



Fiscal Year  
**2023** **Operating Budget**  
FISCAL YEAR 2024-2028 | FINANCIAL PROJECTIONS



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Southeastern Pennsylvania Transportation Authority  
Pennsylvania**

For the Fiscal Year Beginning

**July 01, 2021**

*Christopher P. Morill*

**Executive Director**

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to SEPTA for its Annual Budget for the fiscal year beginning July 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, financial plan, operations guide, and communications device. This award is valid for a period of one year only, however we believe our current budget continues to conform to program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.





# **Southeastern Pennsylvania Transportation Authority**

## **Board Members**

**Chairman**  
**Pasquale T. Deon, Sr.**

**Vice-Chairman**  
**Honorable Kenneth Lawrence, Jr.**

**Bucks County**  
**Pasquale T. Deon, Sr.**  
**John F. Cordisco, Esquire**

**Chester County**  
**Marian D. Moskowitz**  
**Kevin L. Johnson, P.E.**

**Delaware County**  
**Daniel R. Muroff,**  
**Esquire**  
**Mark H. Dambly**

**Montgomery County**  
**Robert D. Fox, Esquire**  
**Honorable Kenneth Lawrence, Jr.**

**City of Philadelphia**  
**Michael A. Carroll, P.E.**  
**Deborah Mahler**

**Governor's Appointee**  
**Obra S. Kernodle, IV**

**Senate Majority**  
**Leader Appointee**  
**Thomas Jay Ellis, Esquire**

**House Majority**  
**Leader Appointee**  
**Honorable Martina White**

**Senate Minority**  
**Leader Appointee**  
**William J. Leonard, Esquire**

**House Minority**  
**Leader Appointee**  
**Esteban Vera, Jr.**

## **SEPTA Officers**

**General Manager/Chief Executive Officer**  
**Leslie S. Richards**

**Chief Financial Officer/Treasurer**  
**Nikolaus Grieshaber**

**General Counsel**  
**Gino J. Benedetti, Esquire**

**Controller to the Board**  
**Robert Marron**

**Secretary to the Board**  
**Carol R. Looby**



**Chairman**

Pasquale T. Deon, Sr.

**Vice Chairman**

Kenneth Lawrence, Jr.

Michael A. Carroll

John F. Cordisco

Mark H. Dambly

Thomas Jay Ellis

Robert D. Fox

Kevin L. Johnson

Obra S. Kernodle, IV

William J. Leonard

Deborah Mahler

Marian D. Moskowitz

Daniel R. Muroff

Esteban Vera, Jr.

Martina White

**General Manager/  
Chief Executive Officer**

Leslie S. Richards

To: Pasquale T. Deon, Sr., Chairman

From: Leslie S. Richards, General Manager/Chief Executive Officer

Subject: Fiscal Year 2023 Operating Budget

Date: August 12, 2022

This past year, the Southeastern Pennsylvania Transportation Authority (SEPTA) connected regularly with riders, community members, employees, advocacy groups, businesses, and elected officials to gather valuable input and ideas to deliver on our mission of providing safe, reliable, and accessible transit choices for everyone in the Philadelphia region. The SEPTA Operating Budget for Fiscal Year 2023 reflects our mission and funds the everyday expenses of running the system, such as labor, energy, fuel, cleaning, and security.

SEPTA's \$1.61 billion Operating Budget includes new fare enhancements designed to be more flexible and accommodate riders' new travel patterns, and to boost ridership and allow for the expansion of SEPTA Key Advantage, our new institutional pass program.

To help meet our riders' needs, there are no fare increases once again, and riders will continue to benefit from fare adjustments enacted during the pandemic, including one free transfer per trip on transit modes and free rides for children 11 and under accompanied by a fare-paying adult. In addition, select fares will decrease, including the One-Day Convenience Pass and the Three-Day Convenience Pass.

Safety and security for our employees, riders, and the communities we serve continue to be a top priority for SEPTA. We know that for people to return to the system, they need to feel safe. That's why we are expanding successful initiatives including our "Safety, Cleaning, Ownership, Partnership & Engagement" or SCOPE Program to help with outreach to members of the vulnerable population who seek refuge on the system, as well as a new program that assigns SEPTA Outreach Specialists to stations and vehicles along the Broad Street and Market-Frankford Lines.

The Operating Budget also reflects several initiatives SEPTA has launched as part of its Efficiency and Accountability Program. This effort includes a comprehensive look at all facets of SEPTA's operations to determine what practices can be improved upon to operate more efficiently and enhance the employee and customer experience, while others may produce significant cost reductions that position the Authority for a sustainable future.

For example, SEPTA is implementing a fleetwide efficiency initiative on its buses that will result in nearly five percent fuel savings per bus based on the results of a pilot program, totaling more than \$1 million in annual cost savings at current market prices.

Other investments include the adoption of a comprehensive Information Technology (IT) master plan; development of improved communication tools, such as an upgraded website and mobile app; expansion of Human Resources recruitment and retention efforts to address vacancies; creation of a new Equity and Inclusion Division; and continued efforts to implement SEPTA Forward: A Vision for a Stronger Future, SEPTA's five-year Strategic Plan for Fiscal Years 2021 through 2026.

Federal COVID relief funding is providing critical operating assistance, but those funds are projected to expire at the end of Fiscal Year 2024. Beyond that, SEPTA will continue to use state and local subsidies to balance the budget, including depletion of SEPTA's operating cash reserves by Fiscal Year 2027.

We remain optimistic heading into the new fiscal year, but we also continue to face difficult challenges. SEPTA's Operating Budget accounts for excessive inflation, with budget-wide impacts like material costs and fuel prices; rising insurance premiums; ongoing COVID-related expenses; and increasing vacancies in the budgeted headcount.

To address the last challenge, we are focusing on supporting, attracting, and retaining a workforce that can lead us into the future. That means making sure that we cultivate an environment where people want to work and are proud to be employed.

Now that we have vaccines, treatments, and mitigation measures to help slow the spread of COVID, we are beginning to see an increase in our ridership. SEPTA is focused on welcoming more customers back, accommodating their needs, and ensuring their safe travel. The operating budget reflects the ways that SEPTA is prioritizing initiatives to provide safe, reliable, equitable, and sustainable transit to our region as we continue to move through this recovery.

I thank everyone who has participated in our virtual hearing process, which allowed for greater opportunity for input with the ability to share comments by phone in three different languages. I assure you that your comments and concerns are important to us, and we will continue to seek feedback and ideas to continue to provide the best mobility options for the region.

Transit not only connects us to our destinations, but it also connects us to each other. Together, we will help drive our region forward and connect communities to jobs, schools, healthcare, and leisure.

# 1. Strategic Plan and Organizational Structure

## SEPTA's Value Proposition

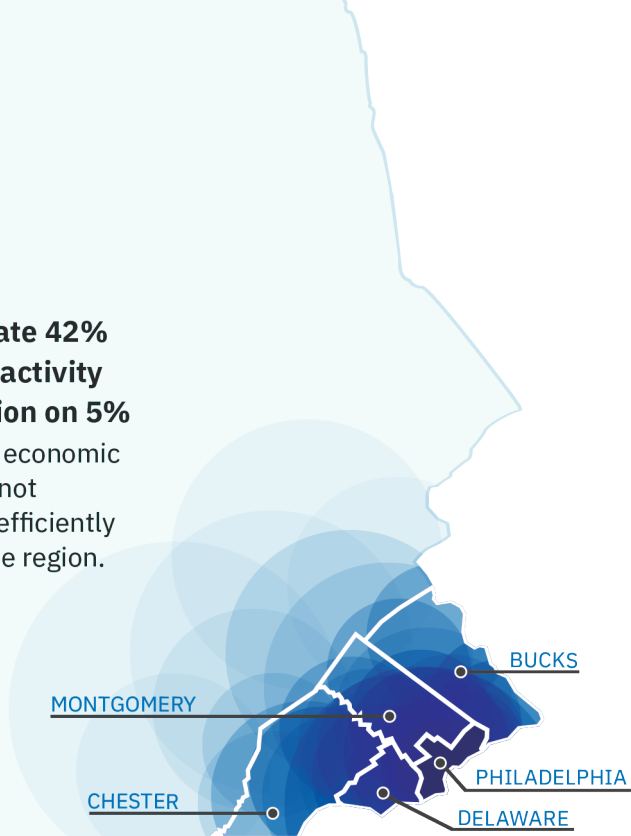




# An Economic Engine...

## SOUTHEASTERN PA IS THE COMMONWEALTH'S KEY ECONOMIC ENGINE

The five counties generate 42% of the state's economic activity with 32% of its population on 5% of its land. This degree of economic productivity and density is not possible without transit to efficiently move people throughout the region.



SOUTHEASTERN PA GENERATES \$13.3 BILLION (38%) OF THE TOTAL TAX REVENUES TO THE STATE GENERAL FUND

### Southeastern PA Share of State Tax Revenues



35%  
SALES



40%  
INCOME



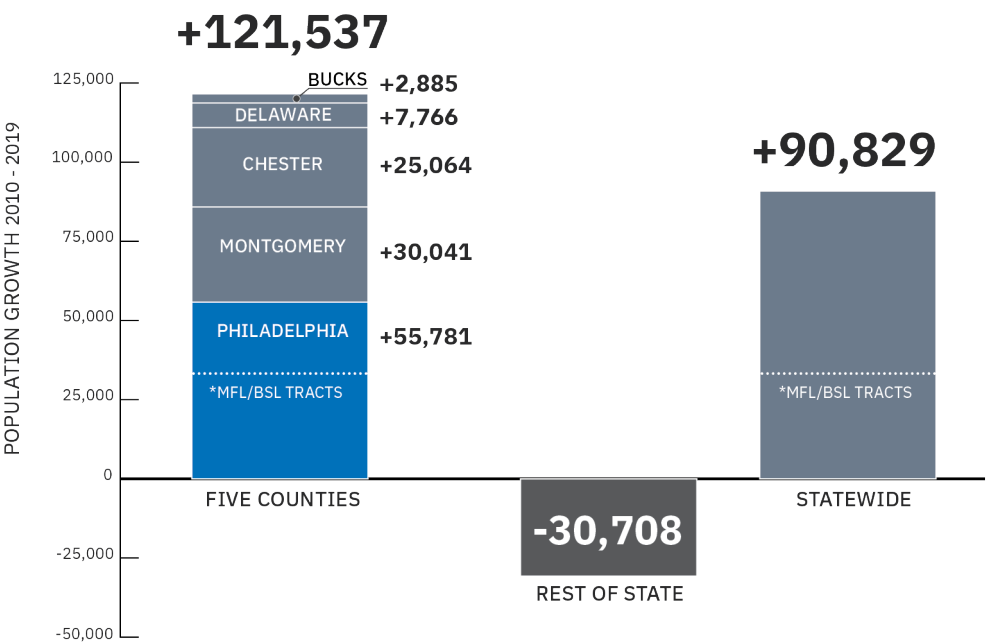
42%  
CORPORATION



40%  
ESTATE & REALTY  
TRANSFER

## THE FIVE COUNTIES ARE GROWING

\*Southeastern PA led the state's population growth between 2010 and 2019, one-third of which occurred along the Market-Frankford (MFL) and Broad Street (BSL) Lines.



# That Shapes Philadelphia...

Philadelphia's development patterns and employment growth over the past decade have been shaped by transit access. Multi-family development has clustered near high-frequency transit stops, while skyscrapers have been built with no parking.

The fundamentals of the southeast region remain strong. A May 2021 analysis of SEPTA's impact affirms that **NOW IS NOT THE TIME to pull back** on the competitive advantages and critical infrastructure that have allowed the region to thrive and to serve as an economic driver for the Commonwealth.



**STRONG TRANSIT RIDERSHIP** will be needed to continue to support the city and region's employment centers and mitigate productivity choking congestion.

While overall construction activity slowed in 2020 due to the pandemic, the **INFLUENCE OF TRANSIT ON DEVELOPMENT** patterns remained as strong as ever, with **37% OF CONSTRUCTION PERMITS** located within one-quarter mile of a transit stop.

BY BUS



BY CAR



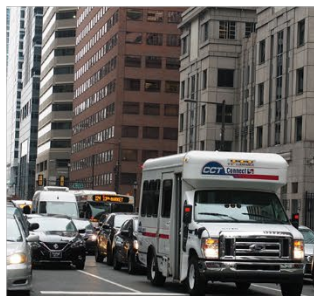
BY DRIVERLESS CAR



SCHUYLKILL EXPRESSWAY

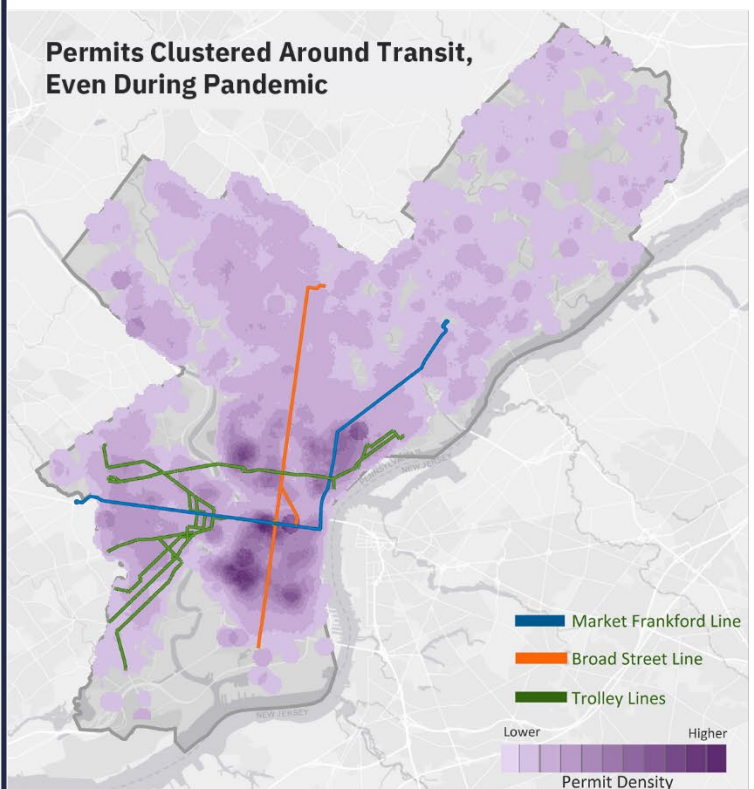


CENTER CITY



SOURCE: JARRETT WALKER + ASSOCIATES

Permits Clustered Around Transit, Even During Pandemic

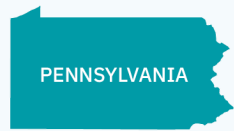


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## Creates Jobs Across Pennsylvania...

**SEPTA GENERATES MORE THAN \$3 BILLION IN ANNUAL STATEWIDE ECONOMIC ACTIVITY AND HAS CATALYZED ADDITIONAL GROWTH AND DEVELOPMENT ACROSS SOUTHEASTERN PA**

In Fiscal Year 2019, SEPTA's 2,800 trains, trolleys, buses and Paratransit vehicles provided more than one million passenger trips across the region to work, school, appointments, and entertainment. Dedicated state funding ensures that SEPTA can keep the economy moving.



PENNSYLVANIA

STATEWIDE

AVERAGE ANNUAL

**\$3.43B**  
ECONOMIC IMPACT

**26,500**  
JOBS

**\$1.86B**  
EARNINGS

Note: Economic impact numbers represent FY2015 - FY2019 (IN \$2019) AVERAGE ANNUAL



FIVE COUNTIES

AVERAGE ANNUAL

**\$3.24B**  
ECONOMIC IMPACT

**25,200**  
JOBS

**\$1.80B**  
EARNINGS



BUCKS

AVERAGE ANNUAL

**\$298M**  
ECONOMIC IMPACT

**2,300**  
JOBS

**\$127M**  
EARNINGS



MONTGOMERY

AVERAGE ANNUAL

**\$444M**  
ECONOMIC IMPACT

**3,400**  
JOBS

**\$185M**  
EARNINGS



DELAWARE

AVERAGE ANNUAL

**\$476M**  
ECONOMIC IMPACT

**3,600**  
JOBS

**\$229M**  
EARNINGS



CHESTER

AVERAGE ANNUAL

**\$177M**  
ECONOMIC IMPACT

**1,400**  
JOBS

**\$71M**  
EARNINGS



PHILADELPHIA

AVERAGE ANNUAL

**\$1.84B**  
ECONOMIC IMPACT

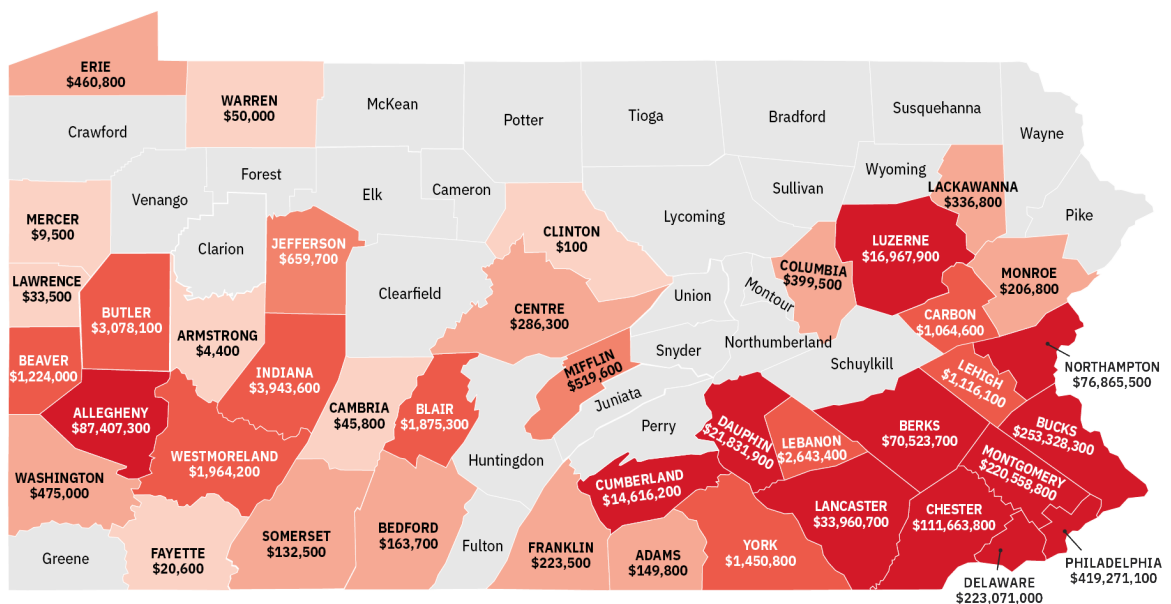
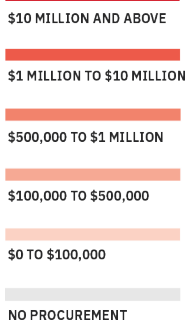
**14,500**  
JOBS

**\$1.18B**  
EARNINGS

## SEPTA PROCUREMENT OF GOODS AND SERVICES SUPPORTS JOBS AND ECONOMIES ACROSS PENNSYLVANIA

With funding from Act 89, SEPTA continues to invest in Pennsylvania businesses. Over the past six years (2015 – 2020), **SEPTA has issued a total of \$1.57 BILLION IN CONTRACTS** to PA companies, an average annual value of **\$261 MILLION PER YEAR**.

### 2015-2020



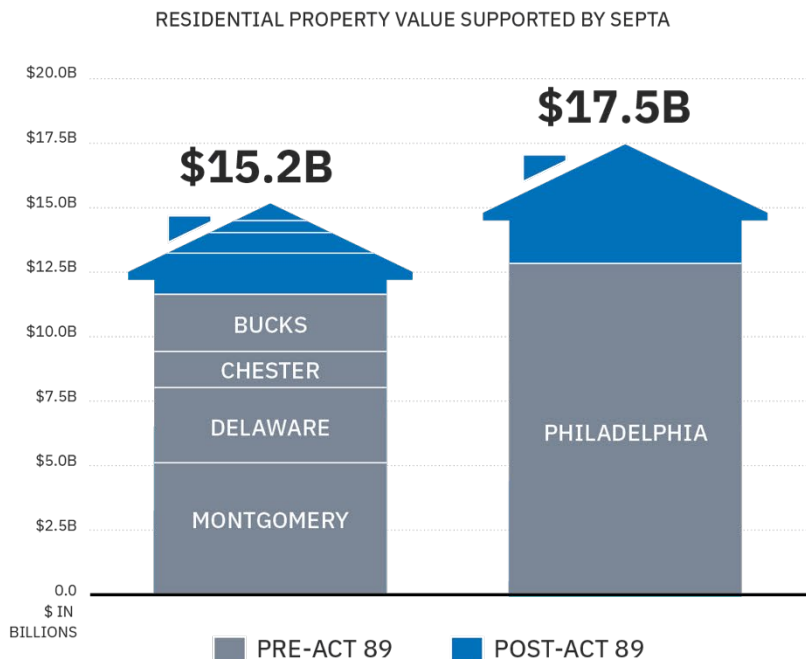
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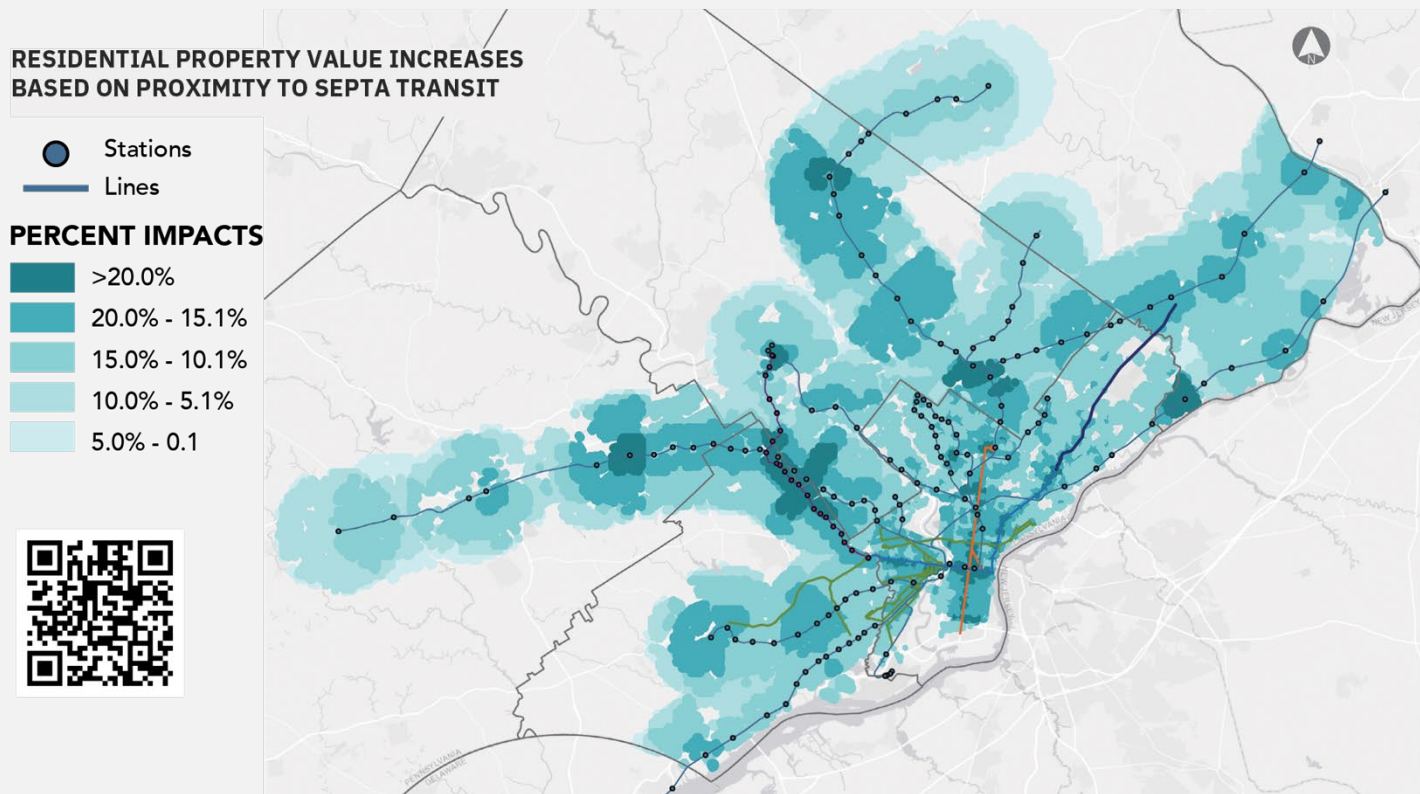
# Adds Value Throughout the Region...

## ACCESS TO TRANSIT INCREASES HOME VALUES

Statistical models allow economists to isolate this value through the analysis of housing sales. Access to SEPTA service contributes a premium of **\$33 BILLION IN HOUSING VALUE**, representing **11% of total housing value in southeastern PA**. Even during the pandemic, **TRANSIT ACCESS REPRESENTED 8% OF TOTAL HOUSING VALUE**, representing the enduring value of living near transit.



Despite the pandemic, **THE REGION'S HOUSING MARKET HAS SHOWN STRENGTH**, with average prices rising in both Philadelphia and the surrounding area, and houses in proximity to high quality transit service continuing to demand a premium.



Learn more about SEPTA's positive impact in your community at [planning.septa.org/providing-benefits/](https://planning.septa.org/providing-benefits/)

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# Improves Equity and Quality of Life



## AFFORDABILITY

### TRANSIT IS PRESERVING AFFORDABILITY AND ACCESS TO OPPORTUNITY IN A GROWING REGION

Transit reduces household expenses. In the City of Philadelphia, proximity to high quality transit saves the average household \$830 annually (\$481M citywide).

In Fiscal Year 2019, SEPTA moved 1 million people each day to jobs and destinations throughout the region. For the one-third of Philadelphia households without access to a car, transit is a vital lifeline.

New equity-based fare policy serves the needs of low-income families, featuring one free transfer with an extended transfer window, children ride free under the age of 12, and a new three-day pass providing more options for more people.



## DIVERSITY

**68%** NEW HIRES

in the last three years are women or minority

**50%** MANAGERS

are minority up from **39%** five years ago

**45%** WORKFORCE

**Reports directly** to a minority or woman, up from **26%** five years ago



### CONTRACTOR DIVERSITY

SEPTA is one of only five PA agencies that continues to certify firms as Disadvantaged Business Enterprises (DBE) and the directory has grown to more than 800 DBE firms.

SEPTA applies federal DBE goals to all major procurements to provide greater opportunities for small, minority and women-owned businesses.



## INCLUSIVE GROWTH



SEPTA is partnering with stakeholders and organizations to accelerate COVID-19 recovery. Transit is fundamental to inclusive economic growth, and SEPTA is committed to ensuring that the Philadelphia region recovers as a more resilient, prosperous, and equitable community for everyone.

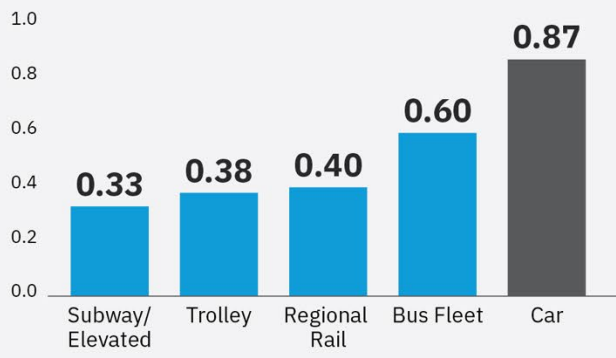
For more on SEPTA's Recovery Efforts and Strategic Plan, visit [planning.septa.org](https://planning.septa.org)

# Advances Sustainability & Innovative Mobility

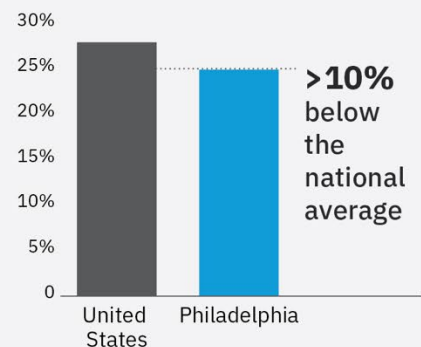
## TRANSIT IS INHERENTLY SUSTAINABLE

Reduces Greenhouse Gas (GHG) Emissions From the Transportation Sector

With Lower CO<sub>2</sub> Emissions Per Passenger Mile Travelled...



...SEPTA Service Results in Substantial GHG Reductions

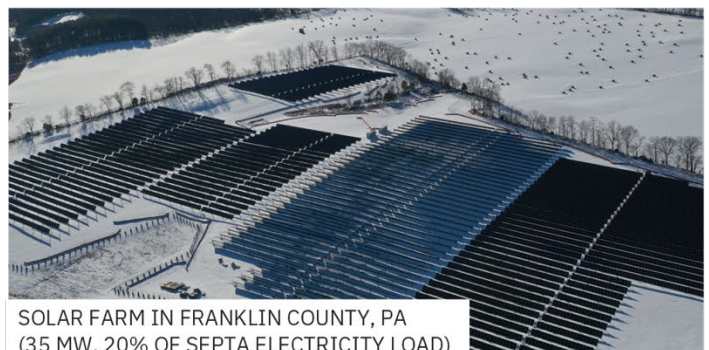


## AWARD-WINNING SUSTAINABILITY PROGRAM

Projects to accelerate environmental benefits of investing in transit



ROOFTOP SOLAR POWER  
(3 MW ACROSS 4 FACILITIES)



SOLAR FARM IN FRANKLIN COUNTY, PA  
(35 MW, 20% OF SEPTA ELECTRICITY LOAD)



ZERO EMISSION BUS MASTER PLAN



WAYSIDE ENERGY STORAGE  
(11 MW, LARGEST IN INDUSTRY)



Learn more about SEPTA's Sustainability Program at [septa.org/sustain](https://septa.org/sustain)

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# Protects Safety & Public Health

## SAFER DURING COVID-19

- SEPTA follows federal, state and local guidelines and recommendations for mask requirements and vaccinations.
- Customer health and safety is further enhanced through the use of a system-wide contactless fare payment system – SEPTA Key
- SEPTA has added security guards and is hiring additional cleaners to ensure customers and employees are safe
- In partnership with Drexel University, SEPTA has received grant funding from the US DOT to evaluate air ventilation and surface cleaning solutions in preventing the transmission of COVID-19

## THE HIDDEN TRAFFIC SAFETY SOLUTION

As Transit Travel  
Increases, Traffic  
Fatalities Decrease



## TRANSIT SUPPORTS HEALTHY LIFESTYLE

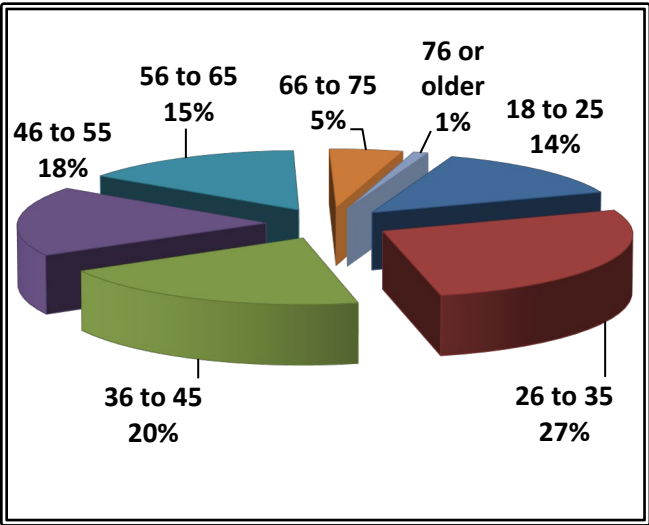
The U.S. Centers for Disease Control recommends that adults average at least 22 daily minutes of moderate physical activity, such as brisk walking, to stay fit and healthy. Although less than half of American adults achieve this target, most public transportation passengers do exercise the recommended amount while walking to and from transit stations and stops.

# 1. Strategic Plan and Organizational Structure

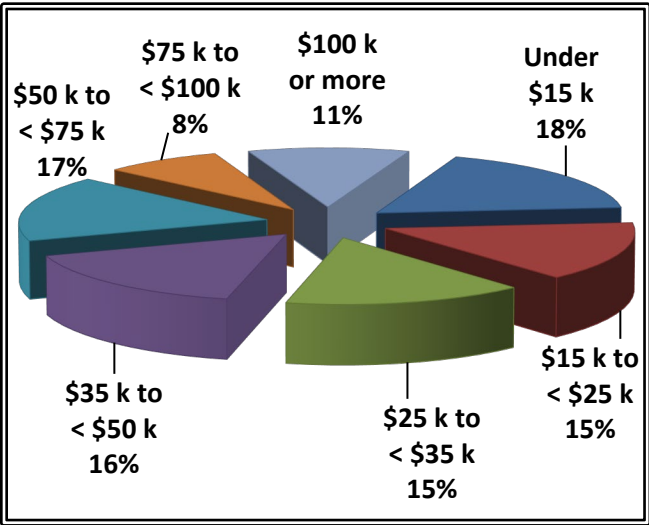
## SEPTA Passenger Demographics

The following charts serve to illustrate the demographic distribution of SEPTA ridership. This data was recorded and compiled as part of the SEPTA 2018 Customer Satisfaction Survey. Due to COVID-19, the planned 2021 Customer Satisfaction survey has been postponed until later in 2022. Results will be published in the FY2024 budget book.

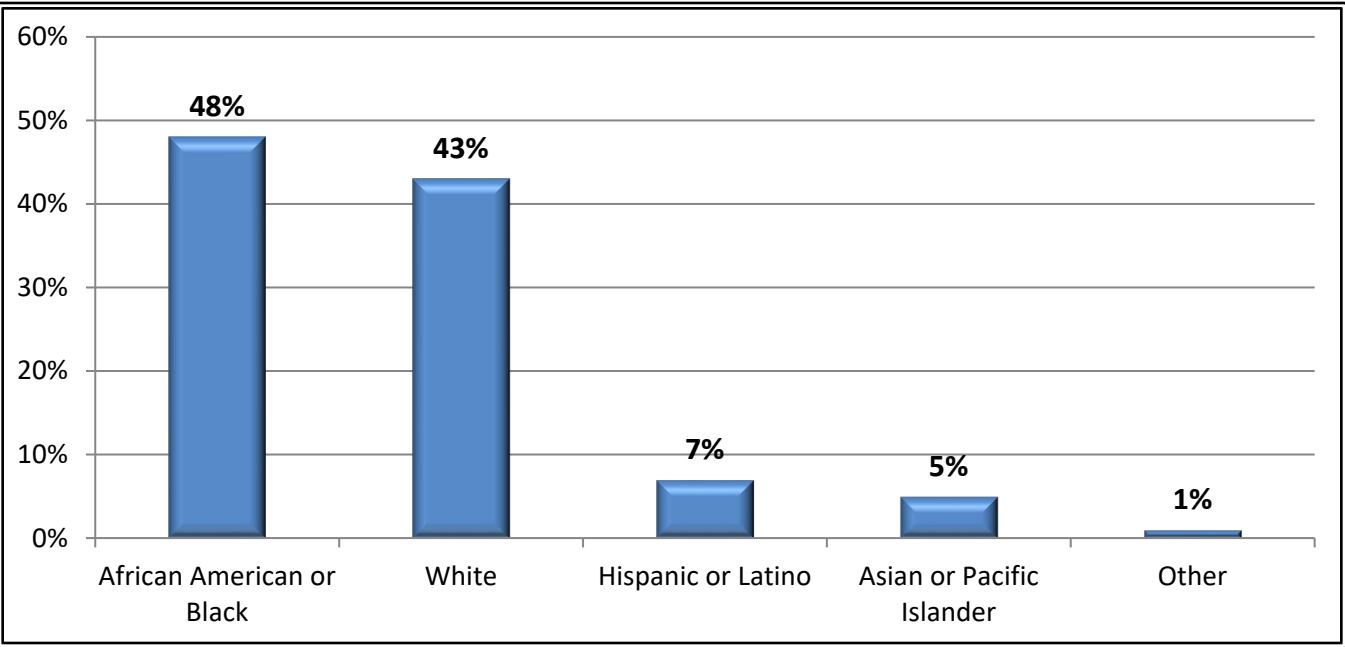
Age of Adult Passengers



Annual Household Income of Passengers



Ethnicity of Passengers



**Note:** In the above chart, percentages total more than 100% as respondents were able to select multiple responses to this question to more accurately reflect an individual's racial and ethnic background.



# 1. Strategic Plan and Organizational Structure

## SEPTA FORWARD: A VISION FOR A STRONGER FUTURE

2021 – 2026 Strategic Plan

SEPTA Forward, our Strategic Plan published last year, is the framework to transform our organization to support our region's recovery and foster a resilient, prosperous, and equitable future. It builds on SEPTA's mission by setting a clear vision for the future. The plan's goals and strategies constitute our organizational priorities and will act as the framework for our employees to develop the detailed programs, projects, and initiatives that will propel SEPTA, our communities, and our region forward. The full plan is available at [planning.septa.org/](https://planning.septa.org/).

### OUR VISION

**The Southeastern Pennsylvania region places transit at the core of a resilient, prosperous, and equitable community for everyone.**

SEPTA is more than transit; it is the way we connect to each other.

SEPTA Forward is organized around three goals that work together to achieve our vision:

GOAL

1

#### Goal 1: Develop a Proactive Organization

We are an agile and responsive organization that makes the most effective use of our resources. We invest in our people and work to build a diverse, inclusive, and empowered workforce that takes pride in serving the people of Southeastern Pennsylvania.

GOAL

2

#### Goal 2: Provide an Intuitive Experience

Our system is easy-to-use for all, regardless of familiarity, language, or ability, welcoming riders from across the world. We provide convenient services and the right information, at the right time, for a smooth and enjoyable journey.

GOAL

3

#### Goal 3: Deliver a Seamless Transit Network

Our services work together, creating one unified, equitable network serving all types of trips, no matter where you are or what mode you choose. We anticipate changing needs and adapt services responsively to keep our region moving throughout the 21st century.

## KEY PERFORMANCE INDICATORS: TRACKING OUR PROGRESS

In order to track our progress on this journey, we have established a set of organization-wide key performance indicators (KPIs) that are aligned with these goals. These KPIs will help to guide investment decisions, identify areas for improvements, and create accountability internally and externally. Teams across SEPTA track many different metrics related to their individual performance and efficiency, but these top-level KPIs indicate whether SEPTA is moving in the right direction to achieve our goals. If we are performing well against these metrics, we know that SEPTA is meeting our riders' needs, supporting our region's recovery and growth, and doing it efficiently.

Some KPIs are familiar to SEPTA, and many are new to us. We have selected KPIs that work together to show many different aspects of SEPTA. Crucially, they describe what we aspire to be, not just what is easy to measure. Building upon previous metrics we have published, they make it even easier for our customers, employees, and stakeholders to understand our organization and operations as a whole.

Some metrics are tracked right now, with their latest values available in the table on the following page. Other metrics are being developed over time using a "maturity model" to guide our efforts. A maturity model has four stages that describe a business's evolution from an external perspective. We have

## —○ 1. Strategic Plan and Organizational Structure

assigned each KPI to a stage of the maturity model based on the nature of the KPI and the resources necessary to bring it to fruition, including the potential need for large-scale investments such as a new customer relationship management platform. The four stages in the maturity model are:

**Incremental:** The first stage is the starting point for innovation. Focusing on the Incremental stage allows organizations to solidify the basic components of infrastructure, personnel, and operations. Completing this stage will make it possible to focus on becoming Distinctive.

**Distinctive:** When an organization develops beyond the Incremental stage, it may become better able to innovate around more complex variables that involve several business units. During this stage, an organization also develops and produces more forward-thinking ideas.

**Radical:** A Radical organization typically creates a significant shift within its industry. As a result, it can be seen from the outside as a forward-thinking organization. Within the Radical stage, decisions should be aligned with business and staffing impacts, customer satisfaction, and sustainability (both environmental and financial). Progressing through the Radical stage will effectively support innovation.

**Disruptive:** The Disruptive stage begins when an organization has successfully built its infrastructure, distinctively made an industry impact, and has grown to be seen as a prominent innovative organization. Within the maturity model, a truly disruptive organization makes the best possible decisions and leads its industry in key strategic areas.

**Existing:** Lastly, we have a stage for existing KPIs, which do not require a stage in the maturity model: they can be tracked right away against available baselines and already appear in SEPTA public reports. These KPIs will continue to guide critical decision-making and progress.

Each KPI is assigned to a particular stage. As we progress through each stage, we report the KPIs assigned to it while resourcing and building the KPIs for the next stage. Thus, we will be able to report upon additional KPIs as they become available, with new KPIs included in the Operating Budget each fiscal year. A more detailed description of each KPI is provided following the table. Regular updates are available at [planning.septa.org/tracking-progress/](https://planning.septa.org/tracking-progress/) and in each year's Operating Budget.

