

**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
FISCAL YEAR 2016 BUDGET TESTIMONY
MAY 12, 2015**

EXECUTIVE SUMMARY

DEPARTMENT MISSION AND FUNCTION

SEPTA's core focus continues to be the delivery of safe and dependable transit services to the residents of the City of Philadelphia. The Authority continues to make the customer experience an organization priority emphasizing courtesy, cleanliness, communication and convenience. With our strategic focus on the customer and investment in the Authority's infrastructure and vehicles, ridership continues to grow throughout the SEPTA system with ridership recently at a 25 year high.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

SEPTA is pleased to submit the following testimony supporting the Authority's \$74 million FY 2016 Operating Budget request and provide an overview on initiatives and milestones achieved during the past year. The City contributes a subsidy to SEPTA, which is proposed at \$74,215,000 in the FY 16 General Fund budget. The subsidy amount will match the projected State operating subsidy as required by the Pennsylvania Act 44. The Authority's recently released FY 2016 operating budget totals \$1.36 billion and contains no fare increase along with making permanent the late night subway service on Friday and Saturday nights.

CURRENT INITIATIVES

The passage of State Act 89 provides additional resources for the Authority's Capital Program and SEPTA has launched "Rebuilding SEPTA for the Future". Highlights of the capital plan include improvements at 15th Street and City Hall Stations, new electric power substations and improvements to bus and rail maintenance facilities including roofs, boilers, fire suppression systems and employee facilities to improve their operation and working conditions for our employees. Major new vehicle procurements for City Transit Division operations include the acquisition of 525 new diesel-electric hybrid buses to be delivered over the next five years; 180 new vehicles for CCT operations to be delivered over the next three years; and modern light rail vehicles for the five subway-surface trolley routes and Route 15 on Girard Avenue. The acquisition of new vehicles is part of a comprehensive modernization program including stations, maintenance facilities, power and fare collection.

SEPTA is nearing completion of the renovation of the historic Wayne Junction Rail Station. We have worked very closely with our neighbors in the planning and scheduling of construction of this project. Last year, SEPTA worked with the City and Center City District in the renovation of transit facilities and connections as part of the Dilworth Park construction project work.

PERFORMANCE, CHALLENGES AND INITIATIVES

Construction will be completed this spring to make the Race-Vine Station on the Broad Street Subway accessible. This station serves the expanded Pennsylvania Convention Center, a major economic contributor to the City. Additional ADA accessibility improvements at 40th Street and Margaret-Orthodox Stations on the Market-Frankford Subway-Elevated and Erie Station on the Broad Street Subway are planned.

NEW INITIATIVES

With approval of the City Transit Division lease/leaseback agreement, SEPTA is making improvements in the cleaning and infrastructure renewal of the Center City Concourses. Phase 1 work is underway including replacement of escalators at 8th and 15th Streets and renovation of the elevator at 8th Street. An early action program is also underway to mitigate water infiltration and structural repairs at a number of locations throughout the concourse system.

With the New Payment Technology/SMART Card Project well underway, we look forward to a much anticipated transformation of the antiquated fare collection systems and processes currently in place. As the last major transit agency using tokens and paper transfers, the new technology will greatly enhance the convenience of fare payment in this region.

The Authority is strongly committed to DBE participation in SEPTA contracts. For contracts awarded during the last three fiscal years, DBE participation is 17.8%. SEPTA strongly feels its workforce should be representative of the region in which it serves.

STAFFING LEVELS

The SEPTA workforce of approximately 9,400 employees includes minorities at 62% and females at 20%. Since January 2012, new employees include minority hires at 62% and female hires at 25%.

OTHER BUDGETARY IMPACTS

The upcoming year will be unlike any other in SEPTA's history. In September, Philadelphia will host the Eighth World Meeting of Families and Pope Francis' first public Papal mass in the United States. More than two million attendees, including thousands of international visitors, are expected to attend the conference and Papal Mass. Ten months later, in July 2016, thousands of delegates and visitors from all fifty states will arrive in Philadelphia for the Democratic National Convention.

Our region was chosen to host these important events in large part because of SEPTA's extensive transit network and the demonstrated commitment of our employees. The eyes of the world will be on Philadelphia, and SEPTA staff is already working with City and regional officials to ensure that both events are a resounding success.