



FISCAL YEAR 2023

OPERATING BUDGET PROPOSAL

**July 1, 2022 through June 30, 2023
& Fiscal Years 2024 – 2028 Financial Projections**

Table of Contents

GFOA	1
Board Members	2
1. Strategic Plan and Organizational Structure	3
SEPTA's Value Proposition	3
SEPTA Passenger Demographics	11
SEPTA Forward: A Vision for a Stronger Future	12
Key Performance Indicators: Tracking Our Progress	12
Divisional Structure	17
Operating and Staff Departments	18
Corporate Team Organization Chart	19
A Year in Review – SEPTA'S Accomplishments in 2021	20
SEPTA'S Current Goals for 2022	25
SEPTA Regional Rail and Rail Transit Maps	52
2. The Budget Process	54
Budget Proposal Development	54
Fiscal Year Calendar	56
3. FY 2023 Assumptions & Consolidated Budget, & Financial Projections	57
Assumptions	57
FY 2023 Consolidated Budget	59
FY 2024 – FY 2028 Financial Projections	60
4. Financial and Budgetary Policies	61
Financial Planning Policies	61
Revenue Policies	62
Expenditure Policies	63
Description of Existing Debt and Debt Service Policies	63
Statement of Changes in Equity	69
5. Three Year Comparison Fiscal Years 2021-2023	70
Consolidated	70
City Transit Division	71
Victory Division	72
Frontier Division	73
Regional Rail Division	74
6. Service Plan Overview	75
Annual Service Plan Overview	75

Table of Contents

7. Detail of Revenue and Subsidies	76
Ten Year Revenue Trends	76
Summary of Operating Revenue	77
Assumptions	78
Detail of Subsidies	81
Summary of Operating Subsidies	82
Detail of Local Subsidies and Other by County	83
Summary of Local Subsidies by County	84
8. Detail of Expenses	85
Ten Year Expense Trends	85
Summary of Operating Expenses	87
FY 2023 Budget Proposal in 000's	88
FY 2023 Budget Proposal Allocation by Company in 000's	89
FY 2022 Budget Expenses in 000's	90
FY 2021 Actual Expenses in 000's	91
9. Headcount Authorizations	92
Headcount Designations	92
Fiscal Year 2023 Operating Headcount	93
10. Departmental Summaries	95
Corporate Staff	95
Equity and Inclusion	98
Finance	99
Human Resources	104
Office of General Counsel	107
Office of Inspector General	111
Operations	113
Planning and Strategy	120
System Safety	124
11. Summary of Interdepartmental Expenses	126
Fringe Benefits	126
Non-Departmental Expenses	129
Glossary	131
Glossary of Acronyms	131
Glossary of Terms	135



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

Treasurer

Nikolaus Grieshaber

General Counsel

Gino J. Benedetti, Esquire

Controller to the Board

Robert Marron

Secretary to the Board

Carol R. Looby

1. Strategic Plan and Organizational Structure

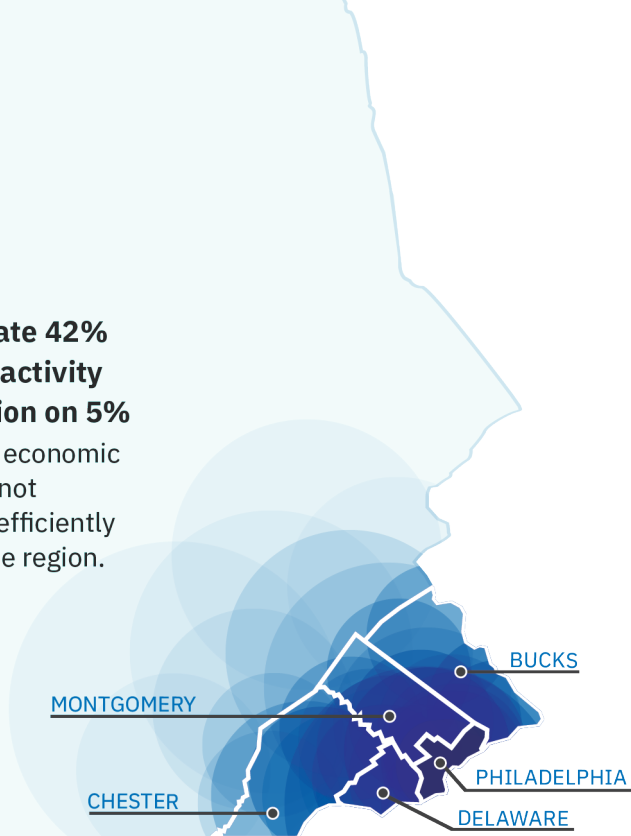
SEPTA's Value Proposition



An Economic Engine...

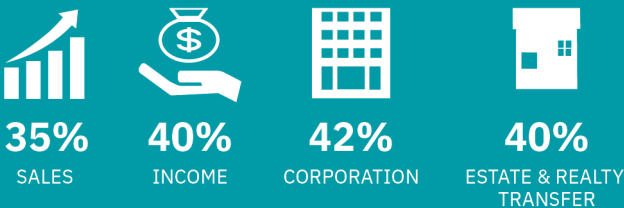
SOUTHEASTERN PA
IS THE COMMONWEALTH'S
KEY ECONOMIC ENGINE

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.



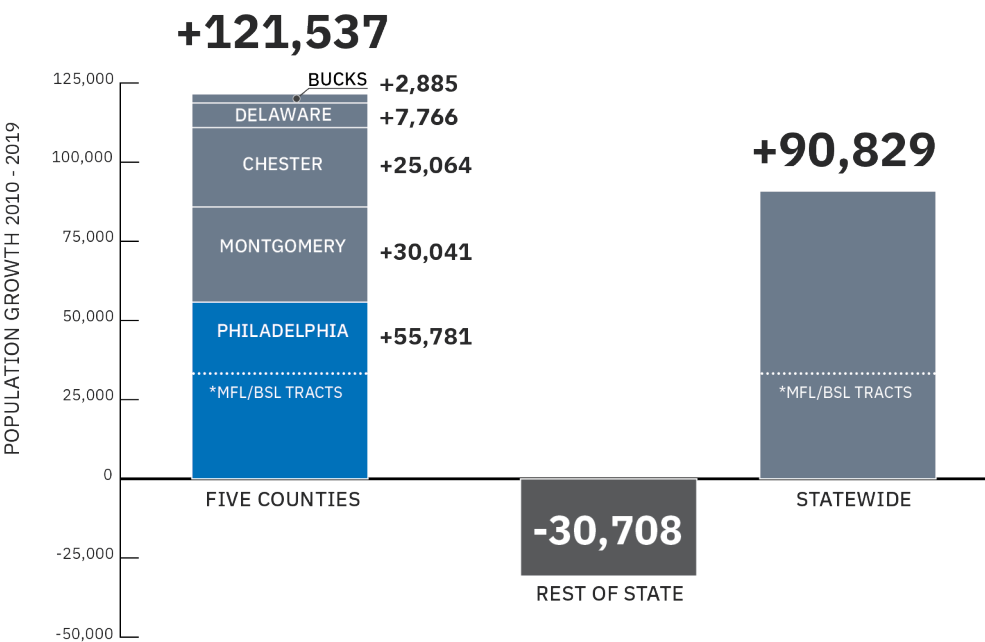
SOUTHEASTERN PA GENERATES
\$13.3 BILLION (38%) OF THE
TOTAL TAX REVENUES TO THE
STATE GENERAL FUND