### SEPTA Key Performance Indicators

	KPI	Stage	Baseline, if Available	Current Value
Goal 1:	<b>Develop a Proactive Organization</b>			
	Operating Expense Per Passenger Trip	Existing	\$6.28 (FY 2020)	\$14.11 (FY 2022)*
	Passengers Per Revenue Vehicle Hour	Existing	41.0 (CY 2019)	17.2 (FY 2022)*
	Employee Lost-Time Due To Injuries Per 200,000 Work Hours	Existing	3.35 (FY 2020)	5.33 (FY 2022)*
	Employee Engagement	Distinctive	41% report SEPTA has a positive culture (Spring 2020)	41% report SEPTA has a positive culture (Spring 2020)
	Pounds of CO2 Per Passenger Mile Traveled	Existing	0.775 (CO2 equivalents, FY 2020)	1.24 Lbs (FY2021)*
	Economic Impact	Disruptive		
	Percent of Projects on Schedule	Incremental		
	Percent of Construction (Capital) Dollars Spent on Soft Costs	Incremental		

# 1. Strategic Plan and Organizational Structure

	KPI	Stage	Baseline, if Available	Current Value
<b>Goal 2:</b>	<b>Provide an Intuitive Experience</b>			
	Customer Experience Score	Radical		
	Customer Effort Score	Radical		
	Customer Engagement Score	Distinctive		
	Customer Attitude Score	Distinctive		
	Additional Time to Make Accessible Journeys	Radical		
	Daily Trips through Stations without Accessible Options	Incremental	34% of Rail Transit Trips (December 2021)	35% of Rail Transit Trips (June 2022)
	Rider Delay Minutes and Buffer Time	Distinctive		
	Contactless Trips	Incremental	8,141,827 SEPTA Key Transactions (December 2021)	8,750,831 SEPTA Key Transactions (June 2022)
<b>Goal 3:</b>	<b>Deliver a Seamless Transit Network</b>			
	Unlinked Trips Per Capita	Existing	54.06 (FY 2020)	42.71 (FY 2022)
	Population Near Transit	Incremental	15-Min Transit Lines: 1.1 million All Transit Lines: 2.0 million (Fall 2021)	15-Min Transit Lines: 1.1 million All Transit Lines: 2.0 million (Spring 2022)
	Equitable Service	Distinctive	67.3% of the population served by SEPTA is of “below average” advantage according to DVRPC Indicators of Potential Disadvantage	67.3% of the population served by SEPTA is of “below average” advantage according to DVRPC Indicators of Potential Disadvantage
	Destinations Near Transit	Distinctive		
	Transit Travel Time Competitiveness	Disruptive	Transit is 2.71x slower to destinations on average (Summer 2021)	Transit is 2.71x slower to destinations on average (Summer 2021)
	On-Time Performance and Headway Adherence	Incremental	Bus: 76.1% City Trolley: 68.4% Suburban Trolley: 78.2% Regional Rail: 89.0% (December 2021)	Bus: 78.7% City Trolley: 69.8% Suburban Trolley: 80.1% Regional Rail: 91.7% (June 2022)
	Average Transfer Wait Time	Incremental		
	Average Vehicle Age by Mode	Existing	Regional Rail: 30.1 CCT: 3.3 Heavy Rail: 26.8 Bus: 8.3 Light Rail: 42.1 Trolleybus: 11.0 (CY 2019)	Regional Rail: 31.1 CCT: 3.4 Heavy Rail: 27.8 Bus: 7.3 Light Rail: 43.1 Trolleybus: 12.0 (CY 2020)

\*These metrics have been significantly impacted by the COVID-19 pandemic

## Goal 1: Develop a Proactive Organization

### Operating Expense Per Passenger Trip

Tracking overall operating expenses indexed to passenger trips provides insights into the efficiency of our efforts to provide service.

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### **Passengers Per Revenue Vehicle Hour**

The overall usage of our service compared to the amount of service we provide broadly indicates how effectively we are meeting the changing needs of our region.

### **Employee Lost-Time Due to Injuries Per 200,000 Work Hours**

Safety is paramount in everything that we do. As we continue to be a proactive organization, we need to continue putting safety first.

### **Employee Engagement**

Our people are essential to the success of our region – making sure that they are engaged in the work they do helps us to be the best SEPTA possible.

### **Pounds of CO2 Per Passenger Mile Traveled**

While transit is inherently sustainable, tracking our own carbon footprint ensures that we are acting as good stewards of our resources.

### **Economic Impact**

As SEPTA continues to drive the economy of Southeastern Pennsylvania, tracking the economic impact of our investments ensures that we continue to provide value.

### **Percent of Projects on Schedule**

Delivering projects on-time is an important part of ensuring that our systems meet the changing needs of our region and keep cost in line with budget.

### **Percent of Construction (Capital) Dollars Spent on Soft Costs**

Tracking soft costs (costs spent on administrative or professional services) as a percentage of overall project costs within the capital program ensures that spending is in line with industry standards to maximize the impact of the capital budget.

## **Goal 2: Provide an Intuitive Experience**

### **Customer Experience Score**

The Customer Experience Score measures how positive our customers' interactions with SEPTA are throughout their journeys, from planning their trip to arriving at their destinations. Tracking feedback from every stage of a trip can help us understand which parts of the experience are satisfying and which parts may need to be improved.

### **Customer Effort Score**

If transit is difficult to use, our customers will turn to other options. Measuring the ease with which customers can find information and use the system can help us make their travels as smooth as possible – and ensure they choose SEPTA every time.

### **Customer Engagement Score**

To better understand how our customers are interacting with us outside of their travels, we can track how people use our website, app, customer service centers, and other points of contact. This will help us provide the best tools to help our customers get around.

### **Customer Attitude Score**

Listening to how customers feel about SEPTA as a brand can help us understand where we excel and where we can improve. Analyzing social media posts to and about us can let us respond to what our customers are thinking and feeling in real-time.

### **Additional Time to Make Accessible Journeys**

If transit is not fully accessible, some riders may need to take longer trips in order to get to a destination. Measuring the impacts our infrastructure has on the way people make trips will help us prioritize projects based on the impact they have for riders. It also helps us more fully understand funding needs for vehicles and stations.

### **Daily Trips Through Stations Without Accessible Options**

While we upgrade stations to improve access, we will continually analyze and evaluate ridership patterns to inform decisions. By measuring the number of trips that go through stations without accessible options, we can prioritize investments that can have the greatest benefit.



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## **Rider Delay Minutes and Buffer Time**

Service Delays – both at the start of a journey and the duration of their trip – can affect how willing people are to use transit. Tracking the additional time riders spend on their journey and how much extra time they allot to be sure to arrive on time can help us understand how reliable our services are. Many factors that affect this are outside of our direct control. We will coordinate closely with our partners at Amtrak and local communities across the region.

## **Contactless Trips**

For our services to be easy-to-use and attractive to riders, paying for a trip should be seamless and require little more than a simple tap of a card or smartphone. Measuring the percentage of trips that use “contactless” payment methods can help us understand how easy this point of the journey is for riders.

## **Goal 3: Deliver a Seamless Transit Network**

### **Unlinked Trips Per Capita**

Aggregate measure of trips on transit compared to the total population of the region is an industry standard measure to determine what percentage of the region is using transit.

### **Population Near Transit**

For transit to be seamlessly integrated into people’s daily lives, it needs to serve where people live. We’ll track the number of people that live within walking distance of frequent transit to ensure we are serving the region.

### **Equitable Service**

Transit is an essential service that preserves access to opportunity in a growing region. We will use various sources, including census and survey data, to ensure that we are provide equitable service across the region with a particular focus on historically underserved communities. We’ll work with our regional partners to develop new measures to effectively track our efforts.

### **Destinations Near Transit**

Our services need to be where people want to go in order to be useful; tracking connection to transit for various destinations across the region will give us insights into how our service serves this function as we work to meet changing needs.

### **Transit Travel Time Competitiveness**

Riders have an increasing number of choices to get around; a seamless transit network must provide a competitive travel time compared to vehicular travel, particularly in critical transportation corridors such as Chestnut Street or I-95.

### **On-Time Performance and Headway Adherence**

Transit must work effectively and consistently in order to meet the needs of our region. For our riders to arrive on time, we must be on time.

### **Average Transfer Wait Time**

Transfers connect our network together; shorter transfer wait times help riders use the entire network. The way we design and schedule services can support this.

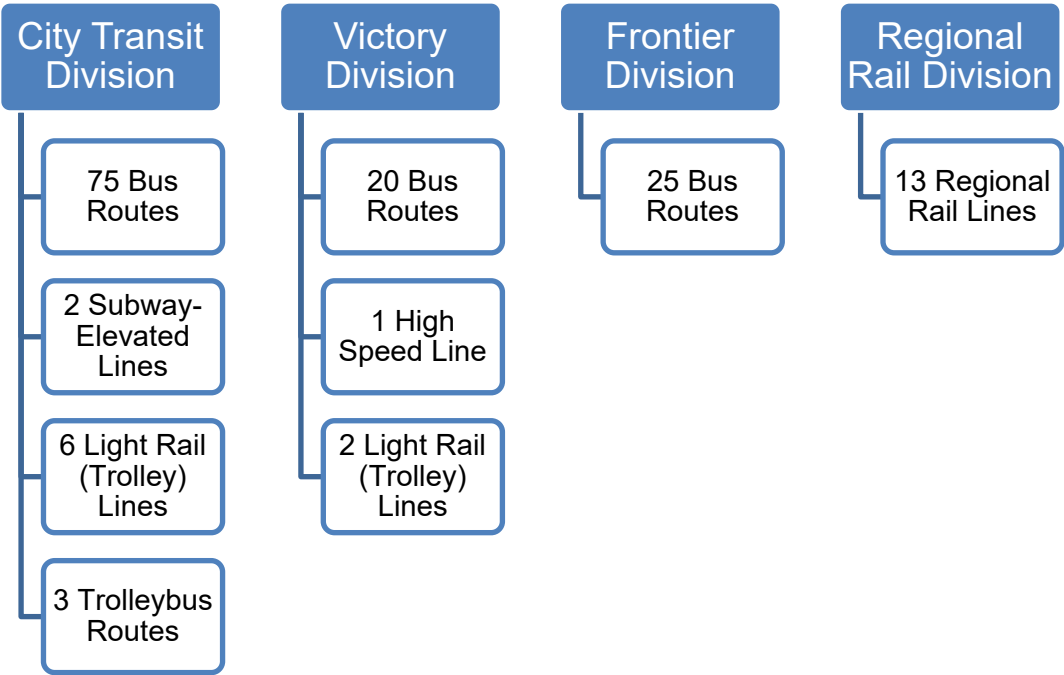
### **Average Vehicle Age by Mode**

As vehicles age, they require more maintenance to provide a safe and reliable trip. This can contribute to increased costs of providing service. Tracking the average age of our fleets helps us monitor and project fleet replacement needs and proactively plan for maintenance needs.

# 1. Strategic Plan and Organizational Structure

## DIVISIONAL STRUCTURE

The Pennsylvania General Assembly established SEPTA on February 18, 1964, to provide public transit services for Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties. Over the years, SEPTA acquired the assets of several private transportation operators to form four operating divisions. This distinction permits the efficient implementation of various collective bargaining agreements and the computation of local subsidies. Although the revenue and costs are logically accounted for separately, the operating and staff departments exist in a matrix structure and function as a cohesive unit beneath the following four broad operating divisions:



### City Transit Division

SEPTA acquired the assets of the former Philadelphia Transportation Company in 1968, forming the current City Transit Division. The City Transit Division, which primarily serves the City of Philadelphia, operates 75 bus routes, 6 light rail (trolley) lines, 3 trolleybus lines, and 2 subway-elevated lines.

### Victory Division

The Victory Division, formerly known as the Philadelphia Suburban Transportation Company, serves Chester, Delaware, and Montgomery Counties. Also known as Red Arrow until 1970, SEPTA's Victory Division is comprised of 20 bus routes, 2 light rail (trolley) lines, and 1 high speed line.

### Frontier Division

The Frontier Division consists of 25 bus routes serving Bucks, Chester, and Montgomery Counties. These routes formerly came under the auspices of several private operators including Schuylkill Valley Lines, which was acquired in 1976.

### Regional Rail Division

The Regional Rail Division serves the City of Philadelphia, as well as Bucks, Chester, Delaware, and Montgomery Counties, with service to Newark, Delaware, and Trenton and West Trenton, New Jersey. The infrastructure and assets of regional rail were previously operated by the Pennsylvania and Reading Railroads. These regional rail lines were operated by Conrail from 1976 through 1982 and acquired by SEPTA in 1983.

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## SEPTA BOARD

SEPTA is governed by a Board consisting of fifteen Directors. The City of Philadelphia and the Counties of Bucks, Chester, Delaware, and Montgomery each appoint two members to the Board. The Pennsylvania Senate and House collectively appoint four members and the Governor of Pennsylvania appoints one representative.

## OPERATING AND STAFF DEPARTMENTS

### Corporate Staff

- Communications Division
- General Manager/CEO and Executive Staff
- Major Initiatives
- SEPTA Board Staff

### Equity and Inclusion

- Disadvantaged Business Enterprise (DBE) Program Office

### Finance

- Capital Budget and Grant Development
- Finance Administration
- Financial Operations
- Financial Services
- General Accounting
- New Payment Technologies
- Operating Budget
- Payroll
- Procurement & Supply Chain Management
- Revenue Operations
- Transformation Office

### Human Resources

- Career Resource Connection
- Compensation / HRIS
- EEO/AA & Employee Relations
- Employee Medical Services
- Employee Services Summary
- Human Resources Administration
- Labor Relations
- Training Summary

### Office of General Counsel

- Claims
- Corporate and Business Operations
- Government Affairs
- Information Technology
- Legal and Claims Administration
- Litigation and Corporate Litigation
- Risk Management
- Video and Intake Operations

### Office of Inspector General

- Compliance for Procurement & Regulatory Affairs
- Internal Audit
- Investigations

### Operations

- Administration, Finance, and Support
- Bridges and Buildings
- Bus Operations & Access
- Control Center
- Maintenance Of Way
- Rail Operations
- Transit Police Department

### Planning & Strategy

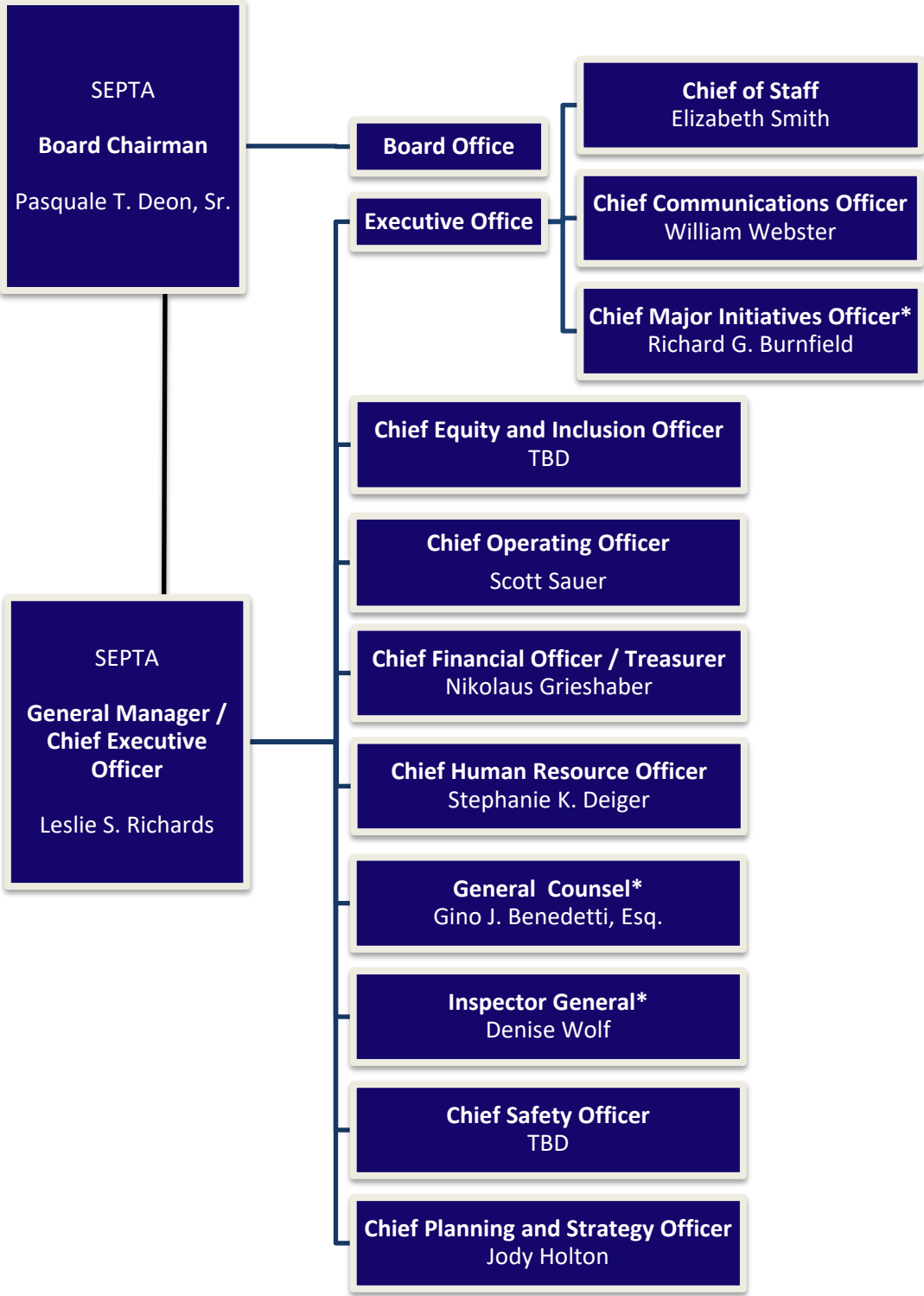
- Office of Innovation
- Planning Administration
- Real Estate
- Service Planning
- Strategic Planning and Analysis

### System Safety

- Construction Safety
- System Safety

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Corporate Team Organization Chart  
(To Chief Executive level)



\*Dual report to Board Chairman



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## A YEAR IN REVIEW – SEPTA’S ACCOMPLISHMENTS IN 2021

Timeframe	2021 Accomplishment
January	<ul style="list-style-type: none"><li>Continued COVID 19 testing program</li><li>Received 2<sup>nd</sup> round of COVID relief from the CRRSAA (\$252M)</li><li>Returned service on Wilmington/Newark Line to Newark and Christiana</li><li>Received approval of Final Environmental Impact Statement (FEIS) for King of Prussia (KOP) Rail</li><li>Launched Mask Force Philly with partners</li><li>Began SEPTA COVID Vaccination program at Main Line Health</li><li>Created Diversity, Equity and Belonging (DEB) Counsel</li><li>Upgraded Regional Rail Wayne-to-Glenside Software Reliability (Carmel South Interlocking)</li><li>Launched Key-based College/University Program</li></ul>
February	<ul style="list-style-type: none"><li>Conducted tribute to Rosa Parks</li><li>Offered COVID vaccine stipend</li><li>Went live with first Solar Farm, covering ~10% of electricity demand</li><li>Began accepting smartphone payments at Key kiosks</li><li>Received Board approval of SEPTA Forward Strategic Plan and launched employee awareness campaign</li><li>Launched new Human Resources Information System, SuccessFactors</li><li>Launched DEB survey</li><li>Officially launched Efficiency and Accountability (E&amp;A) Program</li><li>Held “Never Too Busy for Safety” Day</li><li>Launched SEPTA Customer Connection Advocacy Forum</li></ul>
March	<ul style="list-style-type: none"><li>Assisted with Convention Center Mass Vaccination site</li><li>Began PhillyVax Shuttle program</li><li>Began SEPTA-sponsored vaccinations</li><li>Resumed service on Chestnut Hill West Line</li><li>Deployed first security guards</li><li>Launched Safety, Cleanliness, Ownership, Partnership and Engagement (SCOPE) program</li><li>Completed Fern Rock solar installation</li><li>Upgraded Regional Rail Wayne-to-Glenside Software Reliability (Tabor Interlocking)</li><li>Conducted continuous welded rail replacement on Neshaminy Branch</li><li>Launched Key-based Airport Employee program</li></ul>
April	<ul style="list-style-type: none"><li>Completed deep cleaning &amp; repairs at Somerset &amp; Allegheny Stations (MFL)</li><li>Officially launched Bus Revolution</li><li>Participated in Philly Spring Clean Up</li><li>Eliminated paper tickets on Regional Rail</li><li>Completed employee Open Book series</li><li>Replaced Rosemont Station roof</li><li>Began Esperanza Vaccination bussing support</li></ul>

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Timeframe	2021 Accomplishment
May	<ul style="list-style-type: none"> <li>Completed the rehabilitation of Lansdale substation</li> <li>Installed LED light fixtures at Norristown TC Parking Garage</li> <li>Completed Wayne-to-Glenside Regional Rail Software Reliability Upgrade (Jenkintown South interlocking)</li> <li>Installed four (4) sliding bumpers at NRG Station</li> <li>Launched Owl Link microtransit pilot</li> <li>Released seat availability dashboard</li> <li>Began 69th St TC COVID vaccine clinics</li> <li>Removed vehicle capacity limits</li> <li>Officially held a ribbon-cutting for 5th Street Station renovation</li> <li>Launched SEPTA Disaster Relief Memorial Fund</li> <li>Released interim Telework Policy</li> <li>Completed removal of Garrett Hill pedestrian bridge</li> <li>Completed major repairs to Suburban Station chiller tower</li> <li>Finalized delivery of New Flyer Excelsior buses</li> </ul>
June	<ul style="list-style-type: none"> <li>Replaced the outdoor lighting at Bridge Street Substation with LED fixtures</li> <li>Expanded weekend system maintenance and cleaning program</li> <li>Received Board approval of FY 2022 Capital Budget and FY 2022-2033 Capital Program</li> <li>Received Board approval of FY 2022 Operating Budget and Fiscal Year 2023-2027 Financial Projections</li> <li>Supported return of PHS Flower Show in South Philadelphia</li> <li>Awarded Callowhill “SEPTAcular District of the Year”</li> <li>Completed first PCC-II trolley car restoration</li> <li>Installed new control batteries and chargers in Gregg, Castor, and Mermaid Substations</li> </ul>
July	<ul style="list-style-type: none"> <li>Introduced new three-day passes</li> <li>Fully executed return-to-office on July 6</li> <li>Completed Trolley Tunnel blitz</li> <li>Completed phase 3 of Southwestern Connection Improvements Program</li> <li>Provided Airport bridge service for Airport employees</li> <li>Began development of M5 technical specification</li> <li>Replaced 4.25 miles of 4/0 trolley wire in the Subway/Surface tunnel</li> <li>Replaced cross spans, pull-offs, hardware, and 1 mile of 4/0 trolley wire in 69th Street Yard</li> <li>Ended the fiscal year with a small operating budget surplus and continued 20+ years of a balanced budget</li> </ul>
August	<ul style="list-style-type: none"> <li>Began service on Route 135 in Chester County</li> <li>Launched Transit Police YouTube Channel</li> <li>Restored “SEPTA Sounds” station music program</li> <li>Restored transit service to near pre-COVID levels</li> <li>Held BASCSC Family Fun Movie Night</li> </ul>

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Timeframe	2021 Accomplishment
	<ul style="list-style-type: none"> <li>• Launched Learning Management System as part of SuccessFactors HRIS</li> <li>• Installed North Street Station platform</li> <li>• Rehabilitated Hatboro substation</li> <li>• Advanced the CBTC program, including: placing Walnut, Bowling Green, Woodland, Scenic and Clifton interlockings in service; removed spring switches and straight railed at North St., Bowling Green, Woodland, Scenic and Terminal Square; placed the Walnut spur track in service</li> <li>• Completed street track renewal on Callowhill Street</li> <li>• Introduced Key Card for Philadelphia public, charter, and parochial school students</li> </ul>
September	<ul style="list-style-type: none"> <li>• Launched 25% weekly pass discounts</li> <li>• Deployed “Welcome Back” ambassadors</li> <li>• Recovered from extensive Hurricane Ida damage on Manayunk/Norristown Line in less than one week</li> <li>• Completed Ida repairs on Norristown High Speed Line at DeKalb Station</li> <li>• Released new Wayfinding Program concept designs</li> <li>• Resumed sponsorships providing Free Rides home from Eagles games</li> <li>• Reopened SEPTA Transit Store</li> <li>• Launched Reimagining Regional Rail program</li> <li>• Announced DEB Council leadership</li> <li>• Supported Philadelphia’s FIFA World Cup bid</li> <li>• Added social workers to outreach teams under innovation SCOPE program</li> <li>• Rehabilitated Cynwyd (RRD) Bridge 4.75</li> <li>• Substantially completed Underground Storage Tank (UST) relining project at Frontier, Victory, Courtland, and Southern Districts</li> <li>• Restored service on Cynwyd and Chestnut Hill West Lines</li> <li>• Toured Willow Grove Air Station with Congressional Staff</li> <li>• Loaned buses to USAF for movement of Afghan refugees</li> <li>• Held General Manager Customer Service Awards Luncheon</li> <li>• Completed rehabilitation of 12th Street Switching Station</li> <li>• Placed the SEPTA Police radio system in service with the City of Philadelphia system and programmed 450 new handheld radios</li> <li>• Completed grade crossing renewals at Marshall, Spruce, Broad, Walnut, Union, and Bishop Roads</li> <li>• Launched the new SEPTANow Employee Newsletter</li> <li>• Successfully passed FTA Triennial Review</li> <li>• Launched SAP SuccessFactors for 2021 performance appraisals</li> </ul>
October	<ul style="list-style-type: none"> <li>• Held Elmwood District anniversary celebration</li> <li>• Received entry into FTA Project Development phase for KOP Rail</li> <li>• Launched Transit Supportive Community Development Program</li> <li>• TWU 234 contract deal reached</li> <li>• Safety Day – Hazard Reporting and Right to Know</li> </ul>

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Timeframe	2021 Accomplishment
	<ul style="list-style-type: none"> <li>Wayne Junction ISO 14001 Audit &amp; Recertification</li> <li>Delivery and loan of buses to USAF for movement of Afghan refugees</li> <li>Return of the Broad Street Run</li> <li>Completed the rehabilitation of Neshaminy substation</li> <li>NHSL: Replaced the switch layout at Bridgeport</li> <li>Replaced 8 miles of 2/0 Trolley wire for the Route 59 Trackless Trolley on Castor Avenue from Bleigh Street to Frankford Avenue</li> <li>Transit Track Worker Safety Project: Received FTA approval to advance the project</li> <li>Oak Street: Completed the specification and project award</li> <li>RRD Wayne to Glenside Software Reliability Upgrade: Completed the upgrade at Newtown Junction interlocking</li> <li>Norristown High Speed Line Bridgeport Interlocking replaced</li> <li>Re-Timber UGB 10.12</li> <li>Direct fixation replacement MFL (Berks to Allegheny)</li> <li>Curves East of 2nd Street Replaced (Eastbound &amp; Westbound)</li> <li>Dedicated the Color Me Back: Lovely Day &amp; Opposing Forces mosaic and mural at Suburban Station and South Broad Concourse</li> <li>Solidarity rallies with PA NOW</li> </ul>
November	<ul style="list-style-type: none"> <li>Infrastructure bill passed</li> <li>RISE grants awarded to 2 trolley stations</li> <li>Santa Express</li> <li>Completed <i>It's Your Ship</i> leadership development training</li> <li>Participated in Movember</li> <li>Replaced Fern Rock (RRD) Station platform</li> <li>Rehabilitated Fern Rock (BSL) parking lot ramp (substantially complete)</li> <li>Reconstructed 69th St Transportation Center stairs</li> <li>Reached contract agreement with SMART 1594</li> <li>Received Board approval for new hybrid-electric bus procurement</li> <li>Replaced 2 miles of 4/0 trolley wire for the Route 36 trolley on Elmwood Avenue, between Millick and Paschall Ave.</li> <li>Completed specification and bid for Control Center Wall displays</li> <li>Completed specification for City Hall Reverse Signaling</li> <li>Completed specification and project award for North Wales Highway Grade Crossing</li> <li>RRD Wayne to Glenside Software Reliability Upgrade: Completed the upgrade at Jenkintown interlocking</li> </ul>
December	<ul style="list-style-type: none"> <li>Held holiday vehicle decorating contest</li> <li>Held Yule Toy Drive</li> <li>Finalized Divisional Goals</li> <li>Deployed carbon fiber bridge plate prototypes</li> </ul>



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Timeframe	2021 Accomplishment
	<ul style="list-style-type: none"><li>• Constructed Richmond &amp; Westmoreland employee welfare building</li><li>• Was recognized by Progressive Railroad Magazine for Social Services Innovation</li><li>• Supported family in need (Women in Transit delivered toys on holiday bus)</li><li>• Distributed refurbished bikes with Guinan family at Congresso Health Center</li><li>• Advanced construction of Elwyn-to-Middletown project, including the Overhead Contact System and storage yard</li><li>• Renewed the catenary wire on the Chestnut Hill East Line, #2 Track</li><li>• Continued the installation of vehicle crash hardened memory module replacement on MFL and BSL fleets</li><li>• Completed 60 percent of Real Time Vehicle Location (RTVL) passenger information display signs</li><li>• Replaced 25 percent of Regional Rail DiGi Modem replacements</li><li>• Advanced 30 percent design for KOP Rail</li><li>• Completed the specification and bid process for CARD project</li><li>• Completed the specification and received authority to solicit for Centrex Phone System</li><li>• Completed track renewal on Bridge Street Yard, #4 &amp; #5 Track</li><li>• Installed ties and continuous welded rail on Norristown High Speed Line</li></ul>
Yearlong	<ul style="list-style-type: none"><li>• Held seven General Manager/CEO all-employee Town Halls</li><li>• Fielded four customer travel surveys</li><li>• Continued to grow a customer service presence with:<ul style="list-style-type: none"><li>○ A new Walnut/Locust Station office</li><li>○ Reopening of Norristown TC office</li><li>○ Grand opening of new office at 15th St Station</li></ul></li></ul>
Awards/Honors	<ul style="list-style-type: none"><li>• Leslie Richards – Power 100, Take the Lead</li><li>• Aleta Evans – Railway Age Women in Rail aware</li><li>• Rochelle Culbreath – named to Your Way Home board</li><li>• KOP Rail – APTA award for EIS</li><li>• Honorable Mention in the Diversity, Equity, and Inclusion Communications category in PR Daily’s Nonprofit Communications Awards</li><li>• GFOA Award for Operating Budget</li></ul>

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## SEPTA'S CURRENT GOALS FOR 2022

Communications 2022 Divisional Goals	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
<b>Increase Employee Engagement</b> Activities: <ul style="list-style-type: none"> <li>• Increase support of BASCSC</li> <li>• Improve reach of SEPTAnow.org</li> <li>• Improve Communications group satisfaction (OHI and DEB Culture)</li> </ul>	GM Team/IT/ Senior Managers	√		
<b>Improve Workforce Development</b> Activities: <ul style="list-style-type: none"> <li>• Succession planning</li> <li>• Mentoring</li> <li>• Development plans</li> </ul>	HR	√		
<b>Enhance Retention and Recovery through improved customer experience</b> Activities: <ul style="list-style-type: none"> <li>• Relationship building with stakeholders</li> <li>• Benchmark performance metrics</li> </ul>	IT/Planning/ Public & Gov't Affairs/ Operations/	√	√	√
<b>Support technology enhancements that improve the customer experience and enhancements that facilitate delivery of SEPTA messaging to employees</b> Activities: <ul style="list-style-type: none"> <li>• Key 2.0</li> <li>• SEPTAnow.org</li> <li>• SEPTA.org</li> <li>• Video screens</li> </ul>	IT/ Operations	√	√	
<b>Develop communication strategies to message safety to both employees and customers</b> Activities: <ul style="list-style-type: none"> <li>• Key safety messages</li> <li>• Informative safety reminders</li> <li>• KPIs and metric trends</li> <li>• Safety educational campaigns</li> </ul>	System Safety	√	√	
<b>Effectively utilize current and future SEPTA marketing platforms to engage the public and increase ridership</b> Activities: <ul style="list-style-type: none"> <li>• With Advertising now in Division, grow new marketing and advertising opportunities</li> </ul>	Operations/ Customer Service/ EM&C/ Planning	√	√	√

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Communications 2022 Divisional Goals cont.	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
<p><b>Proactively communicate with elected officials, customers, stakeholders and the public to ensure SEPTA's story is told and our interests are prioritized</b></p> <p>Activities:</p> <ul style="list-style-type: none"><li>• Continue to support Authority-wide efforts to build back ridership</li><li>• Work with elected officials, employers and other stakeholders to identify service needs</li><li>• Engage new and existing riders and highlight ongoing ridership initiatives</li><li>• Engage local and national media to highlight SEPTA safety and security, and various customer service initiatives</li><li>• Utilize ISEPTAPHILLY website and social media platforms to engage customers and business partners</li><li>• Continue to develop relationships with transportation beat writers and proactively engage media, building upon SEPTA's record of transparency and accessibility</li></ul>	All Divisions	√	√	√

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Finance 2022 Divisional Goals	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
Re-establish policies, procedures, expectations, and partnerships to ensure financial control and sustainability. Progress funding plans for Projects of Significance.	All Divisions	√	√	√
Support implementation of E&A Initiatives and Transformation Office	All Divisions	√		
Implement organization-wide financial education program to increase financial awareness and strengthen stewardship of public funds. Facilitate programs and events to enhance customer experience. Activities: • DBE Outreach Programs • Prime/Sub-Contractor Networking Events & Workshops • Customized User/Customer Education	All Divisions	√	√	√
Progress Workforce Development efforts by promoting a positive work environment; investing in and empowering our people; ensuring an uninterrupted flow of expertise and personnel; ensuring compliance to meet ongoing funding requirement; and preparing staffing/support plans for Key 2.0. Activities: • Succession planning, mentoring, development plans • Teambuilding and Building Trust • Cross Training/Documentation • Professional Development Courses/Programs • Internal Customer Training • Succession Planning • DBE Certifications, Certification Updates, and Project & Contract Monitoring • Implementing SBA - Set Aside • Contract Grant Compliance Reviews/Certified Payrolls	Internal/HR/System Safety	√	√	√
Continue the division's commitment to Safety Activities: • Warehouse and Storeroom Safety Trainings • Participation in Safety Events to Promote Safe Working and Operating Environments • Safety Briefings/Awareness Programs	Procurement/ System Safety	√	√	
Collaborate on procurements to maintain Excellence in Standards. Support operations to ensure availability of maximum revenue and non-revenue vehicles in service. Activities: • Timeliness, clear scopes, and complete documentation • Replace ASI and ensure smooth transition to Infor • Integrate Procurement and Inventory Systems/Data including Cycle counts • Leverage new technologies • Inventory Accuracy & Accountability • Maintain historical data • Maximize Asset Recovery Activities • Parts & Material Availability • Optimum Fill Rate	IT/EM&C/SCM/ VEM/ Operations/User Groups	√	√	



## —○ 1. Strategic Plan and Organizational Structure

Finance 2022 Divisional Goals cont.	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
<b>Ensure SEPTA fare policy and fare collection practices are secure, equitable, and sustainable.</b> Activities: <ul style="list-style-type: none"> <li>• Obtain annual PCI certification</li> <li>• Update, document, and communicate processes to ensure uniformity, accuracy, and transparency</li> <li>• Update Procurement Manual</li> <li>• DBE Certification Process / Desk Procedures with Timelines</li> <li>• Track and communicate vendor performance</li> <li>• Communicate Bid Opportunities</li> </ul>	Procurement/ Legal/DBE/ Communications/ Safety/ Public & Government Affairs/ Project Control	√	√	√
<b>Partner on defining, developing, &amp; deploying new technologies.</b> Activities: <ul style="list-style-type: none"> <li>• Deploy Mobile Ticketing on Transit and Railroad</li> <li>• Deploy Open Payment/PayGo</li> </ul>	IT	√	√	√
<b>Issue SEPTA Key 2.0 Request for Proposal (RFP) documentation for procurement</b>		√	√	√

# 1. Strategic Plan and Organizational Structure

Human Resources 2022 Divisional Goals	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
<b>Develop opportunities and programs that prioritize supportive leadership.</b> Activities: <ul style="list-style-type: none"> <li>• Develop leadership within SEPTA that is empathetic, agile, emotionally intelligent, and effective for a modern workplace</li> <li>• Support programs for new managers with a focus on instilling diversity, equity, and belonging behaviors and values</li> <li>• Implement a Formal Mentoring Program</li> <li>• Create a standard process for onboarding all new managers and provide tools and training to be successful</li> <li>• Conduct recognition ceremonies for managers who promote Extend 21st Century Coaching class and/or IYS to more leaders in the organization</li> <li>• Provide executive coaches for newly promoted senior leaders</li> <li>• Use Success Factors Performance Management system to improve working relationships between managers and their teams, and Identify ways to bridge the gap between SEPTA work locations.</li> </ul>	All Divisions	√		
<b>Establish resources (people, technology, expertise) within HR to better meet the needs of SEPTA's employees.</b> Activities: <ul style="list-style-type: none"> <li>• Determine proper staffing levels and skills needed to effectively utilize and support new technology within HR</li> <li>• Explore HR best practices and peer review studies to improve HR processes</li> <li>• Re-institute HR connect to better support field employees</li> </ul>	IT/EM&C/ Operations	√		
<b>Leverage data, technology, and resources to proactively assess SEPTA's workforce needs to fulfill the organization's mission to emphasize sustainability, and to develop a proactive organization - workforce planning, sustainability, and data driven decisions.</b> Activities: <ul style="list-style-type: none"> <li>• Conduct 3 - 5 year forecasting of human resource needs based on future transit trends, unique SEPTA demographic information and upcoming projects / needs</li> <li>• Develop guidelines for career ladders for A-payroll positions</li> <li>• Develop guidelines for career ladders for hourly positions</li> <li>• Explore opportunities to create new career paths</li> <li>• Support the implementation of Infor, SEPTA's new Enterprise Resource Planning (ERP) software</li> <li>• Improve information gathering regarding employee attrition</li> <li>• Assist in implementing the recommendations of the DEB strategic plan</li> </ul>	All Divisions	√		
<b>Develop process for capturing institutional knowledge and facilitate adoption within departments.</b> Activities: <ul style="list-style-type: none"> <li>• Formulate and help to implement a standard succession planning process for the organization</li> </ul>	All Divisions	√		

# 1. Strategic Plan and Organizational Structure

Office of General Counsel 2022 Divisional Goals	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
Conduct risk review for GM Team to support good executive decision making	GM Team/ Planning/ EM&C/ System Safety	✓		
<b>Improve internal business processes:</b> Activities: <ul style="list-style-type: none"> <li>• Transition Right of Entry (ROE) process to program owned permitting to ensure efficiency and legal protection</li> <li>• Drive update and redesign of procurement manual</li> <li>• Reorganize the administration of the RTK program in order to provide more efficient responses</li> <li>• Reevaluate internal procedures and best practices, and modify procedures as necessary</li> <li>• Reduce caseload of trial lawyers to manageable level using new programs and processes</li> <li>• Establish ownership and scope for comprehensive upgrade program for video systems throughout SEPTA to continue to provide safety and security for the public</li> <li>• Transfer management of outside counsel files to Claims to control expenses and work within staff capacity</li> </ul>	EM&C/Real Estate/ IT/P&GA/ Customer Service	✓		
Develop long term security operations monitoring and managed detection services with qualified cyber security firm. Develop internal resources and partnerships with qualified security firms for support. Continue to build the risk assessment of SEPTA's security posture.	IT/C&S/EM&C/Legal/ Operations/ Risk Management	✓		
Increase the security posture of the organization by implementing policies, protocols and education for access to SEPTA systems. Continue the internal security campaigns to educate staff on phishing, ransomware, and malware attempts through email or other access from end point computers. Develop a formal protocol for security awareness for new and existing employees. Activities: <ul style="list-style-type: none"> <li>• Contribute to review and update of business continuity plan to prepare SEPTA for future disruptive events</li> </ul>	All Divisions	✓		
Implement the enterprise resource systems for HRIS, Benefits, Finance, Payroll, and Supply Chain Management. Continue the effort for business process improvements and changes using the new platforms such as centralized timekeeping for efficient reporting of absenteeism, vacation, and personal time for all staff. Activities: <ul style="list-style-type: none"> <li>• Support integrated absence management initiative to ensure sufficient operators are available for service</li> </ul>	HR/IT/EM&C/Ops/ Finance/OOI	✓		✓
Establish new opportunities with INFOR, SAP, or other platform to modernize and replace existing legacy applications into a sustainable and supporting system and support new projects. Activity: <ul style="list-style-type: none"> <li>• Ensure claims application has functionality and integration with INFOR to ensure SEPTA can continue to process, defend and payout claims</li> </ul>	All Divisions	✓	✓	✓
Enhance the public facing technologies we offer including the SEPTA website, Mobile Application, and signage for both internal and external customers. Complete the new website platform and design for seamless and real time updates to the SEPTA website for customers and ensure ADA compliance. Implement mobile ticketing on the SEPTA Mobile app for customers who travel infrequently.	IT/C&S/ Operations/ Finance/ Revenue		✓	✓

# 1. Strategic Plan and Organizational Structure

Office of General Counsel 2022 Divisional Goals cont.	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
<b>Align the Information Technology Department as business partner to work with the business units on existing or new technology projects. This includes bringing in additional IT Resources through internal hires, staff augmentation, and consulting services. Develop a formalized project intake process and prioritization matrix that clearly identifies projects currently in process, new projects, resources allocated, and delivery times.</b>	All Divisions	√	√	√
<b>Proactively communicate and engage with elected officials and stakeholders to ensure SEPTA's story is told and our interests are prioritized.</b> Activities: <ul style="list-style-type: none"> <li>• Continue to support Authority-wide efforts to build back ridership</li> <li>• Work with elected officials, employers and other stakeholders to identify service needs, engage new and existing riders, and highlight ongoing Ridership initiatives</li> <li>• Lead efforts at local, state and federal level to advance SEPTA's priority goals</li> <li>• Work to preserve Act 89 investment and secure sustainable, bondable funding at current levels</li> <li>• Build support for enabling legislation to provide opportunities for local funding to support projects of regional significance</li> <li>• Address on-going revenue losses associated with reduced ridership</li> <li>• Work to preserve federal emergency relief and state and local operating subsidies</li> <li>• Highlight SEPTA's economic impact, the success of Act 89 and statewide procurement</li> <li>• Identify opportunities for ground breakings, hardhat tours and ribbon cuttings and other SEPTA initiatives</li> </ul>	All Divisions/External	√	√	√
<b>Work collaboratively with internal stakeholders to support Authority initiatives and advance priorities including projects of significance.</b> Activities: <ul style="list-style-type: none"> <li>• Lead productive, inter-Division conversations to inform how SEPTA's relationships with all levels of government impact SEPTA operating and capital funding and the accomplishment of other priorities</li> </ul>	All Divisions	√	√	√
<b>Work with Internal and External Stakeholders to foster a culture of Diversity, Equity, and Belonging</b> Activities: <ul style="list-style-type: none"> <li>• Support Authority commitment to increasing opportunities for women and minorities to join SEPTA and improving work culture to achieve Diversity, Equity and Inclusion goals</li> <li>• Develop partnerships with external stakeholders that support the Authority's ongoing commitment to building an inclusive workforce</li> </ul>	Communications/ Customer Service/ Planning & Strategy/ External	√	√	√
<b>Continue to highlight SEPTA's impact to the economy, the environment and equity</b> Activities: <ul style="list-style-type: none"> <li>• Promote the success of Act 89 and statewide procurement</li> <li>• Develop new opportunities to highlight SEPTA's environmental benefits and role in reducing transportation-related greenhouse gas emissions and alleviating congestion</li> <li>• Identify new and more ways to highlight SEPTA's inherent safety benefits and role in reducing congestion and transportation-related deaths</li> <li>• Promote SEPTA DBE opportunities</li> <li>• Work to increase outreach and other opportunities for women, minority and veteran business participation</li> </ul>	All Divisions/External	√	√	√
<b>Treat everyone with respect and dignity. Communicate at all levels of the Division and the Authority.</b> Activities: <ul style="list-style-type: none"> <li>• Further enhance proactive communication across departmental lines to ensure that local officials, residents and customers are effectively informed about capital projects and service decisions</li> <li>• Support safety, health and cleanliness initiatives that will encourage post-COVID ridership growth</li> <li>• Support EM&amp;C state of good repair program that is working to make existing system safe and reliable</li> </ul>	All Divisions	√		



