It is the sole link—the connector—for many residents to their jobs and livelihoods. Pre-COVID-19, more than 500,000 people took 1.18 million trips on an average weekday in Massachusetts, including low-income (28.8% across all modes, 41.5% on buses and trackless trolleys) and minority riders (34.3% across all modes, 48% on buses and trackless trolleys, 41.7% on the silver line).¹⁰ During the pandemic, the MBTA has been an essential resource for frontline workers. The service scenarios the MBTA is proposing as part of the Forging Ahead process result in little savings, but come at a high cost to workers and riders, raise safety concerns, and jeopardize the region’s economic recovery.

LOST SERVICE AND LAYOFFS

The relationship between cuts and cost savings for transit service is not linear because most of the associated expenses are fixed (e.g. labor and maintenance). The MBTA expects to save \$112 million by leaning in on service cuts. The proposed changes will put a significant strain on the system (e.g. reduced or eliminated service), but will not result in proportionate cost savings. As shown in Table 4, changes to Commuter Rail service, for example, would reduce service hours by 35% and only yield a cost savings of 10%. Furthermore, some of the suggested changes will result in layoffs, take one to two years to reinstate, and necessitate substantial investments to bring back, leaving riders without critical service well beyond the pandemic.

TABLE 4: SERVICE CUTS, COST SAVINGS, AND LIKELY LAYOFFS

MODE	SERVICE CUTS	ESTIMATED COST SAVINGS	ESTIMATED LIKELY LAYOFFS
COMMUTER RAIL	35%	10%	100
FERRY ¹¹	100%	26% in FY21 100% in FY22	140
SUBWAY	39%	5%	182
BUS	15%	7%	252

SOURCES: Estimated Cost Savings: Ari Ofsevit, cost savings estimated based on NTD 2018 cost data scaled to 2021 budget. https://cms7.fta.dot.gov/sites/fta.dot.gov/files/transit_agency_profile_doc/2018/10003.pdf **Likely layoffs:** Unpublished estimates from the Public Transit Public Good Coalition, publictransitpublicgood.org.

NOTE: See Appendix I for methodology on estimated cost savings and MBTA and Commuter Rail layoffs.

The MBTA must be forthcoming with information on the number of jobs that will be cut as a result of the service level changes. Unofficial estimates show that service planning changes could result in the loss of almost 700 essential jobs across modes (see Table 4). It could cost the MBTA millions down the road to hire and train new skilled laborers. In addition, there are a number of other hidden

10. [2015-2017 MBTA Systemwide Passenger Survey](#)

11. According to Boston Harbor Cruises there are at least 140 jobs that are dependent on the MBTA contracts. Eliminating service will not only impact Ferry jobs but adversely effect other companies and services the vessels serve and provide.

costs associated with service cuts that also deserve consideration, including the costs to mothball coaches, reopen facilities, and new negotiated Ferry contracts, which should be considered when estimating the actual cost savings.¹² The MBTA acknowledges the gross savings do not include these costs but has not provided definitive figures to show the extent to which they will offset any gains.¹³

For some modes like the Ferry, the cost of temporary cuts could jeopardize the future of routes with vessels that are not owned and operated by the MBTA (Hingham direct and Charlestown service), if boats are reassigned and no longer available. For the Commuter Rail, ending weekend and evening service would result in a loss of revenue—pre-pandemic, this type of service welcomed 14,000 riders and brought in \$31,000 in revenue—and leave many weekend riders stranded without service.¹⁴ Cutting back peak hour service could result in long-term mode shift that will not only increase congestion, but also put the electrification and transformation of this mode at risk. These losses would be devastating for the employees and their families as well as the Commonwealth’s greenhouse gas emissions and future of public transit.

BOX 3: SPOTLIGHT ON BUS SERVICE DURING THE PANDEMIC

BUS SERVICE IS ESSENTIAL AND MUST BE PROTECTED FOR FRONTLINE WORKERS

A recent Boston Indicators article identified the 15 routes that have retained the highest level of ridership, noting that many of these routes run through areas that carry a higher percentage of frontline workers and underscoring the critical role bus service has played during the pandemic for essential workers. The MBTA is proposing a 5% reduction in frequency on essential routes and 20% reduction on non-essential routes, which the Boston Indicators research indicates will limit access to 1,748 transit-dependent riders and will take a toll on transit dependent communities along routes that are not deemed essential but have retained ridership during the pandemic, i.e. 70, 112 and 450.¹⁵ Some of these essential routes are already experiencing some crowding or crowding (from 9/24-11/12 at AM peak); service reductions will only exacerbate this problem potentially creating crowding a majoring of the routes. The Commonwealth must provide safe service for essential workers and cannot let them down.

Route	Avg No Crowding	Avg Some Crowding	Avg Crowded	Avg S/C	Avg No Data
14 - Roslindale Square to Heath Street	0%	0%	0%	0%	0%
15 - Fields Corner Station to Ruggles Station	47%	40%	7%	47%	7%
22 - Ashmont Station to Ruggles Station	13%	67%	7%	73%	13%
24 - Mattapan Station to Wakefield Ave & Truman Pkwy	33%	13%	0%	13%	53%
28 - Mattapan Station to Ruggles Station	0%	0%	0%	0%	0%
70 - Waltham Center to University Park (Cambridge)	7%	67%	7%	73%	20%
109 - Linden Square (Malden) to Sullivan Square	60%	40%	0%	40%	0%
111 - Woodlawn to Haymarket Station	13%	67%	20%	87%	0%
112 - Wood Island (Medford) to Wellington St (Chelsea)	80%	0%	0%	0%	20%
117 - Wonderland Station to Maverick Station	27%	53%	0%	53%	20%
201 - Fields Corner Loop via Neponset Ave	0%	0%	0%	0%	0%
216 - Quincy Center to Hough's Neck	13%	0%	0%	0%	87%
435 - Liberty Tree Mall (Danvers) to Central Square (Lynn)	40%	27%	0%	27%	33%
450 - Wonderland Station to Salem Depot	7%	0%	0%	0%	93%
455 - Wonderland Station to Salem Depot	33%	27%	0%	27%	40%

SOURCES: https://www.bostonindicators.org/reports/report-website-pages/covid_indicators-x2/2020/november/pandemic-bus-service; A Better City calculations based on crowding monitoring at AM peak (9/24-11/12)

12. Transit analysts estimate that mothballing coaches and locomotives could cost \$1 million. Furthermore, there are additional costs associated to taking the coaches out and bringing the coaches back into service. On the workforce side, re-hiring, training and other logistics comes with a cost of about \$10 million.

