



Here's Why MTF Supports FMCB's Vote on Fare Hikes

Today's fare hike vote by the Fiscal and Management Control Board (FMCB) illustrates why creation of the Board was so critical to the T's turnaround and why the Massachusetts Taxpayers Foundation supports the steps the FMCB has taken to date. Bold action is necessary to fix the T. This temporary SWAT team is essential for the T to make the difficult choices needed to control its operating budget and direct these savings to capital investments. Absent these infrastructure improvements, weary riders will continue to grapple with unreliable service.

Why the Fiscal and Management Control Board?

The Foundation's report, [*The T: The End of Its Line*](#) catalogued the T's unsustainable operating budget and the rapid deterioration of its infrastructure. The Governor's Special Panel confirmed the Foundation's analysis while uncovering major management failures in procurement, project management, capital spending, and rampant absenteeism among other issues.

But the T's failures are not from a lack of identifying its many problems, or even from mandating reforms. In the past decade, there have been two comprehensive reform bills. Past efforts have fallen short during the critical implementation phase. We cannot afford to let that happen again. And that is why the Control Board is vital.

Last winter's meteorological fluke provided a stress test to our public transit system and it failed badly. At the time, the Foundation advocated for bold changes including the creation of the FMCB. The Control Board, with widespread authority, has been essential to bring the requisite focus, expertise and culture change to get the T back on track. More importantly, it removed the decision making process from the political realm while using data and performance metrics to drive decisions.

Over its first eight months, the FMCB, working with the T's management, has made remarkable headway. Utilizing an open process – more than 30 meetings to date – the FMCB has forced the T to address longstanding and widespread challenges that have plagued performance at the MBTA, commuter rail, and The Ride for years.

The progress is notable on many fronts. The T expects to reduce its operating budget gap by nearly \$90 million and plow these savings into infrastructure. For the first time in 15 years, growth in operating expenses will not outpace revenue. Absenteeism is down and own-source revenue is up. Decisions about the Green Line Extension will be tied to improved project management, better cost controls, and a comprehensive fiscal review. The T's debt and pension liabilities are under open review. The FMCB seeks to introduce innovative initiatives, such as a cashless fare collection system to replace the Charlie Card, which will save money, while improving rider convenience and service.

Can the FMCB really fix the T?

The path to a fiscally sustainable transit system is far from assured despite this initial progress, because many hard decisions remain – decisions that have been methodically avoided for decades. The FMCB voted on fare increases today and this will be followed by a vote on the FY 17 budget that may eliminate late night service and outsource some operational and maintenance services. There has been and will continue to be considerable pushback to these and other cost cutting proposals.

The FMCB must not waiver.

It must push the T to do what it takes to control its costs, manage its assets, focus on customers, and deliver transit services that rival our global competitors. After years of deteriorating service, we cannot postpone these hard choices any longer. The cost is too great.