# 1. Strategic Plan and Organizational Structure

Office of Inspector General 2022 Divisional Goals	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
Increase frequency of communications with Senior Management. Expand transparency of issues via publication of reports through website. Issue reports that are actionable.				
<b>More visibility throughout the Authority.</b> Activities: <ul style="list-style-type: none"> <li>Engage proactively in trainings for constituencies where there is repeated wrongful conduct</li> <li>Create Integrity Officer program</li> <li>Recognize employees who are dedicated to reduce fraud, waste, and abuse</li> </ul>	All Divisions	√		
Define work responsibility between departments and enforce accountability at all levels.	All Divisions	√		
<b>Create a collaborative, merged OIG.</b> Activities: <ul style="list-style-type: none"> <li>Assign matters to both auditors and investigators to work together in a hybrid model, occupy same physical space, maximize skill sets.</li> </ul>		√		
Partner with Project Control to quantify & prioritize audits based on time limitations and dollar materiality. Structure audit work by segments utilizing time budgets, with time variances reviewed by a Senior Contract Auditor.		√		
Implement professional, objective standards (Green Book, Yellow Book), increased trainings, peer review, maintain objectivity, timeliness, etc		√		
Culture change – bring in our division as a partner representing the internal control interests at the front end for changes and new initiatives/systems.		√		

# 1. Strategic Plan and Organizational Structure

Operations 2022 Divisional Goals	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
Establish a stronger divisional safety culture	System Safety/ EM&C/HR/ Legal	✓	✓	✓
Collaborate with internal stakeholders to improve recruitment and retention efforts across the division	HR/ Finance	✓	✓	✓
Develop strategies focused on ridership recovery across all modes	Planning & Strategy/ System Safety/ HR/P&GA	✓	✓	✓
Responsibly manage personnel, materials, and services within budget	Planning & Strategy/ Finance/HR/ Procurement	✓	✓	✓
Emphasize the division's commitment to sustainability	IT/EM&C/ Planning & Strategy/ Legal/P&GA	✓	✓	✓
Develop a culture of employee engagement and institutional knowledge sharing	HR/ Planning & Strategy	✓	✓	✓
Enhance the customer experience	Planning & Strategy/ HR/P&GA/ Communications	✓	✓	✓
Explore ways to improve both internal and external communications	HR/IT/P&GA/ Communications	✓	✓	✓

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# 1. Strategic Plan and Organizational Structure

Operations 2022 Divisional Goals cont.	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
Invest in technology as the foundation of our business practices	HR/IT/EM&C/ Finance/ Procurement/ System Safety	✓	✓	✓
Improve service and fleet reliability through innovative strategies and new vehicle design	All Divisions	✓	✓	✓
Continue and enhance safety initiatives for employees and passengers	All Divisions/ External Stakeholders	✓	✓	✓
Provide an environment that will encourage increases in ridership levels in a post Covid-19 world. Activities: <ul style="list-style-type: none"> <li>Continued improvement of the cleanliness of vehicles, stations and facilities including developing and implementing unified SOP's and measurable standards.</li> </ul>	All Divisions	✓	✓	✓
Continue to monitor, evaluate and modify service schedules to best accommodate the needs of the region	P&GA/Finance/ Planning & Strategy/ External Stakeholders	✓	✓	✓
Implement strategies to recover from and prepare for extreme weather events	Finance/ Procurement/ Office of General Counsel/P&GA	✓	✓	✓
Bring or maintain infrastructure and vehicles to a state of good repair. Activities: <ul style="list-style-type: none"> <li>Progress state of good repair projects, including the projects of significance (Trolley Mod, M-4 Car Replacement)</li> </ul>	P&GA/Finance/ Procurement/ External Stakeholders	✓		✓
Enhance operational performance. Activities: <ul style="list-style-type: none"> <li>Increase revenue vehicle availability for load line</li> <li>Improve overall in-service vehicle reliability and cleanliness</li> </ul>	IT/Finance/P&GA/ Procurement	✓	✓	✓
Develop data driven maintenance and capital renewal programs. Activities: <ul style="list-style-type: none"> <li>Adopt better use of technology in infrastructure and vehicle inspection and maintenance</li> </ul>	Finance/IT/ Procurement	✓	✓	✓

# 1. Strategic Plan and Organizational Structure

Operations 2022 Divisional Goals cont.	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
Enhance operating and capital cost-effectiveness, where appropriate	Finance/IT/ Office of General Counsel/ Procurement	√	√	√
Data driven management of Operating Budget and Capital Program staying within approved budgets	Finance/IT/ Procurement	√	√	√
Improve on the culture of unity with diversity and inclusion.	Communications	√		√
Cultivate ethics and integrity in the workplace.	Office of Inspector General	√	√	√
Fully engage employees at all levels throughout the organization.	Finance/HR/ Communications	√	√	√
Engage in strategic thinking to address crime	Office of Inspector General	√	√	√
Evaluate and reflect the needs of the Authority in enforcing order maintenance offenses	Customer Experience	√	√	√
Continue efforts to assist the vulnerable population	Transit Police	√	√	√
Move forward with replacing the RMS and initiating electronic report submission	IT	√	√	√
Initiate the Emergency Medical Technician concept	HR	√	√	√
Create ways to market the policing product	Communications	√	√	√
Broaden educational opportunities	HR	√	√	√
Foster new approaches with the Philadelphia School District		√	√	√
Initiate Crisis Response Team for employee mental health triage	HR	√		√

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# 1. Strategic Plan and Organizational Structure

Planning & Strategy 2022 Divisional Goals	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
Ensure that planning processes in SEPTA are transparent, engage internal and external stakeholders, and focus on including diverse representation from across the region.	EM&C/Operations/ Finance/P&GA/ Communications	✓		
Advance the projects of significance - Bus Revolution, KOPRail, Trolley Modernization, Reimagining Regional Rail, SEPTA Metro Wayfinding Master Plan, and Market Frankford Line Capacity Improvements - by working with multiple divisions and stakeholders to create an integrated program schedule and budget, while advancing early-action items, including timely real estate acquisition and the implementation and integration of conceptual design.	EM&C/Operations/ P&GA/Legal/ Communications	✓	✓	✓
Lead and participate in transit corridor studies that support vision zero and transit supportive land use with our partner agencies and municipalities, such as Grays Avenue, Direct Bus Phase B, and Erie Avenue.	EM&C/P&GA/ Operations	✓	✓	✓
Support ridership recovery efforts through high quality, comprehensive data analysis to identify trends to adjust service and provide accessible information for communications with internal and external audiences.	Operations/Finance/ IT/EM&C/P&GA/ Communications/ Customer Experience	✓	✓	✓
Institutionalize sustainability practices through the energy data management system and proactive planning for zero or low emission fleets and facilities.	Finance/B&B/ Real Estate	✓	✓	
Provide coordination and support across divisions to develop process improvements, projects, and initiatives to implement the Strategic Plan - SEPTA Forward	All Divisions	✓	✓	
Invest in and develop staff professionally with skill sets to improve planning processes and projects to become industry leading experts.	All Divisions	✓		
Support initiatives of other divisions and departments across SEPTA by using planning, innovation, and real estate's unique skill sets and community relationships.	All Divisions	✓		
Create schedules, service changes, and first/last mile service partnerships that are responsive to ridership recovery and operating budget constraints.	Operations/HR/ Finance/P&GA/ Communications	✓	✓	✓

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## —○ 1. Strategic Plan and Organizational Structure

<b>Planning &amp; Strategy</b> <b>2022 Divisional Goals cont.</b>	<b>Partners</b>	<b>Develop a Proactive Organization</b>	<b>Provide an Intuitive Experience</b>	<b>Deliver a Seamless Network</b>
Collaborate on creating a transparent project development process that improves internal and external stakeholder engagement and utilizes data and analysis tools to prioritize investments based on equity.	EM&C/P&GA/ Finance/EEO/ Operations/ Procurement	√	√	√
Advance implementation of the Transit Supportive Community Development program on and around SEPTA-owned properties to increase ridership, enhance SEPTA land value, further economic development in the region, promote equitable development, and ensure environmental sustainability.	All Divisions	√		
Continue proactively facilitating Real Estate transactions – acquisitions, development, management of agreements (eg. utilities, retail, and telecom), leasing, and sale of SEPTA-owned properties, while exploring opportunities to monetize property assets.	All Divisions	√		

# 1. Strategic Plan and Organizational Structure

System Safety 2022 Divisional Goals	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
<b>Establish a stronger organizational safety culture.</b> Activities: <ul style="list-style-type: none"> <li>Establish an Organizational Safety Improvement Council</li> <li>Establish an attitude based safety workshops for employees</li> <li>System Safety will continue to implement C5: C12t process audits of other divisions safety critical functions</li> <li>Each Division to establish a formalized audit/quality control process to evaluate their own safety/process compliance</li> <li>Evaluate Enterprise Safety Management Software Applications</li> <li>Publish Monthly KPI report cards</li> <li>Interface Asset Management with Safety</li> <li>Conduct an employee Safety Culture Survey</li> </ul>	Operations/EM&C/Finance/ Communications/ Public & Gov't Affairs/PSCM/ Police/Planning/Training/ Medical/Legal(Claims/WC)	✓	✓	✓
<b>Progress Workforce Development Efforts.</b> Activities: <ul style="list-style-type: none"> <li>Support the Organization Safety Improvement Council (OSIC) and associated working groups</li> <li>Cross Train Staff to expand their safety knowledge</li> <li>Expose staff to collaborative team initiatives outside of their safety responsibilities (e.g., DEB, BASCSC, WIT)</li> <li>Provide Leadership Development Training to Staff</li> <li>Provide Opportunities for staff to obtain industry certifications (CSP, CIH, etc.)</li> <li>Incorporate succession planning and mentoring opportunities for staff</li> </ul>	Training/HR/Operations	✓	✓	
<b>Support the Authority's Mission of a Diverse and Inclusive Organization.</b> Activities: <ul style="list-style-type: none"> <li>Support the DEB Council efforts</li> <li>Continue to develop a highly talented, competent and diverse staff</li> <li>Have staff attend at least one learning management training course that focuses on Diversity and Inclusion</li> </ul>		✓	✓	
<b>Work Collaboratively inside and outside the Division to be more efficient and responsible in how we do business.</b> Activities: <ul style="list-style-type: none"> <li>Support the Authority's Accountability and Efficiency Program</li> <li>Provide realistic deadlines and hold staff accountable when deadlines are not met</li> <li>Challenge each staff member to take one existing process in each of the 4 safety groups and streamline/enhance the process to be more efficient and cost effective</li> </ul>	Transformation Team	✓	✓	
<b>Develop and Publish SEPTA's Updated Sustainability Program.</b> Activities: <ul style="list-style-type: none"> <li>Support the SEPTA's Energy Management Program by helping reduce carbon emissions and waste generation</li> <li>Support the development of SEPTA's updated Sustainability Plan</li> <li>Support the ESMS program by maintaining the ISO 14001 certification at Berridge and Wayne, and expanding the ESMS practices at other facilities and in our Sub/EI stations</li> <li>Reduce chemical inventory and improve chemical management by working on chemical procurements, SDS management, and compliant waste disposal processes</li> </ul>	Operations/Planning/ Customer Service/ Public & Gov't Affairs	✓	✓	✓

# 1. Strategic Plan and Organizational Structure

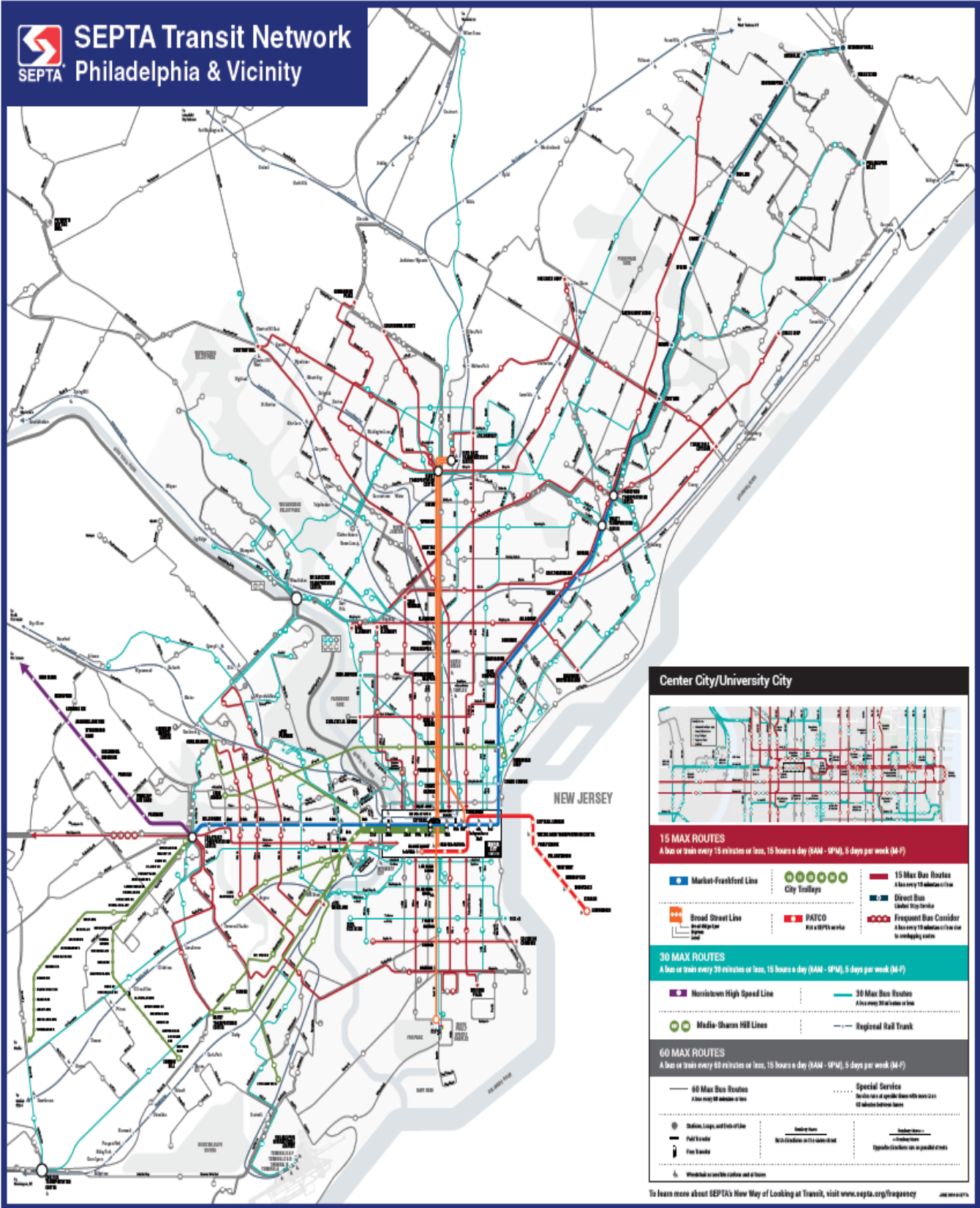
System Safety 2022 Divisional Goals cont.	Partners	Develop a Proactive Organization	Provide an Intuitive Experience	Deliver a Seamless Network
<b>Support the Authority's Efforts to Restore Ridership Levels.</b> Activities: <ul style="list-style-type: none"> <li>Continue to support the Authority's efforts to provide a cleaner riding environment by supporting our surface and air purification efforts, and our Drexel Partnership</li> <li>Support SEPTA's efforts on absenteeism by reducing loss time injuries and vehicle accidents by 5%</li> <li>Support SEPTA's Bus Revolution program</li> <li>Support SEPTA's M5 Specification development</li> <li>Support SEPTA's Vehicle Overhaul program by conducting joint audits of SEPTA's VOH program on various rail fleets</li> <li>Support SEPTA's King of Prussia Project and the associated safety certification process</li> <li>Support SEPTA's Trolley Modernization program including vehicle specification development and new facility real estate acquisition</li> <li>Support SEPTA's SCOPE program focusing on the impacts created by the vulnerable population</li> </ul>	Planning/HR/Police/Operations/ VEM/Worker Compensation	√		√
<b>Facilitate programs and events to enhance the customer experience.</b> Activities: <ul style="list-style-type: none"> <li>Support SEPTA's way finding initiative to help improve the ridership experience of navigating through our system</li> <li>Establish a veritas dashboard to monitor, investigate, and eliminate hazards and safety concerns identified by customers and external stakeholders</li> <li>Support SEPTA's Ambassador Program for major events</li> <li>Implement Safety Campaigns for our external stakeholders (e.g., Fire Prevention, Operation Lifesaver, Station Safety Blitzes, Community Expos, etc.)</li> </ul>	Operations/Planning/ Customer Service/ Public & Gov't Affairs	√	√	√
<b>Enhance our Safety Communication Platform to our SEPTA Employees and Riders.</b> Activities: <ul style="list-style-type: none"> <li>Develop a Quarterly Safety Newsletter for all employees</li> <li>Develop communication strategies to message safety information to both employees and customers. The focus will be on key safety messages, Informative safety reminders, KPIs and metrics, trends and safety educational information.</li> <li>Develop a process to let employees who submit safety concerns see the status of their concern</li> <li>Create a Safety Emphasis topic each month with posters, flyers, and communications to Employees. (Topics can be: Suicide Awareness in September, Fire Prevention in October, Right to Know – November, Electrical Safety – December etc.)</li> </ul>	Communication/ Public & Gov't Affairs/ Customer Service	√	√	

1. Strategic Plan and Organizational Structure





1. Strategic Plan and Organizational Structure



## 2. The Budget Process

### OVERVIEW

SEPTA's Operating Budget is developed over an eight-month period that is comprised of three phases:

- 1) Budget Proposal Development
- 2) Public Comment & Adoption
- 3) Final Budget

### BUDGET PROPOSAL DEVELOPMENT

The proposal phase begins in November with alignment around Strategic Plan goals and priorities to drive the budget development process. A kickoff meeting is held and priorities are communicated to the organization through budget liaisons within each department.

In December and January, meetings are conducted with each department to review current-year budget variances and to discuss new budget requests for the upcoming fiscal year. The discussions emphasize the importance of aligning new budget requests to corporate goals and strategic priorities.

Also in January, anticipated service levels for each mode (bus, trolley, trackless trolley, subway/elevated, and Regional Rail) are established for the upcoming fiscal year to determine budgets for service-driven operating accounts, such as transportation labor, vehicle maintenance, fuel, propulsion power, and purchased transportation. Forecasts are also developed at this time for other accounts such as fringe benefit expenses and insurance.

In February, revenue and subsidy budgets developed based on current-year forecasts and projections for the upcoming fiscal year. Passenger revenue, other income-generating accounts such as advertising and investments are considered during this process, as are lease, debt, service, and subsidy requirements from federal, state, and local funding entities. Then in March, a draft budget proposal is assembled containing the cumulative results of the expense, revenue, and subsidy budgets developed during preceding months.

In April, this proposal is vetted and published at [planning.septa.org](http://planning.septa.org) along with public hearing notices posted on the website, in various media outlets, and shared with stakeholder groups across the region. The proposal is published at least 30 days before the scheduling of public hearings, which are held in May to solicit public comment on the document.

### Public Comment & Adoption

The budget proposal is published in April with a recording of testimony that will be presented at the public hearings to be held virtually over two days in late May. The public is invited to review the budget proposal and testimony, and provide comments to SEPTA in any of the following formats: 1) live during the public hearing, if capacity allows (sign language interpreters are available); 2) by phone (with English, Spanish, and Mandarin options provided); 3) by email to [operatingbudget@septa.org](mailto:operatingbudget@septa.org); and/or 4) by U.S. mail to Director of Operating Budgets, 1234 Market Street, 9<sup>th</sup> Floor, Philadelphia, PA 19104.

The public hearings are conducted by an independent hearing examiner, who is appointed by the SEPTA Board Chairman to preside over the budget's public comment period. The hearing examiner issues a formal report to the SEPTA Board containing recommendations that result from the review of SEPTA's budget proposal, testimony, and comments received during the public hearing process. The hearing examiner's report is issued to the SEPTA Board in early June, in advance of the Board's formal consideration of the budget proposal at its June Board Meeting.

### Final Budget

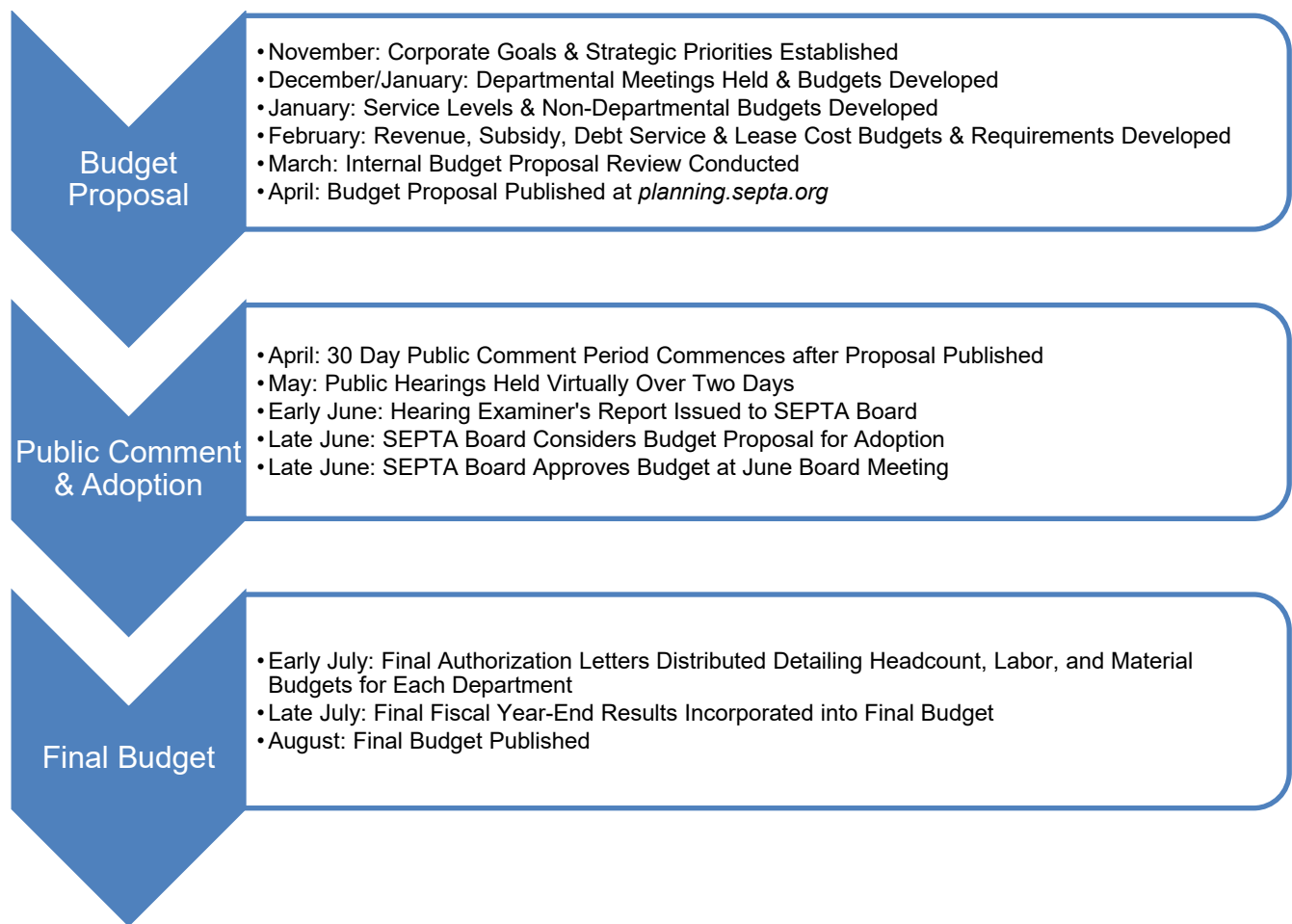
Following SEPTA Board approval at the June Board Meeting, Final Authorization Letters are distributed to each department detailing their authorized headcount, labor, and material for the upcoming fiscal year. The Letters contain a comparison of the differences between the current and upcoming fiscal year.

## 2. The Budget Process

After the fiscal year ends on June 30, the budget proposal is updated to include the actual financial results for the preceding fiscal year. The budget document is also updated with any changes that occurred between the publication of the budget proposal in April and the publication of the final budget, which is posted to [planning.septa.org](https://planning.septa.org) in August.

(Any mid-year budget amendments are subject to this same process.)

### The Budget Process at a Glance



## 2. The Budget Process

### FISCAL YEAR CALENDAR JULY 1, 2022 THROUGH JUNE 30, 2023

JULY 2022							DAYS CUM <u>30</u> 30
3	4	5	6	7	8	9	
10	11	12	13	14	15	16	
17	18	19	20	21	22	23	
24	25	26	27	28	29	30	
AUGUST 2022							35 65
31	1	2	3	4	5	6	
7	8	9	10	11	12	13	
14	15	16	17	18	19	20	
21	22	23	24	25	26	27	
28	29	30	31	1	2	3	
SEPTEMBER 2022							28 93
4	5	6	7	8	9	10	
11	12	13	14	15	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30	1	
OCTOBER 2022							28 121
2	3	4	5	6	7	8	
9	10	11	12	13	14	15	
16	17	18	19	20	21	22	
23	24	25	26	27	28	29	
NOVEMBER 2022							35 156
30	31	1	2	3	4	5	
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	
27	28	29	30	1	2	3	
DECEMBER 2022							28 184
4	5	6	7	8	9	10	
11	12	13	14	15	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30	31	
JANUARY 2023							28 212
1	2	3	4	5	6	7	
8	9	10	11	12	13	14	
15	16	17	18	19	20	21	
22	23	24	25	26	27	28	
FEBRUARY 2023							28 240
29	30	31	1	2	3	4	
5	6	7	8	9	10	11	
12	13	14	15	16	17	18	
19	20	21	22	23	24	25	
MARCH 2023							35 275
26	27	28	1	2	3	4	
5	6	7	8	9	10	11	
12	13	14	15	16	17	18	
19	20	21	22	23	24	25	
26	27	28	29	30	31	1	
APRIL 2023							28 303
2	3	4	5	6	7	8	
9	10	11	12	13	14	15	
16	17	18	19	20	21	22	
23	24	25	26	27	28	29	
MAY 2023							35 338
30	1	2	3	4	5	6	
7	8	9	10	11	12	13	
14	15	16	17	18	19	20	
21	22	23	24	25	26	27	
28	29	30	31	1	2	3	
JUNE 2023							27 365
4	5	6	7	8	9	10	
11	12	13	14	15	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30		

### 3. FY 2023 Assumptions, Consolidated Budget & Financial Projections

#### ASSUMPTIONS

FY2023 BUDGET		FY2024-FY2028 PROJECTIONS
<b>SERVICE</b>	<ul style="list-style-type: none"> <li>- Transit: 96% of Pre-COVID (Bus, Subway/Elevated, Trolley, Trackless Trolley)</li> <li>- Regional Rail: 75% of Pre-COVID</li> </ul>	
<b>REVENUE</b>	<ul style="list-style-type: none"> <li>- 3.1% increase from FY2022 budget (61% of Pre-COVID)</li> <li>- Based on the following linked passenger trips: Fixed Route – 120,510,000; Shared Ride – 354,688; ADA City – 324,547; ADA Suburban – 213,282</li> </ul>	
<b>EXPENSES</b>	<b>TOTAL</b>	- 6.2% increase from FY2022 budget
	<b>LABOR &amp; FRINGE</b>	- 3.0% decrease from FY2022 budget, driven by historically high-number of vacancies as a share of budgeted headcount
	<b>MATERIALS &amp; SERVICES</b>	- 33.5% increase from FY2022 budget, driven by inflationary impacts on material costs, technology investments, CCT paratransit ridership recovery, and ramping up to support an expanded Capital Program
	<b>INJURY &amp; DAMAGE CLAIMS</b>	- 19.0% increase from FY2022 budget, driven by increased insurance premiums and the processing of a backlog of claims from the COVID-19 pandemic
	<b>PROPULSION POWER</b>	- 32.3% increase from FY2022 budget, driven by rapid increases in electricity commodity supply prices, an increase offset in part by savings from implementation of Sustainability Program initiatives such as Solar PV and Energy Conservation Measures
		- Annualized growth of 6.2%, reflecting a gradual return of ridership and ongoing pursuit of other non-fare-based sources of revenue to reach 83% of pre-COVID revenue by FY2028
		- Annualized growth of 2.2%
		- Annualized growth of 2.7%, driven by contractual labor agreements and gradual filling of historically high number of vacancies; \$4M added to FY2028 to account for anticipated net increase in operating costs associated with opening of KOP rail.
		- Annualized growth of 1.4%, driven by expectation that the current inflationary cycle will abate, and cost-saving measures associated with SEPTA's Efficiency & Accountability Program will continue to be implemented
		- Annualized growth of 1.4%, driven by expectation that a spike in claims and insurance expense in FY2023 will abate and continue to grow at a significantly lower rate
		- Annualized reduction of 1.0% in FY2024 and FY2025, driven by expectation that the spike in global commodity markets will abate and implementation of Sustainability Program initiatives to reduce electricity consumption and cost will continue; then a 1 percentage point rate increase per year in FY2026, FY2027 and FY2028 to account for the anticipated acquisition of zero-emission buses



### 3. FY 2023 Assumptions, Consolidated Budget & Financial Projections

#### ASSUMPTIONS cont.

		FY2023 BUDGET	FY2024-FY2028 PROJECTIONS
<b>EXPENSES cont.</b>	<b>FUEL</b>	- 66.7% increase from FY2022 budget, driven by rapid increases in fuel prices, offset in part by savings from implementation of Sustainability Program initiatives, such as new Hybrid-Electric Buses and Efficiency & Accountability Program Initiatives, such as eco-mode features on Bus and Rail Fleets	- Annualized reduction of 1.0% in FY2024 and FY2025, driven by expectation that the spike in global commodity markets will abate and continued Implementation of Sustainability Program and Efficiency & Accountability Program Initiatives to reduce fuel consumption and cost; then an additional 1 percentage point rate decrease per year in FY2026, FY2027 and FY2028 to account for the anticipated acquisition of zero-emission buses
	<b>VEHICLE &amp; FACILITY RENTAL</b>	- 8.4% increase from FY2022, driven by an expansion of rental fleet usage to support an expanded Capital Program	- Annualized reduction of 1.0%, driven by cost-saving measures associated with Efficiency & Accountability Program implementation to reduce rental expenses
	<b>DEPRECIATION/ CONTRIBUTED CAPITAL</b>	- 1.8% increase from FY2022	- Annualized growth of 3.0%
<b>SUBSIDIES (PLEASE REFER TO THE "SUBSIDY ALLOCATION &amp; DETAIL" SECTION FOR MORE INFORMATION)</b>	<b>FEDERAL</b>	- \$360.0 million in one-time non-recurring COVID Relief from the American Recovery Plan (ARP) Act, plus additional support for capital leases, debt service, and highway pass-through funds	- COVID Relief from ARP fully exhausted by the end of FY2024, with support for capital leases, debt service subsidy, and highway pass-through funds continuing thereafter
	<b>STATE</b>	- Formula-based Operating Assistance from Section 1513 of the Pennsylvania Public Transportation Trust Fund totaling \$714.9 million, plus additional support for capital leases and debt service	- Ongoing formula-based Operating Assistance from Section 1513 and ongoing support for capital leases and debt service, plus utilization of SEPTA's Service Stabilization Fund as needed to fill projected budget gaps following the exhaustion of federal COVID Relief
	<b>LOCAL</b>	- Local match of 15% on State Section 1513 operating assistance totaling \$107.2 million, plus additional matching support for capital leases and debt service subsidy	- Ongoing local match of 15% on State Section 1513 and additional matching support for capital leases and debt service subsidy

### 3. FY 2023 Assumptions, Consolidated Budget & Financial Projections

#### FY 2023 CONSOLIDATED BUDGET

Amounts in Thousands ('000)	FY 2023 <u>Budget</u>
<b>REVENUE</b>	
Passenger Revenue	\$ 265,567
Shared Ride Program	9,569
Other Income	40,495
Investment Income	<u>598</u>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 316,229</b>
<b>EXPENSES</b>	
Labor and Fringe Benefits	\$ 1,081,212
Material and Services	403,603
Injury and Damage Claims	28,795
Propulsion Power	32,838
Fuel	31,626
Vehicle and Facility Rentals	<u>8,200</u>
<b>OPERATING EXPENSE</b>	<b>\$ 1,586,274</b>
Depreciation/Contributed Capital	<u>\$ 24,260</u>
<b>TOTAL EXPENSES</b>	<b>\$ 1,610,534</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b><u>\$ (1,294,305)</u></b>
<b>OPERATING SUBSIDY</b>	
Federal	\$ 423,101
State	757,170
Local	108,641
Other	<u>5,393</u>
<b>TOTAL SUBSIDY</b>	<b>\$ 1,294,305</b>
<b>SURPLUS/(DEFICIT)</b>	<b><u>\$ -</u></b>

### 3. FY 2023 Assumptions, Consolidated Budget & Financial Projections

#### FY 2024 – FY 2028 FINANCIAL PROJECTIONS

TOTALS IN \$000s	BUDGET	PROJECTIONS				
	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
<b>REVENUE</b>						
PASSENGER REVENUE	\$265,567	\$282,385	\$299,351	\$318,130	\$337,942	\$358,911
SHARED RIDE PROGRAM	\$9,569	\$10,175	\$10,786	\$11,463	\$12,177	\$12,932
OTHER INCOME	\$40,496	\$43,060	\$45,647	\$48,511	\$51,532	\$54,729
INVESTMENT INCOME	\$598	\$635	\$674	\$716	\$760	\$808
<b>TOTAL REVENUE</b>	<b>\$316,229</b>	<b>\$336,255</b>	<b>\$356,458</b>	<b>\$378,819</b>	<b>\$402,411</b>	<b>\$427,380</b>
<i>Revenue % of Pre-COVID</i>	<i>61%</i>	<i>65%</i>	<i>69%</i>	<i>73%</i>	<i>78%</i>	<i>83%</i>
<b>EXPENSES</b>						
LABOR & FRINGE BENEFITS	\$1,081,212	\$1,109,648	\$1,138,857	\$1,168,860	\$1,199,680	\$1,235,173
MATERIALS & SERVICES	\$403,603	\$411,675	\$419,909	\$424,108	\$428,349	\$432,633
INJURY & DAMAGE CLAIMS	\$28,795	\$29,371	\$29,958	\$30,258	\$30,560	\$30,866
PROPULSION POWER	\$32,838	\$32,509	\$32,184	\$32,184	\$32,506	\$33,156
FUEL	\$31,626	\$31,310	\$30,997	\$30,377	\$29,465	\$28,287
VEHICLE & FACILITY RENTAL	\$8,200	\$8,118	\$8,037	\$7,956	\$7,877	\$7,798
DEPRECIATION	\$24,260	\$24,987	\$25,737	\$26,509	\$27,304	\$28,124
<b>TOTAL EXPENSES</b>	<b>\$1,610,534</b>	<b>\$1,647,619</b>	<b>\$1,685,679</b>	<b>\$1,720,252</b>	<b>\$1,755,743</b>	<b>\$1,796,037</b>
<b>DEFICIT BEFORE SUBSIDIES</b>	<b>\$(1,294,305)</b>	<b>\$(1,311,364)</b>	<b>\$(1,329,221)</b>	<b>\$(1,341,433)</b>	<b>\$(1,353,331)</b>	<b>\$(1,368,657)</b>
<b>SUBSIDIES</b>						
FEDERAL	\$423,101*	\$353,278*	\$59,151	\$59,964	\$96,988	\$98,265
STATE	\$757,170	\$833,740	\$1,105,559**	\$1,062,190**	\$865,253	\$864,866
LOCAL	\$108,641	\$119,755	\$159,873	\$151,933	\$117,727	\$117,416
OTHER	\$5,393	\$4,591	\$4,637	\$4,684	\$4,731	\$4,778
<b>TOTAL SUBSIDY</b>	<b>\$1,294,305</b>	<b>\$1,311,364</b>	<b>\$1,329,221</b>	<b>\$1,278,771</b>	<b>\$1,084,699</b>	<b>\$1,085,326</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$(62,662)</b>	<b>\$(268,632)</b>	<b>\$(283,331)</b>
<b>NOTES</b>	*INCLUDES FEDERAL COVID RELIEF		**INCLUDES SERVICE STABILIZATION FUND			

### FINANCIAL PLANNING POLICIES

#### Balanced Budget

The SEPTA Board adopts a balanced budget, or short-term operating spending plan, before the start of each fiscal year in accordance with the enabling legislation of the Commonwealth of Pennsylvania. A balanced budget is one in which expected operating revenues and subsidies equal expected operating expenses. When a deviation from a balanced budget is foreseen or occurs, this is reported as an operating surplus or deficit.

#### Fiscal Year

The Authority's budget is prepared on a fiscal year basis, beginning July 1 and ending June 30, which is consistent with the financial statements.

#### Basis of Financial Reporting and Budgeting

The Authority's annual financial statements are prepared using the economic resources measurement focus and the accrual basis in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. Revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from the Authority's principal operation of providing passenger transportation service. The principal operating revenues are passenger fares and the principal operating expenses are related to the delivery of passenger transportation.

The budget is prepared on a similar basis as the annual financial statements, with the following exceptions:

- The budget includes depreciation net of amortization of contributed capital, while the annual financial statements report gross depreciation. Amortization of contributed capital has been replaced in the annual financial statements by capital grant funding.
- The budget includes a resultant Surplus or Deficit, while the annual financial statement reports a Change in Net Position.
- The budget includes investment income in operating revenue, while the annual financial statements treat this item, and all other subsidies, as non-operating. Conversely, route guarantees classified as operating revenue commencing in Fiscal Year 2013 in the annual financial statements continue to be classified as an operating subsidy within the budget. Additionally, interest expense is treated as non-operating in the annual financial statements.
- The net actuarially determined other post-employment benefit (OPEB) obligation recognized under Governmental Accounting Standards Board (GASB) Statement No. 45 in 2008, which was replaced by GASB 75 and implemented by the Authority in Fiscal Year 2018, has been excluded from budgeted expenses. The expense impact of the annual unfunded pension liability change under GASB 68, implemented by the Authority in Fiscal Year 2015, is also excluded from budgeted expenses. Such costs are included in operating expenses in the annual financial statements. The OPEB is funded and budgeted on a pay-as-you-go basis, whereas pensions are funded and budgeted based on actuarially determined contributions calculated by an independent actuary.

## 4. Financial and Budgetary Policies

### Long-Range Planning

SEPTA continually assesses the consequences of national, state, and local demographic, economic, travel, and development trends for SEPTA's current and future operations, services, and capital projects. This assessment includes the evaluation of current and potential service levels in accordance with SEPTA's Annual Service Plan and the City Transit, Suburban Transit, and Regional Rail Service Standards and Processes. This assessment forms the backdrop for SEPTA's long-range planning and the basis for the five-year financial projections, which are included in the adopted budget for each fiscal year.

The five-year financial projection includes fare increases every three years and SEPTA anticipates the next fare increase will occur in Fiscal Year 2023. The last fare increase was implemented on July 1, 2017. This, along with prudent oversight of expenditures, will facilitate balanced budgets in future years.

### Asset Security and Protection

SEPTA has established an internal control structure to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The Procurement, Supply Chain and Disadvantaged Business Enterprise Division is responsible for the purchase, lease, sale, and disposal of parts, equipment, supplies, repairs, and services utilized by the Authority. This includes the coordination and enforcement of federal, state, and local funding agency regulations for all approved capital expenditures. The principal areas of responsibility include compliance and support services, contract administration, purchasing, resource control, and production control. The specific function of this group is further defined in the departmental section of this budget document.

## REVENUE POLICIES

### Revenue Diversification & Growth

The Authority continues to explore areas for revenue diversification and enhancement to supplement passenger revenue and subsidies. Such enhancements shall include, but not be limited to:

- Developing new institutional partnerships, such as the new *SEPTA Key Advantage* pilot program, to broaden the base of potential riders
- Identifying opportunities to serve new markets through a cross-departmental *Ridership Recovery Task Force*, which meets monthly
- Advancing technology improvements such as *Key 2.0* and mobile ticketing to grow ridership through an improved customer experience
- Expanding non-fare based revenue through the *Advertising Program*, *Station Naming Rights Agreements*, and other non-fare based opportunities

### Fees and Charges

The Authority's fare structure has been implemented in accordance with legislation established by the Legislature of the Commonwealth of Pennsylvania and applicable federal legislation. Changes to SEPTA's fare structure are subject to the guidelines established by this legislation, including a public hearing process and Board approval.

### Unpredictable Revenues

Prior to the COVID-19 pandemic, there were no major revenue sources that the Authority believed to be unpredictable in nature. The Authority has adopted a policy whereby it does not rely on unpredictable revenues to finance ongoing operations. Because the recovery from the pandemic and its impact on operating revenue in Fiscal Year 2023 remains uncertain at this time, the Federal relief funding will continue to help fulfill budget revenue shortfalls experienced next year.



### EXPENDITURE POLICIES

#### Efficiency & Accountability

All business units within SEPTA are expected to adhere to budgeted guidelines. Managers are held accountable for operating within their authorized budget. The Authority reports monthly on a comparison of actual operating and capital expenditures to budget. Many actions to balance the budget can be implemented by the General Manager/CEO, with input from staff, while some actions such as fare modifications and significant service changes require Board approval.

Spending plans are based both on an assessment of ongoing needs to maintain existing service levels and to introduce new programs. Due to external constraints on the Authority's expense growth, expansion is limited to those programs exhibiting the highest degree of cost effectiveness and payback in future economies. Budgeting is done at the management center level and managers are provided with detailed variance reports on a monthly basis. SEPTA will be focusing on tightly managing expenses and headcount as one-time federal COVID relief funding expiration approaches. Federal COVID relief funding is currently projected to expire in Fiscal Year 2024.