13. In the Forging Ahead Update presented given on November 23rd, the MBTA provided some rough figures on the cost of mothballing Commuter Rail and MBTA owned Ferry fleet (see page 19). Commuter Rail: \$750,000, dependent on how long vehicles would be out of commission; discussions will continue over the next few months; Ferry: \$650,000 for 12 months.

14. [Forging Ahead: Scenario and Service Planning, Fiscal Management Control Board, November 9, 2020](#), page 20.

15. https://www.bostonindicators.org/reports/report-website-pages/covid_indicators-x2/2020/november/pandemic-bus-service

STRANDED RIDERS

The proposed MBTA service level changes will leave thousands of riders stranded depending on mode, in particular on the Ferry and Commuter Rail, but also along bus routes set for elimination within the urban core and in the suburbs. Most of today's riders, and almost a majority of pre-COVID 19 bus and trackless trolley riders, depend on the MBTA as their primary source of transportation.¹⁶ Table 5 provides a high-level overview of proposed cuts and impacts (see Appendix II for a comprehensive overview). It surfaces a major concern with the Forging Ahead analysis on rider impacts, specifically regarding the number of projected riders. The changes will also impact some bus riders whose routes were not considered essential. Forging Ahead uses ridership data from September 2020 to calculate rider impacts, i.e. lack of access or need to divert to another mode. Ridership is down significantly since the pandemic, therefore, the MBTA should highlight the impact based on pre-pandemic ridership numbers to better illustrate the effect cuts will have longer term, post-pandemic.

TABLE 5: HIGH LEVEL OVERVIEW OF IMPACT AS A RESULT OF FORGING AHEAD (BY MODE)

MODE	IMPACT (BASED ON SEPTEMBER 2020)	IMPACT (BASED ON PRE-COVID-19)
COMMUTER RAIL		
Eliminate All Weekend Service	~14K	31K
Eliminate Weekday Service After 9PM	939	11.7K
FERRY		
Elimination of Service (Total)	803	6,673
SUBWAY		
All Lines – Loss of Post-Midnight Service	733	2,785
E-Line – Stop Service at Brigham Circle and Divert to Route 39 Bus	<1,000 Riders Diverted	4,057
BUS		
5% Frequency Reduction on Essential Routes	~130K	~308K
Eliminate or Restructure Transit-Critical Routes with Low Ridership, Including Suburban Program Subsidy	1,058** Divert 386**Lack of Access	6,794 Divert 1,444 Lack of Access
Stop Service at Midnight	1,748 Lack of Access	4,212 Lack of Access
THE RIDE		
Increase Scheduling Window From 30 to 40 Minutes	All Riders	
Changes to ADA/Premium Service Area Based on Fixed Route Eliminations/Restructuring	~50 Trips Impacted (Assume of That, ~11 Trips No Longer Made)	~18,000 Impacted (Assume of That, ~4,000 Trips No Longer Made)

SOURCE: [Forging Ahead: Scenario and Service Planning presentation to the FMCB, November 9, 2020](#), pages 51-56.

NOTE: ** Some routes have been consolidated/restructured/suspended as part of COVID-19 response and unable to count all impacted riders.

16. [2015-2017 MBTA Systemwide Passenger Survey](#)

SAFETY FIRST

The issue of safety is brought to a new level with COVID-19 and the need to provide more frequent, cleaner service to help prevent the spread of the disease is heightened. To carry riders safely through the pandemic, the MBTA redefined its crowding standards to allow for three feet of physical distance between passengers.¹⁷ This means carrying few passengers per vehicle to allow for physical distancing standards.¹⁸ The T has also instituted aggressive cleaning and disinfecting protocols.