Southeastern PA Share of State Tax Revenues



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

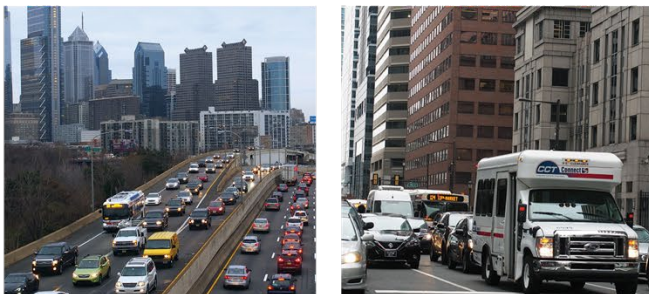
BY CAR

BY
DRIVERLESS CAR



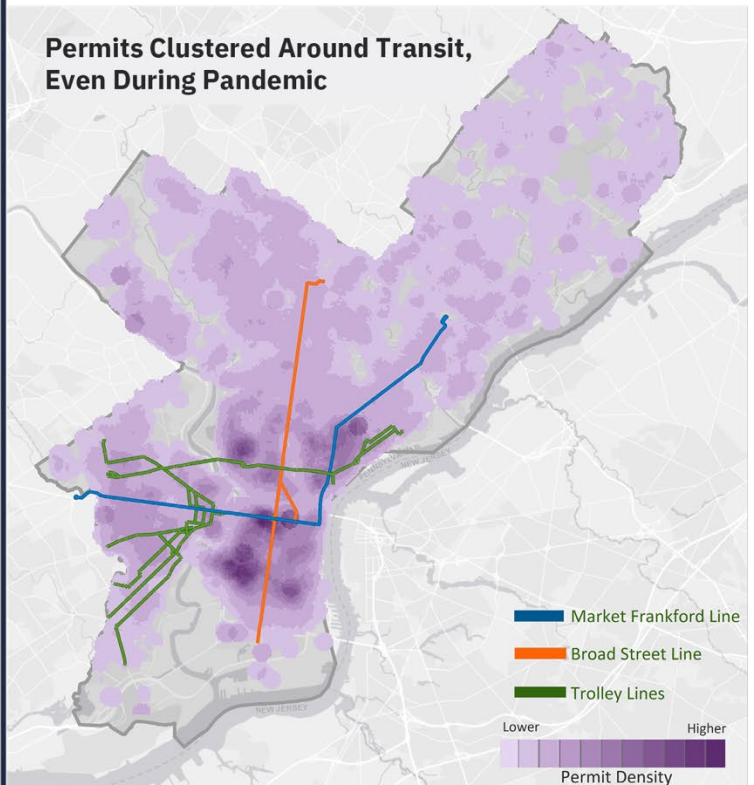
SCHUYLKILL EXPRESSWAY

CENTER CITY



SOURCE: JARRETT WALKER + ASSOCIATES

Permits Clustered Around Transit,
Even During Pandemic

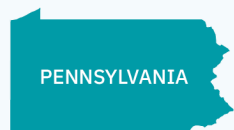


[Return to Table of Contents](#)

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

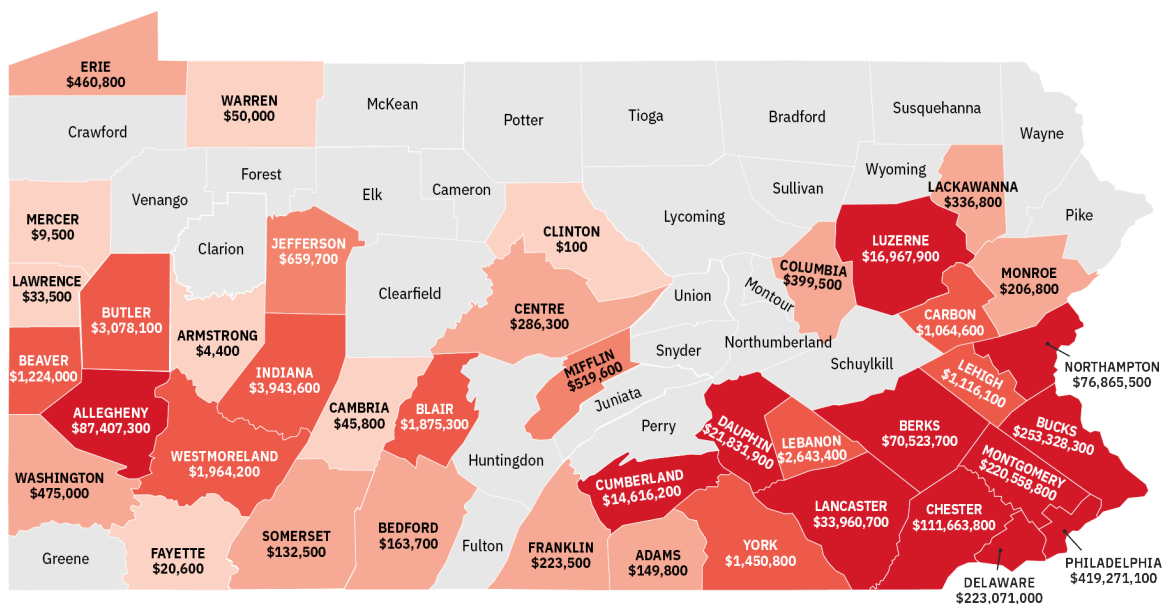
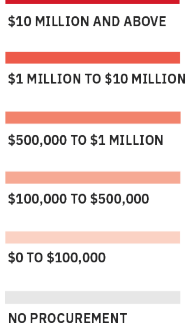
AVERAGE ANNUAL

\$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**.

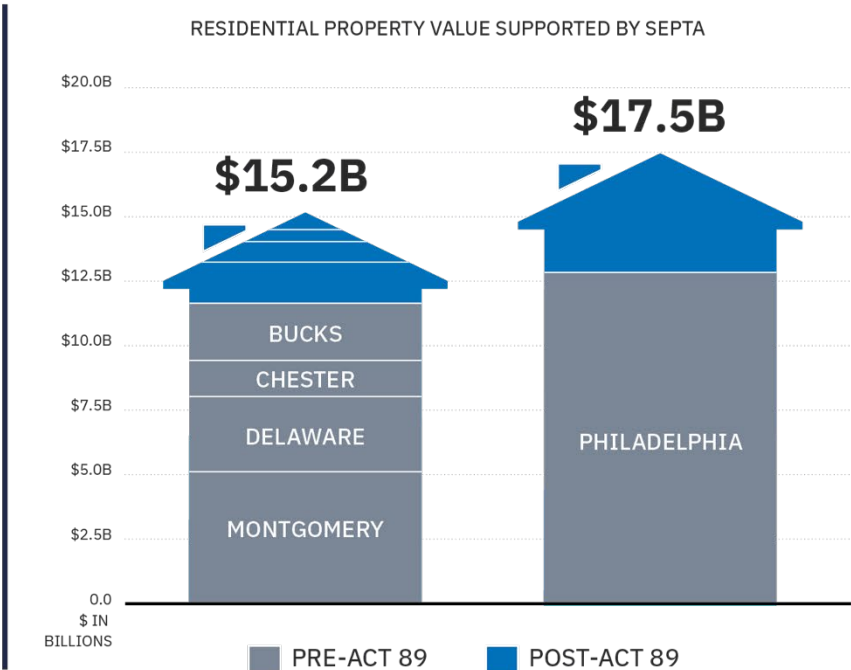
2015-2020



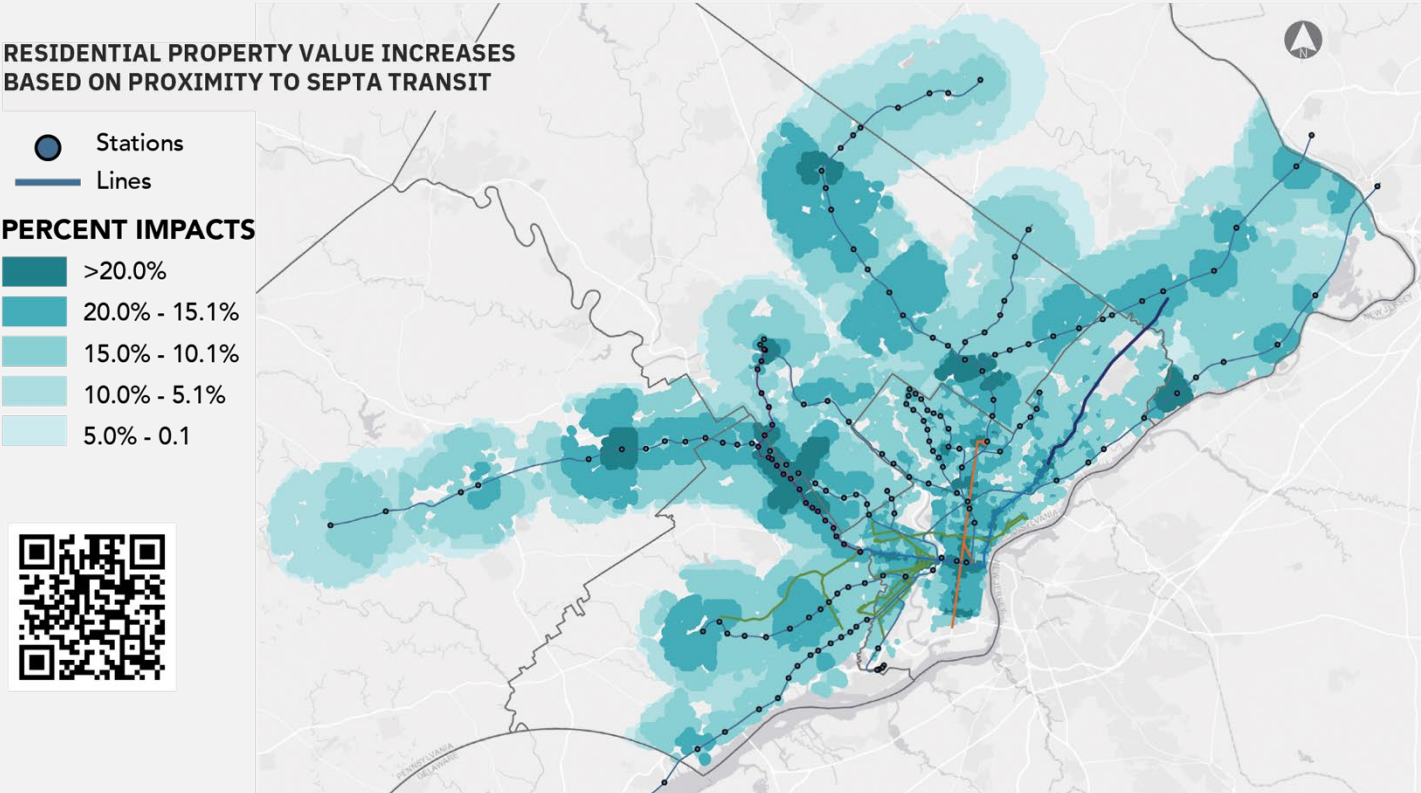
Adds Value Throughout the Region...