SEPTA has created an *Efficiency & Accountability (E&A) Program* to position the Authority for success in navigating the effects of COVID-19 in the coming months and beyond by:

- Ensuring the right capabilities, mindsets, and resources in place to deliver on the strategic plan
- Alleviating day-to-day pain points to make SEPTA a more satisfying place to work for employees
- Driving efficiency, productivity & accountability in business units across the organization
- Pursuing cost-saving & revenue-generating opportunities that put SEPTA on firm financial footing

In addition to the E&A Program, multiple divisions have ensuring efficiency and accountability as core elements of their mission and objectives. For example:

- The Planning and Strategy Division conducts periodic assessments of various business functions through an Office of Innovation, which recommends changes when deemed appropriate.
- The Office of Inspector General regularly audit business functions and develops an annual audit plan to continually protect the Authority against waste, fraud and abuse.

### DESCRIPTION OF EXISTING DEBT AND DEBT SERVICE POLICIES

In January 2022 the Authority proposed a new draft Debt Policy to establish sound, prudent and appropriate parameters and to provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued or incurred by SEPTA. Recognizing the importance and value to SEPTA's creditworthiness and marketability of SEPTA's bonds, the draft policy is intended to ensure that any and all potential debt structures comply with all applicable laws and regulations, as well as sound financial principles.

#### Revenue Refunding Bonds

The Revenue Refunding Bonds are limited obligations of the Authority, and the principal and interest thereon are payable solely from the revenues received by the Authority from the Pennsylvania Consolidated Statutes, including all moneys distributed to the Authority from the Public Transportation Assistance (PTA) Fund created under Article XXIII of the Pennsylvania Tax Reform Code of 1971, as amended.

On July 18, 2007, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2007 – 44 ("Act 44"), which, effective July 1, 2007, among other things, (a) repealed 74 Pa C.S. Ch. 13 (which included Section 1310); and (b) provides, in pertinent part that, notwithstanding such repeal, (i) the PTA Fund shall continue to receive the revenue the PTA Fund was entitled to receive on June 30, 2007, (ii) despite the repeal of 74 Pa. C.S. Ch. 13 and, in particular, Section 1310, transit entities that have outstanding obligations shall continue to receive money from the PTA Fund calculated and paid in the same manner as was provided on June 30, 2007, and (iii) money remaining in the PTA Fund after

## 4. Financial and Budgetary Policies

amounts are disbursed as described in (ii) above shall be transferred monthly to the Public Transportation Trust Fund established under 74 Pa. C.S. Ch. 1506.

The Authority, as a transit entity under Act 44, will continue to receive amounts distributed from the PTA Fund that are calculated and paid in the same manner as was prescribed prior to the repeal of Section 1310.

On November 25, 2013, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2013 – 89 (“Act 89”), which increased available Capital funding for transportation commencing in FY 2014. Act 89 has no effect on the amounts that the Authority is otherwise entitled to receive under Act 44 for repayment of its Revenue Refunding Bond obligations.

The Authority’s policy is to issue debt periodically to supplement federal and state grants in support of the Authority’s capital plan. There are no requirements to establish legal debt limits.

In March 2007, the Authority issued \$131.7 million of Variable Rate Revenue Refunding Bonds, Series of 2007. The net proceeds from the sale of the 2007 Bonds were used to currently refund the Authority’s outstanding Special Revenue Bonds, Series of 1997 and to pay the premium for a debt service reserve fund insurance policy. The net proceeds of the 1997 bonds had been used to reimburse the Authority for a portion of the costs of certain capital projects; refund certain leases entered into by the Authority for a building and related equipment; pay the costs of certain capital projects and pay the premium for a debt service reserve fund insurance policy. In December 2012, the Authority converted the \$97.95 million remaining outstanding principal amount of the 2007 bonds from the Daily Rate Mode to the Indexed Mode.

In October 2010, the Authority issued \$222.5 million Revenue Refunding Bonds, Series of 2010 due in varying amounts through 2028, with annual interest rates ranging from 2% to 5%. The net proceeds from the sale of the 2010 Bonds, together with other funds of the Authority, were used to (a) currently refund the outstanding principal amount of the 1999 Special Revenue Bonds, Series A and Series B, (b) fund the termination payments and accrued amounts payable in connection with the termination of certain swap agreements and, (c) fund certain costs and expenses incurred in connection with the issuance and sale of the 2010 Bonds. The net proceeds of the 1999 Bonds had been used to finance a portion of the Market-Frankford subway-elevated line vehicle acquisition program; refinance a bridge loan for payment of a portion of the vehicle acquisition program; refund \$73.2 million of the 1995A Bonds; reimburse the Authority for a portion of the costs of certain capital projects and pay a portion of the premium for a debt service reserve fund insurance policy.

On October 11, 2017, the Authority issued \$59.97 million of Revenue Refunding Bonds, Series 2017 (the “2017 Bonds”). The 2017 Bonds are due in varying amounts with maturity dates of March 1, 2021 through and including March 1, 2028. The 2017 Bonds were issued at a premium and have yields ranging between 1.25% and 2.3%, and bear a 5% annual interest rate. The proceeds from the sale of the 2017 Bonds in the amount of \$71.88 million were used to (a) advance refund a portion of the Authority’s Revenue Refunding Bonds, Series of 2010 (“Refunded 2010 Bonds”) in the aggregate principal amount of \$65.84 million, and (b) fund certain costs and expenses incurred by the Authority in connection with the issuance and sale of the 2017 Bonds. Concurrently with the issuance of the 2017 Bonds, a portion of the proceeds along with other available moneys of the Authority, were irrevocably deposited into an escrow account pursuant to the terms of an Escrow Agreement and invested in Government Obligations, the maturing principal of and interest on which will be sufficient to pay the interest and principal on the Refunded 2010 Bonds as such payments become due. Upon the deposit of the funds for the advance refunding of the Refunded 2010 Bonds pursuant to the terms of the Escrow Agreement, the Refunded 2010 Bonds were deemed to no longer be outstanding under the Indenture.

## 4. Financial and Budgetary Policies

On December 5, 2019, the Authority issued \$17.825 million of Revenue Refunding Bonds, Series of 2019 (the “2019 Bonds”). The 2019 bonds are due in varying amounts with maturity dates of March 1, 2020 through and including March 1, 2028. The 2019 Bonds were issued at a premium and have yields ranging between 1.21% and 1.67%, and bear annual interest rates ranging from 3% to 5%. The proceeds from the sale of the 2019 Bonds in the amount of \$20.58 million were used to (a) refund a portion of the Authority’s Revenue Refunding Bonds, Series of 2010 (“Refunded 2010 Bonds”) in the aggregate principal amount of \$19.84 million, and (b) fund certain costs and expenses incurred by the Authority in connection with the issuance and sale of the 2019 Bonds. Concurrently with the issuance of the 2019 Bonds, a portion of the proceeds along with other available moneys of the Authority, were irrevocably deposited into an escrow account pursuant to the terms of an Escrow Agreement and invested in Government Obligations, the maturing principal of and interest on which will be sufficient to pay the interest and principal on the Refunded 2010 Bonds as such payments become due. Upon the deposit of the funds for the current refunding of the Refunded 2010 Bonds pursuant to the terms of the Escrow Agreement, the Refunded 2010 Bonds were deemed to no longer be outstanding under the Indenture.

### Capital Grant Receipts Bonds

On August 16, 2011, the Authority issued \$201.6 million of Capital Grant Receipts Bonds, Series 2011 due in varying amounts through 2029 with annual interest rates ranging from 3% to 5%. The net proceeds from the sale of the 2011 Capital Grant Receipts Bonds were used to (a) finance the acquisition of 116 Silverliner V Regional Railcars, (b) finance the rehabilitation of Wayne Junction Intermodal Facility, (c) fund a deposit to the Debt Service Reserve Fund, and (d) fund certain costs and expenses in connection with the issuance and sale of the 2011 Bonds. The Capital Grant Receipts Bonds, Series 2011 are limited obligations of the Authority and are payable solely from and secured solely by (I) all amounts received by the Authority from the “Grant Receipts”, (II) amounts on deposit in certain funds and accounts established under the Indenture, including investment earnings thereon, and (III) any and all other moneys and securities furnished from time to time to the Trustee by the Authority. Grant Receipts consist of all amounts received by the Authority after the date of issuance of the 2011 Bonds from its share of FTA Section 5337 State of Good Repair Funding, and for each Federal Fiscal Year thereafter. FTA Section 5337 State of Good Repair Funding is the successor to FTA Section 5309 Fixed Guideway Modernization Formula Funding.

On October 19, 2017, the Authority issued \$102.30 million of Capital Grant Receipts Refunding Bonds, Series 2017 (Federal Transit Administration Section 5337 State of Good Repair Formula Program Funds), (the “2017 CGR Bonds”). The 2017 CGR Bonds are due in varying amounts with maturity dates of June 1, 2018, and June 1, 2022 through and including June 1, 2029. The 2017 CGR Bonds were issued with a premium and have yields ranging between 1.20% and 2.51%, and bear a 5% annual interest rate. The proceeds from the sale of the 2017 CGR Bonds in the amount of \$123.07 million, together with other available moneys of the Authority, were used to (a) advance refund a portion of the Authority’s Capital Grant Receipts Bonds, Series 2011 (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds) (the “2011 Bonds”), in the aggregate principal amount of \$110.45 million, and (b) fund certain costs and expenses incurred by the Authority in connection with the issuance and sale of the 2017 CGR Bonds. Concurrently with the issuance of the 2017 CGR Bonds, a portion of the proceeds of the 2017 CGR Bonds and other moneys of the Authority were irrevocably deposited into an escrow account pursuant to an Escrow Agreement and invested in Government Obligations, the maturing principal of and interest on which will be sufficient to pay the interest and principal on the Refunded 2011 Bonds as such payments become due. Upon the deposit of the funds for the advance refunding of the Refunded 2011 Bonds pursuant to the terms of the Escrow Agreement, the Refunded 2011 Bonds were deemed to no longer be outstanding under the Indenture.

On July 29, 2020, the Authority issued \$97.23 million of Capital Grant Receipts Revenue Bonds, Series 2020 (Federal Transit Administration Section 5307 Urbanized Area Formula Funds), (the “2020 CGR Bonds”). The 2020 CGR Bonds are due in varying amounts with maturity dates of June 1, 2021, through

## 4. Financial and Budgetary Policies

and including June 1, 2032. The 2020 CGR Bonds were issued with a premium and have yields ranging between 0.41% and 1.43%, and bear a 5% annual interest rate. The proceeds from the sale of the 2020 CGR Bonds in the amount of \$120.72 million, together with other available moneys of the Authority, were used to finance the acquisition of approximately 140 diesel-electric hybrid buses and related project costs, as well as payment of the cost of issuance for the 2020 CGR Bonds.

### **Energy Service Company “ESCO” Lease/Purchase Agreement**

The Authority entered into a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corporation on November 24, 2015. There are two tranches of debt; tranche 1 has a principal amount of \$4.2 million, and an interest rate of 2.37% and a final maturity of June 1, 2026; and tranche 2 has a principal amount of \$14.0 million, an interest rate of 3.168%, and a final maturity of June 1, 2033. The installed equipment will serve to reduce the Authority’s energy consumption and the resultant annual operating savings are guaranteed by the ESCO to equal or exceed the annual debt service and other annual project-related expenses throughout the term of the agreement.

The Authority entered into a Master Equipment Lease/Purchase Agreement with PNC Equipment Finance, LLC on November 30, 2016. The total amount financed is \$35.9 million, due in varying amounts through March 30, 2034 with an annual nominal interest rate of 2.83%. The equipment leased/purchased included the installation of various energy conservation measures through a third party agreement which will serve to reduce the Authority’s energy consumption and operating expenses. The measures undertaken included the construction of a Combined Heat and Power Plant (“CHP”) that will provide electricity to the Wayne Junction substation and Midvale bus maintenance facility, the installation of interior and exterior LED lighting upgrades to certain Authority owned buildings, and various other work to conserve energy. The resultant annual operating savings are guaranteed by the ESCO to equal or exceed the annual debt service payments and other annual project related expenses throughout the term of the agreement.

The Authority entered into a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corporation on July 30, 2019. The total amount financed is \$12.8 million, due in varying amounts through February 1, 2037 with an annual interest rate of 2.969%. The equipment to be leased/purchased will include various energy conservation measures to reduce energy consumption at SEPTA’s 1234 Market Street Headquarters. The resultant annual operating savings are guaranteed by the ESCO to equal or exceed the annual debt service and other annual project related expenses throughout the term of the agreement.

### **EB-5 Loan for Equipment and Infrastructure**

On January 1, 2016, the Authority entered into an EB-5 loan agreement with Delaware Valley Regional Center, LLC, for an amount up to \$300 million to partially finance various capital projects. On April 28, 2017, SEPTA borrowed \$100 million under this agreement. This is an interest only loan with a rate of 2.0% and a maturity date of July 1, 2022. On November 1, 2017, the Authority borrowed an additional \$90 million under this agreement. The loan bears an interest rate of 2.0% and will mature on November 1, 2022. On September 20, 2018 the Authority borrowed an additional \$33 million under this agreement. The loan bears an interest rate of 2.0% and will mature on September 20, 2023. On March 11, 2019 the Authority borrowed an additional \$14 million under this agreement. The loan bears an interest rate of 2.0% and will mature on March 11, 2024. On November 15, 2019 the Authority borrowed an additional \$2.5 million under this agreement. The loan bears an interest rate of 2.0% and will mature on November 15, 2024. At this time, no additional EB-5 loan borrowings are anticipated under this agreement. SEPTA drew down on the PNC Line of Credit to pay down \$100 million EB-5 tranches that came due on 7/1/22.

### **Revolving Line of Credit Agreement**

On May 1, 2021, SEPTA entered into a \$200 million Revolving Line of Credit Agreement (“Revolving Line of Credit Note”) with PNC Bank, National Association, with an expiration date of April 30, 2022.

## 4. Financial and Budgetary Policies

On May 1, 2022, the Line of Credit was increased to \$300 million, with an expiration date of April 30, 2023. The Note is unsecured and bears interest at the 1-Month Bloomberg Short Term Bond Yield Index ("BSBY") plus a credit spread. The facility fee associated with the revolving line of credit varies depending upon the amount borrowed and outstanding during the one-year term. As of June 30, 2022, the Authority had an outstanding balance of \$70 million related to the Revolving Line of Credit.

### Debt Limit

The Authority does not have a debt limit but must demonstrate the ability to repay prior to entering into a loan agreement or issuing bonds.

### Debt Service

The Authority has two series of Revenue Refunding Bonds (issued in 2017 and 2019), and two series of Capital Grant Receipts Bonds (issued in 2017, and 2020) currently outstanding. In January 2016, the Authority entered into an EB-5 loan agreement to partially finance various capital projects. In November of both 2015 and 2016, and July of 2019, the Authority entered into "ESCO" Lease/Purchase Agreements.

### Debt Service Requirements

Interest on the Series of 2017 and Series of 2019 Revenue Refunding Bonds is payable semi-annually on March 1 and September 1, and interest on the Series 2017 and Series 2020 Capital Grant Receipts Bonds is payable semi-annually on December 1 and June 1. The aggregate debt service requirements for the Revenue Refunding Bonds and Capital Grant Receipts Bonds, the EB-5 Loans, and the ESCO Agreements are summarized in the following tables:

Bond Debt Service Requirements  
(Amounts in Thousands)

Fiscal Year	Interest	Principal	Total
2023	\$11,727	\$26,845	\$38,572
2024	10,405	28,180	38,585
2025	8,996	29,585	38,581
2026	7,517	31,060	38,577
2027	5,964	32,620	38,584
2028	4,333	32,995	37,328
2029	2,683	23,765	26,448
2030	1,495	9,485	10,980
2031	1,021	9,960	10,981
2032	523	10,455	10,978
<b>TOTAL</b>	<b>\$54,664</b>	<b>\$234,950</b>	<b>\$289,614</b>

EB-5 Loan Debt Service Requirements  
(Amounts in Thousands)

Fiscal Year	Interest	Principal	Total
2023	\$1,907	\$190,000	\$191,907
2024	468	47,000	47,468
2025	23	2,500	2,523
<b>TOTAL</b>	<b>\$2,397</b>	<b>\$239,500</b>	<b>\$241,897</b>



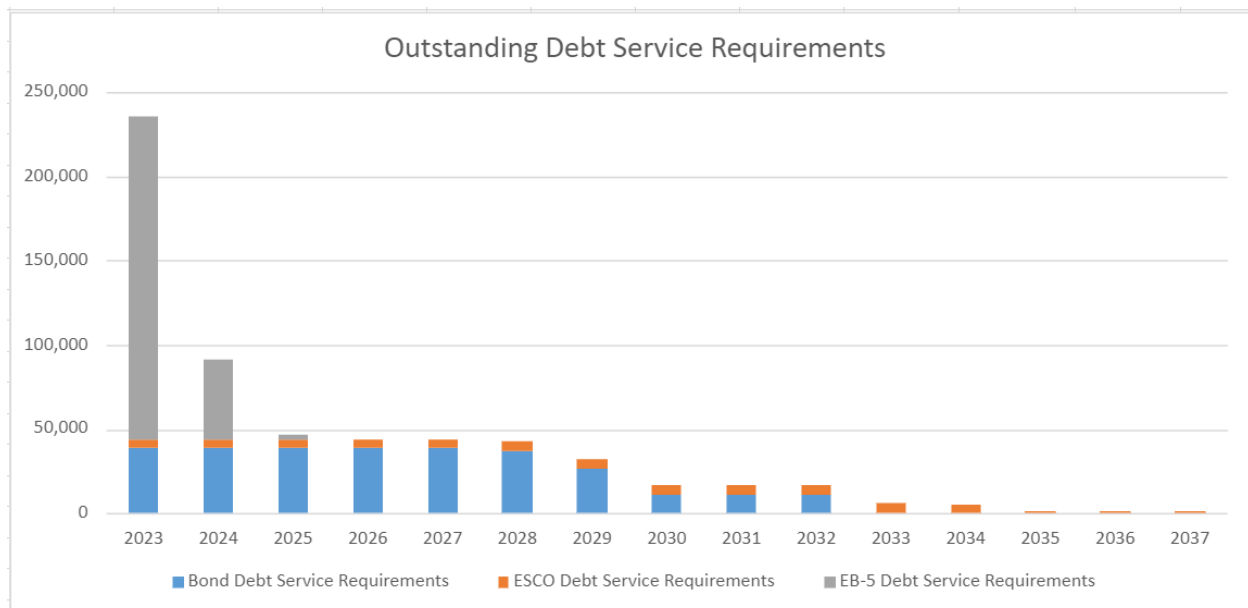
## 4. Financial and Budgetary Policies

ESCO Debt Service Requirements  
(Amounts in Thousands)

Fiscal Year	Interest	Principal	Total
2023	\$1,588	\$3,734	\$5,322
2024	1,479	3,768	5,247
2025	1,368	4,103	5,471
2026	1,248	3,965	5,212
2027	1,136	3,943	5,079
2028	1,022	4,236	5,258
2029	899	4,318	5,216
2030	773	4,510	5,283
2031	642	4,594	5,237
2032	509	5,291	5,799
2033	355	5,281	5,636
2034	210	4,443	4,652
2035	82	963	1,045
2036	53	1,003	1,056
2037	23	1,043	1,067
<b>TOTAL</b>	<b>\$11,386</b>	<b>\$55,194</b>	<b>\$66,579</b>

A graph of the Authority's outstanding debt service requirements is illustrated below:

### Outstanding Debt Service Requirements



*Note: A portion of the EB-5 Loan for Equipment and Infrastructure matures in Fiscal Year 2023 and the Authority plans to refinance the amount due at that time.*

## 4. Financial and Budgetary Policies

### STATEMENT OF CHANGES IN EQUITY

The comparative fiscal year Statement of Changes in Equity displays the Authority's change in contributed capital as well as the change in its accumulated operating deficit, including the fiscal year operating financial results on a balanced budget reporting basis. The equity amounts below exclude the post-employment benefit and unfunded pension obligations recognized under GASB 45, 75, and 68, respectively. Operating surpluses are reducing deficits accumulated in prior years.

#### Statement of Changes in Equity

(Amounts in Thousands)

	FY 2021	FY 2022	FY 2023
	Actual	Actual	Budget
<b>Contributed Capital:</b>			
Balance at Beginning of Year	\$ 4,105,072	\$ 4,091,539	\$ 4,069,167
Capitalized Grant Property	396,606	389,556	580,622
Capitalized Grant Property - Retirements	(63,939)	(29,387)	(104,922)
Amortization	(410,139)	(411,928)	(444,532)
Amortization - Retirements	63,939	29,387	104,282
<b>Contributed Capital Balance at End of Year</b>	<b>\$ 4,091,539</b>	<b>\$ 4,069,167</b>	<b>\$ 4,204,617</b>
<b>Operating Surplus/(Deficit):</b>			
Accumulated Operating Deficit, Beginning of Year	\$ (180,858)	\$ (180,377)	\$ (179,879)
Operating Surplus/(Deficit)	808	4,053	-
Unrealized Investment Gain/(Loss)	(327)	(3,555)	-
Operating Surplus/(Deficit) After Unrealized Investment Gain/(Loss)	\$ 481	\$ 498	\$ -
<b>Accumulated Operating Deficit, End of Year</b>	<b>\$ (180,377)</b>	<b>\$ (179,879)</b>	<b>\$ (179,879)</b>
<b>Total Equity</b>	<b>\$ 3,911,162</b>	<b>\$ 3,889,288</b>	<b>\$ 4,024,738</b>

\*Re-stated

\* - Includes FY 2022 post closing adjustment to contributed capital of \$32,624,996

## 5. Three Year Comparison Fiscal Years 2021-2023

Consolidated				
Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2023 versus FY 2022
<b>REVENUE</b>				
Passenger Revenue	\$ 149,422	\$ 226,576	\$ 265,567	\$ 38,991
Shared Ride Program	5,627	7,301	9,569	2,268
Other Income	38,123	34,129	40,495	6,366
Investment Income	187	525	598	73
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 193,359</b>	<b>\$ 268,531</b>	<b>\$ 316,229</b>	<b>\$ 47,698</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 1,005,858	\$ 1,039,378	\$ 1,081,212	\$ 41,834
Materials and Services	270,590	283,414	403,603	120,189
Injury and Damage Claims	21,829	22,808	28,795	5,987
Propulsion Power	24,709	23,906	32,838	8,932
Fuel	20,919	23,731	31,626	7,895
Vehicle and Facility Rentals	7,215	7,388	8,200	812
<b>OPERATING EXPENSE</b>	<b>\$ 1,351,120</b>	<b>\$ 1,400,625</b>	<b>\$ 1,586,274</b>	<b>\$ 185,649</b>
Depreciation/Contributed Capital	\$ 23,079	\$ 24,515	\$ 24,260	\$ (255)
<b>TOTAL EXPENSES</b>	<b>\$ 1,374,199</b>	<b>\$ 1,425,140</b>	<b>\$ 1,610,534</b>	<b>\$ 185,394</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (1,180,840)</b>	<b>\$ (1,156,609)</b>	<b>\$ (1,294,305)</b>	<b>\$ (137,696)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 472,001	\$ 333,445	\$ 423,101	\$ 89,656
State	615,673	717,651	757,170	39,519
Local	88,755	103,648	108,641	4,993
Other	5,219	5,918	5,393	(525)
<b>TOTAL SUBSIDY</b>	<b>\$ 1,181,648</b>	<b>\$ 1,160,662</b>	<b>\$ 1,294,305</b>	<b>\$ 133,643</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 808</b>	<b>\$ 4,053</b>	<b>\$ -</b>	<b>\$ (4,053)</b>

## 5. Three Year Comparison Fiscal Years 2021-2023

### City Transit Division

Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2023 versus FY 2022
<b>REVENUE</b>				
Passenger Revenue	\$ 107,886	\$ 154,692	\$ 182,588	\$ 27,896
Shared Ride Program	5,627	7,301	9,569	2,268
Other Income	23,084	23,140	25,635	2,495
Investment Income	98	280	298	18
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 136,695</b>	<b>\$ 185,413</b>	<b>\$ 218,090</b>	<b>\$ 32,677</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 697,580	\$ 707,403	\$ 742,349	\$ 34,946
Materials and Services	140,119	167,093	226,851	59,758
Injury and Damage Claims	(15,470)	24,716	13,163	(11,553)
Propulsion Power	9,578	9,548	13,033	3,485
Fuel	15,925	18,311	23,674	5,363
Vehicle and Facility Rentals	5,187	5,770	6,290	520
<b>OPERATING EXPENSE</b>	<b>\$ 852,919</b>	<b>\$ 932,841</b>	<b>\$ 1,025,360</b>	<b>\$ 92,519</b>
Depreciation/Contributed Capital	\$ 14,678	\$ 14,643	\$ 15,908	\$ 1,265
<b>TOTAL EXPENSES</b>	<b>\$ 867,597</b>	<b>\$ 947,484</b>	<b>\$ 1,041,268</b>	<b>\$ 93,784</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (730,902)</b>	<b>\$ (762,071)</b>	<b>\$ (823,178)</b>	<b>\$ (61,107)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 274,248	\$ 204,079	\$ 244,586	\$ 40,507
State	398,515	487,861	504,432	16,571
Local	57,640	71,199	72,563	1,364
Other	1,025	1,013	1,597	584
<b>TOTAL SUBSIDY</b>	<b>\$ 731,428</b>	<b>\$ 764,152</b>	<b>\$ 823,178</b>	<b>\$ 59,026</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 526</b>	<b>\$ 2,081</b>	<b>\$ -</b>	<b>\$ (2,081)</b>

## 5. Three Year Comparison Fiscal Years 2021-2023

Victory Division				
Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2023 versus FY 2022
<b>REVENUE</b>				
Passenger Revenue	\$ 10,644	\$ 12,230	\$ 13,913	\$ 1,683
Shared Ride Program	-	-	-	-
Other Income	2,958	2,695	3,317	622
Investment Income	6	20	15	(5)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 13,608</b>	<b>\$ 14,945</b>	<b>\$ 17,245</b>	<b>\$ 2,300</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 77,060	\$ 74,762	\$ 82,028	\$ 7,266
Materials and Services	16,959	20,376	24,835	4,459
Injury and Damage Claims	1,502	2,056	1,147	(909)
Propulsion Power	1,159	1,039	1,508	469
Fuel	2,760	2,839	4,380	1,541
Vehicle and Facility Rentals	264	169	241	72
<b>OPERATING EXPENSE</b>	<b>\$ 99,704</b>	<b>\$ 101,241</b>	<b>\$ 114,139</b>	<b>\$ 12,898</b>
Depreciation/Contributed Capital	\$ 267	\$ 263	\$ 278	\$ 15
<b>TOTAL EXPENSES</b>	<b>\$ 99,971</b>	<b>\$ 101,504</b>	<b>\$ 114,417</b>	<b>\$ 12,913</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (86,363)</b>	<b>\$ (86,559)</b>	<b>\$ (97,172)</b>	<b>\$ (10,613)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 33,785	\$ 23,987	\$ 29,161	\$ 5,174
State	45,815	54,892	59,151	4,259
Local	6,825	8,005	8,860	855
Other	-	-	-	-
<b>TOTAL SUBSIDY</b>	<b>\$ 86,425</b>	<b>\$ 86,884</b>	<b>\$ 97,172</b>	<b>\$ 10,288</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 62</b>	<b>\$ 325</b>	<b>\$ -</b>	<b>\$ (325)</b>

## 5. Three Year Comparison Fiscal Years 2021-2023

Frontier Division				
Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2023 versus FY 2022
<b>REVENUE</b>				
Passenger Revenue	\$ 2,916	\$ 3,291	\$ 3,810	\$ 519
Shared Ride Program	-	-	-	-
Other Income	743	537	915	378
Investment Income	2	6	4	(2)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 3,661</b>	<b>\$ 3,834</b>	<b>\$ 4,729</b>	<b>\$ 895</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 28,526	\$ 30,069	\$ 31,957	\$ 1,888
Materials and Services	4,130	5,472	5,295	(177)
Injury and Damage Claims	38	1,154	378	(776)
Propulsion Power	-	-	-	-
Fuel	1,869	2,099	2,946	847
Vehicle and Facility Rentals	80	52	77	25
<b>OPERATING EXPENSE</b>	<b>\$ 34,643</b>	<b>\$ 38,846</b>	<b>\$ 40,653</b>	<b>\$ 1,807</b>
Depreciation/Contributed Capital	\$ 59	\$ 62	\$ 63	\$ 1
<b>TOTAL EXPENSES</b>	<b>\$ 34,702</b>	<b>\$ 38,908</b>	<b>\$ 40,716</b>	<b>\$ 1,808</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (31,041)</b>	<b>\$ (35,074)</b>	<b>\$ (35,987)</b>	<b>\$ (913)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 11,656	\$ 8,608	\$ 10,448	\$ 1,840
State	16,306	22,556	21,636	(920)
Local	2,444	3,382	3,243	(139)
Other	658	662	660	(2)
<b>TOTAL SUBSIDY</b>	<b>\$ 31,064</b>	<b>\$ 35,208</b>	<b>\$ 35,987</b>	<b>\$ 779</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 23</b>	<b>\$ 134</b>	<b>\$ -</b>	<b>\$ (134)</b>



## 5. Three Year Comparison Fiscal Years 2021-2023

### Regional Rail Division

Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2023 versus FY 2022
<b>REVENUE</b>				
Passenger Revenue	\$ 27,976	\$ 56,363	\$ 65,256	\$ 8,893
Shared Ride Program	-	-	-	-
Other Income	11,338	7,757	10,628	2,871
Investment Income	81	219	281	62
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 39,395</b>	<b>\$ 64,339</b>	<b>\$ 76,165</b>	<b>\$ 11,826</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 202,692	\$ 227,144	\$ 224,878	\$ (2,266)
Materials and Services	109,382	90,473	146,622	56,149
Injury and Damage Claims	35,759	(5,118)	14,107	19,225
Propulsion Power	13,972	13,319	18,297	4,978
Fuel	365	482	626	144
Vehicle and Facility Rentals	1,684	1,397	1,592	\$ 195
<b>OPERATING EXPENSE</b>	<b>\$ 363,854</b>	<b>\$ 327,697</b>	<b>\$ 406,122</b>	<b>\$ 78,425</b>
Depreciation/Contributed Capital	\$ 8,075	\$ 9,547	\$ 8,011	\$ (1,536)
<b>TOTAL EXPENSES</b>	<b>\$ 371,929</b>	<b>\$ 337,244</b>	<b>\$ 414,133</b>	<b>\$ 76,889</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (332,534)</b>	<b>\$ (272,905)</b>	<b>\$ (337,968)</b>	<b>\$ (65,063)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 152,312	\$ 96,771	\$ 138,906	\$ 42,135
State	155,037	152,342	171,951	19,609
Local	21,846	21,062	23,975	2,913
Other	3,536	4,243	3,136	(1,107)
<b>TOTAL SUBSIDY</b>	<b>\$ 332,731</b>	<b>\$ 274,418</b>	<b>\$ 337,968</b>	<b>\$ 63,550</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 197</b>	<b>\$ 1,513</b>	<b>\$ -</b>	<b>\$ (1,513)</b>

### **ANNUAL SERVICE PLAN OVERVIEW**

In the past, SEPTA prepared an Annual Service Plan that describes service proposals suggested by the public, government agencies, elected officials, and Authority staff, and present the technical and financial analyses that determine whether the proposals merit implementation. The draft scenarios for “Bus Revolution” comprehensive bus network redesign will provide public input that goes beyond prior processes and will supersede the Annual Service Plan for FY 2023. Any changes under “Bus Revolution” are not projected to be implemented before FY 2024.

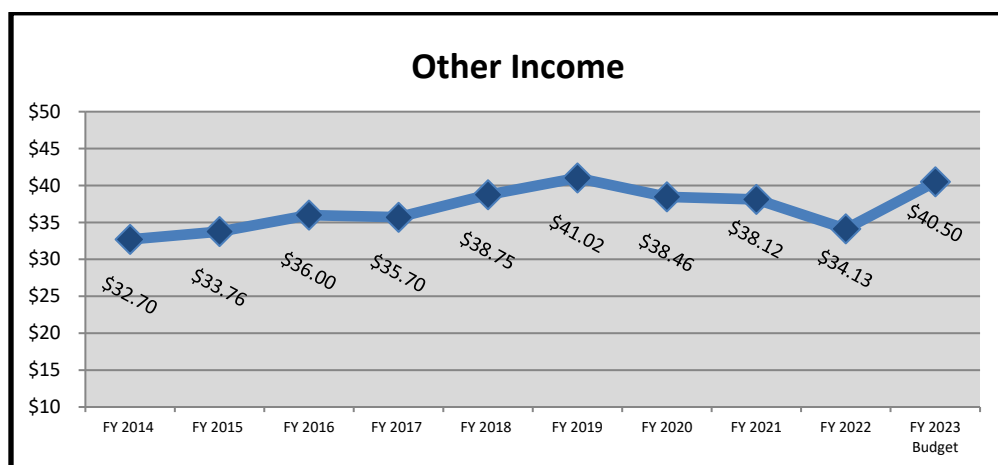
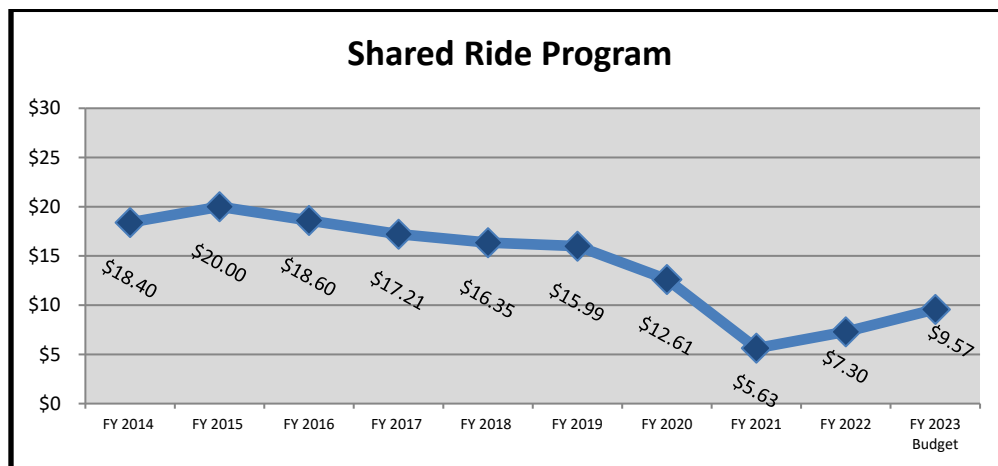
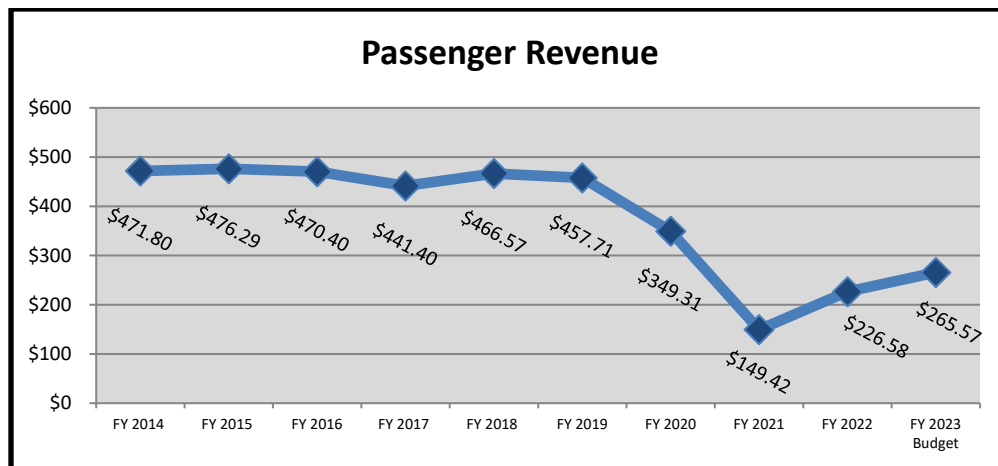
The FY 2023 Operating Budget includes route changes that are already in place experimentally that are being made permanent through virtual public hearings. These include Routes 3, 14, 40, 73, 95, 110, 111, 114 and 117. Some of these changes were required due to property access constraints that were outside of SEPTA’s control. The hearings will also include the formal establishment of Route 135 in Chester County. It was a privately operated route that was assumed by SEPTA in August 2021 as a byproduct of funding challenges the operator incurred during the pandemic.

## 7. Detail of Revenue and Subsidies

### TEN YEAR REVENUE TRENDS

The Authority analyzes several factors that affect the Operating Revenue budget. This includes an examination of national, state, and local demographic, economic, travel, and development trends. In addition, SEPTA evaluates current and projected service levels and other factors affecting ridership and revenue levels. Finally, the Authority considers historical trends in major revenue categories, as illustrated in the following charts:

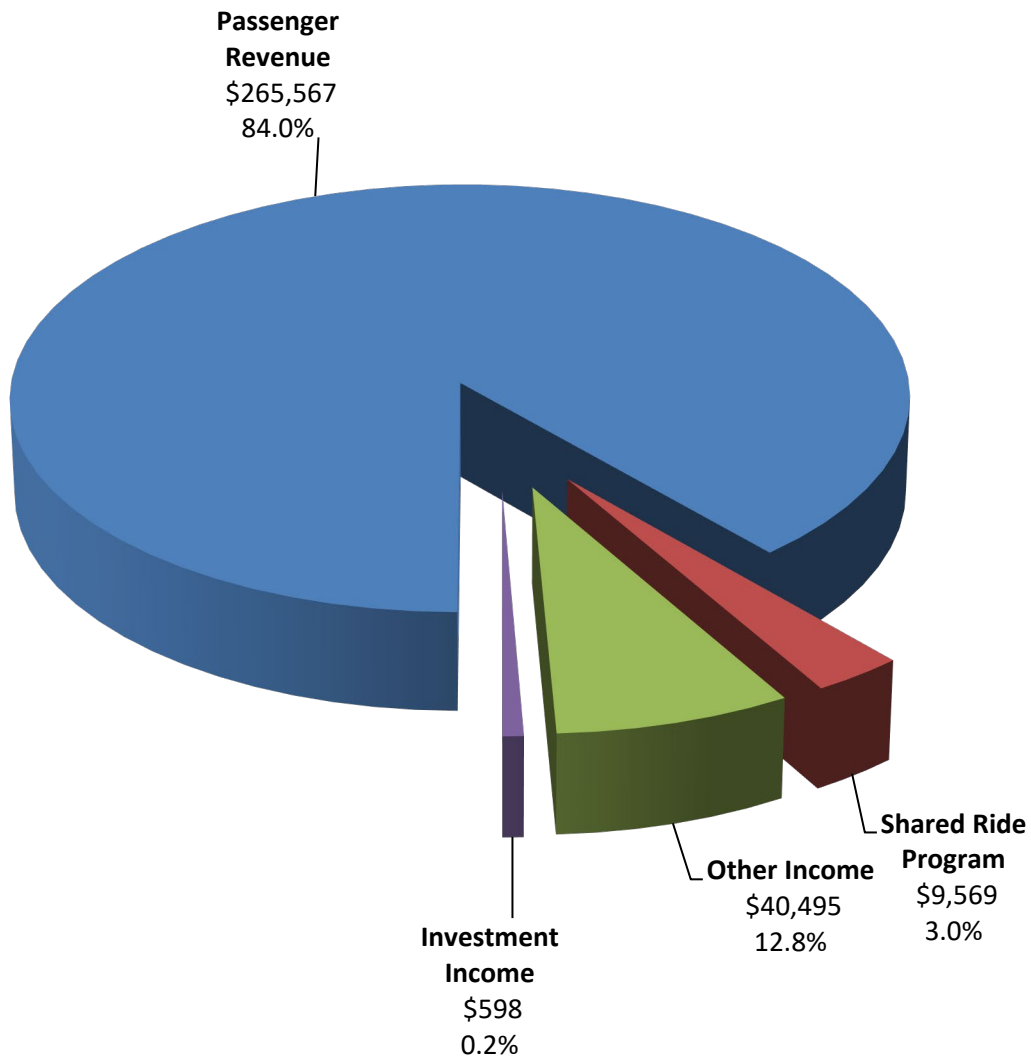
#### Amounts in Millions



## 7. Detail of Revenue and Subsidies

### SUMMARY OF OPERATING REVENUE

**TOTAL OPERATING REVENUE =  
\$316,229**



## 7. Detail of Revenue and Subsidies

### INTRODUCTION

Total subsidies in the Fiscal Year 2023 Operating Budget represent \$1,294.3 million and include the following categories: Federal, State, Local, and Other.

### ASSUMPTIONS

#### Federal

In response to the COVID-19 pandemic, three Federal relief bills were passed: The Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020; the Coronavirus Response and Relief Supplemental Act (CRRSA) in January 2021; and the American Relief Plan Act (ARPA) in March 2021. In Fiscal Year 2023, Federal Subsidy is expected to cover 26.7 percent of SEPTA's operating expenses, a significant increase over pre-pandemic fiscal years. The sources of this subsidy are: \$415 million from the ARPA (CARES and CRRSA Operating Assistance has expired); Federal Capital Lease Subsidy of \$639 thousand; Federal Capital Debt Service Subsidy of \$6.9 million and \$400 thousand from Highway Pass Through Funds.

#### State

On July 18, 2007, Act 44 of 2007 was signed into law, providing a dedicated funding solution for public transportation agencies throughout the Commonwealth of Pennsylvania. This legislation created the Pennsylvania Public Transportation Trust Fund (PTTF), which provides SEPTA and public transportation providers throughout the Commonwealth with dedicated annual funding for operating expenses. The PTTF is primarily funded by 4.4 percent of state sales tax receipts.

In November of 2013, the State Legislature passed Act 89, which amended Act 44 and significantly increased funding for SEPTA's Capital Program, allowing SEPTA to address its backlog of unfunded capital projects.

SEPTA and other Pennsylvania transit agencies are allocated state funds as determined by the following formula:

**State Allocation Formula**

Allocation Category	Allocation Percent
Number of Passengers	25%
Number of Senior Citizen Passengers	10%
Revenue Vehicle Hours	35%
Revenue Vehicle Miles	30%
<b>Total</b>	<b>100%</b>

Operating assistance is provided through Section 1513 of the PTTF. In addition, the Commonwealth of Pennsylvania provides state funds for capital lease costs and debt service. Although SEPTA's Operating Budget reflects the debt service interest expense, both the principal and interest expenses are funded by the Capital Budget. Some lease costs are funded through the Capital Program, while the remaining leases are funded through Federal Capital Lease Subsidy and Federal Capital Debt Service Subsidy.