Our ridership fell significantly and is slowly recovering

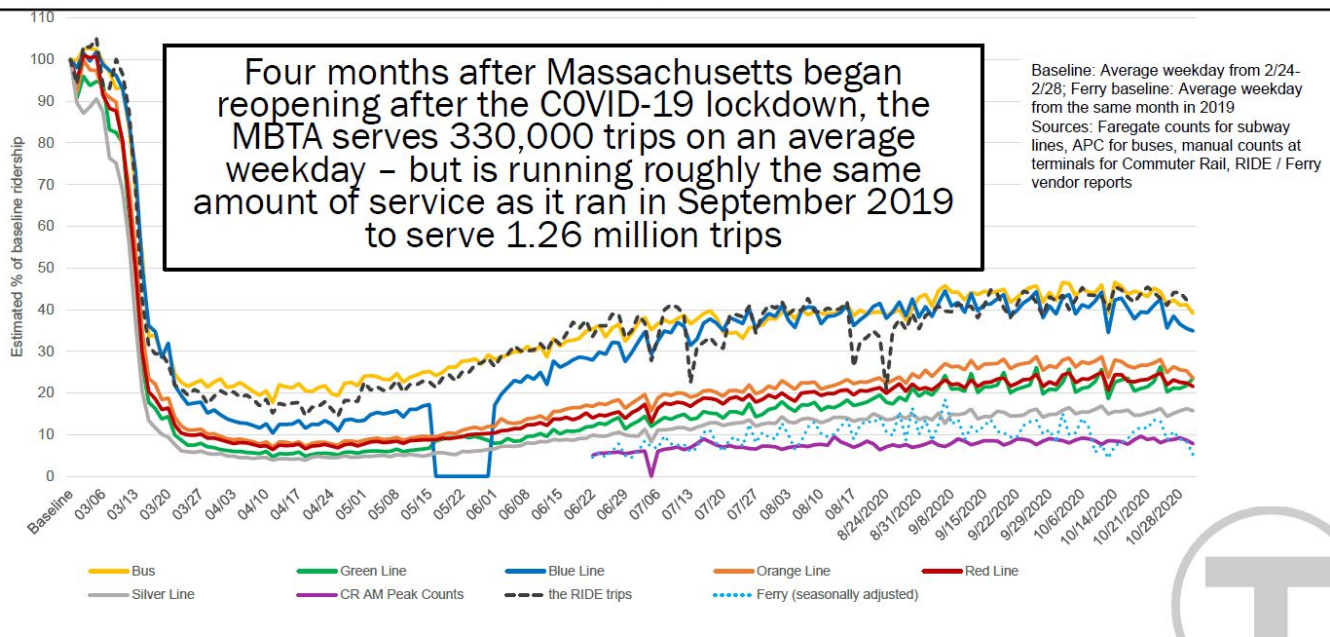


FIGURE 4: MBTA RIDERSHIP TRENDS MARCH-OCTOBER 2020

While ridership decreased by 85% at the onset of the pandemic with stay at home orders, it has increased steadily across all modes. Bus ridership has remained fairly steady throughout the pandemic and is at roughly 40% of pre-COVID-19 ridership, with some routes carrying almost 60% of baseline riders. The Subway is seeing a slow return with the highest ridership on the Blue Line (37%), followed by the Orange and Green Lines (20% and 26% respectively), and the Red Line (~22%). The Commuter Rail and Ferry were the hardest hit with many riders teleworking; ridership on the Commuter Rail is at around 13% throughout the day and 8.5% during peak hours, and ridership on the Ferry is approximately 12%.¹⁹



IMAGE 3: Photo by Jackie Ricciardi

17. MBTA standards are consistent with World Health Organization recommendations.

18. <https://www.nbcboston.com/news/local/mbta-sets-new-guidelines-for-overcrowding-as-more-riders-return/2129012/>

19. [Forging Ahead: Scenario and Service Planning, Fiscal Management Control Board](#), November 9, 2020, page 17.

Table 6 shows the temporarily redefined crowding standards and provides current ridership data as a percentage of pre-COVID ridership to illustrate demand across modes. With ridership increasing steadily, making any cuts that cannot be quickly reinstated puts the system and rider safety at risk. It also further erodes customer confidence, which is critical to seeing a robust post-pandemic return to public transit.

TABLE 6: REDEFINED PHYSICAL DISTANCING STANDARDS AND RISK AS A RESULT OF FORGING AHEAD

	PEAK LOAD COVID-19 (PER VEHICLE)	PEAK LOAD PRE-COVID (PER VEHICLE)	% PEAK LOAD PRE-COVID (A/B)	COVID AM PEAK RIDERSHIP AS % OF PRE-COVID AM PEAK RIDERSHIP	PROPOSED SERVICE CHANGE (% OF PRE-COVID SERVICE HOURS)
	A	B	C	D	E
40' BUS	20 PASSENGERS	56	36%	33%	15% (Run 85% of Pre-COVID Service)
60' BUS	31 PASSENGERS	80	39%	N/A	N/A
GREEN LINE TROLLEY	46 PASSENGERS	100	46%	12%	30% (Run 70% of Pre-COVID Service)
RED LINE CAR	66 PASSENGERS	165	40%	14%	
ORANGE LINE CAR	62 PASSENGERS	141	44%	15%	
BLUE LINE CAR	42 PASSENGERS	86	49%	24%	

SOURCES: <https://www.nbcboston.com/news/local/mbta-sets-new-guidelines-for-overcrowding-as-more-riders-return/2129012/>; Forging Ahead: Scenario and Service Planning, Fiscal Management Control Board, November 9, 2020.

NOTE: Column D does not represent peak load, and is therefore not an “apples to apples” comparison to Column C, but it does illustrate current peak ridership (6AM) as a percentage of pre-COVID-19 ridership. Column D was calculated using the September 2019 and September 2020 data presented on pages 28-33 of Forging Ahead: Scenario Service Planning, as follows: Bus – 21,000 = 7,000; Green Line – 2,500 = 300; Red Line – 14,000 = 2,000; Orange Line – 10,000 = 1500; Blue Line – 3,700 = 900.

JEOPARDIZING THE ECONOMIC RECOVERY

The long-term impacts of service changes cannot be understated—they will cost both the MBTA and the regional economy. They will leave riders without an alternative source of public transit for years to come, forcing a mode shift to single occupancy vehicles, reversing progress to modernize parts of the system, in particular the Commuter Rail, and derailing efforts to achieve greenhouse gas emission reduction goals. In the MBTA’s press release on service planning changes, Secretary Pollack noted that “Using limited resources to operate nearly empty trains, ferries, and buses is not a responsible use of the funding provided to the MBTA by riders, communities, and taxpayers, and does not help us meet transportation needs of our region.”²⁰ While this seems prudent on the surface, the reality is that the MBTA cannot immediately restore service once it’s eliminated.

20. <https://www.mbta.com/news/2020-11-09/mbta-releases-proposed-service-changes-match-new-ridership-patterns>

In some cases, as noted by the MBTA in its Forging Ahead presentations, service cuts could take one to two years to reinstate. We cannot reestablish our economy unless there is robust and equitable access to safe, reliable public transportation.

FORGING AHEAD DESERVES A DIFFERENT TIMELINE

Finally, the timeline for Forging Ahead outpaces vital information on ridership, public health, and the economy that the MBTA should take into consideration before changes to service. Service cut proposals are based on back of the envelope calculations for cost savings and do not include costs to put service on hold or reinstate service down the line. The FMCB and public are being asked for input to make decisions in mid-December 2020 regarding service level packages that will be implemented primarily in the summer of 2021. The MBTA's budget for the current fiscal year is in solid shape due to the federal transit funds delivered from the CARES Act (\$830 million) of March 2020, and there are too many unknowns to move forward with a decision now. Rather than reduce service and capital investment, the MBTA should avoid instituting unnecessary service changes that will have long-term detrimental impacts on the service and the economy.