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/

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.

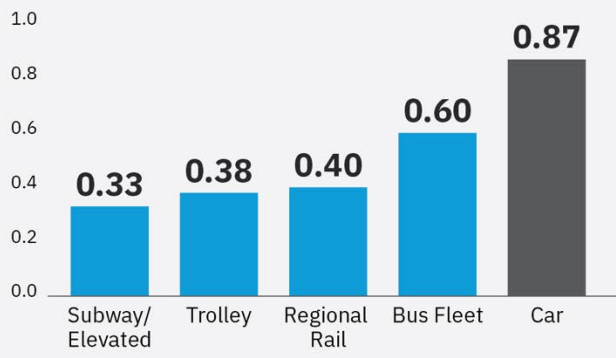
For more on SEPTA's Recovery Efforts and Strategic Plan, visit planning.septa.org

Advances Sustainability & Innovative Mobility

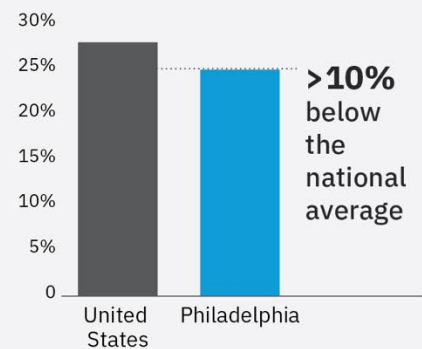
TRANSIT IS INHERENTLY SUSTAINABLE

Reduces Greenhouse Gas (GHG) Emissions From the Transportation Sector

With Lower CO-2 Emissions Per Passenger Mile Travelled...



...SEPTA Service Results in Substantial GHG Reductions

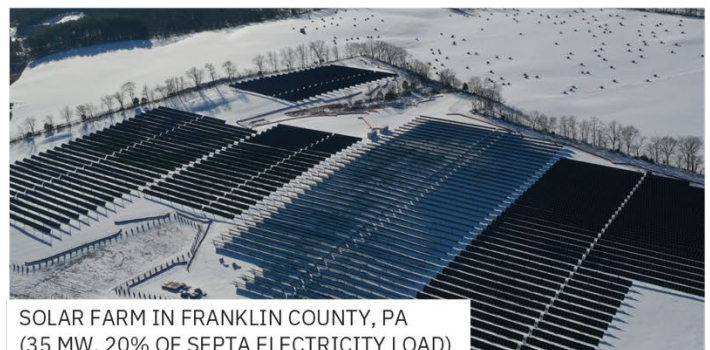


AWARD-WINNING SUSTAINABILITY PROGRAM

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

[Return to Table of Contents](#)

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

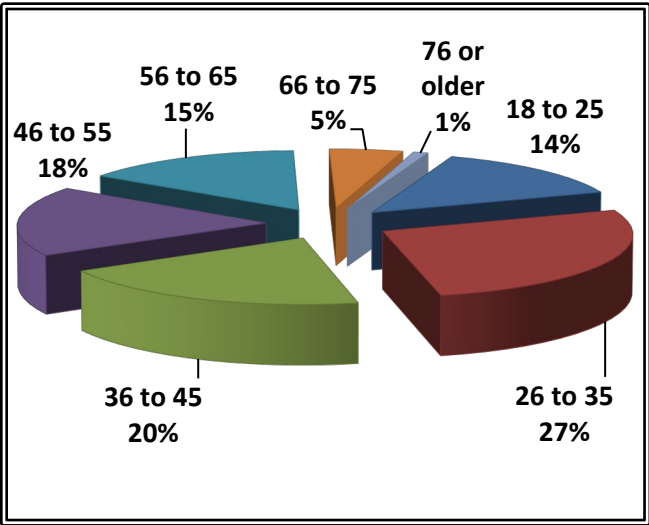
The U.S. Centers for Disease Control recommends that adults average at least 22 daily minutes of moderate physical activity, such as brisk walking, to stay fit and healthy. Although less than half of American adults achieve this target, most public transportation passengers do exercise the recommended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

1. Strategic Plan and Organizational Structure

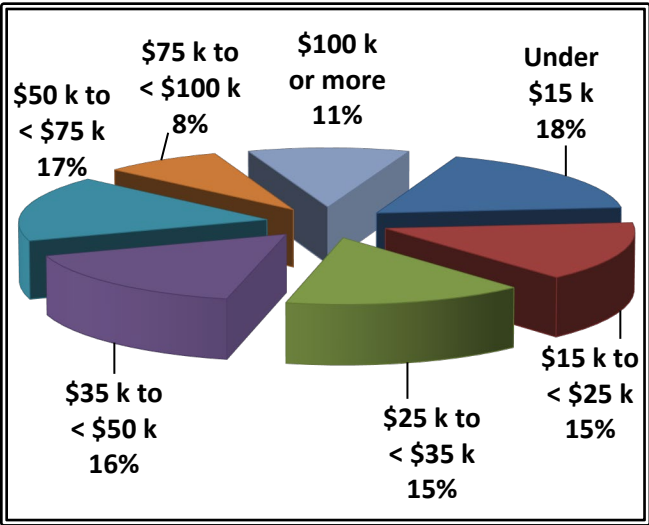
SEPTA Passenger Demographics

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 FY2023 final budget book.

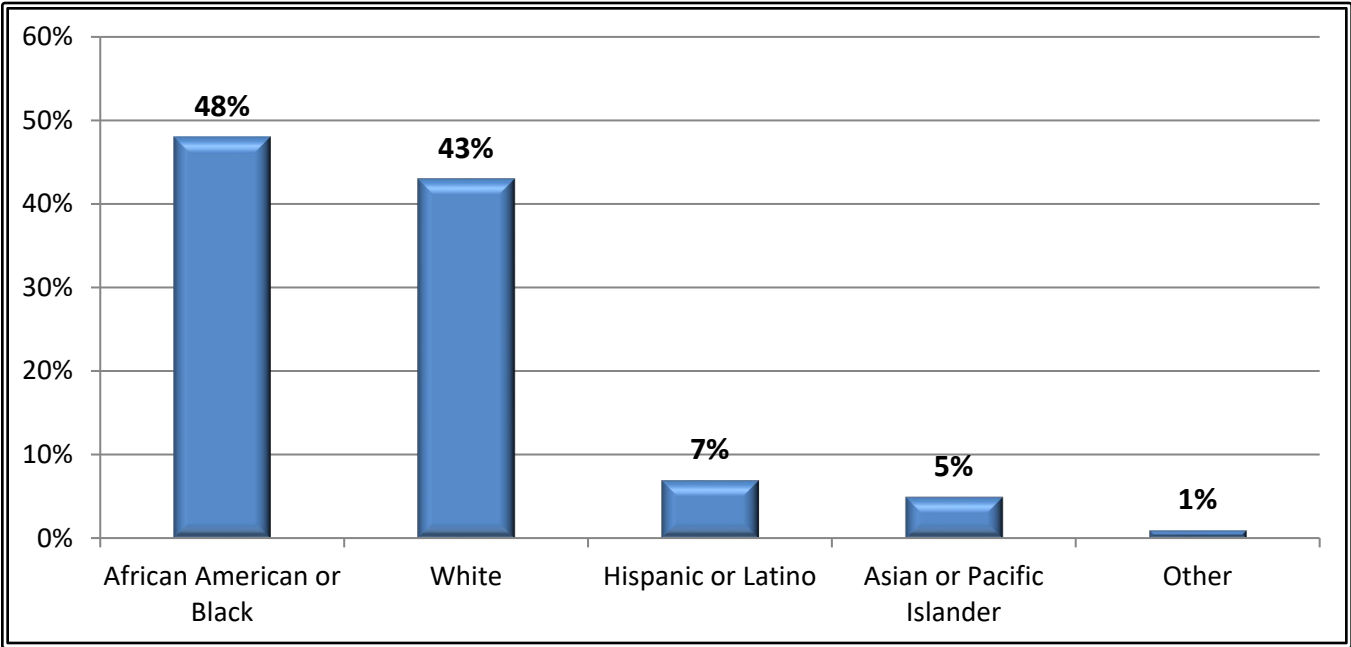
Age of Adult Passengers



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

SEPTA’s Fiscal Year 2023 Operating Budget is driven by SEPTA Forward, our Strategic Plan published in 2021. The Strategic Plan 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.