## 7. Detail of Revenue and Subsidies

### Local

The local operating subsidy amount is budgeted at the level of 15 percent of the operating assistance portion (Section 1513) of the Trust Fund grant. This is a requirement for SEPTA to receive its full allocation from this state grant. The local subsidy requirement for each of SEPTA's funded divisions (City Transit, Victory, Frontier, and Regional Rail) is determined by the relative deficits before subsidy in each division as adjusted for Route Guarantees and Lease and Debt Service payments.

Within each funded division, the percentage of the local subsidy required from each county is shown in the table below:

Local Operating Subsidy by County				
	City Transit	Victory	Frontier	Regional Rail
Bucks	0.27%	0.00%	37.00%	5.90%
Chester	0.00%	2.00%	17.00%	4.30%
Delaware	0.00%	86.00%	0.00%	8.80%
Montgomery	0.25%	12.00%	46.00%	11.00%
Philadelphia	99.48%	0.00%	0.00%	70.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

The Operating Budget also makes an allowance within the standard formula, shown on the previous page, to properly accommodate the four-county utilization of SEPTA's Suburban Paratransit Service operated from the Victory Division. A usage-based allocation formula has been established within the Victory Division for suburban county ADA service. Each suburban county is billed based on the actual ADA Paratransit service used. The prospective utilization for Fiscal Year 2023 is as follows:

Suburban Paratransit Usage by County	
Bucks	22%
Chester	9%
Delaware	45%
Montgomery	<u>24%</u>
<b>Total</b>	<b>100%</b>

The City of Philadelphia also provides local match for the ADA Paratransit services as part of the City Transit Division match formula.



## 7. Detail of Revenue and Subsidies

### Route Guarantee

Route Guarantee Subsidies are payments made under separate agreements between SEPTA and various local entities to fully fund the deficits generated by service extensions implemented by specific request. The Fiscal Year 2023 Route Guarantee Subsidy in the City Transit Division includes a University City partnership between Children's Hospital of Philadelphia (CHOP), Penn Medicine, Hospital of the University of Penn (HUP), University City District (UCD) and their affiliates, which continues the "LUCY" (Loop through University City) circulator.

In the Frontier Division, the Bucks County Transit Improvement Project (TIP) was implemented in Fiscal Year 2001. It represented the restructuring of six routes with funding provided through a separate agreement with the county. Routes 127, 128, 129, and 130 are guaranteed under this agreement.

An agreement with the Delaware Transit Corporation provides for Regional Rail service to Wilmington and Newark, Delaware as an extension of the Wilmington/Newark Line.

### Service Stabilization Fund

Prior to passage of Act 44 in July 2007, the Transportation Funding and Reform Commission identified future operating and capital funding needs for highways and transit. Act 44 represented a major milestone for transit funding in the Commonwealth of Pennsylvania. The intent of this legislation was to create a long-term funding source which was stable, predictable, and with growth potential.

Until Act 44 passed, the majority of state operating subsidies were subject to the annual budget appropriations process. During the decade prior to Act 44, growth in operating subsidies was very limited. SEPTA, along with all public transit agencies in the Commonwealth, experienced very difficult challenges in balancing their operating budgets. In a number of years, SEPTA proposed significant fare increases and severe service reductions as initial measures to balance the Authority's budget. These drastic measures were frequently diffused by eleventh hour, one-time actions.

The Act 44 and Act 89 funding programs are intended to provide a long-term funding solution. It is critically important for SEPTA to be prudent with the use of these subsidy funds to ensure that this objective is achieved. The Service Stabilization Fund is necessary to: 1) ensure long-term fiscal stability for SEPTA's operating budget; 2) prevent a future budget crisis; and 3) maintain service levels. Based on future projected growth in state funding and the projected growth in SEPTA's operating expenses and revenues, there will be fiscal years in which the growth in expenses will exceed the growth in state funding. In those years, the Service Stabilization Fund will be used to balance the operating budget avoiding substantial fare increases and/or service cuts.

The Service Stabilization Fund will be especially important to balance the Operating Budget in forthcoming fiscal years after federal relief funding expires, which is currently projected to occur in Fiscal Year 2024. Based on current financial projections, the Service Stabilization Fund will cover an anticipated gap in funding in Fiscal Years 2025 and a portion of Fiscal Year 2026 before it too is projected to expire.

## 7. Detail of Revenue and Subsidies

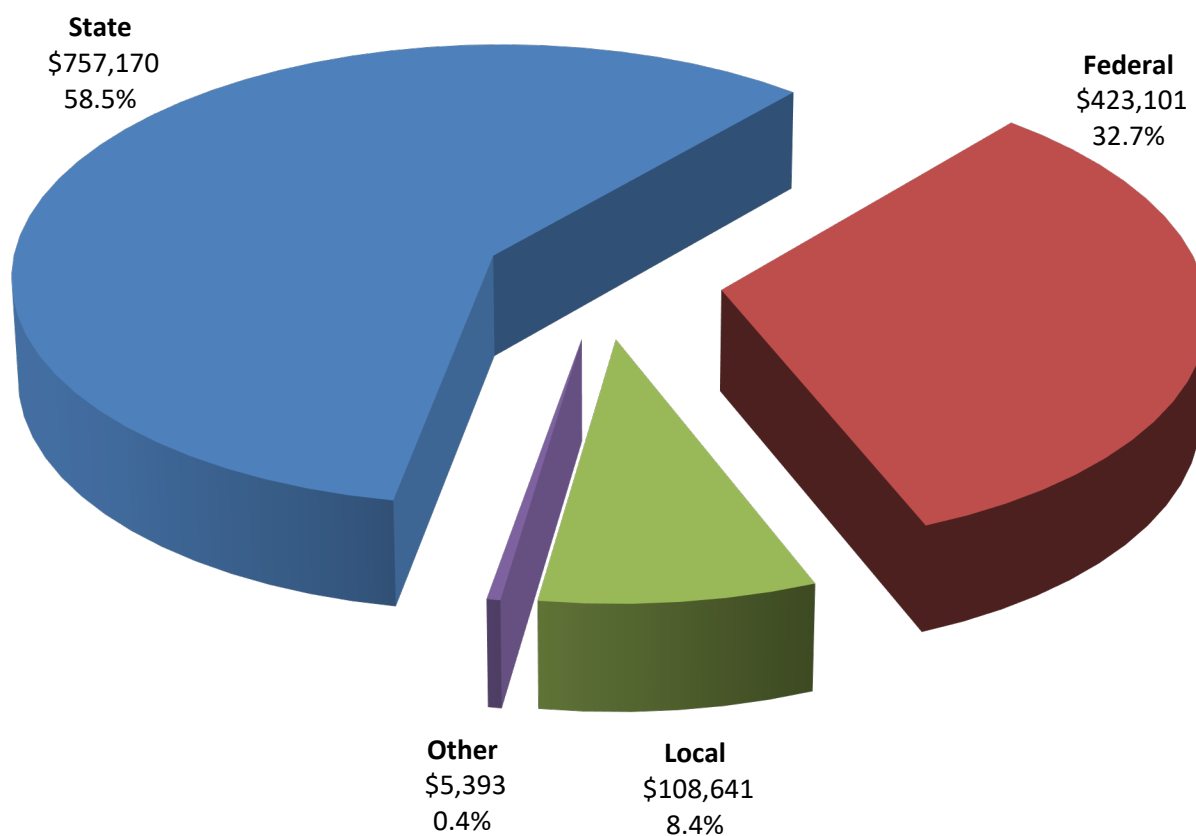
### DETAIL OF SUBSIDIES

	Amounts in thousands ('000)				
	<u>City Transit</u>	<u>Victory</u>	<u>Frontier</u>	<u>Regional Rail</u>	<u>Total SEPTA</u>
<b>Federal</b>					
Relief Funding (ARPA)	\$ 240,580	\$ 29,161	\$ 10,448	\$ 79,811	\$ 360,000
Relief Funding re:Amtrak Leases	-	-	-	55,765	55,765
Debt Service / Highway Pass Through Subsidy	<u>4,006</u>	<u>-</u>	<u>-</u>	<u>3,330</u>	<u>7,336</u>
<b>Subtotal Federal</b>	<b>\$ 244,586</b>	<b>\$ 29,161</b>	<b>\$ 10,448</b>	<b>\$ 138,906</b>	<b>\$ 423,101</b>
<b>State</b>					
Operating Subsidy - (Section 1513)	\$ 477,931	\$ 59,050	\$ 21,614	\$ 156,286	\$ 714,881
Lease Cost Subsidy - (Section 1514)	729	69	22	169	989
Debt Service Subsidy - (Section 1514)	24,900	32	-	14,690	39,622
Match - Capital Debt Service Subsidy - (Section 1514)	<u>872</u>	<u>-</u>	<u>-</u>	<u>806</u>	<u>1,678</u>
<b>Subtotal State</b>	<b>\$ 504,432</b>	<b>\$ 59,151</b>	<b>\$ 21,636</b>	<b>\$ 171,951</b>	<b>\$ 757,170</b>
<b>Local</b>					
(Please see subsequent pages for Detail by County)	<b>\$ 72,563</b>	<b>\$ 8,860</b>	<b>\$ 3,243</b>	<b>\$ 23,975</b>	<b>\$ 108,641</b>
Other - Route Guarantees	<u>\$ 1,597</u>	<u>\$ -</u>	<u>\$ 660</u>	<u>\$ 3,136</u>	<u>\$ 5,393</u>
<b>TOTAL SUBSIDY</b>	<b><u>\$ 823,178</u></b>	<b><u>\$ 97,172</u></b>	<b><u>\$ 35,987</u></b>	<b><u>\$ 337,968</u></b>	<b><u>\$ 1,294,305</u></b>

## 7. Detail of Revenue and Subsidies

### SUMMARY OF OPERATING SUBSIDIES

**TOTAL SUBSIDIES = \$1,294,305**  
In Thousands



## 7. Detail of Revenue and Subsidies

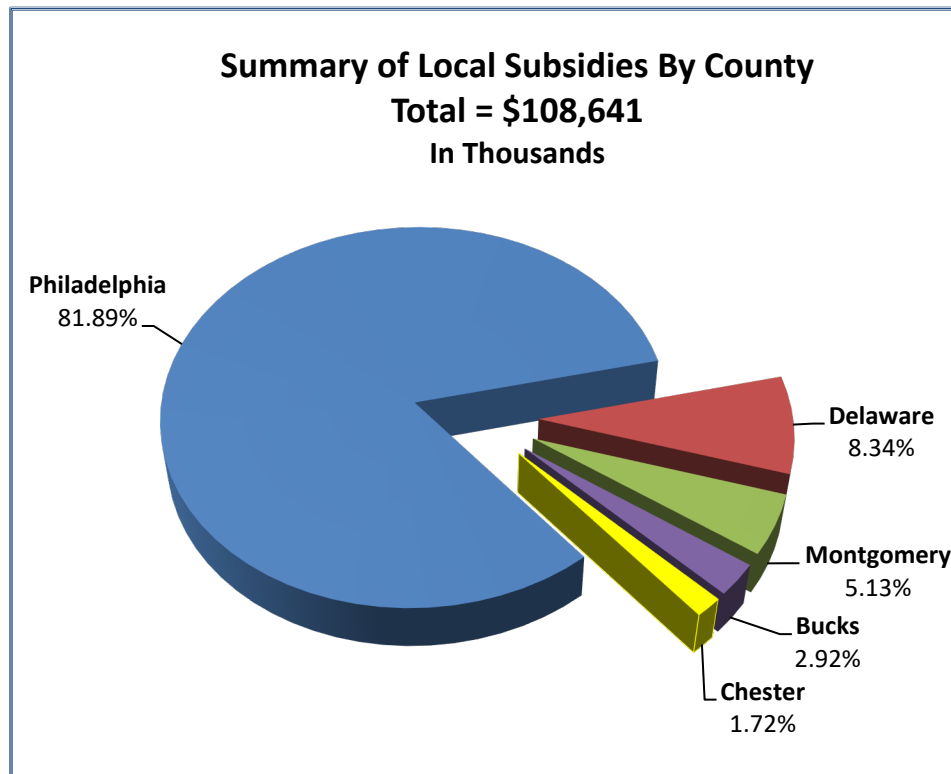
### DETAIL OF LOCAL SUBSIDIES AND OTHER BY COUNTY

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
<b>Base PA Trust Fund Local Match</b>					
Bucks	\$ 193	\$ -	\$ 1,200	\$ 1,383	\$ 2,776
Chester	-	144	551	1,009	1,704
Delaware	-	6,212	-	2,063	8,275
Montgomery	179	866	1,492	2,578	5,115
Philadelphia	71,317	-	-	16,410	87,727
<b>Subtotal</b>	<b>\$ 71,689</b>	<b>\$ 7,222</b>	<b>\$ 3,243</b>	<b>\$ 23,443</b>	<b>\$ 105,597</b>
<b>Suburban Paratransit Local Match</b>					
Bucks	\$ -	\$ 360	\$ -	\$ -	\$ 360
Chester	-	147	-	-	147
Delaware	-	732	-	-	732
Montgomery	-	396	-	-	396
Philadelphia	-	-	-	-	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 1,635</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,635</b>
<b>Total Trust Fund Local Subsidy</b>					
Bucks	\$ 193	\$ 360	\$ 1,200	\$ 1,383	\$ 3,136
Chester	-	291	551	1,009	1,851
Delaware	-	6,944	-	2,063	9,007
Montgomery	179	1,262	1,492	2,578	5,511
Philadelphia	71,317	-	-	16,410	87,727
<b>Total Trust Fund Local Subsidy</b>	<b>\$ 71,689</b>	<b>\$ 8,857</b>	<b>\$ 3,243</b>	<b>\$ 23,443</b>	<b>\$ 107,232</b>
<b>Local Debt Service Subsidy</b>					
Bucks	\$ 3	\$ -	\$ -	\$ 31	\$ 34
Chester	-	-	-	23	23
Delaware	-	1	-	46	47
Montgomery	3	-	-	58	61
Philadelphia	844	-	-	368	1,212
<b>Subtotal</b>	<b>\$ 850</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 526</b>	<b>\$ 1,377</b>
<b>Local Lease Cost Subsidy</b>					
Bucks	\$ -	\$ -	\$ -	\$ -	\$ -
Chester	-	-	-	-	-
Delaware	-	2	-	1	3
Montgomery	-	-	-	1	1
Philadelphia	24	-	-	4	28
<b>Subtotal</b>	<b>\$ 24</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ 6</b>	<b>\$ 32</b>
<b>Total Debt Service Subsidy</b>	<b>\$ 874</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ 532</b>	<b>\$ 1,409</b>
<b>Total Local Subsidy Required</b>	<b>\$ 72,563</b>	<b>\$ 8,860</b>	<b>\$ 3,243</b>	<b>\$ 23,975</b>	<b>\$ 108,641</b>
<b>Total Other Route Guarantees</b>	<b>\$ 1,597</b>	<b>\$ -</b>	<b>\$ 660</b>	<b>\$ 3,136</b>	<b>\$ 5,393</b>

## 7. Detail of Revenue and Subsidies

### SUMMARY OF LOCAL SUBSIDIES BY COUNTY

<u>Amounts in thousands ('000)</u>	<u>City</u>	<u>Victory</u>	<u>Frontier</u>	<u>Regional</u>	<u>Total</u>
	<u>Transit</u>			<u>Rail</u>	<u>SEPTA</u>
<b>Total Local Subsidy</b>					
Bucks	\$ 196	\$ 360	\$ 1,200	\$ 1,414	\$ 3,170
Chester	-	291	551	1,032	1,874
Delaware	-	6,947	-	2,110	9,057
Montgomery	182	1,262	1,492	2,637	5,573
Philadelphia	<u>72,185</u>	<u>-</u>	<u>-</u>	<u>16,782</u>	<u>88,967</u>
<b>Subtotal</b>	<b>\$ 72,563</b>	<b>\$ 8,860</b>	<b>\$ 3,243</b>	<b>\$ 23,975</b>	<b>\$ 108,641</b>



The total local subsidy required for the Fiscal Year 2023 Operating Budget is comprised of the following:

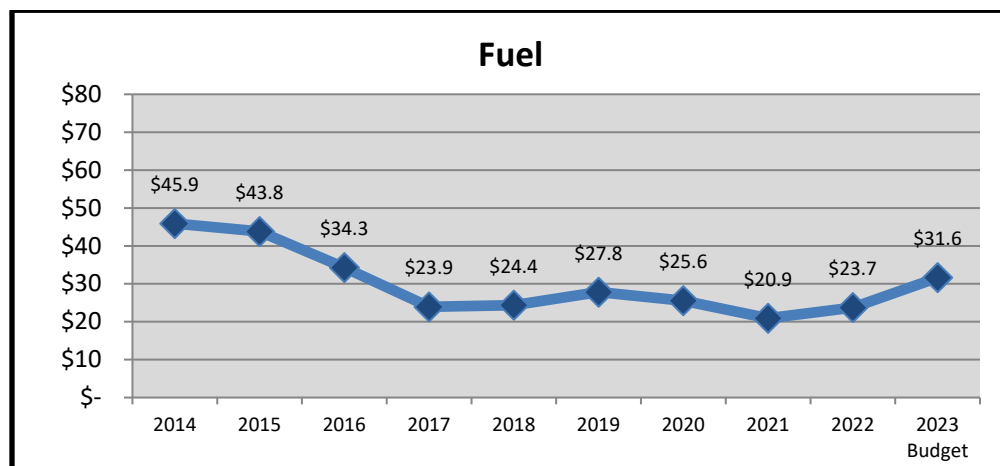
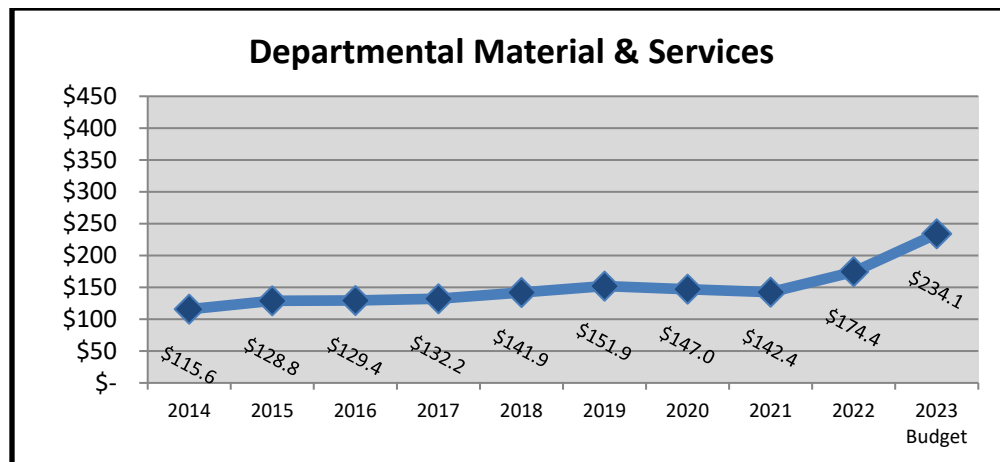
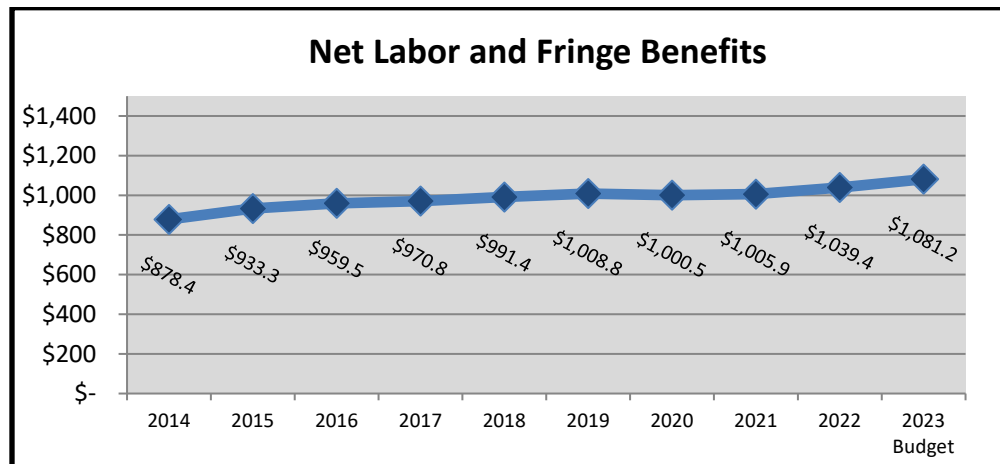
Total Trust Fund Local Subsidy (15% Match of Section 1513)	\$ 107,232
Total Local Lease Cost Subsidy	32
Debt Service Subsidy Local Match	<u>1,377</u>
<b>Total Local Subsidy Required</b>	<b><u>\$ 108,641</u></b>

## 8. Detail of Expenses

### TEN YEAR EXPENSE TRENDS

In developing the Operating Budget, SEPTA considers historical trends in major expense categories, as illustrated in the following charts:

#### Amounts in Millions

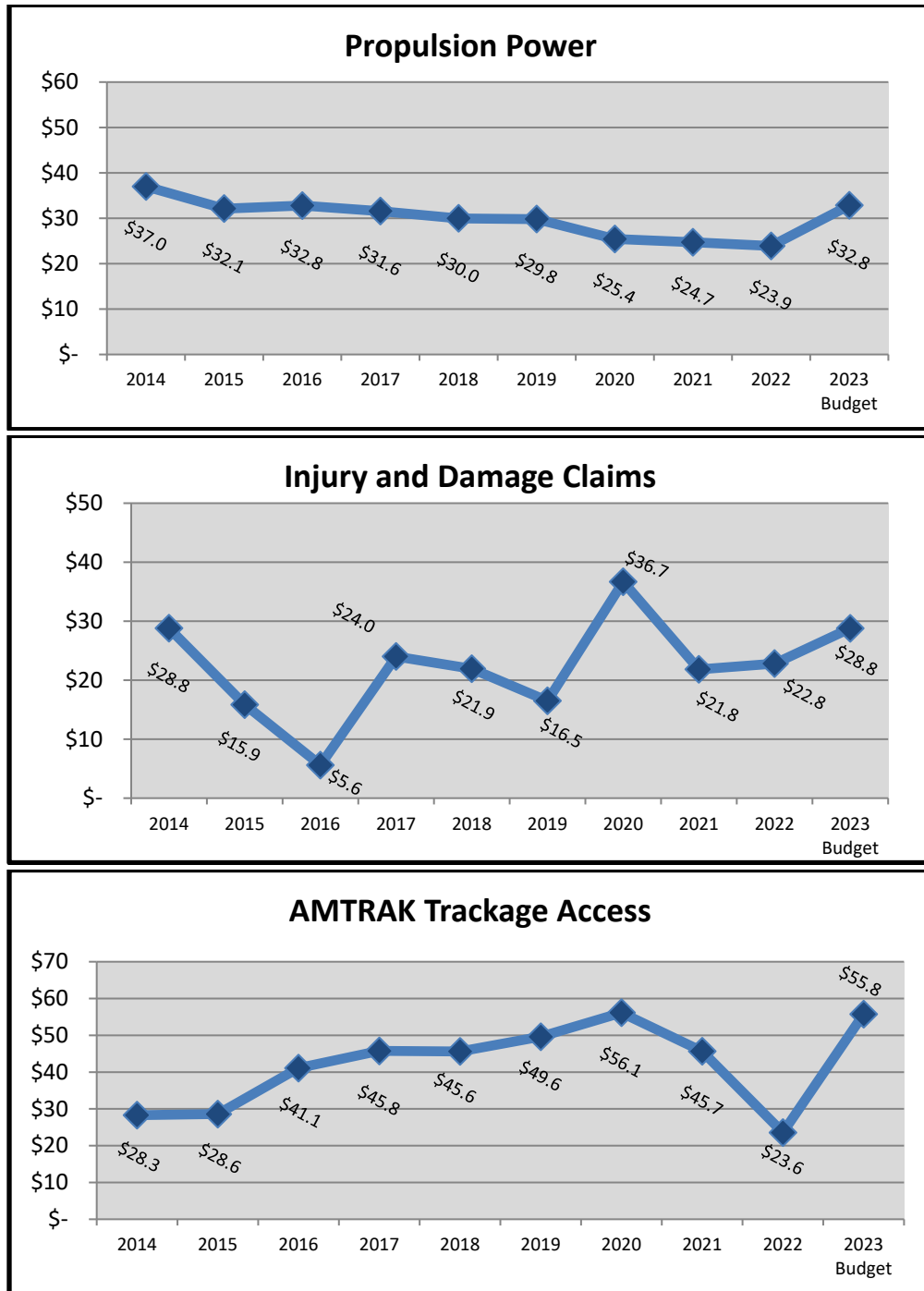




## 8. Detail of Expenses

### TEN YEAR EXPENSE TRENDS cont.

#### Amounts in Millions

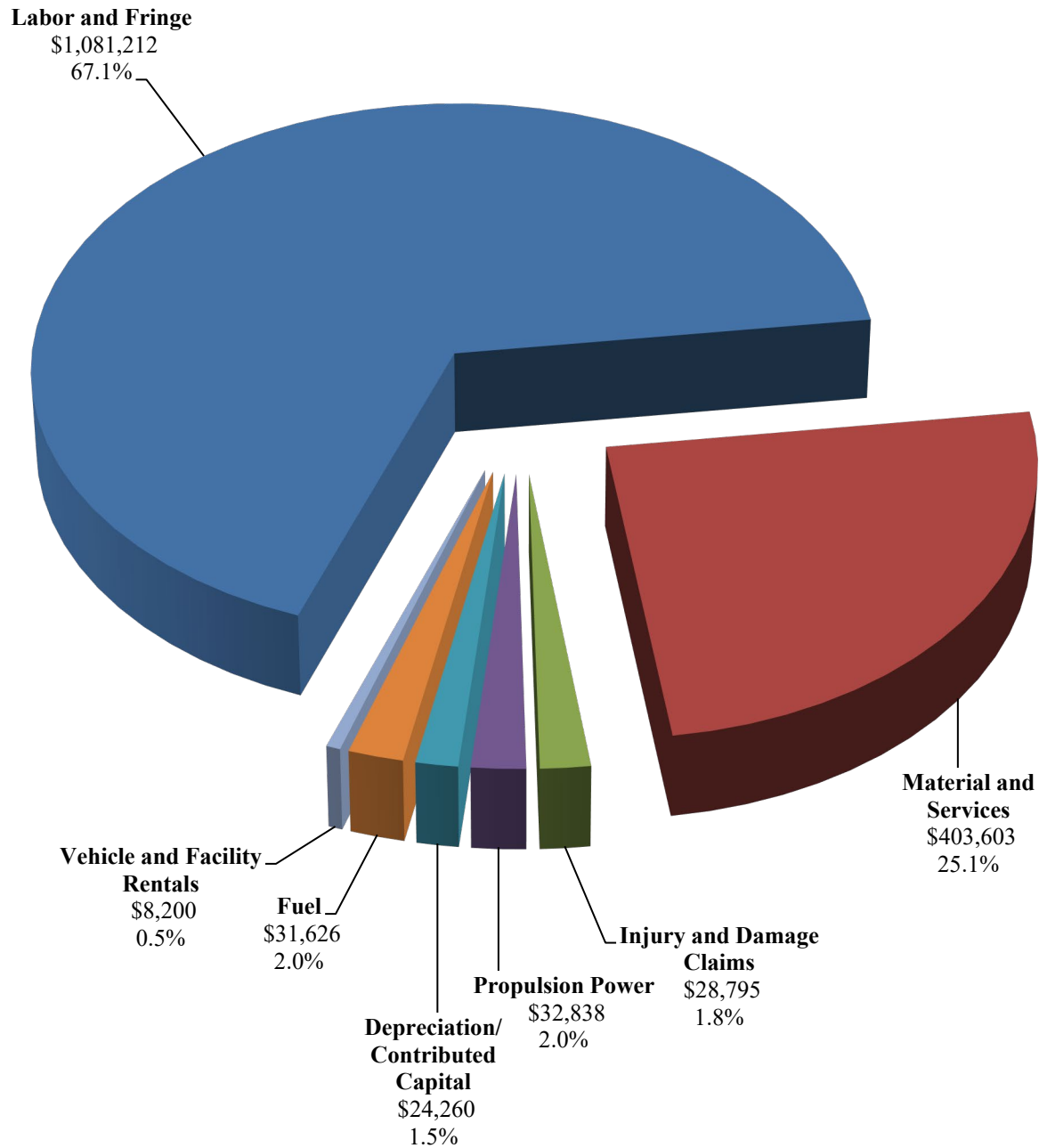


## 8. Detail of Expenses

### SUMMARY OF OPERATING EXPENSES

**TOTAL OPERATING EXPENSES = \$1,610,534**

In Thousands



## 8. Detail of Expenses

### FY 2023 BUDGET IN 000'S\*

Division/Departmental Expenses	Labor and Fringe	Material and Services	Total
<b>OPERATIONS</b>			
Rail Operations	\$ 228,400	\$ 30,272	\$ 258,672
Bus Operations & Access	269,634	35,886	305,520
Administration, Finance And Support	6,878	612	7,490
Bridges And Buildings	49,997	48,706	98,703
Maintenance Of Way	54,666	20,526	75,192
Transit Police Department	26,428	11,028	37,456
Control Center	9,941	218	10,159
<b>Total Operations</b>	<b>\$ 645,944</b>	<b>\$ 147,248</b>	<b>\$ 793,192</b>
<b>Human Resources</b>	<b>\$ 18,428</b>	<b>\$ 3,986</b>	<b>\$ 22,414</b>
<b>Finance</b>	<b>\$ 35,466</b>	<b>\$ 37,431</b>	<b>\$ 72,897</b>
<b>Office Of General Counsel Division</b>	<b>\$ 18,314</b>	<b>\$ 37,352</b>	<b>\$ 55,666</b>
<b>Corporate Staff</b>	<b>\$ 12,671</b>	<b>\$ 5,054</b>	<b>\$ 17,725</b>
<b>System Safety</b>	<b>\$ 2,163</b>	<b>\$ 968</b>	<b>\$ 3,131</b>
<b>Office Of Inspector General</b>	<b>\$ 2,633</b>	<b>\$ 105</b>	<b>\$ 2,738</b>
<b>Planning &amp; Strategy</b>	<b>\$ 5,132</b>	<b>\$ 10,042</b>	<b>\$ 15,174</b>
<b>Equity &amp; Inclusion</b>	<b>\$ 1,302</b>	<b>\$ 73</b>	<b>\$ 1,375</b>
Capital Labor Allocation/Rental Reclassification	(60,913)	(8,200)	(69,113)
<b>Total Departmental Expenses</b>	<b>\$ 681,140</b>	<b>\$ 234,059</b>	<b>\$ 915,199</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 400,072	\$ -	\$ 400,072
Amtrak	-	55,765	55,765
CCT - ADA Services	-	24,437	24,437
CCT - Shared Ride Program	-	16,521	16,521
Debt Service Interest and Fees	-	33,341	33,341
Property Insurance/Other Claims Payouts, Net	-	8,485	8,485
Services for Headquarters' Building	-	6,282	6,282
Snow Removal and Other Weather Related Expenses	-	5,650	5,650
Utilities	-	22,268	22,268
Capitalized Costs and Other	-	(3,205)	(3,205)
<b>Total Non-Departmental Expenses</b>	<b>\$ 400,072</b>	<b>\$ 169,544</b>	<b>\$ 569,616</b>
<b>OTHER OPERATING EXPENSES</b>			
Injury and Damage Claims	\$ -	\$ 28,795	\$ 28,795
Propulsion Power	-	32,838	32,838
Fuel	-	31,626	31,626
Vehicle and Facility Rentals	-	8,200	8,200
Depreciation/Contributed Capital	-	24,260	24,260
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 125,719</b>	<b>\$ 125,719</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,081,212</b>	<b>\$ 529,322</b>	<b>\$ 1,610,534</b>

\*Budgeted cost alignment impacted by structure change due to corporate reorganization

## 8. Detail of Expenses

### FY 2023 BUDGET ALLOCATION BY COMPANY IN 000'S\*

Division/Departmental Expenses	1100	2100	2200	2300	3100	Total
<b>OPERATIONS</b>						
Rail Operations	\$ (56)	\$ 105,431	\$ 38,845	\$ 135	\$ 114,317	\$ 258,672
Bus Operations & Access	11,644	263,559	8,631	21,683	3	305,520
Administration, Finance And Support	4,881	2,094	56	-	459	7,490
Bridges And Buildings	1,374	86,908	2,669	10	7,742	98,703
Maintenance Of Way	69	43,984	4,808	-	26,331	75,192
Transit Police Department	37,456	-	-	-	-	37,456
Control Center	452	4,417	377	-	4,913	10,159
<b>Total Operations</b>	<b>\$ 55,820</b>	<b>\$ 506,393</b>	<b>\$ 55,386</b>	<b>\$ 21,828</b>	<b>\$ 153,765</b>	<b>\$ 793,192</b>
<b>Human Resources</b>	<b>\$ 14,454</b>	<b>\$ 4,542</b>	<b>\$ 479</b>	<b>\$ 80</b>	<b>\$ 2,859</b>	<b>\$ 22,414</b>
<b>Finance</b>	<b>\$ 57,295</b>	<b>\$ 650</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,952</b>	<b>\$ 72,897</b>
<b>Office Of General Counsel Division</b>	<b>\$ 44,909</b>	<b>\$ 7,521</b>	<b>\$ 301</b>	<b>\$ 181</b>	<b>\$ 2,754</b>	<b>\$ 55,666</b>
<b>Corporate Staff</b>	<b>\$ 17,652</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73</b>	<b>\$ 17,725</b>
<b>System Safety</b>	<b>\$ 3,131</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,131</b>
<b>Office Of Inspector General</b>	<b>\$ 2,738</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,738</b>
<b>Planning &amp; Strategy</b>	<b>\$ 14,164</b>	<b>\$ 3</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 1,002</b>	<b>\$ 15,174</b>
<b>Equity &amp; Inclusion</b>	<b>\$ 1,340</b>	<b>\$ 35</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,375</b>
Capital Labor Allocation/Rental Reclassification	(32,057)	(29,209)	(289)	(100)	(7,458)	(69,113)
Headquarters Allocation	(179,446)	133,095	11,790	3,786	30,775	-
<b>Total Departmental Expenses</b>	<b>\$ -</b>	<b>\$ 623,030</b>	<b>\$ 67,672</b>	<b>\$ 25,775</b>	<b>\$ 198,722</b>	<b>\$ 915,199</b>
<b>NON-DEPARTMENTAL EXPENSES</b>						
Fringe Benefits	\$ 61,836	\$ 235,861	\$ 22,036	\$ 9,609	\$ 70,730	\$ 400,072
Amtrak	-	-	-	-	55,765	55,765
CCT - ADA Services	-	13,506	10,931	-	-	24,437
CCT - Shared Ride Program	-	16,521	-	-	-	16,521
Debt Service Interest and Fees	200	11,675	183	63	21,220	33,341
Property Insurance/Other Claims Payouts, Net	-	5,848	562	131	1,944	8,485
Services for Headquarters' Building	6,282	-	-	-	-	6,282
Snow Removal and Other Weather Related Expenses	-	-	-	-	5,650	5,650
Utilities	-	14,149	1,189	290	6,640	22,268
Capitalized Costs and Other	(9,326)	4,856	414	139	712	(3,205)
Headquarters Allocation	(58,992)	43,754	3,876	1,245	10,117	-
<b>Total Non-Departmental Expenses</b>	<b>\$ -</b>	<b>\$ 346,170</b>	<b>\$ 39,191</b>	<b>\$ 11,477</b>	<b>\$ 172,778</b>	<b>\$ 569,616</b>
<b>OTHER OPERATING EXPENSES</b>						
Injury and Damage Claims	\$ -	\$ 13,163	\$ 1,147	\$ 378	\$ 14,107	\$ 28,795
Propulsion Power	-	13,033	1,508	-	18,297	32,838
Fuel	-	23,674	4,380	2,946	626	31,626
Vehicle and Facility Rentals	-	6,290	241	77	1,592	8,200
Depreciation/Contributed Capital	-	15,908	278	63	8,011	24,260
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 72,068</b>	<b>\$ 7,554</b>	<b>\$ 3,464</b>	<b>\$ 42,633</b>	<b>\$ 125,719</b>
<b>TOTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ 1,041,268</b>	<b>\$ 114,417</b>	<b>\$ 40,716</b>	<b>\$ 414,133</b>	<b>\$ 1,610,534</b>

\*Budgeted cost alignment impacted by structure change due to corporate reorganization

## 8. Detail of Expenses

### FY 2022 ACTUAL EXPENSES IN 000'S

Division/Departmental Expenses	Labor and Fringe	Material and Services	Total
<b>OPERATIONS</b>			
Rail Operations	\$ 206,196	\$ 26,102	\$ 232,298
Bus Operations & Access	244,849	34,203	279,052
Administration, Finance And Support	3,287	958	4,245
Bridges And Buildings	45,317	8,259	53,576
Maintenance Of Way	53,460	20,355	73,815
Transit Police Department	19,557	6,180	25,737
Control Center	8,968	29	8,997
<b>Total Operations</b>	<b>\$ 581,634</b>	<b>\$ 96,086</b>	<b>\$ 677,720</b>
<b>Human Resources</b>	<b>\$ 17,349</b>	<b>\$ 1,997</b>	<b>\$ 19,346</b>
<b>Finance</b>	<b>\$ 29,257</b>	<b>\$ 29,171</b>	<b>\$ 58,428</b>
<b>Office Of General Counsel Division</b>	<b>\$ 16,591</b>	<b>\$ 39,565</b>	<b>\$ 56,156</b>
<b>Corporate Staff</b>	<b>\$ 11,461</b>	<b>\$ 4,758</b>	<b>\$ 16,219</b>
<b>System Safety</b>	<b>\$ 1,853</b>	<b>\$ 1,012</b>	<b>\$ 2,865</b>
<b>Office Of Inspector General</b>	<b>\$ 2,134</b>	<b>\$ 94</b>	<b>\$ 2,228</b>
<b>Planning &amp; Strategy</b>	<b>\$ 4,302</b>	<b>\$ 9,045</b>	<b>\$ 13,347</b>
<b>Equity &amp; Inclusion</b>	<b>\$ 831</b>	<b>\$ 87</b>	<b>\$ 918</b>
Capital Labor Allocation/Rental Reclassification	(6,188)	(7,388)	(13,576)
<b>Total Departmental Expenses</b>	<b>\$ 659,224</b>	<b>\$ 174,427</b>	<b>\$ 833,651</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 380,154	\$ -	\$ 380,154
Amtrak	-	23,575	23,575
CCT - ADA Services	-	21,640	21,640
CCT - Shared Ride Program	-	14,254	14,254
Debt Service Interest and Fees	-	14,121	14,121
Property Insurance/Other Claims Payouts, Net	-	10,888	10,888
Services for Headquarters' Building	-	6,255	6,255
Snow Removal and Other Weather Related Expenses	-	1,769	1,769
Utilities	-	18,887	18,887
Capitalized Costs and Other	-	(2,402)	(2,402)
<b>Total Non-Departmental Expenses</b>	<b>\$ 380,154</b>	<b>\$ 108,987</b>	<b>\$ 489,141</b>
<b>OTHER OPERATING EXPENSES</b>			
Injury and Damage Claims	\$ -	\$ 22,808	\$ 22,808
Propulsion Power	-	23,906	23,906
Fuel	-	23,731	23,731
Vehicle and Facility Rentals	-	7,388	7,388
Depreciation/Contributed Capital	-	24,515	24,515
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 102,348</b>	<b>\$ 102,348</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,039,378</b>	<b>\$ 385,762</b>	<b>\$ 1,425,140</b>

## 8. Detail of Expenses

### FY 2021 ACTUAL EXPENSES IN 000'S

Division/Departmental Expenses	Labor and Fringe	Material and Services	Total
<b>OPERATIONS</b>			
Administration and Analysis	\$ 278	\$ 1,069	\$ 1,347
Control Center	8,337	35	8,372
Customized Community Transportation	7,934	3,922	11,856
AGM Staff	1,162	93	1,255
Rail Transportation-Subway-Elevated	49,269	619	49,888
Rail Transportation - Regional Rail	58,204	7,709	65,913
Surface Transportation	209,357	612	209,969
Vehicle Equipment Maintenance	125,370	40,609	165,979
<b>Total Operations</b>	<b>\$ 459,911</b>	<b>\$ 54,668</b>	<b>\$ 514,579</b>
<b>DGM Operations, EMC, &amp; Vehicles</b>	<b>\$ 5,582</b>	<b>\$ 6,356</b>	<b>\$ 11,938</b>
<b>Engineering, Maintenance &amp; Construction</b>	<b>\$ 78,050</b>	<b>\$ 21,774</b>	<b>\$ 99,824</b>
<b>Transit Police</b>	<b>\$ 20,080</b>	<b>\$ 1,508</b>	<b>\$ 21,588</b>
<b>STAFF DEPARTMENTS</b>			
Audit and Investigative Services	\$ 1,752	\$ 33	\$ 1,785
Corporate Staff	2,774	214	2,988
Communications	6,528	365	6,893
Deputy General Manager/Treasurer Administration	1,413	-	1,413
Employee Development/Relations	10,648	529	11,177
Finance	20,053	15,588	35,641
Planning	3,511	2,770	6,281
Human Resources	4,516	654	5,170
Information Technology	6,143	9,826	15,969
New Payment Technologies	6	12,197	12,203
Office of General Counsel	9,174	19,210	28,384
Procurement, Supply Chain & DBE	9,054	399	9,453
Public and Government Affairs	1,322	2,592	3,914
System Safety	1,884	880	2,764
<b>Total Staff Departments</b>	<b>\$ 78,778</b>	<b>\$ 65,257</b>	<b>\$ 144,035</b>
Capital Labor Allocation/Rental Reclassification	(5,624)	(7,214)	(12,838)
<b>Total Departmental Expenses</b>	<b>\$ 636,777</b>	<b>\$ 142,349</b>	<b>\$ 779,126</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 369,081	\$ -	\$ 369,081
Amtrak	-	45,653	45,653
CCT - ADA Services	-	18,330	18,330
CCT - Shared Ride Program	-	14,160	14,160
Debt Service Interest and Fees	-	16,531	16,531
Property Insurance/Other Claims Payouts, Net	-	6,053	6,053
Services for Headquarters' Building	-	5,901	5,901
Snow Removal and Other Weather Related Expenses	-	4,030	4,030
Utilities	-	19,027	19,027
Capitalized Costs and Other	-	(1,443)	(1,443)
<b>Total Non-Departmental Expenses</b>	<b>\$ 369,081</b>	<b>\$ 128,242</b>	<b>\$ 497,323</b>
<b>OTHER OPERATING EXPENSES</b>			
Injury and Damage Claims	\$ -	\$ 21,829	\$ 21,829
Propulsion Power	-	24,708	24,708
Fuel	-	20,919	20,919
Vehicle and Facility Rentals	-	7,215	7,215
Depreciation/Contributed Capital	-	23,079	23,079
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 97,750</b>	<b>\$ 97,750</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,005,858</b>	<b>\$ 368,341</b>	<b>\$ 1,374,199</b>



## HEADCOUNT DESIGNATIONS

### Organization Overview

The organization, staffing, and expenses are shown for each division in the Departmental Summaries Section, including subtotals by department. Total headcount is further segregated by Operating versus Capital. The following definitions shall apply throughout this section:

<b>Management</b>	Supervisory, administrative, and management employees.
<b>Clerical</b>	Unionized clerical, storeroom and customer service agent employees.
<b>Maintenance Transportation, or Cashiers</b>	Unionized maintenance and transportation employees, cashiers, and police officers.
<b>Capital</b>	Positions supported by federal, state, or local capital funding initiatives.