Timeline for Service, Budget, and Capital Decisions

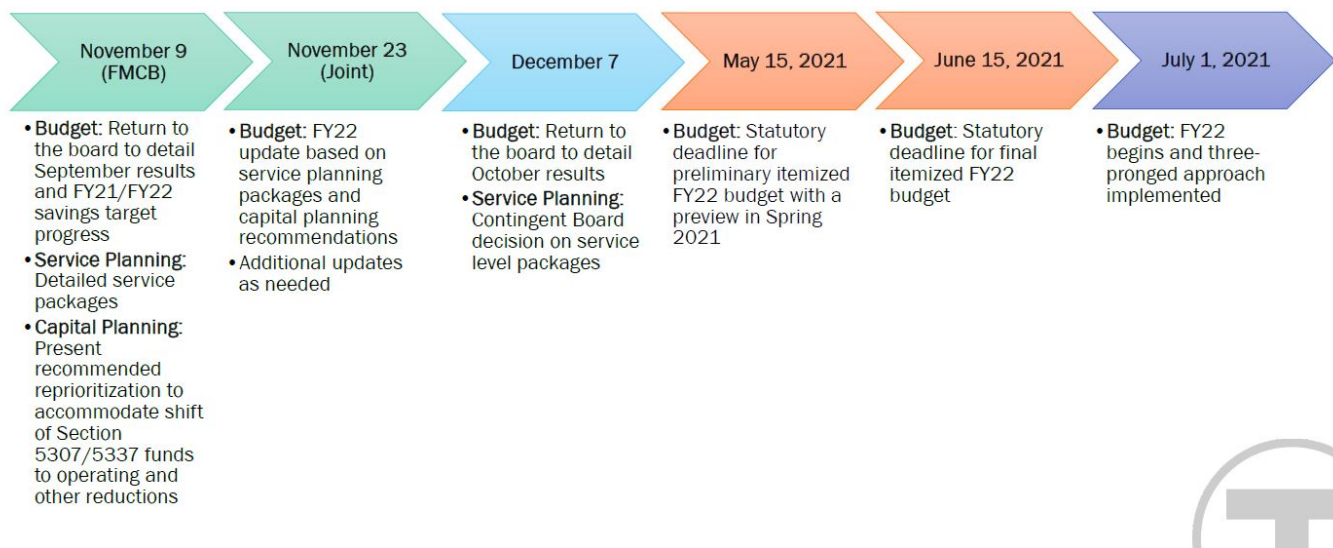


FIGURE 5: FORGING AHEAD TIMELINE



CONCERNS REGARDING THE MBTA'S BUDGET PRIORITIES

Before the pandemic, the MBTA originally projected to collect \$700 million in fares in FY20. With the influx of \$830 million in federal relief funds from the CARES Act in March 2020, the MBTA approved a plan to spend these federal funds over 15 months (between April 2020 and June 2021). During this past summer, the MBTA started a new effort to stretch this CARES Act funding into FY22 through spending reductions and internal agency savings goals. Today, as part of the Forging Ahead process, the budget gap is now anticipated to be \$584 million for FY22 using Economic Scenario 3. To close this gap, the MBTA is proposing cost savings in three main areas: departmental and programmatic, capital reallocation, and service level planning.

BOX 4: FORGING AHEAD COST SAVINGS APPROACH

CAPITAL REALLOCATION: \$514M

Shifting federal formula funds (Section 5307/5337) from the capital budget to the operating budget for eligible preventative maintenance spending and moving eligible employee salaries into the capital budget

DEPARTMENT/PROGRAMMATIC: \$138M

Implement internal non-service cost saving actions and increase revenue where possible, beginning in FY21 to ensure implementation before the start of FY22

SERVICE LEVEL PLANNING: \$112M

Initiate “Forging Ahead” service planning process to prioritize and protect essential services while cutting spending on currently underutilized services

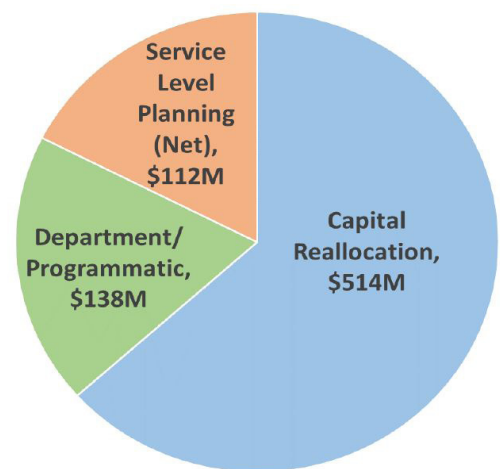


FIGURE 6: MBTA FORGING AHEAD COST SAVINGS APPROACH

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

ADDRESSING THE ONGOING OPERATING BUDGET CHALLENGES THROUGH FORGING AHEAD UNDERMINES THE COMMONWEALTH'S TRANSIT SYSTEM

The MBTA should not be using the pandemic to address its long-term budget challenges. Instead, the MBTA should address the immediate needs of the pandemic. Unfortunately, the Forging Ahead exercise appears to target budget problems that would occur in future years and well beyond the time of restrictions of the COVID-19 pandemic.

In August 2020, prior to establishing the Forging Ahead exercise, the MBTA released a new “Pro Forma” financial assessment that showed a five-year projection of revenue versus expenses for the MBTA. It showed that the MBTA likely will be facing a significant operating budget deficit ranging from \$300 million to almost \$500 million in each year between FY22– FY25.²¹ The Pro Forma also

21. The numbers in Figure 7 show the operating budget deficit would be roughly translate to \$100 million in FY23, \$160 million in FY24, and \$230 million in FY25.

provided “pre-COVID revenue” assumptions, confirming that the MBTA would be facing a budget gap, even in a stronger economic climate.

This is why any temporary service cuts and associated layoffs related to the Forging Ahead process could be very difficult to restore after the pandemic. The MBTA already expected to face a large budget deficit every year through FY25, so any transit service cuts made during the pandemic should be viewed as a permanent cut to MBTA service.

Five-Year Pro Forma Projection (as of August 2020)

Numbers may change as all assumptions and variables are subject to revision as the authority receives new or updated information