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 developing 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/ and in each year's Operating Budget.

SEPTA Key Performance Indicators

KPI	Stage	Baseline, if Available	Current Value
Goal 1: Develop a Proactive Organization			
Operating Expense Per Passenger Trip	Existing	\$6.28 (FY 2020)	\$12.99 (FY 2021)*
Passengers Per Revenue Vehicle Hour	Existing	41.0 (CY 2019)	16.7 (FY 2021)*
Employee Lost-Time Due To Injuries Per 200,000 Work Hours	Existing	3.35 (FY 2020)	5.39 (December 2021)*
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)	<i>Not available</i>
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

Goal 2: Provide an Intuitive Experience				
	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)	34% of Rail Transit Trips (December 2021)
	Rider Delay Minutes and Buffer Time	Distinctive		
	Contactless Trips	Incremental	8,141,827 SEPTA Key Transactions (December 2021)	8,141,827 SEPTA Key Transactions (December 2021)
Goal 3: Deliver a Seamless Transit Network				
	Unlinked Trips Per Capita	Existing	54.06 (FY 2020)	36.27 (FY 2021)
	Population Near Transit	Incremental	15-Min Transit Lines: 1.56 million Non-Frequent Lines: 2.87 million All Transit Lines: 2.9 million (Fall 2021)	15-Min Transit Lines: 1.56 million Non-Frequent Lines: 2.87 million All Transit Lines: 2.9 million (Fall 2021)
	Equitable Service	Distinctive	64% of the population served by SEPTA is of "below average" advantage according to DVRPC Indicators of Potential Disadvantage	64% 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: 76.1% City Trolley: 68.4% Suburban Trolley: 78.2% Regional Rail: 89.0% (December 2021)
	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.

—○ 1. Strategic Plan and Organizational Structure

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.

—○ 1. Strategic Plan and Organizational Structure

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.

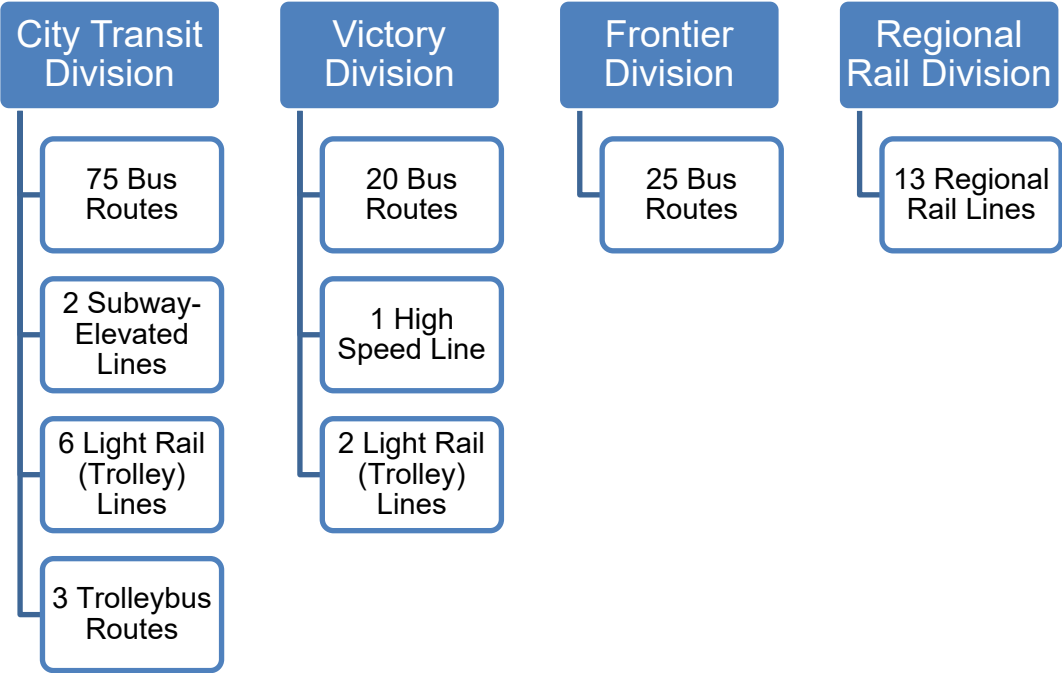
Average Vehicle Age by Mode

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.

—○ 1. Strategic Plan and Organizational Structure

SEPTA BOARD

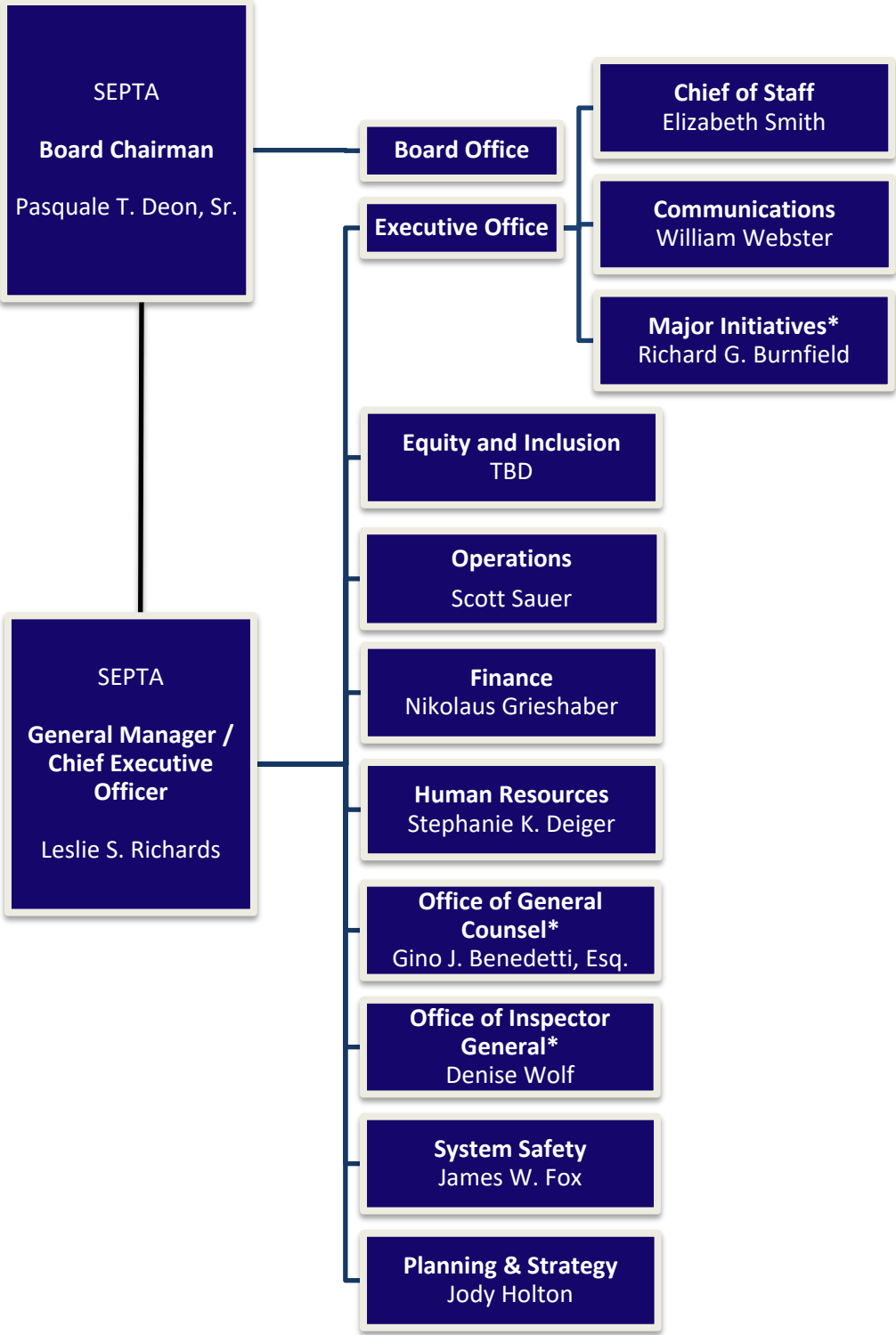
SEPTA is governed by a Board consisting of fifteen Directors. The City of Philadelphia and the Counties of Bucks, Chester, Delaware, and Montgomery each appoint two members to the Board. The Pennsylvania Senate and House collectively appoint four members and the Governor of Pennsylvania appoints one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