The Fiscal Year 2023 authorized headcount is at 9,850 employees, no net change from Fiscal Year 2022. The authorized headcount reflects the implementation of a corporate reorganization designed to support implementation of SEPTA’s Strategic Plan, including investments in:

- A new **Equity & Inclusion** division
- Extensive **Employee Recruitment & Retention** efforts in the Human Resources division
- Ramping up an expanded **Capital Program** in the Operations division
- Adoption of **New Technologies**, especially in the Office of General Counsel
- Ongoing implementation of an **Efficiency & Accountability** program in the Finance Division, Office of Inspector General, and across the organization

## 9. Headcount Authorizations

### FISCAL YEAR 2023 OPERATING HEADCOUNT

OPERATING HEADCOUNT						
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Rail Operations	274	69	824	1,335	305	2,807
Bus Operations & Access	326	31	798	2,219	-	3,374
Administration, Finance and Support	60	1	5	-	-	66
Bridges & Buildings	103	12	577	-	-	692
Maintenance of Way	98	56	498	-	-	652
Transit Police	64	-	194	-	-	258
Control Center	91	11	-	4	-	106
<b>Total Operations</b>	<b>1,016</b>	<b>180</b>	<b>2,896</b>	<b>3,558</b>	<b>305</b>	<b>7,955</b>
<b>Corporate Staff</b>	<b>64</b>	<b>66</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>132</b>
<b>Equity and Inclusion</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>
<b>Finance</b>	<b>270</b>	<b>135</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>457</b>
<b>Human Resources</b>	<b>179</b>	<b>16</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>200</b>
<b>Office of General Counsel</b>	<b>172</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199</b>
<b>Office of Inspector General</b>	<b>24</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>27</b>
<b>Planning and Strategy</b>	<b>51</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63</b>
<b>System Safety</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>
<b>Total Headcount</b>	<b>1,809</b>	<b>436</b>	<b>2,958</b>	<b>3,558</b>	<b>305</b>	<b>9,066</b>

### FISCAL YEAR 2023 CAPITAL HEADCOUNT

CAPITAL HEADCOUNT						
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Rail Operations	37	2	112	4	-	155
Bus Operations & Access	16	1	59	1	-	77
Administration, Finance and Support	28	-	-	-	-	28
Bridges & Buildings	73	1	109	-	-	183
Maintenance of Way	89	6	210	-	-	305
Transit Police	5	-	-	-	-	5
Control Center	-	-	-	-	-	-
<b>Total Operations</b>	<b>248</b>	<b>10</b>	<b>490</b>	<b>5</b>	<b>0</b>	<b>753</b>
<b>Corporate Staff</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Equity and Inclusion</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>
<b>Finance</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>
<b>Human Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Office of General Counsel</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Office of Inspector General</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Planning and Strategy</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>System Safety</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Total Capital Headcount</b>	<b>279</b>	<b>10</b>	<b>490</b>	<b>5</b>	<b>0</b>	<b>784</b>

## 9. Headcount Authorizations

### FISCAL YEAR 2023 TOTAL HEADCOUNT

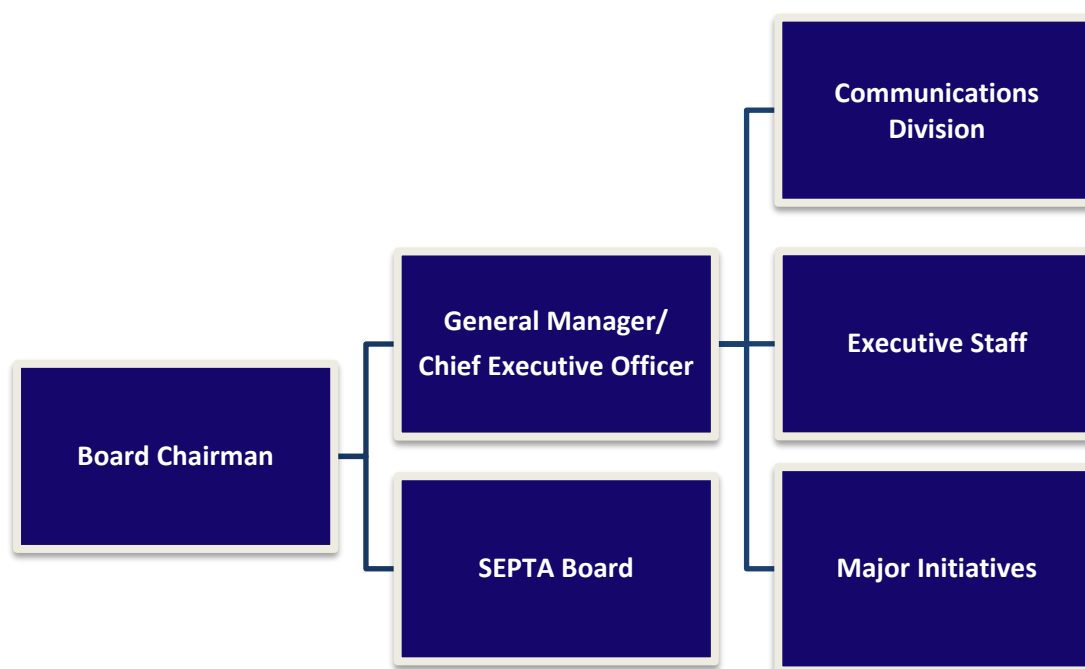
TOTAL HEADCOUNT						
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Rail Operations	311	71	936	1,339	305	2,962
Bus Operations & Access	342	32	857	2,220	-	3,451
Administration, Finance and Support	88	1	5	-	-	94
Bridges & Buildings	176	13	686	-	-	875
Maintenance of Way	187	62	708	-	-	957
Transit Police	69	-	194	-	-	263
Control Center	91	11	-	4	-	106
<b>Total Operations</b>	<b>1,264</b>	<b>190</b>	<b>3,386</b>	<b>3,563</b>	<b>305</b>	<b>8,708</b>
<b>Corporate Staff</b>	67	66	2	-	-	135
<b>Equity and Inclusion</b>	15	-	-	-	-	15
<b>Finance</b>	284	135	52	-	-	471
<b>Human Resources</b>	179	16	5	-	-	200
<b>Office of General Counsel</b>	173	27	-	-	-	200
<b>Office of Inspector General</b>	24	-	3	-	-	27
<b>Planning and Strategy</b>	55	12	-	-	-	67
<b>System Safety</b>	27	-	-	-	-	27
<b>Total Headcount</b>	<b>2,088</b>	<b>446</b>	<b>3,448</b>	<b>3,563</b>	<b>305</b>	<b>9,850</b>

## 10. Divisional Summaries

### CORPORATE STAFF

#### Overview

SEPTA's Corporate Staff consists of a team of experienced transit professionals who are dedicated to providing vision and guidance to the Authority, while optimizing the best use of limited resources. The Corporate Staff strives to partner with stakeholders to promote public transit service as a cost-effective, viable travel option for access to work, school, medical service, shopping, leisure activities and tourism. The Corporate Staff is also committed to operating and managing a system which meets the highest standards for customer and employee safety while providing quality services.



\$ Amounts in Thousands ('000)

Corporate Staff	Heads	Net Labor	Non-Labor	Total
Communications Division	115	\$ 8,820	\$ 4,722	\$ 13,542
Corporate Staff: GM and Executive Staff	13	\$ 2,651	\$ 262	\$ 2,913
Major Initiatives	2	\$ 181	\$ 21	\$ 202
SEPTA Board	5	\$ 1,019	\$ 49	\$ 1,068
<b>Total</b>	<b>135</b>	<b>\$ 12,671</b>	<b>\$ 5,054</b>	<b>\$ 17,725</b>

## 10. Divisional Summaries

### Principal Responsibilities

#### **SEPTA Board**

Prepares and attests to all Board documentation generated from committee and Board meetings as well as advising and consulting with the Board on all Board-related matters. The Board staff includes a Secretary to the Board, an Assistant Secretary to the Board, a Controller to the Board, and a Board and Government Liaison.

#### **Communications Division**

The Communications Division is responsible for the development, implementation, and coordination of SEPTA internal and external communications across agency initiatives and operations. Communications are informed by customer service activity as well as other research and analytics. Customer Experience and Advocacy group serves as the clearing house for all customer information gathered across various channels, for collecting “customer intelligence”, for advancing the Authority’s “Customer-Focused” agenda, and for performing consumer research to help the organization ascertain customer priorities, satisfaction levels, and overall loyalty. Integrated Communications Programs insures Agency outreach channels are optimized and in synch regarding messaging and maximum effective impact. The Graphics team oversees the development of customer information brochures, posters and notices, system signage, way-finding information, and maps. The Division manages the editorial content, new features, graphics, navigation, and editorial content for SEPTA Internet and Intranet websites. It is also responsible for preparing communications for distribution to employees through broadcast messages, SEPTANow text messaging, posters, and flyers. The Division produces videos and provides still photography for a broad range of internal and external distribution points, directs the Art-in-Transit program, and manages Graphics, Printing Services, the Sign Shop and Fulfillment operations.

#### **Integrated Communications Programs**

To ensure effective support of initiatives and operations that involve marketing and communications outreach, the Integrated Communication Programs team facilitates the strategy, planning and utilization of advertising, media relations, internal comms, digital properties and marketing. Understanding the scope and objectives of stakeholder initiatives helps avoid siloed activity and builds synergy across Communications channels.

#### **Customer Experience and Advocacy**

##### **Consumer Market Research and Analysis**

Understanding the needs and expectations of a business’ customers is vital to success. This unit uses qualitative and quantitative research, plus audits by service quality staff, to support the goals of the Division as well as other SEPTA business units. It also oversees the Service Quality Unit, SEPTA’s “Secret Shoppers” that assesses all aspects of the Customer Experience, anywhere and anytime.

##### **Customer Development and Advocacy**

This department advances the Customer Experience through a number of interdivisional initiatives, customer outreach/engagement, developing new markets, supporting Covid-19 ridership recovery efforts, and managing customer advocacy and stakeholder relations. It also coordinates “Building A SEPTA Culture of Service and Camaraderie” (BASCSC), the Authority’s relationships with Mural Arts and other artistic groups and the Customer Experience in all underground concourse and common areas. This department provides staff support and guidance to the Citizen Advisory Committee and the Youth Advisory council, as well as number of urbanist and enthusiast groups that have strong transit agendas.

## 10. Divisional Summaries

### **Customer Service**

The Customer Contact Center is open daily and responsible for responding to all inquiries and concerns received via telephone, email, web form, letter, and social media. There are four sections. The agents in the Telephone Information Center provide travel information, while the Contact Center Specialists handle all complaints, commendations, and suggestions. The CCT Agents support our paratransit customers. The Social Media Specialists engage customers on all issues. They also produce and use a variety of techniques to build social relationships and perform sophisticated “Customer Intelligence & Analysis: (CIA) research on trending topics that may potentially impact the Authority. The Contact Center staff works closely with the SEPTA Key Call Center. The department also manages seven field locations at major transit hubs where agents engage and support customers.

### **Creative Communications Services**

#### **Communications**

Provides day to day management of digital platforms including customer website, employee intranet, and employee messaging systems. Works with internal department to prepare a variety of customer communication pieces including videos, posters, flyers, and web content.

#### **Graphic Services**

Provide creative concept, design, layout, and pre-production services for all departments in the Authority for a vast range of projects including brochures, leaflets, posters, maps, signage, sales materials, and specialty projects. Manages corporate branding program for letterhead, business cards, PowerPoint templates; creates logos and other branding materials for corporate initiatives. Responsible for graphic design of the SEPTA Internet and Intranet websites.

#### **Fulfillment Services**

Provide direct mail service to customers, internal SEPTA departments and constituents requesting bulk distribution of transit timetables, customer service notices and other brochures and leaflets produced by the Authority.

#### **Print Services and Sign Shops**

Internal production operations for Authority departments and operations. The Print Shop is responsible for printing approximately 7 million transit schedules each year as well as customer brochures, posters, leaflets, maps, mass distribution employee memos, forms and corporate business cards and stationery. The Sign Shop is responsible for producing a variety of system and vehicle signs, decals, posters, and banners.

### **Executive Staff**

Manages and directs the daily functions of the Authority. Executive Staff includes the division leaders reporting directly to the General Manager. Collectively, they are responsible for the operation, administration, and financial management of the Authority.

### **Major Initiatives**

This department provides high-level oversight of all major project and initiatives across the Authority. This includes ensuring accountability and progress, communication of the status of projects, and facilitating appropriate collaboration by internal and external stakeholders.



## 10. Divisional Summaries

### EQUITY AND INCLUSION

SEPTA is currently hiring its first Chief Equity and Inclusion Officer (CEIO). Reporting directly to the General Manager/CEO, this critical role will be charged with creating the vision, leadership, and direction of our diversity and equity programs. Based at our corporate headquarters in Center City Philadelphia, the CEIO will champion the Diversity Equity and Belonging (DEB) strategy, Disadvantaged Business Enterprise (DBE) programs, and other similarly focused efforts that further SEPTA's commitment to fostering an inclusive culture. He/She/They will collaborate with SEPTA's management team to fulfill the goal of serving as an economic equalizer and important catalyst for the equitable future of the greater Philadelphia region.

#### Disadvantaged Business Enterprise Program Office (DBEPO)

##### Disadvantaged Business Enterprise Certification

Participates as one of five principal certifying agencies within the Commonwealth of Pennsylvania to provide one-stop shopping for firms seeking certification as a Disadvantaged Business Enterprise in accordance with 49 CFR Parts 26 and 23. Represents the Authority as a managing member of the Commonwealth of Pennsylvania's Unified Certification Program (PA UCP).

##### Small Business Enterprise (SBE) Program

Administers the SBE Program to meaningfully involve small business concerns in procurement and contracting activities towards increasing the race-neutral portion of the Authority's overall DBE goal.

##### DBE Compliance

Reviews solicitations to ensure the meaningful involvement of DBE firms in the Authority's procurement and contracting activities; establishes goals for applicable projects, evaluates bid/proposal submissions for adherence to DBE requirements, monitors projects for DBE goal achievement, and ensures equitable treatment of DBE firms performing on contracts.

##### DBE Program Outreach

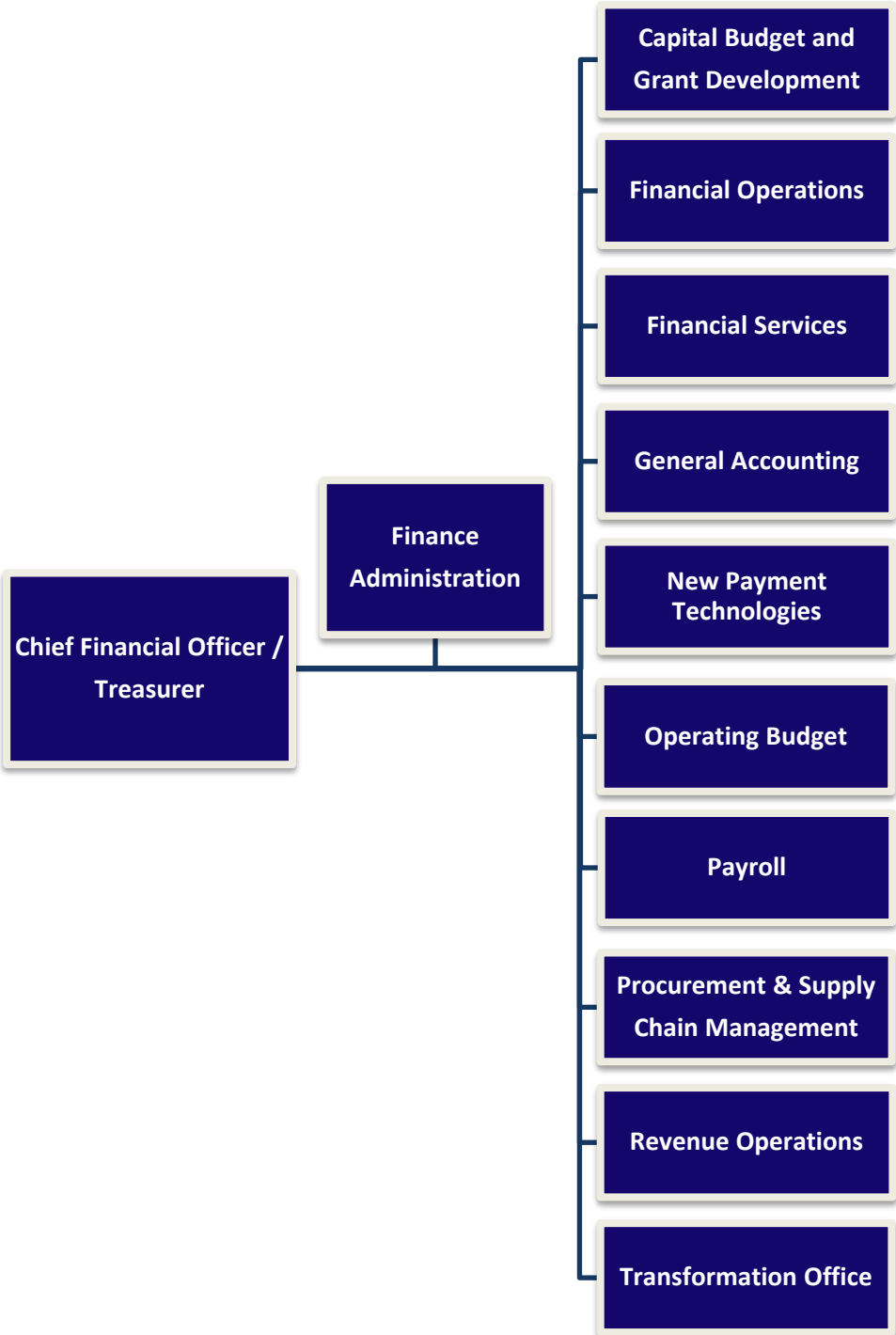
Provides technical assistance, guidance, and resources to all small businesses interested in pursuing contracting opportunities; coordinates internal and external outreach events; facilitates workshops and networking events for prime contractors, DBEs, and SBEs.

More information about the structure and composition of this new Division will be available in the FY2024 Operating Budget.

FINANCE

Overview

The Finance Division develops and then monitors results for the Authority’s Operating and Capital Budgets, and federal, state, and local grants. The Division oversees all financial services, including the preparation of monthly and annual financial statements for outside stakeholders.



## 10. Divisional Summaries

\$ Amounts in Thousands ('000)

Finance	Heads	Net Labor	Non-Labor	Total
Capital Budget and Grant Development	6	\$ 445	\$ 1	\$ 446
Finance Administration	11	\$ 1,674	\$ -	\$ 1,674
Financial Operations	56	\$ 3,870	\$ 5,541	\$ 9,411
Financial Services	31	\$ 2,329	\$ 644	\$ 2,973
General Accounting	11	\$ 845	\$ 268	\$ 1,113
New Payment Technologies*	6	\$ 195	\$ 13,108	\$ 13,303
Operating Budget	6	\$ 574	\$ 21	\$ 595
Payroll	6	\$ 409	\$ 2	\$ 411
Procurement & Supply Chain Management	153	\$ 10,785	\$ 499	\$ 11,284
Revenue Operations	180	\$ 13,710	\$ 13,847	\$ 27,557
Transformation Office	5	\$ 630	\$ 3,500	\$ 4,130
<b>Total</b>	<b>471</b>	<b>\$ 35,466</b>	<b>\$ 37,431</b>	<b>\$ 72,897</b>

\*Utilities not included in non-labor total

### Principal Responsibilities

#### **Capital Budget and Grant Development**

Develop the annual Capital Budget and the twelve-year Capital Program. Prepare, maintain, execute, and monitor federal, state, and local grants from inception to grant close-out. Develop and maintain the transit capital projects of the regional Transportation Improvement Program (TIP). Provide oversight and prepare analyses of the Vehicle Overhaul Program (VOH), Infrastructure Safety Renewal Program (ISRP), and Transit Security Grant Programs. Also responsible for other special grant programs.

#### **Finance Administration**

Coordinate, manage, and direct the activities of the Finance Division. Oversee the development and implementation of the operating and capital budgets. Manage financial reporting and develop revenue strategies and fare policies. Ensure that resources are used effectively to maximize capital investments and to maintain access to the capital markets on reasonable terms and conditions.

#### **Financial Operations**

Form a centralized leadership capacity to coordinate multifaceted operations including revenue generation from customer fare and organizational quantity fare purchases. Monitors and officially reports ridership levels and affiliated revenues. Coordinate the Division's participation in all financial, operational and customer facing aspects to further the advancement of the SEPTA Key Program.

#### **Revenue and Ridership Management**

Develop and report monthly ridership and revenue levels. Manage all ridership and revenue data and issue reports as market conditions demand. Issue all required revenue and ridership reports to governmental and ancillary agencies. Develop and support all passenger revenue pricing and tariffs and incorporate data received from the SEPTA Key Program into the data stream.

#### **Sales**

Administers and/or conducts the sale of all customer fares within the SEPTA service area. Directly supports organizations purchasing fares on behalf of employee's or clients including over 1,000 external sales venues such as corporations, school districts, and Social Service agencies. Works closely with various teams to ensure the effective transition from legacy fare items to new SEPTA Key media and the development of new programs supported through Key System Technology.

## 10. Divisional Summaries

### **Customer Support Services**

Manages the daily operation of ten full-service sales centers, 73 satellite sales locations and the third-party contract to supply customer support services. Validates and issues refunds and adjustments for lost rides and unneeded fare products. Manages the agreements to supply SEPTA with Branded and Non-Branded cards used for customer travel on SEPTA.

### **General Accounting**

Manage the Authority's financial reporting and accounting activities in accordance with generally accepted accounting principles (GAAP) and governmental regulations. GAAP is a set of procedures and guidelines used by companies to prepare their financial statements and other accounting disclosures. The standards are prepared by the Governmental Accounting Standards Board (GASB). The department is responsible to produce timely and accurate financial reports and properly maintain the accounting system and related internal control structure, which includes managing the monthly and annual financial general ledger close process. Prepare and issue monthly financial and statistical reports to the SEPTA Board and senior management. Prepare required quarterly and audited financial reports that are issued to various financial institutions and government agencies that provide debt financing or subsidies to the Authority.

### **New Payment Technologies**

Directs the multi-phase SEPTA Key Project to transform SEPTA's aging revenue collection system into a modern, efficient, and convenient system for customer payment and agency collection of fare revenue.

### **Operating Budget**

The Operating Budget Department advances SEPTA's mission to move the Philadelphia region forward by systematically planning, managing, and balancing the Authority's financial resources. The Department analyzes and communicates financial and statistical information for decision-making purposes, while continually ensuring responsibility to SEPTA stakeholders as the Authority's fiscal gatekeeper. They do this through:

- The annual budget process, including public hearings
- Monthly reporting
- Daily transactional reviews and approvals; and
- Specialized cost and performance analysis

### **Payroll**

Process the Authority's payroll in a timely and accurate manner. Ensure that payroll-related data has been balanced and reconciled. Process all wage deductions and tax withholdings. Responsible for reporting of tax withholdings and all quarterly and annual tax returns. Prepares all bargaining unit contractual wage increases. Ultimately responsible for all payroll-related record keeping as well as verifying the reliability of the data.

### **Procurement and Supply Chain Management**

The Procurement and Supply Chain Management Department is responsible for SEPTA's procurement, materials management, contract grant compliance, business process and support services, quality assurance, supply chain management, and contract administration.

### **Contract Grant Compliance**

Provide coordination and enforcement of SEPTA's compliance with federal, state, and local funding agency regulations for approved capital projects, planning studies, and other non-operating projects. Participate in updating standard form contracts, the procurement manual and related policy instructions. Monitor Certified Payrolls for all SEPTA construction projects in accordance with the Davis-Bacon and related acts.

## 10. Divisional Summaries

### **Business Process and Support Services**

Provide analytical reports, system administration, enhancements, contract processing, records management, and training support for the department. Administer Authority-wide programs such as e-procurement, electronic stockless stationery, Procurement Card, and the Materials Management/Purchasing system.

### **Material Management (Automotive and Rail)**

Perform analysis, forecasting, and identification of inventory requirements to determine adequate stocking levels to effectively purchase/lease stock and non-stock rail and vehicle parts, material, equipment, supplies, and services, except for major vehicle procurements. Provide direct field support to maintenance directors and shop personnel. Coordinate Authority-wide inventory reduction and control programs. Maximize return on investment through Asset Recovery programs and long term, market-based scrap metal contracts. Perform inventory requirements planning for vehicle overhaul programs and various maintenance projects.

### **Materials Management (Infrastructure)**

Perform analysis, forecasting, and identification of inventory requirements to determine adequate stocking levels to effectively purchase/lease stock and non-stock infrastructure, material, equipment, supplies, and services. Provide direct field support to maintenance directors and shop personnel. Perform requirements planning for various capital project programs and various maintenance projects.

### **Supply Chain Management**

Plan and coordinate inventory requirements with all Operations areas to meet short and long-term material needs. Administer storeroom operations, warehousing and distribution functions, including receipt, storage, issuance and control of all stock materials for the Authority's diversified fleet of vehicles, for vehicle overhaul programs and for infrastructure maintenance requirements. Administer SEPTA's Vendor Managed Inventory Program.

### **Contract Administration**

Perform solicitations, contract awards, and post-award administration including change orders, dispute resolution and contract closeout. Administer contracts by overseeing vendors to fulfill contractual obligations.

### **Construction and Vehicle Acquisition**

Perform procurement and administration of project-specific architectural, engineering and associated construction-related services, new construction, and renovations of facilities and structures. Responsible for solicitation, award and administration of large scale new construction projects as a result of Act 89 funding, infrastructure hardening and resiliency programs, as well as major equipment purchases, including rail and bus fleets.

### **Professional and Technical Services**

Procure and administer revenue producing vehicles (buses and rail cars), employee benefits, insurance, and associated passenger services such as paratransit and fixed route. Solicit, award, and administer professional services contracts including state and federal legislative services, advertising, brokers and lease and management services. Also includes technical services such as landscaping, janitorial, IT support maintenance and pest extermination.

## 10. Divisional Summaries

### **Revenue Operations**

Revenue Operations mission is to ensure the authority's revenue is collected, transported, and deposited in the bank in a safe and secure manner. The mission also includes the timely repair of all revenue equipment.

### **Revenue Transportation and Collections**

Manages the collection, transportation, and deposit of passenger revenues and fare instruments. This includes, Surface, Sub-EL, and Regional Rail revenue.

### **Revenue Services**

Ensures timely processing, counting, and reconciliation of passenger revenue, as well as the distribution of fare instruments. This includes, surface, Sub-EL, and regional rail operations.

### **Revenue Equipment Maintenance**

Performs preventive/corrective maintenance and overhaul of fare collection equipment and devices on all modes of transportation (Surface, Subway and Regional Rail). Additionally, support the deployment of SEPTA Key 2.0.

### **Revenue Engineering**

Provides engineering and design support for the revenue system including specifications, drawings, equipment modifications, system upgrades, and PCI compliance. Additionally, support the deployment of SEPTA Key 2.0.

### **Railroad Parking Equipment Maintenance and Servicing**

Responsible for managing third party contractors for maintenance on gated parking lot and garage equipment. Also responsible for the enforcement of all open lot parking stations.

### **Transformation Office**

SEPTA's Efficiency & Accountability (E&A) Program is a key implementation strategy of Strategic Plan Goal 1 - to Develop a Proactive Organization. A permanent Transformation Office has been established to ensure the E&A program is fully implemented within a three-year timeframe, after which the planning process will begin again to ensure continual improvement. E&A Program implementation will result in cost savings and other organizational improvements to ensure SEPTA is positioned for success through COVID recovery and beyond.



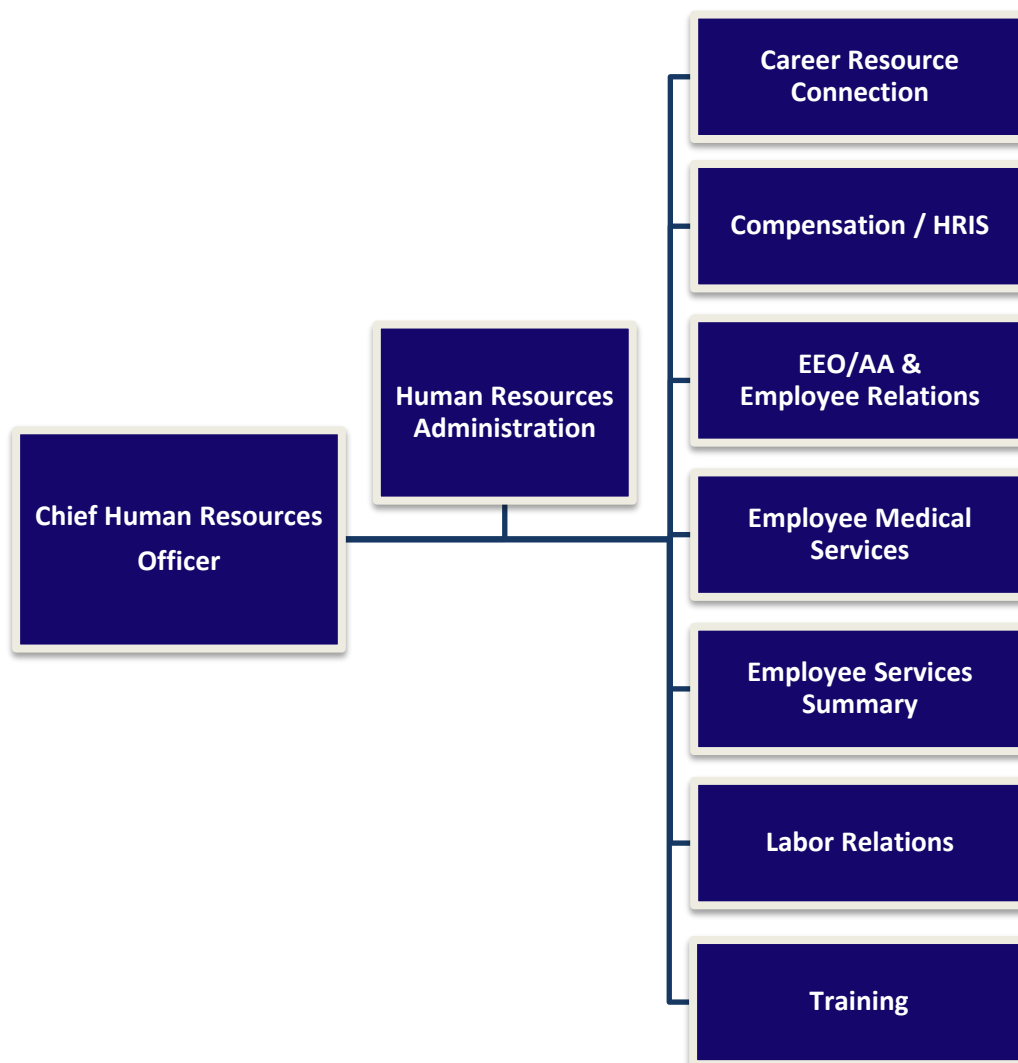
## 10. Divisional Summaries

### HUMAN RESOURCES

#### Overview

The Human Resources Division manages the employee life cycle of talent management (attracting, selecting, hiring, onboarding, development, and retention), performance management, compensation, and administering benefits. In addition, the division focuses on training, personnel development, and EEO for our administrative, management, and bargaining unit employees.

The Division's concern is for the holistic well-being of each employee and is tasked with ensuring safety and security through legal compliance, Authority policy management, and Labor/EEO regulatory relations. Our goal is to support the employee through the onset of employment until long after their departure from employment.



## 10. Divisional Summaries

\$ Amounts in Thousands ('000)

Human Resources	Heads	Net Labor	Non-Labor	Total
Career Resource Connection	5	\$ 332	\$ 67	\$ 399
Compensation / HRIS	13	\$ 1,030	\$ 195	\$ 1,225
EEO/AA & Employee Relations	6	\$ 556	\$ 23	\$ 579
Employee Medical Services	15	\$ 1,114	\$ 311	\$ 1,425
Employee Services Summary	34	\$ 2,858	\$ 1,133	\$ 3,991
Human Resources Administration	8	\$ 1,561	\$ 282	\$ 1,843
Labor Relations	13	\$ 1,257	\$ 302	\$ 1,559
Training	106	\$ 9,720	\$ 1,673	\$ 11,393
<b>Total</b>	<b>200</b>	<b>\$ 18,428</b>	<b>\$ 3,986</b>	<b>\$ 22,414</b>

### Principal Responsibilities

#### **Career Resource Connection (CRC)**

Serves as a centralized operation and resource for external candidates interested in joining SEPTA and/or learning about job opportunities and equips internal employees with resources to further develop and manage their career paths including career coaching and counseling. In addition, the CRC supports the Recruitment Department in pre-employment assessment/ selection by scheduling and conducting pre-employment assessments, interviews, and New Employee Orientation (onboarding) sessions. The CRC also works interdepartmentally with hiring managers to assess and provide job task analysis and assessment overhauls.

#### **Compensation/HRIS**

Develop, communicate, and administer the compensation program for supervisory, administrative and management (SAM) employees. Evaluate SAM positions utilizing the Hay Evaluation System. Update employee and position-related data in the personnel system, monitor and train employees on the use of the Human Resource Information System (HRIS). Maintain personnel files for approximately 9,300 employees. Verify current and past employment for employees, and handle inquiries regarding mortgage and car loans, lost wages, and other supplemental insurance coverage. Oversee the assignment of employee photo IDs for new employees and the replacement of ID's when reported lost or damaged. Prepare SEPTA-wide Organizational Charts.

#### **Equal Employment / Affirmative Action and Employee Relations (EEO/AA&ER)**

Implements and oversees the Authority's policies related to equal employment opportunity, anti-discrimination, and diversity and inclusion to address the needs of an increasingly diverse workplace. Implements and oversees the Authority's policies related to equal employment opportunity

#### **Employee Medical Services**

Execute, maintain, and provide regular reports on the drug and alcohol testing requirements in accordance with Authority policy and U.S. Department of Transportation regulations. Responsible for conducting medical examinations for fitness for duty, new hire physicals, medical monitoring/surveillance programs (e.g., hypertension, asbestos), hearing conservation, etc. as required by the Authority. Administer the Employee Assistance Program (EAP) for all employees and their dependents. Manage the Wellness Program and medical case management.

#### **Employee Services Summary**

Human Resources Employee Services focuses on Recruitment, Strategic Initiatives, and Employee Benefit Services.

## 10. Divisional Summaries

### **Labor Relations**

Conducts all labor negotiations with the bargaining units, handles all grievances, arbitrations, unemployment claims, and Labor Board cases.

### **Training**

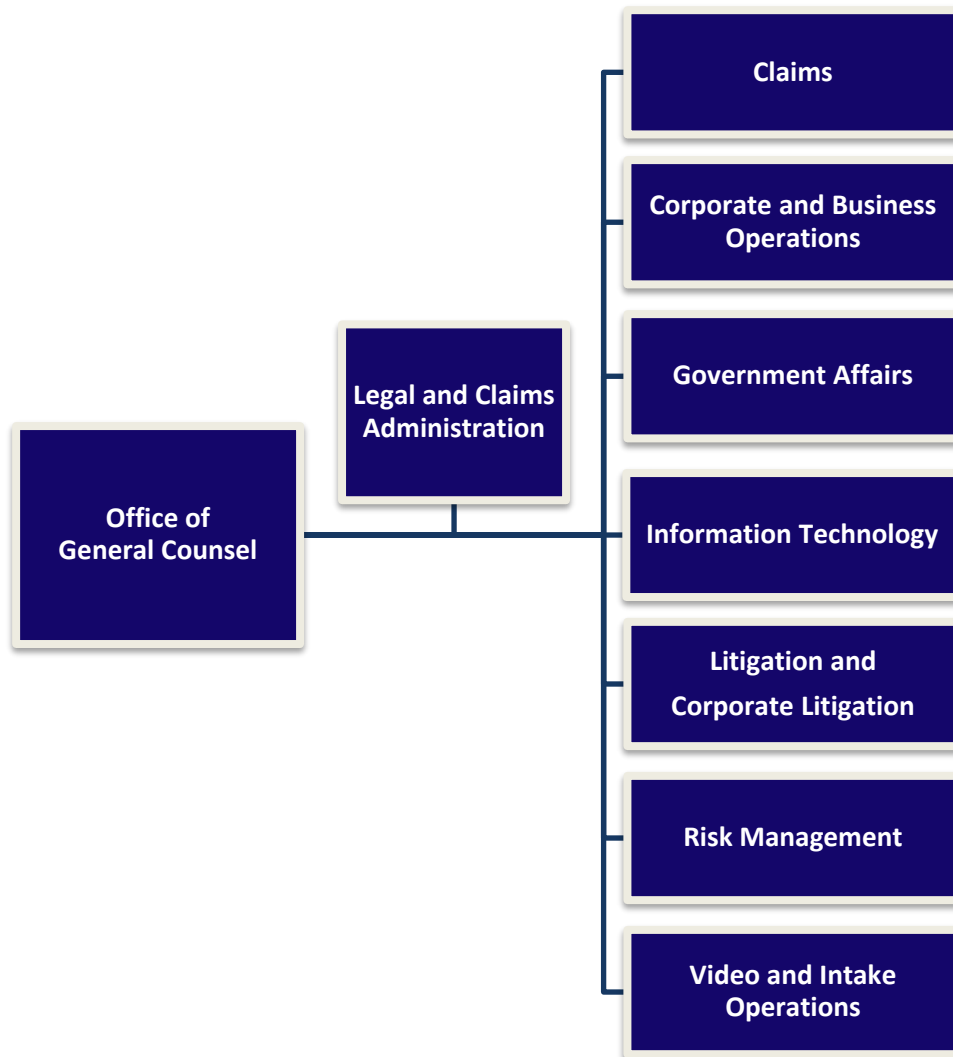
Provides soft skills and technical training solutions focused on integrative programs to improve employee performance and enhance employee development and relations. Provides employees with an on-demand, self-paced learning environment via Enterprise Learning. Provides training classes to teach new skills or re-train employees as required to ensure that the work force has a comprehensive understanding of regulations, procedures and policies, and is equipped to perform their assigned duties. Responsible for the highest quality training and follow-up recertification programs for transportation, maintenance, and management employees.

## 10. Divisional Summaries

### OFFICE OF GENERAL COUNSEL

#### Overview

The Office of General Counsel consists of the Claims, Corporate and Business Operations, Government Affairs, Information Technology, Litigation, Corporate Litigation, Risk Management Departments, and Video and Intake Operations, all reporting to the Office of General Counsel.



\$ Amounts in Thousands ('000)

Office of General Counsel	Heads	Net Labor	Non-Labor	Total
Claims	26	\$ 1,930	\$ 1,413	\$ 3,343
Corporate and Business Operations	9	\$ 907	\$ 7,892	\$ 8,799
Government Affairs	10	\$ 903	\$ 1,095	\$ 1,998
Information Technology	74	\$ 7,227	\$ 18,463	\$ 25,690
Legal and Claims Administration	10	\$ 1,534	\$ 1,223	\$ 2,757
Litigation and Corporate Litigation	32	\$ 2,901	\$ 4,837	\$ 7,738
Risk Management	9	\$ 780	\$ 9	\$ 789
Video and Intake Operations	30	\$ 2,132	\$ 2,420	\$ 4,552
<b>Total</b>	<b>200</b>	<b>\$ 18,314</b>	<b>\$ 37,352</b>	<b>\$ 55,666</b>

## 10. Divisional Summaries

### Principal Responsibilities

#### **Claims**

The Claims Unit is responsible for the handling of personal injury and property damage claims. Many claims are handled in tandem with attorneys in the Litigation Department, from first notice of the claim through its final resolution. Claim handling involves: thorough and detailed examination of evidence, a determination of liability and assessment of potential damages. The existence of pertinent video provides a key piece of beneficial evidence, one which often provides a dispositive defense to a claim. If the Authority is liable to an individual for injuries or property damage, then Staff will attempt to settle the claim in an equitable and prudent manner. For claims where the Authority either is not liable or is not able to obtain a just settlement, the case is defended in court by the attorneys of the Litigation Department.

#### **Corporate and Business Operations**

Lawyers within the Corporate Department negotiate and draft legal contracts and other documents that support and promote the activities of client departments. Counsel advises management on matters that have legal implications, assists other departments in drafting documents that have legal-related elements, and works with outside attorneys handling matters involving specialty areas of the law. The Corporate Department is involved in all transactional legal matters such as those related to procurements, construction, technology contracts, real estate, environmental law, energy, sustainability, and railroads and property use.

#### **Government Affairs**

The Government Affairs Department – comprised of Administration, Government and Community Relations, Marketing and Promotions, and Media Relations – is responsible for communicating the Authority's official position on key issues, enhancing public perception, and developing campaigns that promote transit awareness and ridership growth. The Division builds and maintains strong working relationships with federal, state, and local elected officials, members of the media and transit stakeholders to ensure SEPTA's priorities and message effectively reach lawmakers and the public.