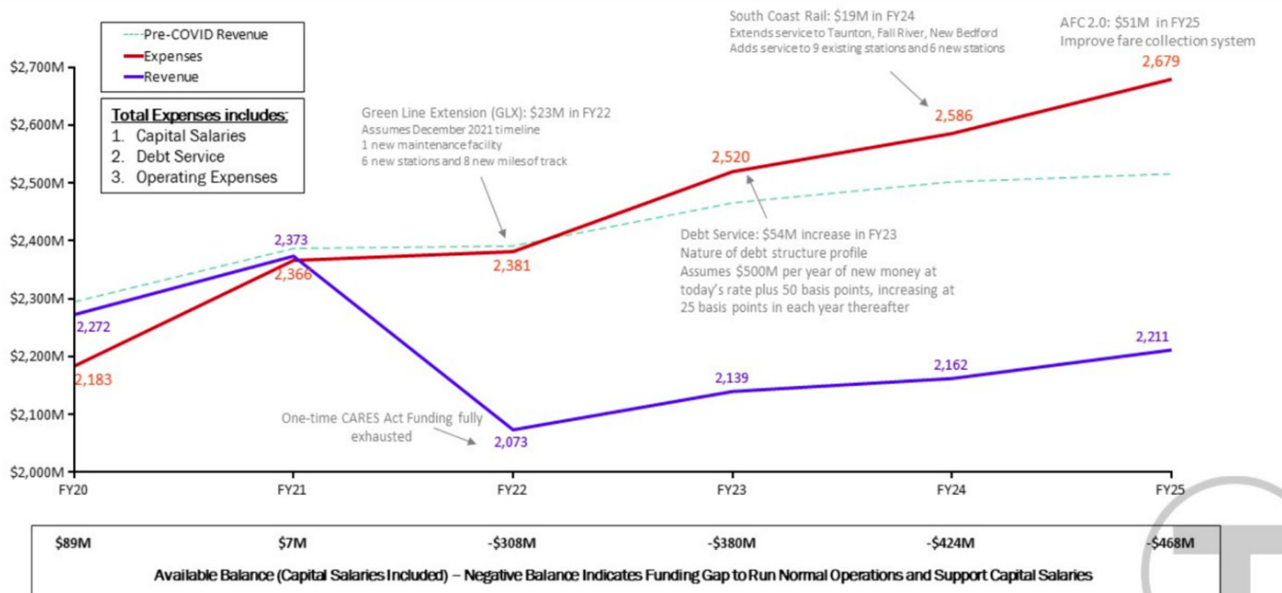


FIGURE 7: MBTA FIVE-YEAR PRO FORMA PROJECTION (AS OF AUGUST 2020)

YEAR	PROJECTED MBTA DEFICIT UNDER “PRE-COVID REVENUE” ESTIMATES (AS SHOWN IN THE BLUE CIRCLE FOR FY22 -FY25) (\$M)
FY22	-
FY23	\$100
FY24	\$160
FY25	\$230

MBTA OPERATING BUDGET CHALLENGES WERE PREDICTED PRE-PANDEMIC

A structural operating budget deficit at the MBTA is not a surprise and is consistent with the findings from A Better City’s previous transportation finance reports and analysis. In February 2019, A Better City released “[An Update on Transportation Finance](#)” that examined the costs, available resources, and additional resources required to maintain our existing transportation system over the next ten years, with a specific look at the MBTA.

This modeling predicted the MBTA would face “growing operating budget deficits over the next ten years, reaching \$142 million in 2024 and more than \$300 million in 2028, even when assuming

regular fare increases and favorable borrowing conditions.”²² This projected budget challenge would occur in part due to the increased debt necessary to reach the MBTA’s Strategic Plan spending goals, higher debt service impacts on the authority’s operating budget, and expected projected growth in operating budget costs.

While the current MBTA Pro Forma is a preview of the budget challenges that could occur through FY25, it is another example that confirms the findings from A Better City’s work and supports the argument that the MBTA will eventually require a new comprehensive revenue plan to address the operating and capital budget needs of the system.

PRIORITIZING SERVICE CUTS OVER FEDERAL FUNDING HURTS THE MBTA

Transit agencies across the nation are taking an aggressive stance on the need for federal funding to address massive operating budget deficits associated with the pandemic. The MBTA has joined other transit heads in their calls to action, but the T’s voice has by no means been the loudest. Potential action is possible under the current Congress or during the early days of the Biden Administration, so there is reason to be optimistic that another round of federal transit aid may arrive before June 2021.

Despite expectations of another federal transit aid package, the T is focused on permanent cuts to service even if federal funding arrives. MassDOT and MBTA officials have suggested that another round of federal funding would not prevent transit service cuts next year. It is appropriate and realistic for the federal government to help solve the nationwide public transit budget crisis, so the MBTA should wait on future service cuts to see how this proposal develops over the next few months.

Just this week, a new federal recovery proposal gained momentum through a bipartisan Senate plan that includes another \$15 billion for transit systems.²³ This level of funding could mean roughly \$500 million to the MBTA. While there are certain legislative and political hurdles before this federal funding becomes law, it is another reason to believe the federal government will support additional funding that protects public transit. The MBTA received federal transit funding through the CARES Act from March. Only a few months later, the HEROES Act passed the House, which included funding to aid transit systems. Throughout the summer and fall, Congressional leaders have shared proposed recovery plans that consistently include aid to support transit systems. The MBTA could continue to support calls for this money instead of suggesting cuts will take place even if federal support arrives.

MBTA service cuts appear inevitable, regardless of a federal bailout

Transit officials say that many planned widespread reductions may happen even if Congress sends more aid because ridership is so low

By **Adam Vaccaro** Globe Staff, Updated November 13, 2020, 9:56 a.m.



FIGURE 8: MBTA SERVICE CUTS APPEAR INEVITABLE REGARDLESS OF A FEDERAL BAILOUT

22. A Better City (2019), An Update on Transportation Finance
23. <https://www.amny.com/news/137525858/>

BUDGETING APPROACH PUTS THE STATE OF GOOD REPAIR AND LONG-TERM CAPITAL INVESTMENTS IN JEOPARDY

Forging Ahead takes a risky approach regarding capital infrastructure needs at the MBTA. This is short-sighted and leaves key modernization projects that are necessary for the region's future economy unfunded. This "capital reallocation" strategy would result in budget savings of \$514 million through a shift of federal funds from the capital budget into the operating budget. There would then be actions that transfer the cost of some employee salaries out of the operating budget and into the capital budget.²⁴ Operating budget challenges cannot overshadow the capital infrastructure needs of the transit system; however, with limited options for closing next year's MBTA budget gap, the proposed capital reallocations may be unavoidable for FY22.

To minimize concerns with the approach, the FMCB should make a commitment that budgetary maneuvering to eliminate or delay capital projects would only be a one-time solution and publish an updated assessment on the infrastructure needs of the system. The MBTA must avoid a return to the troubling budgetary practices of the past that ultimately created the \$10 billion State of Good Repair (SGR) backlog. The FMCB should set a clear schedule that evaluates the updated schedule for SGR spending plans, how new funding will be generated, how the reallocated capital funds will be replenished, and how Massachusetts can generate the financial resources necessary to eliminate the SGR backlog to preserve the safety and integrity of the MBTA infrastructure.

