

## **MTA Must Look at Wide Range of Expenses to Cut Cost of Bus Operations, Report Says**

(November 19) If the MTA is to cut the cost of bus operations, a consultant told the Board's Operations committee, Thursday, it must take a hard look at a wide range of expenses that include staffing, wages, cost of materials and supplies, and workers compensation.

Last June, the Board directed the MTA to develop aggressive strategies and an implementation plan to reduce projected FY 2000 revenue service costs of \$105.54 to at least \$102 this fiscal year and to \$90 per revenue service hour by the end of FY 2001.

The first quarter FY 2000 review indicates that the MTA can achieve savings in this year's budget that would lower the cost per revenue service hour to \$103.77. But the report says the MTA still must achieve savings of at least \$11.5 million to reach the \$102 per service hour target for this fiscal year.

In a report to the Operations committee, consultant Christina Altmayer said national transit data from FY 1998 showed the MTA's revenue service hour costs to be about seven percent higher than similar transit agencies in New York, Philadelphia, Chicago, Houston and elsewhere.

The "transportation function," she said, is about 58 percent of revenue service hour costs at the MTA. Vehicle maintenance comprises about 23 percent. Achieving cost reductions in those areas would involve operators' and mechanics' salaries and wages, fringe benefits, materials and supplies.

Altmayer said the MTA has made progress in cutting administrative staffing and services through annual cost reductions averaging about nine percent. She recommended that the agency continue to look at administrative costs, as well as at the cost of workers compensation, as a source of further savings.

The report discussed the differences in operating costs for the MTA, which also has regional planning and construction responsibilities, and small municipal agencies which only operate small transit fleets.

The report notes, for example, that the MTA is a technology leader, funds expanded police services and plays a prominent role in air quality improvement through its alternative fuel policy – all of which add administrative and operational costs that most small transit agencies don't experience.

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