OPERATING AND STAFF DEPARTMENTS

Corporate Staff Board Staff Communications General Manager/CEO and Executive Staff Major Initiatives	Office of Inspector General Compliance for Procurement & Regulatory Affairs Internal Audit Investigations
Finance Capital Budget and Grant Development Finance Administration Financial Operations Financial Services General Accounting New Payment Technologies Operating Budget Payroll Procurement, Supply Chain and DBE Division Revenue Operations Division Transformation Office	Operations Administration & Finance Bridges & Buildings Bus / Rail Operations & Vehicles Control Center Customized Community Transportation (CCT) Maintenance Of Way Regional Rail Transportation Subway-Elevated Transportation Surface Transportation Transit Police Department
Human Resources Career Resource Connection Compensation / HRIS EEO/AA & Employee Relations Employee Medical Services Employee Services Summary Human Resources Administration Labor Relations Training Summary	Planning & Strategy Office of Innovation Planning Administration Real Estate Service Planning Strategic Planning & Analysis
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	System Safety Construction Safety System Safety

1. Strategic Plan and Organizational Structure

Corporate Team Organization Chart
(To Chief Executive level)



*Dual report to Board Chairman

—○ 1. Strategic Plan and Organizational Structure

A YEAR IN REVIEW – SEPTA’S ACCOMPLISHMENTS IN 2021

Timeframe	2021 Accomplishment
January	<ul style="list-style-type: none">Continued COVID 19 testing programReceived 2nd round of COVID relief from the CRRSAA (\$252M)Returned service on Wilmington/Newark Line to Newark and ChristianaReceived approval of Final Environmental Impact Statement (FEIS) for King of Prussia (KOP) RailLaunched Mask Force Philly with partnersBegan SEPTA COVID Vaccination program at Main Line HealthCreated Diversity, Equity and Belonging (DEB) CounselUpgraded Regional Rail Wayne-to-Glenside Software Reliability (Carmel South Interlocking)Launched Key-based College/University Program
February	<ul style="list-style-type: none">Conducted tribute to Rosa ParksOffered COVID vaccine stipendWent live with first Solar Farm, covering ~10% of electricity demandBegan accepting smartphone payments at Key kiosksReceived Board approval of SEPTA Forward Strategic Plan and launched employee awareness campaignLaunched new Human Resources Information System, SuccessFactorsLaunched DEB surveyOfficially launched Efficiency and Accountability (E&A) ProgramHeld “Never Too Busy for Safety” DayLaunched SEPTA Customer Connection Advocacy Forum
March	<ul style="list-style-type: none">Assisted with Convention Center Mass Vaccination siteBegan PhillyVax Shuttle programBegan SEPTA-sponsored vaccinationsResumed service on Chestnut Hill West LineDeployed first security guardsLaunched Safety, Cleanliness, Ownership, Partnership and Engagement (SCOPE) programCompleted Fern Rock solar installationUpgraded Regional Rail Wayne-to-Glenside Software Reliability (Tabor Interlocking)Conducted continuous welded rail replacement on Neshaminy BranchLaunched Key-based Airport Employee program
April	<ul style="list-style-type: none">Completed deep cleaning & repairs at Somerset & Allegheny Stations (MFL)Officially launched Bus RevolutionParticipated in Philly Spring Clean UpEliminated paper tickets on Regional RailCompleted employee Open Book seriesReplaced Rosemont Station roofBegan Esperanza Vaccination bussing support

—○ 1. Strategic Plan and Organizational Structure

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

—○ 1. Strategic Plan and Organizational Structure

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

—○ 1. Strategic Plan and Organizational Structure

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

—○ 1. Strategic Plan and Organizational Structure



















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

1. Strategic Plan and Organizational Structure

SEPTA'S CURRENT GOALS FOR 2022




















(Note: Divisional Goals were established before the corporate reorganization in March 2022 and are therefore based on the FY2022 organizational structure. Goals are in the process of being reorganized and refreshed, and will be presented in a new format in the Final Budget book to be published in Summer 2022.)

Office of Inspector General

Audit & Inspector General FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Increase frequency of communications with Senior Management. Expand transparency of issues via publication of reports through website. Issue reports that are actionable	  			All Divisions
More visibility throughout the Authority. Activities: Engage proactively in trainings for constituencies where there is repeated wrongful conduct. Create Integrity Officer program. Recognize employees who are dedicated to reduce fraud waste and abuse.	   			All Divisions
Define work responsibility between departments and enforce accountability at all levels.	 			All Divisions
Create a collaborative, merged OIG. Activities: Assign matters to both auditors and investigators to work together in a hybrid model; occupy same physical space; maximize skill sets.	  			OIG
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.				OIG
Implement professional, objective standards (Green Book, Yellow Book); increased trainings; peer review; maintain objectivity; timeliness, etc	  			OIG
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

Communications

Communications FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Increase Employee Engagement - Increase support of BASCS; improve reach of SEPTAnow.org; Improve Communications group satisfaction (OHI and DEB Culture)	  			GM team and senior managers; IT
Improve Workforce Development - succession planning; mentoring; development plans	  			HR
Enhance Retention and Recovery through improved customer experience - relationship building with stakeholders; benchmark performance metrics		  	   	IT, Operations, PGA, Planning
Support technology enhancements that improve the customer experience(i.e Key 2.0) and enhancements that facilitate delivery of SEPTA messaging to employees(i.e., SEPTAnow.org, SEPTA.org, video screens)		  		IT, Operations,
Develop communication strategies to message safety to both employees and customers. Communications will focus on key safety messages, Informative safety reminders, KPIs and metric trends and safety educational campaigns.				System Safety

1. Strategic Plan and Organizational Structure

Finance











Finance FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Implement organization wide financial education program to increase financial awareness and strengthen stewardship of public funds	  	 	 	All Divisions
Re-establish policies, procedures, expectations, and partnerships to ensure financial control and sustainability. Progress funding plans for Projects of Significance.	  	 	 	All Divisions
Progress Workforce Development efforts. Activities: succession planning, mentoring, development plans.	   	 		Internal
Support implementation of E&A Initiatives and Transformation Office	   			All Divisions
Partner on defining, developing, & deploying new technologies	   	    	   	IT
Ensure SEPTA fare policy and fare collection practices are secure, equitable, and sustainable	   	    	   	

1. Strategic Plan and Organizational Structure

Finance cont.












































Procurement, Supply Chain & DBE Division FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Continue the division's commitment to Safety Activities: <ul style="list-style-type: none"> Warehouse and Storerooms Safety Trainings Participation in Safety Events to Promote Safe Working and Operating Environment Safety Briefings / Awareness Programs 				Procurement/System Safety
Invest in and Empower our People. Activities: <ul style="list-style-type: none"> Cross Training / Documentation Professional Development Courses / Programs Internal Customer Training/ 				Procurement/Training
Promote a positive work environment. Activities: <ul style="list-style-type: none"> Teambuilding and Building Trust 				Procurement/EEC/ Training
Collaborate on Procurements to Maintain Excellence in Standards. Activities: <ul style="list-style-type: none"> Timeliness, clear scopes, 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 				IT/EM&C/Operations/User Groups
Ensure uninterrupted flow of expertise and personnel; and ensure compliance to meet ongoing funding requirements. Activities: <ul style="list-style-type: none"> Succession Planning DBE Certifications/ Certification Updates/Project & Contract Monitoring Implementing SBA- Set Aside Contract Grant Compliance Reviews/Certified Payrolls 				HR/DBE/CGC

Finance cont.

Procurement, Supply Chain & DBE Division FY2022 Divisional Goals (cont.)					
Support Operations to Ensure Availability of Maximum Revenue and Non-Revenue Vehicles in Service. Activities: • Parts & Material Availability • Optimum Fill Rate • Inventory Accuracy					SCM/Operations/VEM
Facilitate programs and events to enhance customer experience. Activities: • DBE Outreach Programs • Prime/Sub-Contractor Networking Events & Workshops • Customized User/Customer Education					Procurement/DBE/Communications/ Public and Govt Affairs
Update/Document and Communicate Processes to ensure uniformity, accuracy and transparency. Activities: • Update Procurement Manual • DBE Certification Process / Desk Procedures with Timelines • Track and communicate vendor performance • Communicate Bid Opportunities					Procurement/Legal/DBE/Communications/Safety/ Public and Government Affairs/Project Control

1. Strategic Plan and Organizational Structure

Finance cont.