#### **Information Technology**

##### **Enterprise Applications and Engagement Services**

##### **Enterprise Application Development and Administration**

Supports the development, integration, and implementation of new and existing software systems to business units throughout the Authority. Responsible for the administration of employee facing applications (Finance, Procurement, Payroll, Benefits, HR). This section responds to application software challenges and collaborates with the business units in formulating process enhancements/configurations to systems.

##### **Business Intelligence and Reporting**

Responsible for managing collections of data and its use to create analytics and business intelligence models. Oversees data retrieval and analysis within SEPTA. Responsible for the creation of data warehouses, formulate data governance and management frameworks, and reporting and visualization tools.

##### **Specialty Technologies**

Manages new technologies and specialty technology systems, real-time systems, and public-facing applications. Responsible for the strategic design and development of advanced web applications to service SEPTA customers.

## 10. Divisional Summaries

### Infrastructure and Security Services

#### Cyber and Records Security

Manages and supports the effort of protecting customer, employee and SEPTA data from intrusion or data breach. Engages cyber security committee meetings with key stakeholders that focus on business applications, enterprise databases, operational systems, and fare collection to ensure protocols and procedures are in place to minimize the threat of intrusions, malware, and data breaches. Works with outside agencies and professional affiliations, including law enforcement, to aid in understanding new cyber security risks/threats and determining what remedies are available to protect and minimize the impact. Works with SEPTA's Office of Inspector General and the Office of General Counsel departments on matters pertaining to litigation or other discovery needs. Responsible for developing and implementing records management systems throughout the Authority, including record retention schedules, storage, retrieval, digital archiving, and destruction protocols.

#### Infrastructure Services

Provides computer operations stability and access security on a 7-day/24-hour basis including problem management, disaster recovery, technical infrastructure management/support and change control. Maintains the technology infrastructure necessary for business-critical systems, including enterprise e-mail services, Internet/Intranet access, payroll, materials management, general accounting, operations control centers, disaster recovery and business continuity. Supports enterprise data communication systems and the entire personal computer environment. Sets standards for hardware and software used across the networks and installs, supports, and maintains the entire data network infrastructure. Provides oversight and management of the SEPTA Key Back Office Technical Infrastructure.

#### IT Project and Strategic Planning

Manages the communications and customer experience for the Authority. Identifies and documents the needs for technology throughout the Authority Divisions and act as the liaison between internal IT staff and the customer to complete the project. Provides the short- and long-term strategy, direction, management and implementation of the core enterprise architecture and critical operations systems for the Authority. Prioritizes IT related projects for the Authority against the SEPTA Strategic Plan.

### Litigation and Corporate Litigation

#### Litigation

The Litigation Department is responsible for representing SEPTA in personal injury and property damage claims once a lawsuit is filed. Attorneys within the Litigation Department (as well as outside counsel who are managed by Department attorneys) handle all aspects of litigation from pleadings through discovery and up to and including trial. The attorneys evaluate cases and make settlement recommendations. When appropriate, the Department attorneys negotiate final settlements. The Litigation Department also handles appellate cases in the Commonwealth Court and Supreme Court of Pennsylvania on issues regarding SEPTA cases as well as others that may affect SEPTA as a mass transit agency and/or as a Commonwealth Party.



## 10. Divisional Summaries

### **Corporate Litigation**

Lawyers within the Corporate Litigation Department represent SEPTA in civil actions that are other than personal injury and property damage. Corporate litigation actions include, labor and employment matters, civil rights cases, contracts and construction suits, and trademark registration and infringements. This Department also provides legal counsel to management on employment matters and statutes (including Title VI, ADAAA, ADEA, FMLA, FLSA, and USERRA) and employment concerns before state and federal administrative agencies. Additionally, Staff within this Department handles the intake, response, and appeal of requests for Authority records submitted under the Pennsylvania Right-to-Know Law, third party subpoena requests for records and litigation holds.

### **Risk Management**

The Risk Management Department manages SEPTA's programs to compensate injured employees who have claims under the Commonwealth's workers' compensation laws or under the Federal Employers Liability Act (FELA). Department Staff oversee a third-party administrator of workers' compensation claims, handling medical and indemnity management, coordinating internal vocational rehabilitation, and managing all alternative and transitional duty programs. Staff also administers supplemental benefits as prescribed by labor contracts. FELA Unit Staff oversee a third-party administrator of FELA claims which monitors, settles, and oversees litigation of claims of injured Regional Rail workers. The Insurance Unit Staff helps to manage the Authority's exposure to risk under transactional situations, through the application of risk management tools such as insurance programs, self-insurance administration, performance bonds, and letters of credit. The Business Operations Unit within this Department is responsible for the administrative and business functions that support the Office of General Counsel (OGC), such as staffing and employment management, training, budget development, administering legal services contracts and managing office equipment and supplies.

### **Video and Intake Operations**

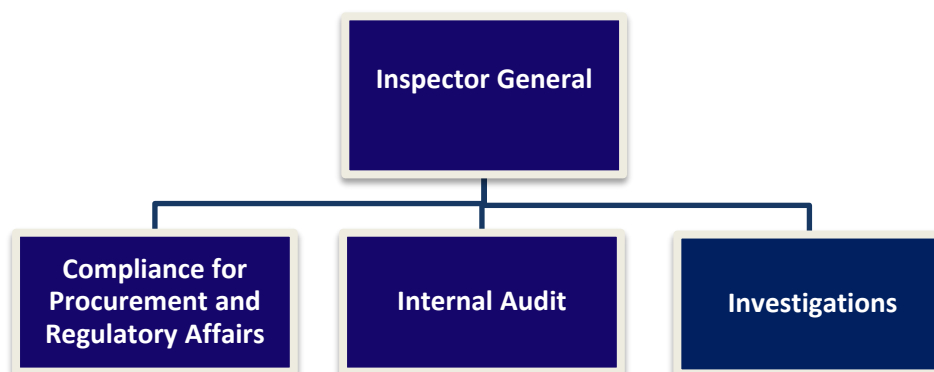
The Video and Intake Unit is responsible for performing intake functions for all matters, claims and requests that come into the Office of General Counsel; seeking and compiling all information, data and records needed to handle all OGC matters; and featuring those functions associated with carrying-out the Authority's video surveillance program. The video program includes planning, collecting, reviewing, preserving, storing, and producing data from video systems on SEPTA vehicles and in stations. Staff within this Department also respond to and handle requests for, notification of, and production of employee witnesses for court matters.

## 10. Divisional Summaries

### OFFICE OF INSPECTOR GENERAL

#### Overview

The Office of Inspector General Division conducts audits, reviews, and investigations of the Authority's operations to promote economy, efficiency, and effectiveness and to detect and deter waste, fraud, abuse, and mismanagement. The Division includes the Internal Audit Department, Investigations, and Compliance for Procurement and Regulatory Affairs.



\$ Amounts in Thousands ('000)					
Office of Inspector General	Heads	Net Labor	Non-Labor	Total	
Compliance for Procurement & Reg. Affairs	3	\$ 283	\$ 1	\$ 284	
Internal Audit	15	\$ 1,395	\$ 32	\$ 1,427	
Investigations	9	\$ 955	\$ 72	\$ 1,027	
<b>Total</b>	<b>27</b>	<b>\$ 2,633</b>	<b>\$ 105</b>	<b>\$ 2,738</b>	

#### Principal Responsibilities

##### **Compliance for Procurement & Regulatory Affairs**

Compliance for Procurement and Regulatory Affairs focuses on the Authority's adherence to federal, state, and local funding requirements. The Department works closely with the Procurement Division and the Purchasing Card (P-Card) Program through periodic reviews to maintain compliance. Additionally, Compliance engages through reviews, trainings, and partnerships with other Authority departments on special projects as required.

##### **Internal Audit**

Internal Audit is an independent, objective, internal review and consulting activity designed to add value and improve the organization's operations. It provides a systematic, disciplined approach to evaluate financial risk/exposure and improve the effectiveness of risk management, internal control, and governance processes.

## 10. Divisional Summaries

Internal Audit conducts financial, compliance, and operational audits of departments within the Authority. The department is also responsible for the review of cost proposals and audits of cost reimbursement contracts and change order/claims. Additionally, Internal Audit provides a wide range of internal consulting support to departments upon request. Internal Audit is comprised of Internal Audit, Information Technology, and Contract Audit sections.

### **Internal Audit**

Internal Audit is responsible for reviewing all areas within the Authority by performing formal audits of an entire process or independent reviews of a particular activity or account balance.

### **Information Technology**

A specialized sub-unit of Internal Audit that is responsible for reviewing new and existing computer applications, access security, and hardware. Independent data extracts and reporting support are also generated for Internal Audit and other divisions.

### **Contract Audit**

Contract Audit is responsible for auditing or reviewing third-party cost data in accordance with established policies and federal requirements. The work includes reviews of pre-contract cost proposals and audits of actual costs incurred on cost-plus-fixed-fee contracts. In addition, Contract Audit performs audits or reviews of cost documentation in support of change orders and claims.

### **Investigations**

Investigations is responsible for conducting independent investigations related to fraud, waste, abuse, mismanagement, and employee misconduct. This is accomplished through continuous monitoring and conducting investigations reported by internal and external sources. In addition, the office works in partnership with local, state, and federal law enforcement as concerns relate to SEPTA business partners, employees, and vendors

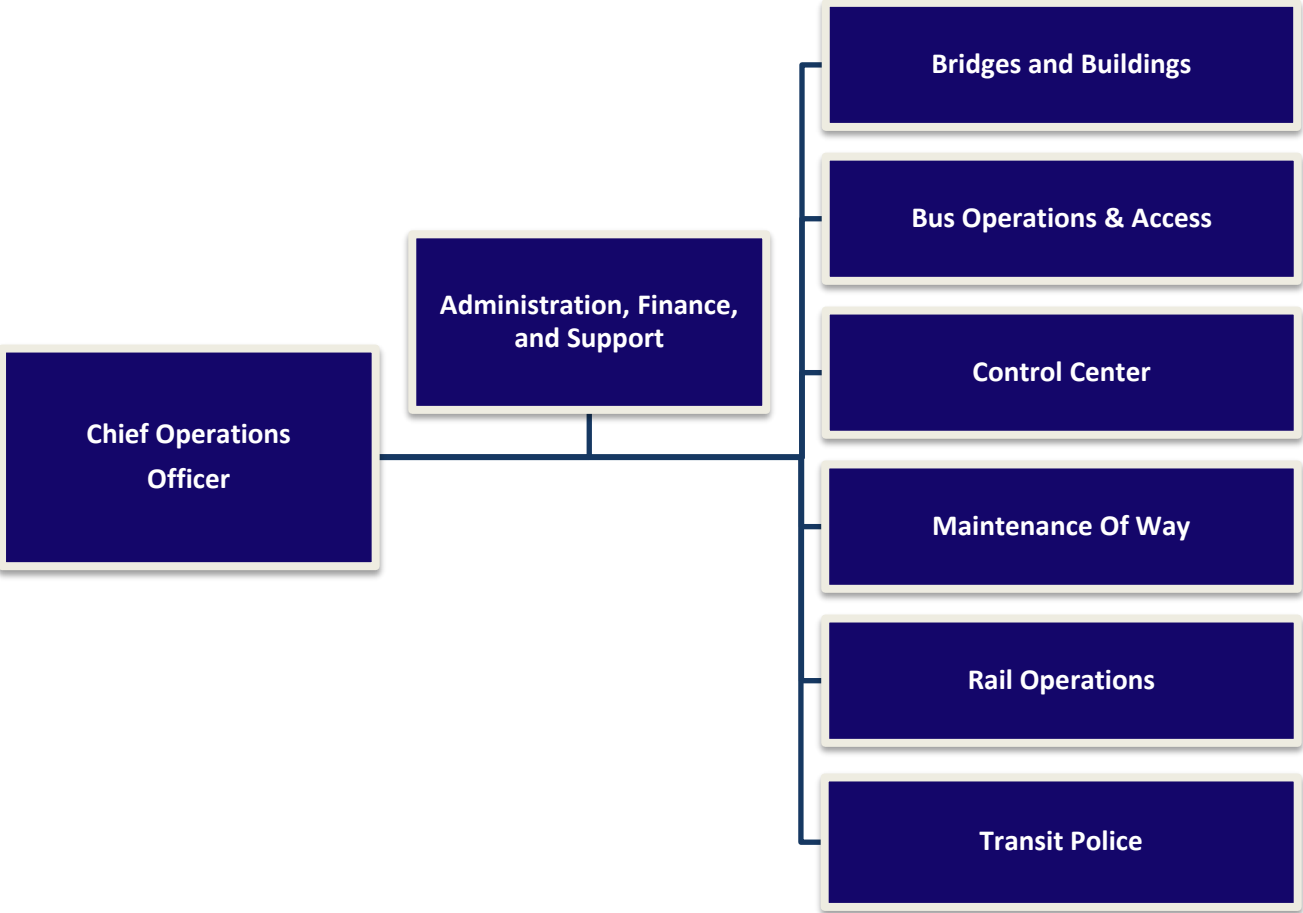
# 10. Divisional Summaries

## OPERATIONS

### Overview

The Operations Division includes the following departments: Administration, Finance and Support; Bridges and Buildings; Bus Operations and Access; Control Center; Maintenance of Way; Rail Operations; and Transit Police. The Division provides long-term goals related to these areas of responsibility.

The Operations Division provided 146.9 million annual passenger trips in Fiscal Year 2022, while operating 84.4 million vehicle miles. Total passenger miles exceeded 665 million. The Division operates 2,371 revenue vehicles on 148 fixed routes, which have approximately 1,570 route miles and over 600 miles of track. The Operations Division also operates and provides service to 290 stations.



## 10. Divisional Summaries

\$ Amounts in Thousands ('000)

Operations	Heads	Net Labor	Non-Labor	Total
Administration, Finance and Support*	94	\$ 6,878	\$ 612	\$ 7,490
Bridges and Buildings	875	\$ 49,997	\$ 48,706	\$ 98,703
Bus Operations & Access*	3,451	\$ 269,634	\$ 35,886	\$ 305,520
Control Center	106	\$ 9,941	\$ 218	\$ 10,159
Maintenance Of Way*	957	\$ 54,666	\$ 20,526	\$ 75,192
Rail Operations*	2,962	\$ 228,400	\$ 30,272	\$ 258,672
Transit Police	263	\$ 26,428	\$ 11,028	\$ 37,456
<b>Total</b>	<b>8,708</b>	<b>\$ 645,944</b>	<b>\$ 147,248</b>	<b>\$ 793,192</b>

\*Vacancy Accrual, Utilities, and/or Purchased Transportation not included in total

### Principal Responsibilities

#### **Administration, Finance, and Support**

Coordinate and manage the administrative and financial activities for the Operations Division.

#### **Cost Control**

Coordinate the development, submission, and monitoring of Operating and Capital Budgets for the Operations Division.

#### **Performance Statistics Control**

Develop and monitor performance statistic goals for the Operations Division, which support SEPTA's mission and strategic goals.

#### **Human Resource Administration**

Manage the process of hiring personnel for the Operations Division in accordance with service requirements. Ensure compliance with SEPTA's Human Resources policies.

#### **Customer Service**

Process and expedite all customer correspondence routed through the Operations Division.

#### **Special Projects**

Coordinate all logistics and activities related to service interruptions, major sporting events and various other annual events.

#### **Capital Programs**

Coordinate and manage the financial and administrative activities for the Infrastructure Safety Renewal (ISRP) and Vehicle Overhaul (VOH) programs.

#### **Contract Management**

Provide management oversight of 3rd party service contracts including RRD and NSHL Snow Removal, Fire Alarm Inspection and Repair, Emergency Tree and Brush Removal, Fire Resistant Clothing Program, Vehicle and Equipment Rentals, and Authority-Wide Trash/Recycling Hauling and Disposal. Also provide oversight and compliance of contracts for Revenue Vehicle Exterminating, Bus Fleet Tire Leasing, and CCT services.

### Bridges and Buildings

#### **Bridges and Buildings Maintenance and Facilities Engineering**

Provide structural, architectural, and mechanical engineering services. Perform all major force account construction projects and maintenance of stations, buildings, bridges, maintenance shops and electrical/mechanical infrastructure. Perform regular inspection of all bridges, tunnels, buildings, other structures, and fixed plant infrastructure.

#### **Rail Facilities**

Manage the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, track, signals, bridges, and parking facilities for Regional Rail operations.

#### **Transit Facilities**

Manage the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, maintenance facilities, and garages for transit operations.

#### **Major Projects**

Develop conceptual designs, cost estimates, and Request for Proposal documents for design projects. Manage the awarded design projects through to completion of design phase. Manage the coordinated advancement of construction on major projects such as the expansion of the Media/Elwyn Regional Rail line to Wawa and the multi-year King of Prussia Rail Extension Project.

#### **Bridges and Buildings City/Suburban Maintenance and Construction**

Provide all major force account construction projects and maintenance of stations, buildings, bridges, maintenance shops and electrical/mechanical infrastructure in the city and suburban transit divisions.

#### **Bridges and Buildings Railroad Maintenance and Construction**

Provide all major force account construction projects and maintenance of stations, buildings, bridges, maintenance shops and electrical/mechanical infrastructure.

#### **Custodial Services**

The Custodial Services group oversees the cleaning of 28 Market-Frankford Subway-Elevated stations, 25 Broad Street Subway stations, and 8 trolley stations.

### Bus Operations and Access

#### **Bus Operations**

Operates surface transit modes throughout the five-county service area with service originating from seven operating locations in the region. Each operating district has full responsibility for transportation service of the transit fleet in that location.

The seven operating districts operate a total of 101 bus, 3 trolleybus routes, and 2 trolley (light rail) routes. It should be noted that the number of bus routes identified by operating district in this section differs from the total number reported elsewhere, due to 13 bus routes that are operated out of more than one district as operating conditions necessitate. The seven operating districts in Bus Operations are:

1. **Allegheny** - operates 8 bus routes
2. **Callowhill** - operates 12 bus routes, in addition to trolley (light rail) Routes 10 and 15
3. **Comly** - operates 15 bus routes
4. **Frankford** - operates 13 bus routes and 3 trolleybus routes
5. **Midvale** - operates 25 bus routes
6. **Southern** - operates 18 bus routes
7. **Frontier** - operates 23 bus routes



## 10. Divisional Summaries

### **Customized Community Transportation (CCT)**

Customized Community Transportation (CCT) is responsible for the operation of SEPTA's two demand response services, ADA Paratransit and Shared Ride Program transportation. This full-service operation, from advance reservations and customer service to shared trip completion, operates under the name "CCT Connect". It coordinates development of Requests for Proposals to contract for private operation of new services and provides for the efficient administration of existing contract carrier operations.

CCT coordinates SEPTA's compliance with the Americans with Disabilities Act (ADA) as it pertains to service, equipment and facilities, advising other operating departments on implementing accessible fixed-route service and facility improvements. CCT also serves as liaison between various SEPTA Divisions and the SEPTA Advisory Committee for Accessible Transportation (SAC).

CCT also administers eligibility screening for the following programs: PA Disability Transit ID, Senior Citizen Transit ID and Personal Care Attendants on Transit ID. In addition, CCT provides travel training by certified professionals to instruct customers how to travel independently on public transportation. This service is offered on a one-to-one basis or as part of designed instruction for a group in partnership with several local universities and Philadelphia high schools. CCT oversees the Authority's customized small bus operations and public-private partnerships via its Contract Operations Department.

### **CCT Connect**

#### **ADA Services**

Provide advance-reservation, ride-sharing paratransit service for eligible disabled riders in Bucks, Chester, Delaware, Montgomery, and Philadelphia counties.

#### **Shared Ride Program (SRP)**

Provide advance-reservation, ride-sharing transportation for Philadelphia County riders aged 65 and older, regardless of income or disability status.

### **Contract Operations**

#### **Breeze**

Operates SEPTA's small bus service known as the Horsham "Breeze". This service provides transportation designed to meet the needs of employers in the Willow Grove and Horsham business centers. The Breeze operates weekday and Saturday service.

#### **Owl Link**

A pilot program to support late night and shift work job opportunities in lower Bucks County, specifically riders using our Route 14, 56 or 66 scheduled bus service. This service operates 7 days per week between 10:30 p.m. and 6:00 a.m. using CCT vehicles with special Owl Link branding. Prior advanced reservation is available.

#### **LUCY**

Operates a fixed route bus loop in the University City area of West Philadelphia. The service is funded by subsidies from the University City District and operates weekday service only.

#### **Cornwells Heights Shuttle**

Operates a small bus shuttle within the 1,600-space park-and-ride lot at Cornwells Heights train station. Cornwells Heights operates weekday service only.

## 10. Divisional Summaries

### Automotive Equipment Engineering & Maintenance (AEE&M)

#### Bus Maintenance

Performs all maintenance aspects for bus, electric bus, trolley bus, and non-revenue generating fleets as well as bus vehicle preventive maintenance overhauls at eleven maintenance facilities and backshops.

#### Bus Vehicle Engineering

Oversees the engineering for bus, trolleybus, and non-revenue generating vehicle fleets. Responsible for the acquisition of new fleets of vehicles including bus, CCT, and utility vehicles.

#### Engineering

Provides all engineering support including specifications, drawings, vehicle modifications, and system upgrades for all bus fleets. Investigates and resolves bus and non-revenue fleet technical issues. Support is provided to heavy maintenance facilities and CCT vehicle maintenance.

#### New Vehicles

Oversees the purchase of all new bus, trolleybus, CCT, and utility vehicles. Manages the procurement, production, inspection, acceptance, and contract deliverables (e.g. spare parts, manuals, and warranty administration) for various automotive vehicle contracts.

#### Control Center

The Control Center is a centralized facility that manages the safe and efficient movement of bus, light and heavy rail trolleys, subway/elevated, and regional rail operations and provides customer information and service alerts to our passengers. All Control Center functions, and associated equipment are located at SEPTA's 1234 Market Street headquarters on the 19th floor. The Control Center personnel are responsible for ensuring that SEPTA's established service levels are maintained 24 hours a day, 7 days a week.

#### Maintenance of Way

##### Project Management Office

Responsible for the management of all large, multi-discipline projects within MoW, including the planning, engineering, and construction of capital projects, improvements to track, signals, traction power, bridges, and other right-of-way assets for all Divisions including the Southwest Connection Improvement Project and the entire Trolley Modernization Project. The Project Management Office is also responsible for Civil Engineering and all 3<sup>rd</sup> Party Coordination (track usage, track outage, and Rights-of-Entry). Responsible for all Civil related ISRP Projects.

##### Track & Utilities Department

Responsible for the inspection, maintenance, and construction of track and right-of-way areas. Provide track engineering and design services for all maintenance and capital construction projects. Responsible for the Courtland Track Shop to support requirements for routine and specialty track design and fabrication. Responsible for the Midvale Utility Group, which oversees the scheduling, use, maintenance, and deployment of non-revenue and utility vehicles. Responsible for all Track related ISRP Projects.

## 10. Divisional Summaries

### **Communications and Signals (C&S)**

Responsible for the inspection, testing, maintenance, and construction of the signal system. Provide engineering and design services for all signals and communications maintenance and construction projects. Responsible for all radio, telecommunications, and Regional Rail communication systems, including maintenance and construction. Responsible for the engineering and construction for capital projects involving communication and signals infrastructure. Responsible for all C&S related ISRP Projects.

### **Power**

Responsible for the inspection, maintenance, and reconstruction of electric traction and signal power systems and electrical infrastructure. Responsible for engineering and design services for all related maintenance and construction projects. Responsible for engineering and construction for capital projects involving power and electrical infrastructure. Responsible for all Power related ISRP Projects.

### **Rail Operations**

#### **Regional Rail**

Oversee all transportation, customer service, and station operation for the railroad system. The Regional Rail system includes 280 route miles and 13 lines or branches.

#### **Metro Rail**

Provides train service and customer service to the Market-Frankford and Broad Street Lines; Subway/Surface Trolley Lines; and Victory District Operations. The Victory District has Bus Routes, the Media Sharon Hill Trolley Lines (MSHL), and the Norristown High Speed Line (NHSL).

#### **Subway-Elevated Transportation Services**

The MFL operates trains each weekday between the Frankford Transportation Center and the 69th Street Terminal. The BSL operates trains each weekday between the Fern Rock Transportation Center and NRG Station as well as along the Ridge Avenue Spur. Transportation Services also oversees the Cashiers who assist customers with fare instrument purchases and navigation of the Subway-Elevated system.

#### **Subway/Surface Trolley Services**

Elmwood District operates Subway/Surface trolley (light rail) lines - Routes 11, 13, 34, and 36.

#### **Victory District Services**

Victory District operates 20 bus routes, 2 trolley lines - Routes 101 and 102 (MSHL), and 1 heavy rail line - Route 100 (NHSL).

### **Rail Equipment Engineering & Maintenance (REE&M)**

#### **Rail Transit Maintenance**

Performs all maintenance aspects for trolley, Norristown High Speed Line, and Subway-Elevated fleets as well as all rail vehicle preventive maintenance overhauls at eleven maintenance facilities and backshops.

#### **Regional Rail Maintenance**

Performs all maintenance aspects for the Regional Rail fleet as well as all Regional Rail vehicle preventive maintenance overhauls at five maintenance facilities.

#### **Rail Vehicle Engineering**

Oversees the engineering for light rail, subway-elevated, and Regional Rail fleets and is responsible for all new rail vehicle acquisitions.

## 10. Divisional Summaries

### **Engineering**

Provides all engineering support including specifications, drawings, vehicle modifications, and system upgrades for all rail fleets. Investigates and resolves rail fleet technical issues. Support is provided to heavy maintenance facilities.

### **New Vehicles**

Oversees the purchase of all new rail vehicles. Manages the procurement, production, inspection, acceptance, and contract deliverables (e.g. spare parts, manuals, and warranty administration) for various rail vehicle contracts.

### **Transit Police**

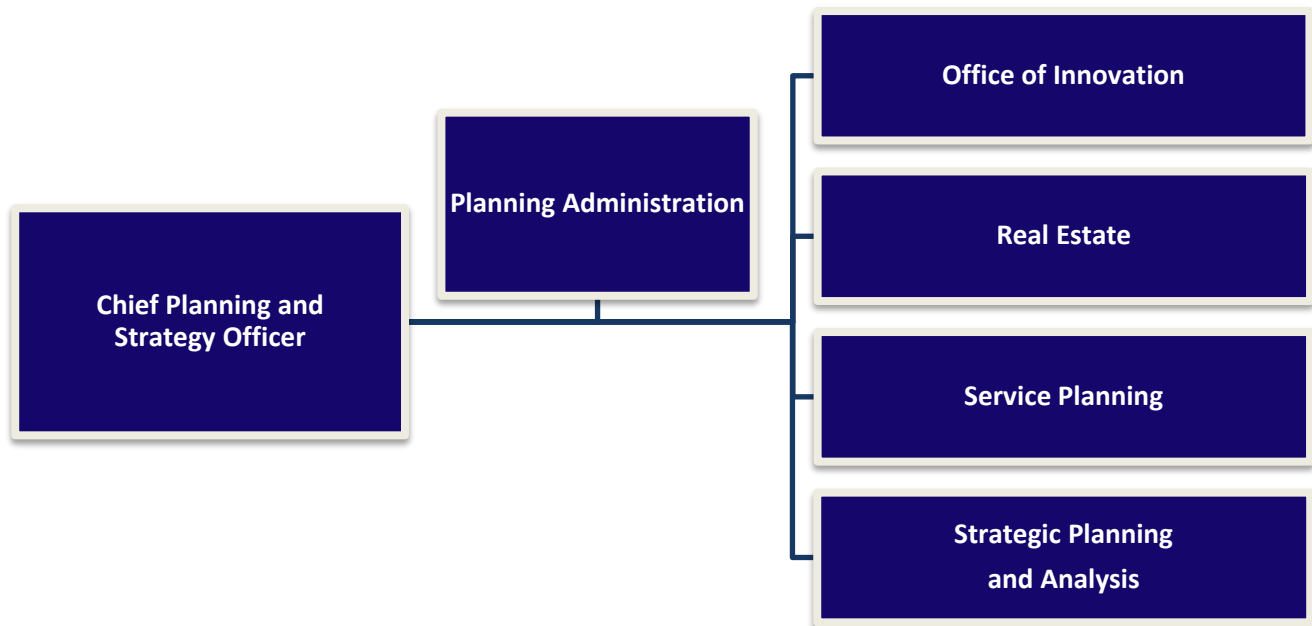
SEPTA's Transit Police are tasked with preventing and investigating crime; establishing an atmosphere of safety and security throughout each of our transit modes; and serving as public safety ambassadors for the transit system.

## 10. Divisional Summaries

### PLANNING AND STRATEGY

#### Overview

The Planning and Strategy Division oversees the Service Planning, Strategic Planning & Analysis, Office of Innovation, and Project Development Departments. These departments advance development of business data assets, analysis and development of strategies and goals in the Authority's Strategic Plan, development of strategic communications and outreach that are necessary in implementing the Authority's Strategic Plan, coordination with regional planning partners, long range planning, community and station area planning, advancement of major planning and expansion projects, management and improvement of transit service, and the Annual Service Plan. This work includes facilitating business innovations that stem from the strategic plan and sustainability program plan, often acting as a business analyst for interdepartmental corporate initiatives and long-term capital and service planning project activities.



\$ Amounts in Thousands ('000)

Planning & Strategy	Heads	Net Labor	Non-Labor	Total
Office of Innovation	9	\$ 790	\$ 601	\$ 1,391
Planning Administration	6	\$ 727	\$ 102	\$ 829
Real Estate	7	\$ 662	\$ 4,295	\$ 4,957
Service Planning	35	\$ 2,344	\$ 286	\$ 2,630
Strategic Planning and Analysis	10	\$ 609	\$ 4,758	\$ 5,367
<b>Total</b>	<b>67</b>	<b>\$ 5,132</b>	<b>\$ 10,042</b>	<b>\$ 15,174</b>

## 10. Divisional Summaries

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### Principal Responsibilities

#### **Office of Innovation**

##### **Data-Driven Decision Making**

Build the expertise and infrastructure to empower a culture of data-driven decision making, including advancing industry-leading key performance indicators (KPIs) in SEPTA's newest Strategic Business Plan. Advocates for investments in technology and data, such as the fleet-wide Automated Passenger Counter (APC) retrofit, that lead to better business decisions and a more unified Authority. Expands access to high quality, accurate, and timely data through self-serve and custom data analysis, including public-facing data that improves transparency and the customer experience. Consults on the use of data to improve insights and efficiency and to support some of the Authority's flagship initiatives.

##### **Sustainability**

Manage an award-winning Sustainability Program based on a triple-bottom-line (economic, social, and environmental) approach. Leverage insights gained through implementation of a comprehensive sustainability data tracking system to advance initiatives that increase efficiency and generate cost savings. Sustainability Program focus areas include energy conservation, renewable energy, and zero-emission vehicle technologies. Build on success of Sustainability Program with development of updated program plan during FY2022. Communicate progress on Sustainability Program key performance indicators and specific initiatives through "SEP-TAINABLE" Annual Report and the SEPTA website at [septa.org/sustain](https://septa.org/sustain).

##### **Business Transformation**

Support Efficiency and Accountability program by driving bottom-up planning, idea generation and implementation of initiatives that result from this process. Support organizational health practices and achievement of financial targets. Ensure business transformation efforts are linked to SEPTA's Strategic Plan to ensure alignment with and achievement of the organization's key strategic objectives.

#### **Service Planning**

Plan and schedule service for City and Suburban (Victory and Frontier) and Contract Ops transit division operations. Monitor and analyze route performance in accordance with applicable service standards to develop proposals for service improvements. Work with public and private partners to implement improvements to existing service and develop new service. Prepare the Annual Service Plan, which includes new service proposals and an annual economic review of all routes. Participate in Comprehensive Bus Network re-design. Serve as liaison with city and county planning agencies, municipal governments, and Transportation Management Associations (TMA) regarding service planning issues. Coordinate tariff and public hearing process for all proposed route changes. Manage central transit stop database and passenger traffic checking. Provide Authority-wide Geographical Information Systems (GIS) support.

##### **Strategic Planning and Analysis**

The efforts of the Strategic Planning and Analysis Department helps to create and implement a shared vision for the future among the various internal and external stakeholders, prioritizing capital funding and the advancement of enhanced service to build towards a unified, lifestyle transit network.

## 10. Divisional Summaries

### **Strategic Planning**

SEPTA adopted its most recent Strategic Plan, SEPTA Forward, in February 2021. This plan establishes a clear vision for the future with transit at the core of a resilient, prosperous, and equitable community for everyone. The plan's goals—to develop a proactive organization, provide an intuitive experience, and deliver a seamless transit network—will propel us, our communities, and our region forward.

### **Major Planning Programs**

SEPTA is advancing several major planning programs, including Bus Revolution, Reimagining Regional Rail, and Project Metro, including Trolley Modernization. These projects are multi-disciplinary programs that will include significant public outreach and require multiple SEPTA departments to work together to advance.

### **Long-Range Planning**

Long-range plans include a comprehensive analysis of existing systems, ridership trends, and demographic data to recommendations for strategic investments to serve current and future transit needs. Such long-range plans include studies of rail system expansion, existing facilities improvements to support long-term growth, and analysis of bus service networks. SEPTA works closely with DVRPC to include these plans in the region's adopted Long Range Plan.

### **Policy and Value Proposition**

Develop presentation and communication materials that make the business case for increased investment in SEPTA, emphasizing transit's value proposition to drive economic growth, promote equity, advance sustainability, and improve public health, safety and quality of life. Collaborate with SEPTA Communications and Government Affairs to disseminate this information through brochures, presentations, and the SEPTA website at [planning.septa.org](http://planning.septa.org).

### **Municipal and Regional Plan Coordination**

SEPTA participates in comprehensive plans, transportation studies, neighborhood plans, streetscape designs, and station area or Transit Oriented Development (TOD) plans. These studies impact SEPTA and customers in some manner, from how a roadway functions, to envisioning new development at a train station, to recommending new or improved service concepts.

### **Comprehensive Station and Service Analysis**

This type of plan enables high-quality, community-supported improvements to SEPTA stations and service. Comprehensive plans look holistically at infrastructure and service, not only to improve the customer experience and increase ridership, but also to identify ways to encourage economic development and improved multi-modal (pedestrian, bicycle, bus, and vehicular) access.

### **Project Development**

The Project Development Department is responsible for creating and coordinating a capital project development process that includes prioritizing capital projects based on the Strategic Business Plan.

### **Capital Project Development Process**

Phase I of the Project Development Process is complete after external and internal stakeholder collaboration. The new process, Capital Projects Transparent Reporting Accountability Collaboration (CapTRAC) is now in implementation, Phase II. CapTRAC relies on standardized information requirements for approvals for funding through delivery of capital projects. The two staff members of the Project Development Department with extensive Project Development and



## 10. Divisional Summaries

Engineering Management experience provide oversight and direction for this initiative, including the transition to a modernized, automated project database, which will provide reporting on Key Performance Indicators (KPIs). The new process and reporting data will provide trending analytics to focus on opportunities for cost savings and improved quality.

### **Project Scoping and Conceptual Design**

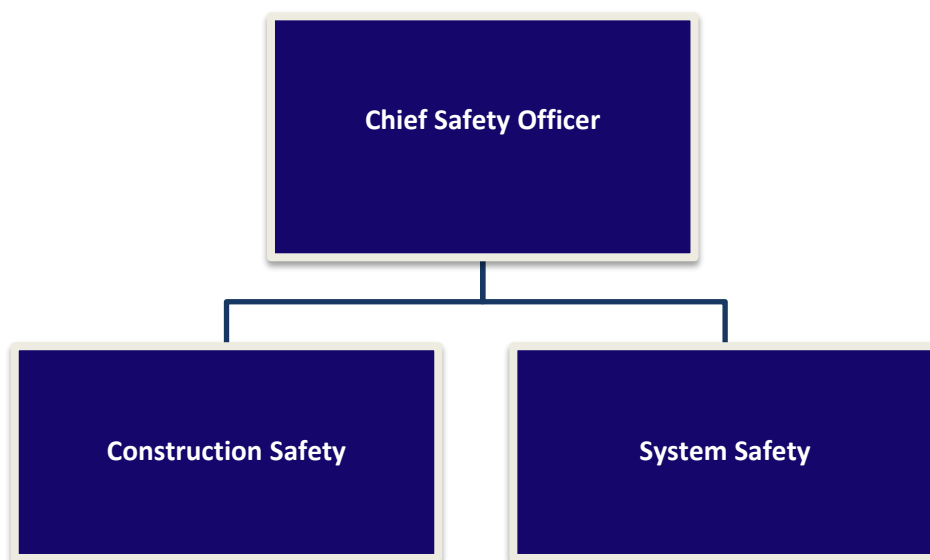
This Department also supports Planning and Strategic Initiatives in engineering feasibility, alternatives analyses, and site evaluation for capital initiatives such as Bus Revolution ends of lines and Zero Emissions Bus.

## 10. Divisional Summaries

### SYSTEM SAFETY

#### Overview

SEPTA's System Safety Division consists of a team of experienced safety professionals who are dedicated to ensuring and enhancing the safety of SEPTA's employees and customers. This Division serves as the corporate safety consultants for all employees to ensure regulatory compliance with a variety of safety and environmental regulations.



\$ Amounts in Thousands ('000)				
Safety	Heads	Net Labor	Non-Labor	Total
Construction Safety	3	\$ -	\$ -	\$ -
System Safety*	24	\$ 2,163	\$ 968	\$ 3,131
<b>Total</b>	<b>27</b>	<b>\$ 2,163</b>	<b>\$ 968</b>	

\*Utilities not included in non-labor total

#### Principal Responsibilities

##### System Safety

System Safety performs a wide range of tasks that are designed to ensure and enhance the safety of our employees, customers, and the community. These tasks include the following:

- Develop, implement, and maintain a Safety Management System as detailed in the Authority's Safety Plans.
- Coordinate all functions related to safety throughout the Authority, including the potential for environmental and workplace health exposures.
- Routinely perform an enhanced level of safety inspections and audits. In addition to major accident investigations, also conduct occupational injury investigations and safety/risk management assessments.
- Conduct fire drills and evacuation exercises at all Authority locations.

## 10. Divisional Summaries

- Direct the activities of the Joint Health and Safety Committee (JHSC) and oversee the Location Safety Committee (LSC) process.
- Assist in the coordination of multi-departmental initiatives to promote and internalize safety as the Authority's top priority.
- Provide consultation and support in the areas of environmental compliance and management of SEPTA's environmental activities.
- Oversee Environmental Site Characterization Assessments, Phase I and II Property Acquisition Assessments, and Remediation Projects.
- Oversee the Authority's International Organization for Standardization (ISO) 14001 Environmental and Sustainability Management System (ESMS).
- Manage the Property Conservation Program and the risk treatment process. Work to reduce risk exposure and implement effective risk control techniques at all Authority locations.
- Coordinate the collection and reporting of all safety statistics throughout the Authority and administer the reporting of those statistics to regulatory agencies.
- Conduct safety design reviews of SEPTA's capital construction projects.
- Conduct Safety Inspections and Audits of major Construction projects performed by both 3<sup>rd</sup> party contractors and SEPTA in-house forces.
- Serves as the Authority's Safety Liaison to various regulatory agencies; NTSB, FRA, FTA, EPA, PaDEP and PennDOT.

# 11. Summary of Interdepartmental Expenses

## FRINGE BENEFITS

Fringe Benefits are a major expense for SEPTA representing 24.8% of the Fiscal Year 2023 Operating Budget of \$1.61 billion. Responsibility for management of fringe benefit costs rests with all Authority departments, however, Finance and Human Resources take the lead in cost control. Expenditures for Fringe Benefits are largely controlled by statutory and contractual obligations and have been significantly influenced by national trends.

Listed below are the various Fringe Benefit categories:

### **Medical and Life Insurance**

SEPTA provides medical, prescription drug, dental, vision, and life insurance benefits for union employees, management employees, and retirees in accordance with SEPTA policy and labor agreements negotiated with each respective bargaining unit.

### **Payroll Taxes**

This represents the required employer contribution for Social Security (FICA) and Railroad Retirement Taxes (RRT).

### **Unemployment**

SEPTA is required to pay into the State and Railroad unemployment compensation funds and is self-insured for non-railroad employees.

### **Pension**

This includes pension obligations, excluding Regional Rail employees who are covered by the Railroad Retirement System.

### **Workers' Compensation and FELA**

Obligations to transit and Regional Rail employees injured on duty for their medical bills and lost wages.

## 11. Summary of Interdepartmental Expenses

Fiscal Year 2023 Operating Budget	
Fringe Benefit Expense	
(Amounts in Thousands)	
Medical, Prescription, Dental, Vision & Life Insurance	\$ 215,446
Payroll and Unemployment Taxes	75,929
Pension	118,161
Workers' Compensation and FELA	<u>33,352</u>
Subtotal	\$ 442,888
Capital Support and Projects	<u>(42,816)</u>
<b>Fringe Benefit Expense</b>	<b><u>\$ 400,072</u></b>

## 11. Summary of Interdepartmental Expenses

### Fiscal Year 2023 Operating Budget

#### Labor and Fringe Benefits

Amounts in Thousands (000's)

<u>Department</u>	<u>Net Labor</u>	<u>Net Fringe Benefits</u>	<u>Total</u>
Corporate Staff	\$ 12,671	\$ 7,442	\$ 20,113
Equity & Inclusion	1,302	765	2,067
Finance	35,466	20,831	56,297
Human Resources	18,428	10,824	29,252
Office of General Counsel Division	18,314	10,757	29,071
Office of Inspector General	2,633	1,547	4,180
Operations	645,944	379,399	1,025,343
Planning & Strategy	5,132	3,014	8,146
System Safety	2,163	1,270	3,433
Capital Allocation	(60,913)	(35,777)	(96,690)
<b>Total</b>	<b><u>\$ 681,140</u></b>	<b><u>\$ 400,072</u></b>	<b><u>\$ 1,081,212</u></b>

# 11. Summary of Interdepartmental Expenses

## NON-DEPARTMENTAL EXPENSES

<b>Amtrak</b>	The expense is for the maintenance and use of Amtrak-owned track and facilities on the Northeast Corridor (between Trenton, NJ and Newark, DE) and the Harrisburg Line (Paoli/Thorndale Line). The Passenger Rail Investment & Improvement Act of 2008 (PRIIA) was implemented October 1, 2015. The budget reflects PRIIA mandates and cost assumptions developed by the Northeast Corridor Commission with input from SEPTA and other commuter agencies on the corridor.
<b>ADA</b>	The budgeted contract cost to SEPTA is shown here. The Staff cost for the administration of ADA complementary service and other accessibility programs for the disabled is included in the Operations Division under Customized Community Transportation.
<b>Shared Ride Program</b>	The budgeted cost for contractor door-to-door service for senior citizens. The cost of administrative staff in the Shared Ride Program is included in the Customized Community Transportation budget.
<b>Debt Service Interest and Fees</b>	Interest expenses and amortization of insurance premiums associated with the Authority's outstanding debt.
<b>Property Insurance/Other Claims Payouts, Net</b>	Reflects the projected premiums for insurance on various Authority assets, as well as other claims payouts net of recoveries.
<b>Services for Headquarters' Building</b>	Maintenance and administrative service expense for the operation of the corporate offices at the 1234 Market Street headquarters by a professional real estate management firm. These expenses cover both SEPTA and tenant-occupied space.
<b>Snow Removal/ Severe Weather Contingencies</b>	Includes snow removal and deicing at Regional Rail parking lots and station platforms only. Snow removal for all other facilities is accomplished in-house with existing forces and the related labor expense is included in the departmental budgets.
<b>Utilities</b>	Expense reflects the cost of non-propulsion electricity, heating oil, water and sewer, natural gas, and steam heat. All are based on projected rates of consumption and contractual or tariff based rates. Also included are expenses for telephone, cellular service and trash removal, which are based on our current contractual agreements.