BOX 5: MBTA SAFETY REVIEW PANEL REPORT FINDINGS

After the derailment of the Red Line in June 2019, the FMCB created the Special Safety Review Panel to examine the safety policies of the MBTA. The panel found that the MBTA's relentless operating budget cutbacks may have contributed to the T's 2019 mainline subway incidents. They also raised concerns about the competing nature of the operating and capital budgets at the MBTA:

"There is a huge organizational focus on capital delivery and expansion. Expansion of the capital program only increases operating budget needs; increasing annually appropriated supplemental funds for capital sets up a conflict for Operations

and increases the risks of not keeping legacy system assets in a state of good repair."²⁵ For more information, A Better City released a White Paper on the MBTA Safety Review Panel Report in February 2020, which explores the findings in more detail.



MBTA Red Line Derailment, June 2019. Photo: Boston Fire Dept.

FIGURE 9: MBTA SAFETY REPORT

24. FMCB FY21-FY22 Budget: Monthly Update, slide 26
25. MBTA Special Review Panel report, page 32

Transformation

How will the Transformation projects be changed?

- Next year, MassDOT/MBTA plan to issue a five-year FY22-26 CIP, reflecting updated funding sources and uses aligned with COVID scenario planning.
- Through the FY22-26 CIP development process, the MBTA expects to revisit scope, timeline and expectations for major transformation programs, including:
 - **Green Line Transformation:** Reassessing approach and timeline for full fleet replacement and capacity expansion given financial realities and uncertain ridership return.
 - **Rail Transformation:** Rail investments are proposed to focus on “no regrets” investments while Rail Vision is re-imagined to align with current service projections. Fleet investments proposed to scale back until customer demand and capacity needs are better understood, planning will continue for future fleet.
 - **Bus and Bus Facilities:** Plan to reassess fleet replacement plan to focus on high-impact investments (Silver Line Replacement, Battery Electric bus procurement), construction of Quincy Bus Garage, and upgrades to N. Cambridge Bus Garage to accommodate electric vehicles.
 - **Red Line/Orange Line Program:** The RL/OL program will continue to invest over \$1B in new vehicles, signals, and infrastructure, including nearly \$240M in signals and \$196M in infrastructure improvements. Funding to begin planning and design for the Orange Line SW Corridor Slab Replacement (P0675) remains in the CIP for \$7.5M (FY21-25).



FIGURE 10: MBTA FORGING AHEAD IMPACTS ON TRANSFORMATION PROJECTS

There are key transportation projects, such as the Red-Blue connector, an electrified regional Commuter Rail system, an all-electric bus fleet, and improved maintenance facilities that could be supported in part by federal funds, but this will not happen without additional capital spending at the MBTA in the immediate future. The FMCB should also be calling for a focused, accelerated effort to move these transformational capital projects through the design phase so projects are ready to receive federal construction funds and we are not caught flat-footed when federal funding becomes available.

AVOIDING A CANDID CONVERSATION ABOUT NEW TRANSPORTATION REVENUE IS DETRIMENTAL

The House Transportation Finance bill is a starting point and should be advanced with specific requirements that prevent transit service cuts in FY22.

BOX 6: PROPOSED NEW REVENUE STREAMS FOR THE MBTA

REVISITING THE HOUSE'S TRANSPORTATION FINANCE BILL AND REVENUE PLANS FROM LEADERS ON BEACON HILL

In March 2020, the Massachusetts House of Representatives passed a Transportation Finance bill that would potentially generate \$600 million in new annual revenue. This bill would increase the state gas tax by 5 cents per gallon, increase fees on Uber/Lyft rides, close a loophole on rental car sales, and increase the corporate minimum taxes. The MBTA stood to directly benefit from this bill, as the House called for a portion of the increase in Uber/Lyft fees to be sent directly to the T. Governor Baker also has proposed similar increases on Uber and Lyft ride fees in order to increase support the MBTA. Just before Thanksgiving, the State Senate proposed an increase in Uber/Lyft fees as part of the state budget deliberations. The Senate's plan sends the funding to the Commonwealth Transportation Fund, which could then be sent to the MBTA, but this is another sign that the House, Senate, and Governor are all in support of increased transportation revenue that could be used to avoid MBTA service cuts. The debate over Uber/Lyft fees should be resolved before the legislative session ends on December 31, 2020. If these proposals are not finalized in December 2020, they still could become law next year, before FY22 begins.

RECOMMENDATIONS

A Better City continues to oppose the proposed service cuts and to call upon the MBTA and MassDOT to delay a vote on transit service reductions that impact FY22. Steps that control costs, establish department savings targets, and reallocate funding to assist the operating budget needs should proceed, but service cuts that could take months or possibly years to restore should be taken off the table immediately. A delay would allow for clarity to emerge from the federal government on additional federal relief, give the state legislature time to finish their work in the current legislative session, and allow the MBTA to learn more about employee commuting forecasts and the timing of vaccine deployment.

The Forging Ahead exercise does not propose new revenue but rather focuses on cost savings and reallocation of capital maintenance funds. This risky approach is short-sighted and leaves key modernization projects that are necessary for the region’s future economy unfunded. The four ideas presented below should be considered to maximize all the dollars available at the MBTA, help solve the T’s structural deficit issues, and provide capital to move forward with many of the transformational projects identified in MassDOT’s Focus40 and the Governor’s Commission on the Future of Transportation report, which have widespread support. Massachusetts should be initiating funding plans to meet the region’s transportation needs for the next two years *and* the next two decades.

ALTERNATIVE APPROACHES TO RAISE REVENUE AND AVOID SERVICE CUTS

A Better City recommends the MBTA consider the following alternative approaches to secure a balanced budget in FY22, representing over \$300 million of additional revenue. We should wait before moving ahead with service level planning changes until the issues in the state budget are finalized. Some of the alternatives could occur this month, but may not be finalized for a few months. However, there are enough choices the MBTA could take right now to offset the \$112 million in cost savings proposed from transit cuts.