SEPTA Key FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Deploy Mobile Ticketing: on Transit and Railroad	  	    	   	
Obtain annual PCI certification	 	  		
Deploy Open Payment/ PayGo	  	    	   	
Issue SEPTA Key 2.0 Request for Proposal (RFP) documentation for procurement	 	    	   	
Prepare staffing/support plans for Key 2.0 Program	  			








1. Strategic Plan and Organizational Structure

Human Resources

Human Resources FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
<p>Develop opportunities and programs that prioritize supportive leadership.</p> <p>Activities: Develop leadership within SEPTA that is empathetic, agile, emotionally intelligent and effective for a modern workplace.</p> <p>Support programs for new managers with a focus on instilling diversity, equity, and belonging behaviors and values</p> <p>Implement a Formal Mentoring Program</p> <p>Create a standard process for onboarding all new managers and provide tools and training to be successful</p> <p>Conduct recognition ceremonies for managers who promote</p> <p>Extend 21st Century Coaching class and/or IYS to more leaders in the organization</p> <p>Provide executive coaches for newly promoted senior leaders</p> <p>Use SF Performance Management system to improve working relationships between managers and their teams</p> <p>Identify ways to bridge the gap between SEPTA work locations.</p>				All Divisions
<p>Establish resources (people, technology, expertise) within HR to better meet the needs of SEPTA's employees.</p> <p>Activities: Determine proper staffing levels and skills needed to effectively utilize and support new technology within HR</p> <p>Explore HR best practices and peer review studies to improve HR processes.</p> <p>Re-institute HR connect to better support field employees</p>				Finance, IT, Operations, EM&C




—○ 1. Strategic Plan and Organizational Structure

Human Resources cont.








Human Resources FY2022 Divisional Goals (cont.)					
<p>Leverage data, technology and resources to proactively assess SEPTA's workforce needs to fulfill the organization's mission to emphasize sustainability, to develop a proactive organization - workforce planning, sustainability and data driven decision.</p> <p>Activities: Conduct 3 - 5 year forecasting of human resource needs based on future transit trends, unique SEPTA demographic information and upcoming projects / needs</p> <p>Develop guidelines for career ladders for A-payroll positions</p> <p>Develop guidelines for career ladders for hourly positions</p> <p>Explore opportunities to create new career paths</p> <p>Support the implementation of INFOR</p> <p>Improve information gathering regarding employee attrition</p> <p>Assist in implementing the recommendations of the DEB strategic plan</p>					All Divisions
<p>Develop process for capturing institutional knowledge and facilitate adoption within departments.</p> <p>Activities: Formulate and help to implement a standard succession planning process for the organization.</p>					

1. Strategic Plan and Organizational Structure

Office of General Counsel























































































Legal FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Support integrated absence management initiative to ensure sufficient operators are available for service	    		 	HR, IT, EM&C, Ops, Finance
Conduct risk review for GM Team to support good executive decision making	   			GM Team, Planning, EM&C, System Safety
Contribute to review and update of business continuity plan to prepare SEPTA for future disruptive events	  			All Divisions
Transition Right of Entry (ROE) process to program owned permitting to ensure efficiency and legal protection	  			EM&C, Real Estate, IT, Public and Govt Affairs, Customer Service
Drive update and redesign of procurement manual	   			Procurement
Ensure claims application has functionality and integration with INFOR to ensure SEPTA can continue to process, defend and payout claims		 		IT, Finance, System Safety, Operations
Transfer management of outside counsel files to Claims to control expenses and work within staff capacity				
Reevaluate internal procedures and best practices , and modify procedures as necessary	  			
Reduce caseload of trial lawyers to manageable level using new programs and processes	  			

Office of General Counsel cont.

Legal FY2022 Divisional Goals (cont.)					
Reorganize the administration of the RTK program in order to provide more efficient responses					IT
Establish ownership and scope for comprehensive upgrade program for video systems throughout SEPTA to continue to provide safety and security for the public	 				Procurement, Vehicle Engineering & Maintenance, IT, Ops, Transit Police, C&S, System Safety, Finance
Treating everyone with respect and dignity					
Communication at all levels of the Division					




















































































































































































1. Strategic Plan and Organizational Structure

Office of General Counsel cont.

Information Technology FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Enhance Security of the Technology Infrastructure				
Develop long term security operations monitoring and managed detection services with qualified cyber security firm		  	     	
Increase the security posture of the organization by implementing policies and protocols for connectivity 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				
Continue to build the risk assessment of SEPTA's security posture	     	  		
Develop internal resources and partnerships with qualified security firms for support	     	  	 	
Modernization of SEPTA Systems				
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.	     	   	   	
Develop centralized timekeeping system for efficient reporting of absenteeism, vacation, and personal time for all staff using the new INFOR software tools	     	   	 	
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.	     	       	    	

—○ 1. Strategic Plan and Organizational Structure

Office of General Counsel cont.

Information Technology FY2022 Divisional Goals (cont.)																											
Enhance the public facing technologies we offer including the SEPTA website, Mobile Application, and sigange for both internal and external customers.																											
Participation and involvement with SEPTA Key 2.0 and existing Key platform. Validate vendor is proactively managing and monitoring system activities to ensure uptime for customers.																											
Complete the new website platform and design for seamless and real time updates to the SEPTA website for customers.																											
Confirm that public facing systems (ie. Website, mobile app) are compliant with ADA requirements and available in multiple languages.																											
Enhance the real time and travel options by adding new real time services for the Market-Frankford and Broad Street Lines.																											
Implement mobile ticketing on the SEPTA Mobile app for customers who travel infrequently.																											
Customer Experience																											
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. Work with departments on their goals to make SEPTA Successful.																											

—○ 1. Strategic Plan and Organizational Structure

Office of General Counsel cont.

Information Technology FY2022 Divisional Goals (cont.)																
Build out the Information Technology Department through new internal hires, staff augmentation, and contracted services to enable the support for Divisions and Departments.																
Provide the necessary education and training for existing IT staff to be aware and manage the changes impacting the department and the organization.																
Develop a formalized project intake process and prioritization matrix that clearly identifies projects currently in process, new projects, resources allocated, and delivery times.																
Develop IT Governance Committee to prioritize and manage the projects requested for IT. Establish short term and long term goals. Manage priority "pop up" needs and determine best fit in priority list.																
Continue to enhance the security posture and education for staff. This is a continuous effort, the goal is to get in place a formal protocol for security awareness for new and existing employees.																

1. Strategic Plan and Organizational Structure

Office of General Counsel cont.

Public & Government Affairs FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS	
<p>Proactively communicate with elected officials, customers, stakeholders and the public to ensure SEPTA's story is told and our interests are prioritized.</p> <p>Activities:</p> <p>Continue to support Authority-wide efforts to build back ridership</p> <p>Work with elected officials, employers and other stakeholders to identify service needs and engage new and existing riders and highlight ongoing ridership initiatives</p> <p>Engage local and national media to highlight SEPTA safety and security and various customer service initiatives</p> <p>Utilize ISEPTAPHILLY website and social media platforms to engage customers and business partners)</p> <p>Continue to develop relationships with transportation beat writers and proactively engage media, building upon SEPTA's record of transparency and accessibility</p>	 	 	 	   	All Divisions
<p>Lead efforts at local, state and federal level to preserve Act 89 investment and secure sustainable, bondable funding for projects of significance.</p> <p>Activities:</p> <p>Secure sustainable, bondable state funding at current levels</p> <p>Secure enabling legislation to provide opportunities for local funding to support projects of regional significance</p> <p>Address on-going revenue losses associated with reduced ridership -- work to preserve federal emergency relief and state and local operating subsidies)</p> <p>Highlight SEPTA's economic impact and the success of Act 89</p> <p>Ground breakings and ribbon cuttings</p> <p>Expand opportunities to highlight statewide procurement to elected officials</p>		   		    	Finance, EM&C, Planning











































1. Strategic Plan and Organizational Structure

Office of General Counsel cont.

Public & Government Affairs FY2022 Divisional Goals (cont.)																
Effectively utilize current and future SEPTA marketing platforms to engage the public and increase ridership. Activities: With Advertising now in Division, grow new marketing and advertising opportunities																Operations, Customer Service, Communications, EM&C, Planning
Work collaboratively with internal stakeholders to support Authority initiatives and advance priorities including projects of significance.																Planning, Operations, EM&C, Finance
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.																All Divisions
Develop partnerships with external stakeholders that support the Authority's ongoing commitment to building an inclusive workforce and work internally to help foster a culture of Diversity, Equity and Inclusion. Activities: Support Authority commitment to increasing opportunities for women and minorities to join SEPTA and improving work culture to achieve Diversity, Equity and Inclusion goals																Communications/Customer Service/Planning/External
Continue to highlight SEPTA's economic impact, leveraging the success of Act 89 to emphasize SEPTA's statewide procurement and promote SEPTA DBE opportunities. Activities: Promote SEPTA DBE program and work to increase outreach and other opportunities for women, minority and veteran business participation																Procurement/DBE, Communications









































































—○ 1. Strategic Plan and Organizational Structure

Office of General Counsel cont.

