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MBTA control board is on track

Panel should seize the opportunity to push more reforms

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**REMARKABLE PROGRESS HAS** been made since a Fiscal and Management Control Board was installed during the summer of 2015 and given powers not previously available to MBTA management. Yet those accomplishments are just a down payment on what it will take to fix the T, and the clock is ticking.

As difficult as many of the board’s decisions have been, far greater challenges lie ahead. With less than a year and a half remaining on the MBTA’s exemption from the Commonwealth’s anti-privatization law and the possibility that the Fiscal and Management Control Board could go out of existence at the same time, the board must act quickly to capitalize on the trust it has earned.

Part of the board’s charge is to balance budgets that were deeply in the red through a combination of cost controls and revenue increases. Prior to the establishment of the emergency board, T operating expenses had been rising by an average of 5 percent per year, excluding debt service. Thanks to a range of actions to control expenses, those costs actually fell in fiscal 2016.

The board has focused on reining in excessive wage and benefit costs, because they account for nearly three quarters of the MBTA’s operating budget, not including debt service, commuter rail, and paratransit services.

For example, screening for eligibility has resulted in a 40 percent drop in Family and Medical Leave Act certifications for the Carmen’s Union, to which the majority of MBTA employees belong. Overtime expenses are down by a quarter from 2013. In addition to cost savings, this action resulted in a significant decline in the number of dropped bus trips.

Outsourcing inefficient money room and warehousing and logistics operations will save $160 million over a decade and avoid another $17 million in capital costs.

The RIDE, the MBTA’s paratransit service for individuals with disabilities, is partnering with Uber and Lyft to create a first-in-the-nation pilot program that has dramatically cut per-trip costs.  Customer satisfaction is so high that the number of RIDE trips is up by nearly a quarter. But notwithstanding the increase, overall pilot costs are down.

The control board’s reforms have not been limited to cost control. Internal revenues generated from advertising, parking, and MBTA-owned real estate are up 40 percent since fiscal 2015.

Lower costs and higher revenues aren’t just numbers on a spreadsheet; they free up money to invest in improving service. Increased revenue was one of the reasons why the T could invest an additional $100 million in winter resiliency that helped make recent snowstorms an inconvenience rather than the catastrophe they were two years ago. A recently ordered fleet of new cars will significantly increase Red Line capacity.

Investment in the core infrastructure should play an increasingly significant part in the next phase of control board reforms. The MBTA must invest enough money in maintenance to chip away at its $7.3 billion backlog. Bottlenecks within the capital procurement process make it so that, shockingly, the T still cannot spend all the capital dollars it has available.

Clearing out the holdups will require a culture change in MBTA management. The recent revelation that managers have for decades used cars for free as a part of taxpayer-funded T projects highlights just how far we have to go. The cost overruns in the Green Line Extension only put an exclamation point on the problem.

T leadership needs to recruit a capital procurement team capable of spending all the capital dollars available and also taking the money freed up from reforms to effectively address the system’s maintenance and capital needs.

Gov. Baker was wise to announce that he will seek an extension to the Fiscal and Management Control Board’s tenure. The board has made a strong start, but even more urgency will be required if the critical work of fixing the T is to be completed while the tools needed to do so are still available.

Meet the Author



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