TABLE 7: ALTERNATIVE APPROACHES TO FILL THE BUDGET GAP AND AVOID SERVICE CUTS

A BETTER CITY RECOMMENDED SOLUTIONS	FY21 (\$M)	FY22 (\$M)	TOTAL FY21 & FY22 (\$M)
1. USE ECONOMIC SCENARIO 2		101	101
2. USE UPDATED NUMBERS FROM STATE BUDGET			
<ul style="list-style-type: none"> Updated Sales Tax Transfer to MBTA 	19		19
3. WAIT FOR RESOLUTION ON TRANSPORTATION FINANCE PROPOSALS			
<ul style="list-style-type: none"> Increased Surcharges on TNC (i.e. Uber/Lyft) Fees 		56	56
<ul style="list-style-type: none"> Increased Gas Tax* 		80	80
4. ASSUME REIMBURSEMENT OF ELIGIBLE COVID COSTS		44	44
TOTAL REVENUE	19	281	300

*See Box 6 for details on the House Transportation Finance bill. Recommendation 3 assumes half of the gas tax revenue from the plan would be sent to the MBTA, with the other half being used for non-MBTA transportation investments.

RECOMMENDATION 1: USE ECONOMIC SCENARIO 2 WHICH ASSUMES HIGHER RIDERSHIP AND REVENUE COLLECTION (\$101 MILLION)

Using Economic Scenario 2 is appropriate for budgetary and ridership projections. The MBTA developed three economic scenarios to inform the Forging Ahead budget exercise. It is currently using Economic Scenario 3— the “worst case” scenario. We believe Economic Scenario 2 uses more realistic ridership and economic recovery projections, which also generate \$101 million more in fare collection revenue before the end of FY22 than Economic Scenario 3. These higher revenue projections could be used to lower the budget deficit and avoid service cuts. There are strong indications to support this switch, including recent employee survey results indicating strong desire to return to public transit and a widespread vaccination effort on the horizon that could bring the pandemic to an end.

RECOMMENDATION 2: USE UPDATED NUMBERS FROM THE STATE BUDGET TO ACCOUNT FOR ADDITIONAL REVENUE FOR THE MBTA (\$19 MILLION)

The official version of the state’s FY21 budget includes higher funding amounts than previously planned for the MBTA. The legislature unveiled their final FY21 state budget bill on December 3rd. It includes an additional \$19 million from higher sales tax revenue collections that is earmarked for the MBTA. Forging Ahead uses a lower sales tax revenue figure based on preliminary estimates, which can now be updated to reflect the additional \$19 million, lowering the future budget deficit.

RECOMMENDATION 3: WAIT FOR THE CURRENT LEGISLATIVE SESSION TO END TO LEARN OUTCOME OF TRANSPORTATION FINANCE PROPOSALS (UP TO \$136 MILLION)

The FMCB should avoid service cuts and wait to vote on potential service cuts until the end of the current legislative session. Governor Baker, the House, and Senate each support increasing revenue from surcharges on Transportation Network Companies (TNC) (i.e. Uber/Lyft rides). This policy change should be resolved before the legislative session ends on Dec 31, 2020. The Senate voted to generate \$56 million in FY22 from TNC fees, while the House Transportation Finance bill supports a similar approach and dedicates the new revenue directly to the MBTA. The House bill also supports an increase in the state gas tax, a portion of which could result in an additional \$80 million for the MBTA next year.²⁶ The operating budget deficit at the MBTA is another reason why the legislature should pass these transportation revenue components of the House Transportation Finance bill.

RECOMMENDATION 4: ASSUME ADDITIONAL REIMBURSEMENTS FOR COVID-RELATED EXPENSES (UP TO \$44 MILLION)

The MBTA can assume FEMA reimbursement for some COVID-19 related expenses in the FY22 budget projections. The MBTA identified additional COVID-related cleaning and PPE costs in FY22 estimated to cost \$58.4 million, which are eligible for reimbursement by FEMA (75% rate of reimbursement). This would result in an additional \$44 million that could be applied to the FY22 budget. The MBTA has not yet earmarked this revenue for FY22.

26. This assumes half of the gas tax revenue from the bill would be sent to the MBTA, with the other half used for non-MBTA transportation investments.

CONCLUSION

The MBTA's Forging Ahead proposal is based on the worst-case scenario on all fronts: economic outlook, transit demand, and COVID-19. It relies on capital reallocation, service changes, and internal controls to solve the expected budget gap and fails to offer an alternative solution that keeps service running. As shown in this study, there are in fact a number of strategies that are within the MBTA's current control to solve next year's budget challenge. There are also opportunities for the state legislature to increase support for the MBTA, as well as the real possibility of a federal bailout and future federal infrastructure investments.

A Better City urges the MBTA to consider the above strategies before going down a path of deep and broad service cuts that cannot be easily or quickly restored. The proposed service cuts would hinder our region's economic recovery and ensure the negative ripple effects of the pandemic far outlast those of the virus itself. It's not too late to consider a change in course—the FMCB should pause before voting on transit service reductions that impact FY22. This more deliberative, strategic approach would allow for clarity to emerge regarding additional federal transit relief and vaccine deployment. Transit cuts are avoidable and should not be approved at this time.

Last April, MBTA General Manager Poftak declared “this is a challenging time and MBTA employees are essential people moving essential people.” This statement was true at the beginning of the pandemic, it continues to be accurate today, and will still be the case next year. The actions from the Forging Ahead plan will test this commitment. Transit is essential in Massachusetts, and the future of our public transit system, regional economy, and environment are at risk. The MBTA should make every effort to avoid cuts and meet the needs of our workers, economy, and communities in the region as we emerge from the pandemic in the coming months.

APPENDIX I

METHODOLOGY FOR COST SAVINGS AS PRESENTED IN TABLE 4

The cost savings by mode were calculated by Ari Ofsevit using MBTA and National Transit Database figures. The steps are shown below.

The Forging Ahead Service Scenario presentation provided data on how many service hours the T will continue to operate for each mode:

- 35% for Commuter Rail
- 30% for Rapid Transit
- 15% for Bus

It also shows the savings for cuts to each mode:

- \$45 million for Commuter Rail
- \$32 million for Rapid Transit
- \$38 million for Bus

The National Transit Database provides data on the operating cost for each mode:

- Commuter Rail: \$372 million
- Rapid Transit: \$515 million
- Bus: \$481 million

These numbers were adjusted to account for 16% growth in the T's budget since 2018:

- Commuter Rail: \$432 million
- Rapid Transit: \$597 million
- Bus: \$558 million

The amount saved as reported by the MBTA was then divided into the total operating budget by mode:

- Commuter Rail: \$45 million / \$432 million = 10%
- Rapid Transit: \$32 million / \$597 million = 5%
- Bus: \$38 million / \$558 million = 7%

METHODOLOGY FOR MBTA, COMMUTER RAIL, AND FERRY JOB LOSSES AS PRESENTED IN TABLE 4

MBTA and Commuter Rail estimates are unpublished estimates by the Public Transit Public Good Coalition. Ferry losses are based on workforce at 2019 peak service.