Public & Government Affairs FY2022 Divisional Goals (cont.)																						
Further enhance proactive communication to ensure that local officials, residents and customers are effectively informed about capital projects and service decisions.																						EM&C/Operations/Customer Service/Communications
Develop new opportunities to highlight SEPTA's environmental benefits and role in reducing transportation-related greenhouse gas emissions and alleviating congestion.																						Planning/Innovation/Operations/EM&C
Expand opportunities to communicate employee and customer safety initiatives, building on SEPTA's inherent safety benefits. Activities: Identify new and more ways to highlight SEPTA's inherent safety benefits and role in reducing congestion and transportation-related deaths Support safety, health and cleanliness initiatives that will encourage post-COVID ridership growth Support EM&C state of good repair program that is working to make existing system safe and reliable																						Communications Operations/EM&C/System Safety"






























1. Strategic Plan and Organizational Structure

Operations

Operations FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Establish a stronger divisional safety culture	     		 	System Safety, EM&C, HR, Legal
Develop strategies focused on ridership recovery across all modes	    	     	     	Planning, HR, System Safety, Public & Government Affairs
Responsibly manage personnel, materials and services within budget	     			Planning, Finance, HR, Procurement
Emphasize the division's commitment to sustainability	    		     	IT, Planning, EM&C, Legal, Public & Government Affairs
Develop a culture of employee engagement and institutional knowledge sharing	   		    	HR, Planning
Enhance the customer experience	 	     	    	Planning, HR, Communications, Public & Government Affairs
Explore ways to improve both internal and external communications	   	     	    	HR, Communications, IT, Public & Government Affairs

1. Strategic Plan and Organizational Structure

Operations cont.

Operations FY2022 Divisional Goals (cont.)													
Invest in technology as the foundation of our business practices													IT, EM&C, Finance, Procurement, HR, System Safety
Improve service and fleet reliability through innovative strategies and new vehicle design													Authority-wide partnership
Collaborate with internal stakeholders to improve recruitment and retention efforts across the division													HR, Finance

1. Strategic Plan and Organizational Structure

Operations cont.

EM&C, Ops, Vehicles, RE, Strategic Initiatives FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization			GOAL 2 Provide an Intuitive Experience			GOAL 3 Deliver a Seamless Transit Network			PARTNERS
Continue and enhance safety initiatives for employees and passengers										All Divisions & external stakeholders
Bring or maintain infrastructure and vehicles in a state of good repair. Activities: Progress state of good repair projects, including the projects of significance (Trolley Mod, M-4 Car Replacement)										Finance, Procurement, Government Affairs & external stakeholders
Enhance operational performance. Activities: Increase revenue vehicle availability for load line, Improve overall in-service vehicle reliability and cleanliness										Finance, Procurement, IT, Government Affairs
Develop data driven maintenance and capital renewal programs. Activities: Adopt better use of technology in infrastructure and vehicle inspection and maintenance										Finance, IT, Procurement
Enhance operating and capital cost-effectiveness, where appropriate										Finance, Procurement, Legal and IT
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

1. Strategic Plan and Organizational Structure

Operations cont.

EM&C, Ops, Vehicles, RE, Strategic Initiatives FY2022 Divisional Goals (cont.)																	
Cultivate ethics and integrity in the workplace.																	OTG
Fully engage employees at all levels throughout the organization.																	Finance, Human Resources, Communications
Provide an environment that will encourage increase in ridership levels in a post Covid 19 world. Activities: Continued improvement of the cleanliness of vehicles, stations and facilities including developing and implementing unified SOP's and measurable standards.																	All Divisions
Continue to monitor, evaluate and modify service schedules to best accommodate the needs of the region																	Finance, Planning, Government Affairs and external stakeholders
Implement strategies to recover from and prepare for extreme weather events																	Finance, Procurement, Legal and Government Affairs














































1. Strategic Plan and Organizational Structure

Operations cont.

Transit Police FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Engage in strategic thinking to address crime	     	   	 	OIG
Evaluate and reflect the needs of the Authority in enforcing order maintenance offenses	     	   	 	Customer Experience
Continue efforts to assist the vulnerable population	     	   	 	Ops
Move forward with replacing the RMS and initiating electronic report submission	     	 		IT
Initiate the Emergency Medical Technician concept	   			
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

1. Strategic Plan and Organizational Structure

Planning and Strategy

Planning & Strategic Initiatives FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Ensure that planning processes in SEPTA are transparent and engage internal and external stakeholders and focus on including diverse representation from across the region.	   			EM&C, Operations, Finance, P&GA, and 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.		  	       	EM&C, Operations, P&GA, Communications, and Legal
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, Operations, and P&GA
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, Communications, Customer Experience, Public & Government Affairs
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

—○ 1. Strategic Plan and Organizational Structure

Planning and Strategy cont.






















Planning & Strategic Initiatives FY2022 Divisional Goals (cont.)																			
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'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, Communications, and P&GA
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, Finance, P&GA, EEO, and Operations, Procurement

1. Strategic Plan and Organizational Structure

System Safety

System Safety FY 2022 Divisional Goals Summary	GOAL 1 Develop a Proactive Organization	GOAL 2 Provide an Intuitive Experience	GOAL 3 Deliver a Seamless Transit Network	PARTNERS
Establish a stronger organizational safety culture. Activities: <ul style="list-style-type: none"> Establish an Organizational Safety Improvement Council Establish an attitude based safety workshops for employees System Safety will continue to implement process audits of other divisions safety critical functions. Each Division to establish a formalized audit/quality control process to evaluate their own safety /process compliance Evaluate Enterprise Safety Management Software Applications Publish Monthly KPI report cards Interface Asset Management with Safety Conduct an employee Safety Culture Survey 				Operations, EM & C, Communications, Public & Gov't Affairs, PSCM, Finance, Police, Planning, Training, Medical, Legal (Claims/WC)
Progress Workforce Development Efforts. Activities: <ul style="list-style-type: none"> Support the Organization Safety Improvement Council (OSIC) and associated working groups Cross Train Staff to expand their safety knowledge Expose staff to collaborative team initiatives outside of their safety responsibilities (e.g., DEB, BASCSC, WIT). Provide Leadership Development Training to Staff Provide Opportunities for staff to obtain industry certifications (CSP, CIH, etc.) Incorporate succession planning and mentoring opportunities for staff. 				

System Safety cont.

System Safety FY2022 Divisional Goals (cont.)															
Support the Authorities Mission of a Diverse and Inclusive Organization. Activities: <ul style="list-style-type: none">• Support the DEB Council efforts• Continue to develop a highly talented, competent and diverse staff• Have staff attend at least one learning management training course that focuses on Diversity and Inclusion.															
															
Work Collaboratively inside and outside the Division to be more efficient and responsible in how we do business. Activities: <ul style="list-style-type: none">• Support the Authorities Accountability and Efficiency Program.• Provide Realistic deadlines and hold staff accountable when deadlines are not met.• 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.															
															
Develop and Publish SEPTA's Updated Sustainability Program. Activities: <ul style="list-style-type: none">• Support the SEPTA's Energy Management Program by helping reduce carbon emissions and waste generation.• Support the development of SEPTA's updated Sustainability Plan• 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/El stations.• Reduce chemical inventory and improve chemical management by working on chemical procurements, SDS management and complaint waste disposal processes															
															
Transformation Team															
Operations, Planning, Customer Service, Public & Gov't Affairs															








—○ 1. Strategic Plan and Organizational Structure

System Safety cont.

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1. Strategic Plan and Organizational Structure