# 11. Summary of Interdepartmental Expenses

## NON-DEPARTMENTAL EXPENSES cont.

### CCT Connect - ADA Program

In compliance with the Americans with Disabilities Act, CCT Connect provides ADA complementary Paratransit transportation for persons who cannot use or access regular SEPTA fixed route service. Throughout the five-county service area, private carriers are under contract with SEPTA to provide door-to-door transportation to disabled riders by advanced reservation. Projected Fiscal Year 2023 ridership is 324,547 trips for ADA City Division and 213,282 trips for the Suburban Division.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2023 will be the continuation of providing 100% next day rides to ADA program patrons. SEPTA is committed to maintaining a "zero trip denial" policy.

The next-day trip initiative will build upon proactive steps taken during recent years. The entire SEPTA-owned fleet of 460 vehicles is maintained to SEPTA's standards by the contract carriers. In addition, the Philadelphia trip reservation scheduling and dispatch was centralized under SEPTA supervision along with driver training and testing. Other programs were instituted to enhance contractor accountability and customer satisfaction, including patron service monitoring and mobile data terminal (MDT) swipe card readers on all CCT Connect vehicles.

ADA Program initiatives continuing during Fiscal Year 2023 include the fleet replacement program for optimizing fleet reliability and an enhanced patron eligibility certification. This process will enable those CCT riders who are able, to use fixed route service for some or all of their travel. The training was developed in cooperation with the SEPTA Advisory Committee (SAC) and the disabled community.

### Shared Ride Program

The Shared Ride Program (SRP) provides shared, advance-reservation, door-to-door transportation for Pennsylvanians age 65 and older. SEPTA's CCT Connect Department is the SRP county coordinator for Philadelphia County. The Pennsylvania Lottery Fund reimburses SEPTA for 85% of the cost of each eligible CCT Connect Shared Ride Program trip according to pre-established rates, with the balance coming from patron fares and/or third-party agency sponsors. The Shared Ride Program's goal for Fiscal Year 2023 is to provide a total of 354,688 Shared Ride trips.

The Philadelphia Shared Ride Program Advisory Council (SRPAC), an independent advisory group, provides advice and information to SEPTA on Shared Ride Program service.

### Injury and Damage Claims

Fiscal Year 2023 claims expense is \$28.8 million. Staff from the Authority's Office of General Counsel, in cooperation with various outside agencies, including the City of Philadelphia and Suburban Counties District Attorney's offices, aggressively defend against fraudulent claims.

### Other Expenses

The Other Expenses category includes propulsion power, fuel, vehicle and facility rentals, and depreciation. A further description of these items can be found in the Operating Expense Section.

## 12. Capital Budget and Capital Program

### SEPTA's FY 2023 Capital Budget and FY 2023 – 2034 Capital Program

SEPTA's capital program supports key initiatives being implemented by the Office of Innovation and the newly created Transformation Office. Investments made by SEPTA's capital program in coordination with the initiatives led by these two offices will result in cost savings and operational efficiencies for the operating budget. To highlight the real and forecasted impacts of these initiatives and supporting capital investments, this section provides an overview of SEPTA's capital program, along with key transformation efforts and quantified impacts of capital investment on the Authority's operating budget.

SEPTA will continue to analyze the strategic initiatives being undertaken by the Office of Innovation and Transformation Office that are supported by the capital program and will report on the cost saving outcomes of these efforts.

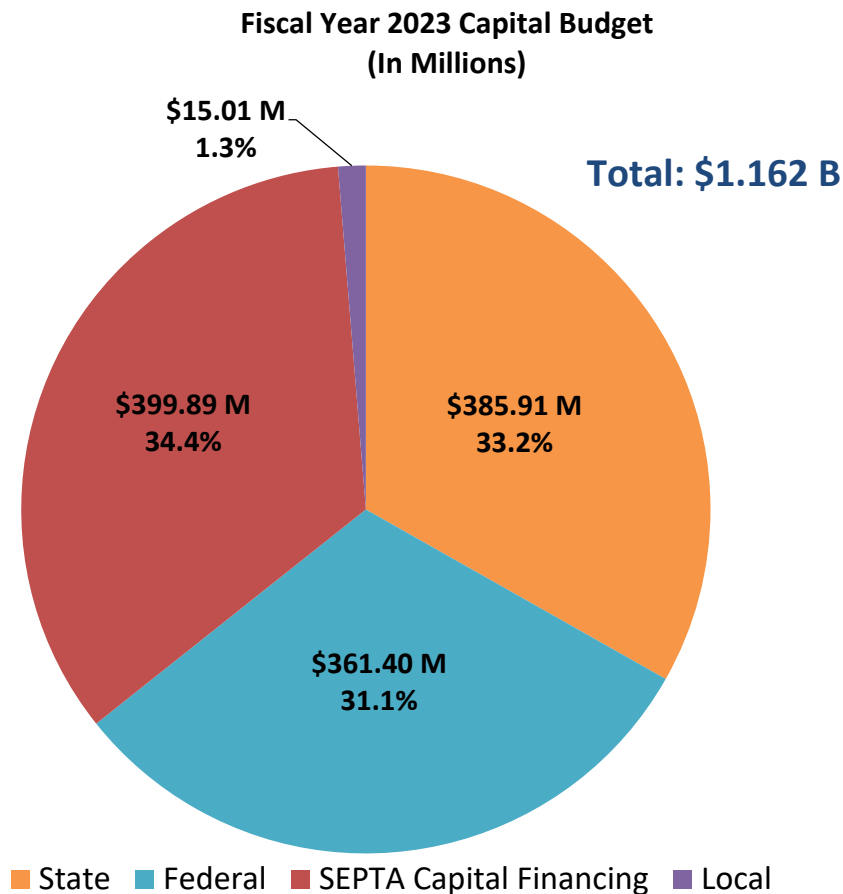
SEPTA's FY 2023 Capital Budget totals **\$1.162 billion** and FY 2023—2034 Capital Program totals **\$11.44 billion**. This amounts to the largest capital commitment in the Authority's history. These historic funding levels are made possible by increased federal funding resulting from the November 2021 enactment of the Infrastructure Investment and Jobs Act (IIJA). Also referred to as the Bipartisan Infrastructure Law (BIL), and the planned transition of Pennsylvania Act 89 Public Transportation funding sources from reliance on Pennsylvania Turnpike Commission bonds to the state's Motor Vehicle Sales and Use Tax. The infusion of federal capital assistance through FY 2026, along with the transition of state funding to a sustainable and bondable funding source allows SEPTA to address its \$4.6 billion state of good repair backlog while planning for future service improvements to ensure capital dollars are invested to advance equity, safety, ADA accessibility, and service reliability.

With the transition of state funding to a sustainable and bondable source, SEPTA will leverage forecasted state revenues to issue bonds to support critical capital investments. These projected bond revenues significantly increase the Authority's capital program, allowing it to address the critical state of good repair backlog earlier, including supporting the acquisition of new vehicles to replace the nation's oldest railcar fleet.

SEPTA's capital program is also supported by a transformative commitment of \$299.72 million in federal Congestion Mitigation and Air Quality program (CMAQ) flex funds beginning in FY 2025, supported by our local partners of the City of Philadelphia and Bucks, Chester, Delaware, and Montgomery Counties and the Delaware Valley Regional Planning Commission. These additional flexed federal highway dollars enable SEPTA to commit significant dollars to advancing its Projects of Significance.

SEPTA continues to work with local funding partners to identify additional regional funding to help leverage and maximize the increase in federal and state resources to address SEPTA's capital needs.

## 12. Capital Budget and Capital Program



### Capital Sources of Funds

Sources of capital funds included in the FY 2023 Capital Budget are as follows:

Source	Amount In Millions	Description
State Capital Funds Section 1514	\$385.91	Asset Improvement Program
Capital Financing	\$399.89	Bonds leveraged by the PA Motor Vehicles Sales and Use Tax
Federal Transit Administration	\$335.31	Section 5307, 5340, 5337 and 5339 Formula Programs (Based on SEPTA's actual FY 2021 Allocation)
Federal Highway Flexible Funds	\$25.08	Anticipated share of the regional flexible funds that are flexed to transit operators
U.S. Department of Homeland Security	\$1.00	Based on SEPTA's anticipated share of Fiscal Year 2023 Transit Security Grant Program funds
City of Philadelphia, Bucks, Chester, Delaware and Montgomery Counties	\$15.01	Local Matching Funds required for Federal and State Capital Grants.
<b>Total</b>	<b>\$1,162.20</b>	

## 12. Capital Budget and Capital Program

### Fiscal Year 2023 Capital Budget (In Millions)

FY 2023 Capital Budget	Budget Year FY 2023
<b>Capital Program</b>	
Bridge Program	\$18.49
Communications, Signal Systems and Technology Improvements	\$104.89
Infrastructure Safety Renewal Program (ISRP)	\$54.00
Maintenance/Transportation Shops and Offices	\$33.79
Projects of Significance	\$143.99
Safety and Security Improvements	\$31.58
SEPTA Key	\$5.70
Service Restoration & Enhancements	\$12.71
Stations, Loops and Parking Improvements	\$88.69
Substations and Power Improvements	\$25.07
Track and Right-of-Way Improvements	\$7.92
Vehicle Acquisitions and Overhauls	\$273.11
<b>Financial Obligations</b>	
Capital Leases	\$56.79
Debt Service	\$305.48
<b>Total Capital Budget</b>	<b>\$1,162.20</b>

## 12. Capital Budget and Capital Program

### Fiscal Year 2023-2027 Capital Program (In Millions)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Capital Program</b>					
Bridge Program	\$18.49	\$21.46	\$42.41	\$42.79	\$40.70
Communications, Signal Systems and Technology Improvements	\$104.89	\$60.18	\$101.03	\$55.03	\$41.16
Infrastructure Safety Renewal Program (ISRP)	\$54.00	\$55.08	\$56.18	\$57.31	\$58.45
Maintenance/Transportation Shops and Offices	\$33.79	\$37.04	\$53.74	\$30.72	\$26.85
Projects of Significance	\$143.99	\$219.80	\$292.39	\$307.27	\$369.68
Safety and Security Improvements	\$31.58	\$31.98	\$22.94	\$20.70	\$20.70
SEPTA Key	\$5.70	\$5.68	\$0.00	\$0.00	\$0.00
Service Restoration & Enhancements	\$12.71	\$0.00	\$0.00	\$0.00	\$0.00
Stations, Loops and Parking Improvements	\$88.69	\$88.89	\$144.83	\$126.23	\$90.57
Substations and Power Improvements	\$25.07	\$24.94	\$42.24	\$41.21	\$36.46
Track and Right-of-Way Improvements	\$7.92	\$7.34	\$5.80	\$3.50	\$3.50
Vehicle Acquisitions and Overhauls	\$273.11	\$219.02	\$95.08	\$153.80	\$40.69
<b>Financial Obligations</b>					
Capital Leases	\$56.79	\$60.16	\$36.90	\$53.87	\$21.51
Debt Service	\$305.48	\$63.58	\$82.19	\$93.83	\$104.20
<b>Total Capital Budget</b>	<b>\$1,162.20</b>	<b>\$895.15</b>	<b>\$975.74</b>	<b>\$986.25</b>	<b>\$854.47</b>

## 12. Capital Budget and Capital Program

### FY 2023 Capital Budget and FY 2023 - 2034 Capital Program (In Millions)

FY 2023 - 2034 Capital Program / Financial Obligations (\$ Millions)	Budget Year FY 2023	Program Years				FY 2028 - 2034	12-Year Program Total	Beyond 2034	Total Budget
		FY 2024	FY 2025	FY 2026	FY 2027				
Capital Program									
Bridge Program	\$18.49	\$21.46	\$42.41	\$42.79	\$40.70	\$171.93	\$337.77	\$0.00	\$367.24
Communications, Signal Systems and Technology Improvements	\$104.89	\$60.18	\$101.03	\$55.03	\$41.16	\$369.33	\$731.63	\$0.00	\$1,133.57
Infrastructure Safety Renewal Program (ISRP)	\$54.00	\$55.08	\$56.18	\$57.31	\$58.45	\$443.23	\$724.25	\$0.00	\$724.25
Maintenance/Transportation Shops and Offices	\$33.79	\$37.04	\$53.74	\$30.72	\$26.85	\$237.58	\$419.72	\$0.00	\$564.45
Projects of Significance	\$143.99	\$219.80	\$292.39	\$307.27	\$369.68	\$1,354.97	\$2,688.10	\$3,235.90	\$5,998.03
Safety and Security Improvements	\$31.58	\$31.98	\$22.94	\$20.70	\$20.70	\$173.20	\$301.10	\$0.00	\$418.71
SEPTA Key	\$5.70	\$5.68	\$0.00	\$0.00	\$0.00	\$0.00	\$11.37	\$0.00	\$315.00
Service Restoration & Enhancements	\$12.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12.71	\$0.00	\$197.21
Stations, Loops and Parking Improvements	\$88.69	\$88.89	\$144.83	\$126.23	\$90.57	\$489.48	\$1,028.69	\$58.69	\$1,504.81
Substations and Power Improvements	\$25.07	\$24.94	\$42.24	\$41.21	\$36.46	\$234.60	\$404.52	\$0.00	\$550.77
Track and Right-of-Way Improvements	\$7.92	\$7.34	\$5.80	\$3.50	\$3.50	\$59.50	\$87.56	\$24.50	\$168.88
Vehicle Acquisitions and Overhauls	\$273.11	\$219.02	\$95.08	\$153.80	\$40.69	\$1,659.59	\$2,441.28	\$0.00	\$2,773.62
Financial Obligations									
Capital Leases	\$56.79	\$60.16	\$36.90	\$53.87	\$21.51	\$516.41	\$745.65	\$0.00	\$823.71
Debt Service	\$305.48	\$63.58	\$82.19	\$93.83	\$104.20	\$853.16	\$1,502.44	\$0.00	\$1,720.50
Total Capital Budget	\$1,162.20	\$895.15	\$975.74	\$986.25	\$854.47	\$6,562.98	\$11,436.80	\$83.19	\$14,024.85

## 12. Capital Budget and Capital Program

### Transformation Office

The Transformation Office is working with Authority staff to implement the Efficiency & Accountability (E&A) Program designed to position SEPTA for long-term fiscal stability by driving efficiency, productivity, and accountability in business units across the organization. This is a crucial moment in SEPTA's history to rethink how we do what we do. SEPTA is committed to seizing this opportunity and to adopt organizational management best practices across key aspects of SEPTA's business to alleviate day-to-day pain points within the organization; drive efficiency, productivity, and accountability improvements; and pursue cost-saving and revenue-generating opportunities that put SEPTA on firm financial footing.

The E&A Program has organized initiatives with an associated number as seen below. These initiative numbers act as shorthand when discussing initiatives. The tables below summarize a sample of E&A initiatives that are positively impacting the Capital and Operating Budgets.

#### **Capital Budgets**

##### **#112 Increase reverse engineering efforts to realize cost savings**

**Start Vehicle Engineering initiative to specifically target cost savings through reverse engineering items currently purchased to approved part number.**

The first items that was targeted was the rotor of the Silverliner V traction motor. The Silverliner V part of SEPTA's regional railroad fleet is 10 years old and in the early stages of its first overhaul cycle. Some motors had been found with damaged rotors, which are one of the largest components of the motor. Using the knowledge of the 69th St Motor Shop and Vehicle Engineering, as well as reaching out to third party shops for industry feedback, SEPTA was able to create a performance specification to purchase new rotors.

**Impacts:** On the first use of that specification, SEPTA was able to lower the cost for 10 rotors from \$154,000 to \$96,000 - a \$58,000 savings.

##### **#3031 Project Change Orders (paired w/#58 Improve potential change order (PCO) process capitalizing on previous experience and #59 Implement PCO 'fund' to streamline change order processing**

The goal of these initiatives is to evaluate how to streamline the process and reduce the number of overall change orders initiated at SEPTA while also mapping the types of change orders we use to gain insight into minimizing vendor impacts, and reforming the culture around change orders as part of project implementation.

**Impacts:** Being evaluated.

##### **#327 Reduce Project Development Fees**

**Standardize project development process to incorporate municipal review/coordination early to avoid costly reviews, design changes, and reimbursement agreements (including station area planning efforts).**

**Impacts:** Being evaluated.



## 12. Capital Budget and Capital Program

### #2001 Improve Passenger Station Waste Process

Improvements in the passenger station waste handling process would improve efficiencies and allow for the reallocation of labor to higher value tasks. This initiative began as a need to keep rodents from foraging through the subway station trash containers and for individuals from digging through the trash and throwing it on the ground and onto the tracks. The main goal is to eliminate the food source for the rodents, keep the trash in the containers, and improve overall station cleanliness. With the added capabilities of the containers, we began looking at ways to improve our overall waste collection process.

Impacts: Being evaluated.

### #55 Reduce PWD Stormwater Fees Through Retrofit Projects

Scale stormwater mitigation projects to all city depots to gain savings in PWD discharge costs (e.g. completed at SEPTA's Southern District, and in progress at Wyoming). There is more information on this project below.

Impacts: Wyoming stormwater improvements are projected to save \$67,000 annually in fees.

### *Operating Budgets*

#### #109 Utilize bus software for energy efficiency

Realize fuel savings within our Hybrid-Electric Bus fleet by changing the Allison Hybrid acceleration profile setting from HyStandard to Economy.

Impacts: The authority should see 5% fuel savings per vehicle.

#### #1072 Implement Idle shutdown timer throughout bus fleet

Implement idle shutdown timer functionality across the entire bus fleet to realize fuel savings due to unnecessary idling.

Impacts: Being evaluated.

#### #1619 Institute huddles with Maintenance Custodians

Utilize huddles during Maintenance Custodian safety briefing, weekly on Tuesdays and Thursdays. This will be a way to further engage employees, improve communication, and understand where there are needs that must be escalated to management. Huddles are scheduled to begin in July 2022.

Impacts: Being evaluated.

## 12. Capital Budget and Capital Program

### Capital Projects Impact Analysis on Operating Budget FY 2023 – FY 2028

#### SEPTA CAPITAL PROGRAM

Capital Projects and Description of Impacts	Estimated Operating Impact per Year Cost Savings / (Cost Increase) In Thousands					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Hybrid Bus Purchase Program	\$2,642	\$2,854	\$2,854	\$2,854	\$2,854	\$2,854
In 2002, SEPTA began purchasing hybrid diesel-electric buses designed to reduce fuel consumption and SEPTA's carbon footprint through lower emissions. In 2016, SEPTA completed the acquisition and delivery of 275 new 40-foot and 60-foot hybrid buses. In 2021, SEPTA completed the acquisition of another 525 40-foot hybrid buses. With an upcoming hybrid bus procurement for 220 buses, 100 percent of SEPTA's bus fleet will be hybrid or zero emission by FY 2024.						
Wyoming Complex Stormwater Project	\$0	\$67	\$67	\$67	\$67	\$67
This project will reconfigure stormwater management and improve pavement conditions at SEPTA's Wyoming Complex. When completed, it will manage more than 20 acres of stormwater at SEPTA's Wyoming, Berridge and Courtland shops. Anticipated savings due to the elimination of stormwater fees is \$67,000 annually.						
Driving PA Forward – Class 8 Truck and Transit Bus Grant Program	\$9	\$13	\$13	\$13	\$13	\$13
SEPTA replaced five (5) heavy-duty utility fleet vehicles in 2020, and plans to replace four (4) more by 2023, funded via Pennsylvania's share of the Volkswagen Environmental Mitigation Trust. These replacements will help improve air quality and reduce diesel emissions for the drivers and residents along the service routes.						
Replacement Work Train Locomotives	\$0	\$12	\$23	\$37	\$37	\$37
This project will replace three (3) diesel-electric locomotives manufactured in 1954 and 1992. The project will preserve SEPTA's work train locomotive fleet, which is critical to maintaining SEPTA's Regional Rail network, while also providing local and regional air quality benefits. The new vehicles are expected to arrive beginning in FY 2024 and will provide a 90 percent reduction in harmful emissions as compared to the existing vehicles.						

## 12. Capital Budget and Capital Program

### Capital Projects Impact Analysis on Operating Budget FY 2023 – FY 2028

#### OUTSIDE FUNDING

Capital Projects and Description of Impacts	Estimated Operating Impact per Year Cost Savings / (Cost Increase) In Thousands					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Investments in Renewable Energy	\$194	\$194	\$195	\$195	\$195	\$195
<p>In May 2017, SEPTA entered into a 20-year Power Purchasing Agreement (PPA) with Sunvest Solar, Inc. Under the Power Purchasing Agreement, SEPTA commits to purchase the power generated from Solar Photovoltaic Systems installed at three (3) SEPTA facilities (2nd &amp; Wyoming, Callowhill, and Fern Rock). In July 2019, SEPTA's Board approved a 20-year Virtual Power Purchase Agreement (VPPA) with Lightsource BP. The VPPA includes 42 MW of offsite solar generation capacity in Franklin County, Pennsylvania.</p> <p>SEPTA anticipates net savings in utility costs over the life of these initiatives, while increasing our use of renewable energy to 20% of total electricity procurement. From its commencement of operation in February 2021 through June 2022, the Franklin County VPPA has added nearly half a million dollars to SEPTA's bottom line. Cost savings estimates in the table above remain conservative due to the historic variability in current energy markets.</p>						
Energy Retrofits Master Plan – Facilities & Railcars	\$996	\$976	\$966	\$950	\$938	\$919
<p>In FY 2016, SEPTA began to implement a comprehensive energy retrofit master plan, including: \$18.2 million energy efficiency retrofit in partnership with Constellation NewEnergy, Inc. at five major vehicle maintenance facilities (Berridge, Courtland, Fern Rock, Germantown, Southern) and on five railcar fleets (B-IV on Broad Street Line, N-5 on Norristown High Speed Line, Silverliner IV, V and Push-Pull on Regional Rail Lines). Energy savings will more than pay for the project over a period of 17 years. This phase of the installation was completed in August 2017. Additionally, SEPTA is implementing an energy efficiency retrofit at SEPTA Headquarters, 1234 Market Street. The energy retrofit project is budget neutral/cash flow positive pursuant to the PA Guaranteed Energy Savings Act (GESA).</p> <p>SEPTA has commissioned an 8.8 MW combined heat and power (CHP) plant at the Midvale Complex in North Philadelphia. The CHP plant will provide base load propulsion power to Regional Rail at the Wayne Junction Substation, base load electrical power for the Midvale Bus Maintenance Facility, and heating load for the surrounding facilities. Energy conservation measures were included at surrounding facilities to extend the positive impact of the project.</p>						

# Glossary of Acronyms

## A

ACS-64	Electric locomotives used on Regional Rail lines
ACSES II	Advanced Civil Speed Enforcement System
ADA	The Americans with Disabilities Act of 1990
ADAAA	ADA Amendments Act of 2008
ADEA	Age Discrimination in Employment Act of 1967
AGM	Assistant General Manager
AIM	Advancing Internal Management
APC	Automated Passenger Counter
APTA	American Public Transportation Association
ARPA	American Relief Plan Act
ATC	Automatic Train Control
AVL	Automatic Vehicle Locator

## B

BASCSC	Building a SEPTA Community of Service and Camaraderie
B-IV	Heavy Rail Vehicle used on the Broad Street Subway
BSL	Broad Street Line
BSS	Broad Street Subway (also referred to as the Broad Street Line)

## C

CAC	Citizen Advisory Committee
CARD	Computer Aided Radio Dispatch
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CBNR	Comprehensive Bus Network Redesign
CBTC	Communications-Based Train Control
CCIM	Control Center Information Managers
CCT Connect	Customized Community Transportation Services
CHP	Combined Heat and Power
COBRA	Consolidated Omnibus Budget Reconciliation Act
CRC	Career Resource Connection
CRM	Customer Relations Management
CRRSA	Coronavirus Response and Relief Supplemental Act
CY	Calendar Year

## D

DEIS	Draft Environmental Impact Statement
DGM	Deputy General Manager
DBE	Disadvantaged Business Enterprise
DSM	Disposable Smart Media
DVRPC	Delaware Valley Regional Planning Commission

## E

EAP	Employee Assistance Program
EMU	Electric Multiple Unit
EMV	Europay, MasterCard, Visa Cards
EEO/AA	Equal Employment Opportunity / Affirmative Action
EPA	Environmental Protection Agency
ESCO	Energy Service Company

# Glossary of Acronyms

ESL	English as a Second Language
ESMS	Environmental and Sustainability Management System

## F

FELA	Federal Employers Liability Act
FHWA	Federal Highway Administration
FICA	Federal Insurance Contributions Act
FIT	Facilities Improvement Team
FLSA	Fair Labor Standards Act
FMLA	Family and Medical Leave Act
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FTC	Frankford Transportation Center
FTE	Full-Time Equivalent Position
FY	Fiscal Year

## G

GASB	Governmental Accounting Standards Board
GEC	General Engineering Consultant
GESA	Guaranteed Energy Savings Agreement
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GM	General Manager

## H

HIPAA	Health Insurance Portability and Accountability Act of 1996
HRIS	Human Resources Information System

## I

IOD	Injuries on Duty
ISRP	Infrastructure Safety Renewal Program
ISO	International Organization for Standardization
IVR	Interactive Voice Response System

## J

JHSC	Joint Health and Safety Committee
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## K

KTFC	Keystone Transportation Funding Coalition
KPI	Key Performance Indicator

## L

LEAD	Leadership Exchange Development Program
LEED	Leadership in Energy and Environmental Design
LIBOR	London Interbank Offered Rate
LRV	Light Rail Vehicle
LSC	Location Safety Committee
LUCY	Loop Through University City

## M

MDBF	Mean Distance Between Failures
MDT	Mobile Data Terminal
M-IV or M-4	Heavy Rail Vehicle used on the Market-Frankford Subway-Elevated Line

# Glossary of Acronyms

MPO	Metropolitan Planning Organization
MFSE	Market-Frankford Subway-Elevated
MSHL	Media-Sharon Hill Line
MWh	Megawatt-Hour

## N

N5	Heavy Rail Vehicle used on the Norristown High Speed Line
NEC	Northeast Corridor
NHSL	Norristown High Speed Line
NJT	New Jersey Transit
NTSB	National Transportation Safety Board

## O

OCIP	Owner Controlled Insurance Program
OEM	Original Equipment Manufacturer
OGC	Office of General Counsel
OSIP	Operational Safety Improvement Program

## P

PA UCP	Commonwealth of Pennsylvania's Unified Certification Program
PADEP	Pennsylvania Department of Environmental Protection
PCC	President's Conference Committee streetcar or trolley
PCI	Payment Card Industry
PECO	Philadelphia Electric Company
PennDOT	Pennsylvania Department of Transportation
PLRB	Pennsylvania Labor Relations Board
PPE	Personal Protective Equipment
PPTA	Pennsylvania Public Transportation Association
PRIIA	Passenger Rail Investment and Improvement Act of 2008
PTAF	Public Transportation Assistance Fund
PTC	Positive Train Control
PWD	Philadelphia Water Department

## R

RFP	Request for Proposal
ROI	Return on Investment
RRD	Regional Rail Division
RRT	Railroad Retirement Taxes
RTKL	Right-To-Know Law

## S

SAC	SEPTA Advisory Committee for Accessible Transportation
SAM	Supervisory, Administrative and Management Employees
SBA	Special Board of Adjustment
SBE	Small Business Enterprise
SEPTA	Southeastern Pennsylvania Transportation Authority
SL4	Silverliner 4 EMU Railcar used on Regional Rail Lines
SL5	Silverliner 5 EMU Railcar used on Regional Rail Lines
SMS	Safety Management System
SOG	State of Good Repair

# Glossary of Acronyms

SORT	Special Operations Response Team
SRP	Shared Ride Program
SRPAC	Shared Ride Program Advisory Council
SSPP	System Safety Program Plan

## T

TIP	Transit Improvement Program
TMA	Transportation Management Associations
TOD	Transit Oriented Development
TWU	Transport Workers Union

## U

USERRA	Uniformed Services Employment and Reemployment Rights Act of 1994
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## V

VIPR	Visible Intermodal Prevention Response Team
VOH	Vehicle Overhaul Program

## W

WIT	Women in Transit
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## Y

YAC	Youth Advisory Committee
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## A

**Accessible** - As defined by FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

**Accessible Service** - A term used to describe service that is accessible to non-ambulatory riders with disabilities. This includes fixed-route bus service with wheelchair lifts or ADA Paratransit service with wheelchair lift equipped vehicles.

**Accrual Basis** - A basis of accounting in which expenses are recognized at the time they are incurred, and revenue is recognized when earned, as opposed to disbursed or received.

**ADA Paratransit Service** - In accordance with the Americans with Disabilities Act (ADA), SEPTA provides comparable service for people with disabilities who are functionally unable to use regular accessible fixed-route bus service for some or all of their transportation needs. Eligible individuals can travel whenever and wherever buses operate in SEPTA's five-county service region. See also "CCT Connect".

**Ambassador** - SEPTA management or third party contract employees temporarily enlisted during special events or emergencies to serve as customer service representatives to aid in crowd control and passenger way findings.

**Americans with Disabilities Act of 1990** - This federal act requires many changes to transit vehicles, operations, and facilities to ensure that people with disabilities have access to jobs, public accommodations, telecommunications, and public services, including public transit.

**Amtrak** - Service Mark of the National Railroad Passenger Corporation and subsidiaries. Primarily provides nationwide intercity passenger railroad service.

## B

**Balanced Budget** - A budget in which expected revenues equal expected expenses during a fiscal period. SEPTA's enabling legislation requires the Board of Directors to adopt a balanced budget before the beginning of each fiscal year.

**Blue Line** - See "Market-Frankford Subway-Elevated"

**Bombardier** – Manufacturer of Aerospace and Rail equipment

**Broad Street Line** - A rapid transit subway running under Philadelphia's main north-south street. The Broad Street Subway opened in 1928 with several extensions over the years. A spur under Ridge Avenue to 8th and Market Streets opened in 1932. Also referred to as the BSL, BSS, and "Orange Line".

**Budget** - A plan of financial activity for a specified period of time indicating all planned revenues and expenses for the budget period.

**Bus** - A transit mode comprised of rubber tired passenger vehicles operating on fixed routes and schedules over roadways. Vehicles are powered by diesel, gasoline, battery, or alternative fuel engines contained within the vehicle.

## C

**Capital Expenditure** - Expenses that acquire, improve, or extend the useful life of any fixed asset item with an expected life of three or more years, e.g., rolling stock, track and structure, support facilities and equipment, and stations and passenger facilities. SEPTA includes capital expenditures in the Capital Budget, which is published separately from this document.

**Car-Mile** - A single mile traveled by either a single vehicle or a single rail car in a multiple car consist.

**CCT Connect** - SEPTA Customized Community Transportation (CCT) provides paratransit service — CCT Connect — to individuals with disabilities and senior citizens. In addition, SEPTA's bus fleet is 100% accessible.

**CMAQ (Congestion Mitigation/Air Quality) Program** - A federal grant program in which FHWA funds are transferred to FTA for transit projects designed to improve air quality and reduce traffic congestion.

**Commuter Rail** - Local and regional passenger train operations between a central city, its suburbs and/or another central city. It may be either locomotive-hauled or self-propelled and is characterized by specific station-to-station fares, railroad employment practices and usually only one or two stations in the central business district. Also referred to locally as Railroad, Regional Rail, and RRD.

**Contributed Capital** - Reflects capital grants received for the acquisition of fixed assets. Assets acquired with grants are depreciated over the estimated life of the applicable asset. Contributed Capital is also amortized over the same estimated life of the asset.

**Cost Per Mile** - Operating expense divided by vehicle miles for a particular program or in total.

**Cost Per Passenger** - Operating expense divided by ridership for a particular program or in total.

**Customer Satisfaction Survey** – A survey that is conducted every 2-3 years to collect rating observations about the various modes of SEPTA transit from approximately 1,950 riders and non-riders in the SEPTA region.

## D

**Deadhead** - The miles and hours that a vehicle travels when out of revenue service. Deadhead includes leaving or returning to the garage or yard facility, changing routes, and when there is no expectation of carrying revenue passengers. However, deadhead does not include charter service, operator training, or maintenance training.

**Debt Service** - The payment of interest on outstanding debt and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

**Deficit** - The amount by which revenue and subsidy falls short of expenses during a given accounting period.

**Delaware Valley Regional Planning Commission** - The area-wide agency, or Metropolitan Planning Organization (MPO), charged with the conduct of the urban transportation planning process. It is also the single, region-wide recipient of Federal funds for transportation planning purposes. Together with the state, it carries out the planning and programming activities necessary for Federal capital funding assistance. The MPO is designated by agreement among the various units of local government and the governor.

**Depreciation and Amortization** - The charges that reflect the loss in service value of the transit agency's assets. Depreciated items have a high initial cost and a useful life of more than one accounting period. In order to account for the reduction in value (usefulness) of this type of asset, a portion of the cost is expensed each year of the asset's life.

## E

**Farebox Revenue** - Revenues obtained from passengers and other fare subsidies except the state reduced fare subsidy program. Farebox revenue is also referred to as Passenger Revenue.

**Fares** - The amount charged to passengers for use of various services.

**FAST Act** – Fixing America's Surface Transportation Act. Passed by Congress and signed into law by President Obama on December 7, 2015, providing long-term federal funding for critical transportation needs.

**Federal Transit Administration** - The FTA is the federal agency which provides financial assistance to cities and communities to provide mobility to their citizens.

**Fiscal Year** - SEPTA's fiscal year runs from July 1 through June 30.

**Fixed Guideway** - A mass transportation facility using and occupying a separate right-of-way or rail for the exclusive use of mass transportation and other high occupancy vehicles; or using a fixed catenary system useable by other forms of transportation.

**Fixed Route Service** - Service provided on a repetitive, fixed-schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed-route trip serves the same origins and destinations, unlike demand responsive and taxicabs.

**Flexible Funds** - Federal funds made available by MAP-21 that can be used for various transportation projects, including both highway and mass transit projects. Allocation of these funds is at the discretion of regional Metropolitan Planning Organizations (MPOs) and state governments.

**Fringe Benefits** - Payments or accruals to others (insurance companies, governments, etc.) on behalf of an employee and payments or accruals direct to an employee arising from something other than the performance of a duty. These payments are costs over and above "labor" costs, but still arising from the employment relationship.

**Full-Time Equivalent Position (FTE)** - A measurement equal to one staff person working a full schedule for one year.

**Fully Allocated Costs** - The distribution of operating expenses to each mode by type of service and function. Fully allocated costs account for all direct costs plus the assignment of any joint or shared expenses.

**Funding Formula** - A specific formula used to determine a subsidy level.

## G

**Government Finance Officers Association Mission Statement (GFOA)** - The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

**Green Line** - See “Subway-Surface Lines”

## H

**Hay Evaluation System** – A job performance evaluation method used by SEPTA.

**Headquarters Allocation** - A method used to allocate the costs associated with operation and administration of SEPTA's headquarters division to the other four operating divisions.

**Headway** - Time interval between vehicles moving in the same direction on a particular fixed route.

**Heavy Rail** - A transit mode that is an electric railway with the capacity for a heavy volume of traffic. It is characterized by high speed and rapid acceleration passenger rail cars operating individually or in multi-car trains on fixed rails; separate rights-of-way from which all other vehicular and foot traffic are excluded; sophisticated signaling, and high platform loading.

**Heavy Rail Cars** - Rail cars with motive capability, driven by electric power taken from overhead lines or third rails, configured for passenger traffic and usually operated on exclusive rights-of-way.

**Hybrid Bus** - A bus that is powered by a combination of electricity and diesel, gasoline or alternative fuel.

## I

**Infrastructure** - The physical assets of the Authority, e.g., rail lines and yards, power distribution, signaling, switching, and communications equipment, passenger stations, information systems, and roadways, upon which the continuance and growth of transit depend.

**Interest Expense** - The charges for the use of borrowed capital incurred by the transit agency, including interest on long term and short term debt obligations.

**Interlocking** – An arrangement of signal apparatus and turnouts that prevents conflicting movements through an arrangement of tracks such as junctions or crossings.

**ISO 14001 Environmental Certification** – The international standard that specifies requirements for an effective environment management system (EMS).

## L

**Leases and Rentals** - The payments for the use of capital assets not owned by the transit agency.

**Light Rail** - A transit mode that typically is an electric railway with a lighter volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car trains on fixed rails on shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley pole or a pantograph.

**Light Rail Car** - A rail car with motive capability, usually driven by electric power taken from overhead lines, configured for passenger traffic and usually operating on non-exclusive right-of-way. Also known as “streetcar,” “trolley car” and “trolley”.

**Linked Trip** - A single, one-way trip without regard for the number of vehicles boarded to make the trip (i.e., a home-to work trip taken by boarding a bus, to a train, to another bus represents one linked trip or three unlinked trips).

## M

**Market-Frankford Subway-Elevated** - The Market-Frankford Line runs on an elevated guideway from the Frankford Transportation Center in Northeast Philadelphia, through Center City Philadelphia as a subway, and continuing on an elevated guideway above Market Street in West Philadelphia into 69th Street Terminal in Upper Darby, Delaware County. Also referred to as the Market Street Elevated (MSE), MFSE and “Blue Line.”

**Mean Distance Between Failure** – A measure of vehicle availability and reliability, equal to the average distance between failures for all vehicles within a particular mode.

## N

**Net Position** - Total assets and deferred outflows of resources minus total liabilities and deferred inflows of resources of the Authority. This term is used in SEPTA’s annual financial statements.

**Non-Revenue Vehicle** - Vehicles and equipment that are used for construction, vehicle and facility maintenance, and service supervision. These vehicles are not used for passenger revenue service.

## O

**Operating Assistance** - Financial assistance for transit operations (as opposed to capital) expenditures.

**Operating Budget** - The planning of revenues and expenses for a given period of time to maintain daily operation

**Operating Ratio** - Operating revenue divided by operating expense. For this purpose, the Commonwealth has defined operating revenue to include Passenger Revenue, Shared Ride program revenue, Investment Income, Other Income and Route Guarantees. Also for this purpose, the Commonwealth excludes Depreciation from operating expenses.

**Orange Line** – See “Broad Street Line”

## P

**Passenger Miles** - The cumulative sum of the distance ridden by each passenger.

**Public Transportation** - As defined in the Federal Transit Act, transportation provided by bus or rail, or other conveyance, either publicly or privately owned, providing to the public general or special service (but not including school buses or charter or sightseeing service) on a regular continuing basis. Public transportation is also synonymous with the terms mass transportation and transit.

## R

**Revenue Car Mile or Revenue Vehicle Mile** - A single mile traveled by one car (or vehicle) during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

**Revenue Vehicle** - A single vehicle or a single car in a multiple car consist during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

**Reverse Commute** - City to suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

**Ridership** - Each passenger counted each time that person boards a vehicle. See also unlinked passenger trips.

**Rolling Stock** - Public transportation vehicles including commuter rail cars, locomotives, rapid transit cars, light rail cars, trolleybuses, buses, and vans.

**Route Mile** - A one-mile segment of a given fixed route in a fixed route network

## S

**Shared-Ride Program** - The Shared-Ride program is a door-to-door, advance-reservation, ride-sharing service, offered to senior citizens 65 years of age and residents of Philadelphia. This service can be used to travel within the City of Philadelphia and to any location in the surrounding counties within three miles of the City's border. Pennsylvania's Lottery Fund contributes to the cost of operating this program.

**Silverliner** - A multiple unit self-propelled railroad passenger car, powered by electricity collected from overhead catenary wires. The Silverliner fleet was acquired over time and currently consists of two vehicle types—Silverliner IV and V. These railroad cars feature stainless steel construction and represent the majority of SEPTA's railroad fleet.

**Streetcar** - See "Trolley"

**Subsidy** - Funds received from another source that are used to cover the cost of a service or program that is not self-supporting.

**Subway-Surface Lines** - A combination of five trolley lines serving various neighborhoods in West Philadelphia or nearby suburban communities above ground, reaching Center City Philadelphia through a subway tunnel partially shared with the Market-Frankford Line.

**Surplus** - The amount by which revenue and subsidy exceeds total expenses during a given accounting period.

## I

**Total Vehicle Miles** - The sum of all miles operating by passenger vehicles, including mileage when no passengers are carried.

**Trackless Trolley** - See “Trolleybus”

**Trapeze** - Software utilized by SEPTA for scheduling and management of transportation operations.

**Trolley** - A powered rail car, usually driven by electric power drawn from overhead wires via a trolley pole or pantograph. The vehicle usually operates on shared rights-of-way. Also known as “trolley car,” “streetcar” and “light rail car”.

**Trolleybus** - An electric, rubber-tired transit vehicle, manually steered, propelled by a motor drawing current through overhead wires from a central power source not on board the vehicle. Also known locally as “Trackless Trolley”.

## V

**VERITAS** - Authority’s Customer Relations Management (CRM) program