MBTA

The Public Transit Public Good Coalition (PTPG) estimates that if Forging Ahead is implemented as planned, related Public Transit Public Good Coalition MBTA job losses could reach 460. To estimate the extent of potential job losses from planned service cuts, PTPG first calculated total cuts to regular wages from a graphic representation in the MBTA's presentation of 'Potential Gross Annual Savings from Service Packages.' Then, we divided the total wage cuts

by the weighted average 2019 salary of all full time MBTA employees. These estimates are based on limited public information provided by the MBTA and may be revised. See Laurel Paget-Seekins and Kat Benesh, “Forging Ahead: Scenario and Service Planning,” Fiscal and Management Control Board, November 9 2020,” slide 45, at <https://cdn.mbta.com/sites/default/files/2020-11/2020-11-09-fmcb-N-forging-ahead-service-scenarios-accessible.pdf>; and Statewide Payroll, Massachusetts Bay Transportation Authority, 2019, [http://cthrupayroll.mass.gov/#!/year/2019/full_time_employees,others/pay1,pay2,pay3,pay4/explore/0-0-0-0/departement_division/Massachusetts+Bay+Transportation+Authority+\(MBT\)/0-barChart-0/position_title](http://cthrupayroll.mass.gov/#!/year/2019/full_time_employees,others/pay1,pay2,pay3,pay4/explore/0-0-0-0/departement_division/Massachusetts+Bay+Transportation+Authority+(MBT)/0-barChart-0/position_title)

COMMUTER RAIL

The Public Transit Public Good Coalition estimates that if Forging Ahead is implemented as planned, related Commuter Rail job losses could reach 130. PTPG’s first step in estimating Commuter Rail job cuts was to assume the same proportion of total Commuter Rail workforce would be cut as we estimated for the MBTA-operated modes (6.9%). Next, because—unlike savings from MBTA-operated services—the Commuter Rail cuts included reductions in rolling stock, we adjusted our initial job loss number, reducing it by our estimate of the proportion of Commuter Rail savings attributable to vehicle reduction, 22% (we estimated \$10 million of \$45 million total cuts was attributable to reductions in coaches and locomotives). These estimates are based on limited public information provided by the MBTA and may be revised. See Laurel Paget-Seekins and Kat Benesh, “Forging Ahead: Scenario and Service Planning,” Fiscal and Management Control Board, November 9 2020,” slide 51, at <https://cdn.mbta.com/sites/default/files/2020-11/2020-11-09-fmcb-N-forging-ahead-service-scenarios-accessible.pdf>

APPENDIX II

TABLE 8: OVERVIEW OF IMPACT AS A RESULT OF FORGING AHEAD (BY MODE)

MODE	IMPACT (BASED ON SEPTEMBER 2020)	IMPACT (BASED ON PRE-COVID-19)
COMMUTER RAIL		
End Foxboro Pilot & Old Colony Late Night	N/A	2K
Eliminate All Weekend Service	~14K	31K
Eliminate Weekday Service After 9PM	939	11.7K
Reduce Midday Trains	16K Frequency	5.7K
Reduce Peak Service by 18%, Including Reduction of Locomotives (8) and Coaches (50)		97.9K
Station Closure	<50	200
FERRY		
Elimination of Service (Total)	803	6,673
<ul style="list-style-type: none"> Direct Hingham (F1) 	279	4,183
<ul style="list-style-type: none"> Hingham/Hull Local (F2H) 	314	1,350
<ul style="list-style-type: none"> Charlestown/Boston (F4) 	210	1,230
SUBWAY		
All Lines – Loss of Post-Midnight Service	733	2,785
E-Line – Stop Service at Brigham Circle and Divert to Route 39 Bus	<1,000 Riders Diverted	4,057
Reduce Frequency by 20% on All Lines	~120K	~497K
Reduce Off-Peak Frequency by an Additional 20% on All Lines		
BUS		
5% Frequency Reduction on Essential Routes	~130K	~308K
10% Reduction on All Non-Essential Routes	~31K	~100K
10% Additional Reduction on All Non-Essential Routes		
Eliminate or Restructure Bottom-Right Box Routes, Including Suburban Program Subsidy	1,058** Divert 386** Lack of Access	6,794 Divert 1,444 Lack of Access
Eliminate Redundant Routes that are Within ¼ Mile of Bus or Rapid Transit ²⁷	2,283** Divert	8,601 Divert
Consolidate Routes ²⁸	N/A** Lack of Access	68 Lack of Access
Stop Service at Midnight	1,748 Lack of Access	4,212 Lack of Access
Eliminate Very Low Ridership, Redundant Options on Portion of Most Routes ²⁹	134** Divert 54** Lack of Access	914 Divert 170 Lack of Access
Eliminated Routes ³⁰	Divert: <6,000 Riders	
THE RIDE		
Increase Scheduling Window from 30 to 40 Minutes	All Riders	
Changes to ADA/Premium Service Area Based on Fixed Route Eliminations/Restructuring	~50 Trips Impacted (Assume of that, ~11 Trips No Longer Made)	~18,000 Impacted (Assume of that, ~4,000 Trips No Longer Made)

SOURCE: Forging Ahead: Scenario and Service Planning presentation to the FMCB, November 9, 2020, pages 51-56.

NOTES: *Implementation timing for lever on Blue Line may need to be adjusted based on state and federal guidelines in regards to social distancing; ** Some routes have been consolidated/restructured/suspended as part of COVID-19 response and unable to count all impacted riders.

27. Fully redundant: 325, 326, 456; Within ¼ mile of alt.: 43, 55, 68; Within ¼ mile of alt. (post-GLX): 80, 88 (consolidate 88 & 90, extend to Clarendon Hill)

28. 62/76, 84/78, 214/216, 352/354, 501/503, 502/504

29. Eliminate: 18 (w/in ¼ mile of Red Line), 170, 221, 428, 434, 716

30. 25 routes to be eliminated