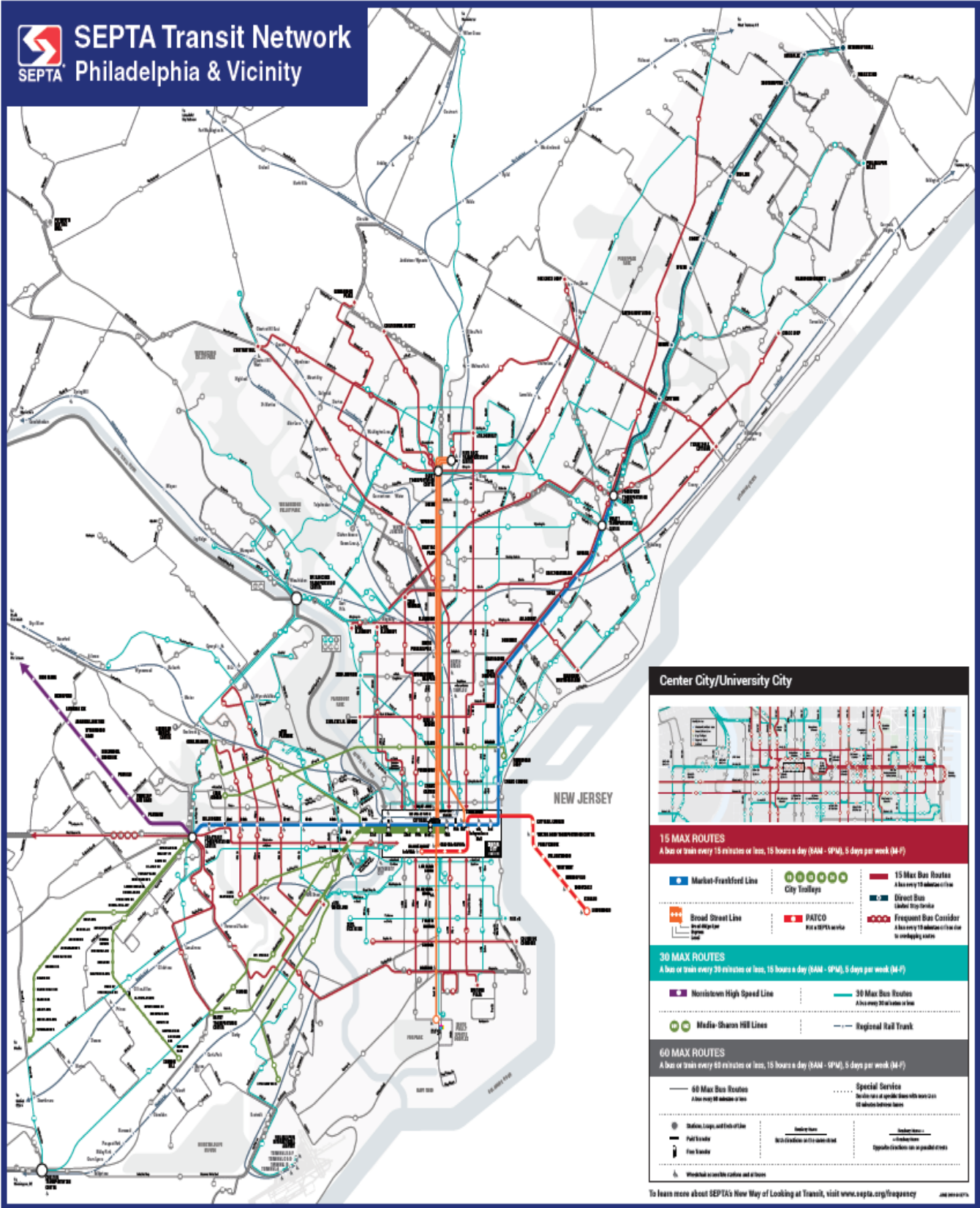
System Safety cont.

System Safety FY2022 Divisional Goals (cont.)									
Enhance our Safety Communication Platform to our SEPTA Employees and Riders. Activities: <ul style="list-style-type: none">• Develop a Quarterly Safety Newsletter for all employees.• 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 metric, trends and safety educational information.• Develop a process to let employees who submit safety concerns see the status of their concern.• 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.)									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; and
- 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 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; and/or 4) by U.S. mail to Director of Operating Budgets, 1234 Market Street, 9th 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

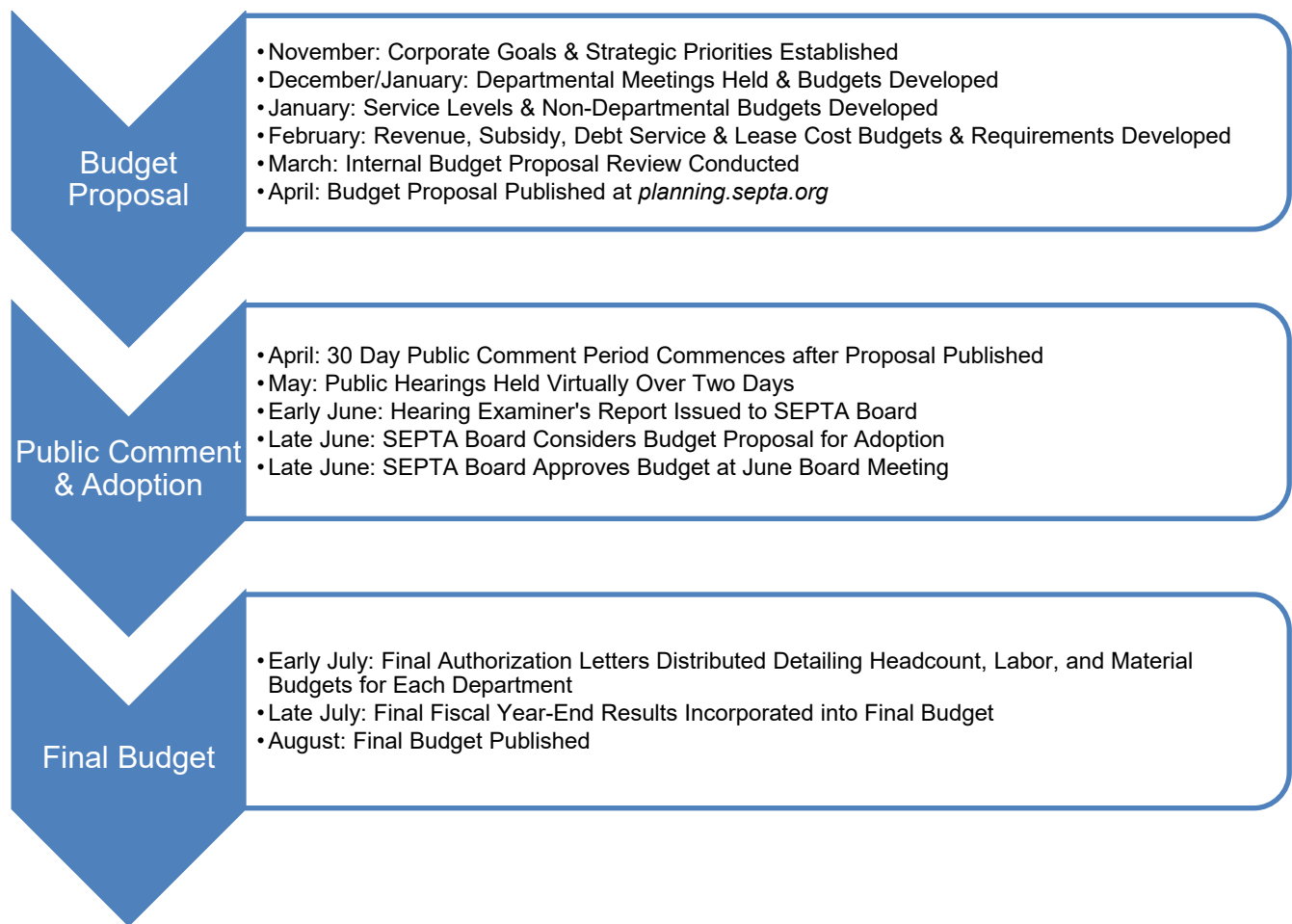
Following SEPTA Board approval at the June Board Meeting, Final Authorization Letters are distributed to each department detailing their authorized headcount, labor, and material for the upcoming fiscal year. The Letters contain a comparison of the differences between the current and upcoming fiscal 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 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 PROPOSAL	FY2024-FY2028 PROJECTIONS
SERVICE		<ul style="list-style-type: none"> - Transit: 96% of Pre-COVID (Bus, Subway/Elevated, Trolley, Trackless Trolley) - Regional Rail: 75% of Pre-COVID 	
REVENUE		<ul style="list-style-type: none"> - 3.1% increase from FY2022 budget (61% of Pre-COVID) - Based on the following linked passenger trips: Fixed Route – 119,583,000; Shared Ride – 358,410; ADA City – 285,214; ADA Suburban – 171,334 	<ul style="list-style-type: none"> - 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
EXPENSES	TOTAL	<ul style="list-style-type: none"> - 6.1% increase from FY2022 budget 	<ul style="list-style-type: none"> - Annualized growth of 2.2%
	LABOR & FRINGE	<ul style="list-style-type: none"> - 2.6% decrease from FY2022 budget, driven by historically high-number of vacancies as a share of budgeted headcount 	<ul style="list-style-type: none"> - Annualized growth of 2.6%, 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.
	MATERIALS & SERVICES	<ul style="list-style-type: none"> - 32.4% 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 	<ul style="list-style-type: none"> - 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
	INJURY & DAMAGE CLAIMS	<ul style="list-style-type: none"> - 19.0% increase from FY2022 budget, driven by increased insurance premiums and the processing of a backlog of claims from the COVID-19 pandemic 	<ul style="list-style-type: none"> - 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
	PROPULSION POWER	<ul style="list-style-type: none"> - 25.6% 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 	<ul style="list-style-type: none"> - 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 PROPOSAL	FY2024-FY2028 PROJECTIONS
EXPENSES cont.	FUEL	- 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
	VEHICLE & FACILITY RENTAL	- 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
	DEPRECIATION/ CONTRIBUTED CAPITAL	- 1.8% increase from FY2022	- Annualized growth of 3.0%
SUBSIDIES (PLEASE REFER TO THE "SUBSIDY ALLOCATION & DETAIL" SECTION FOR MORE INFORMATION)	FEDERAL	- \$360.0 million in one-time non-recurring American Recovery Plan (ARP) Act Operating Assistance, plus additional support for capital leases, debt service, and highway pass-through funds	- ARP Operating Assistance fully exhausted by the end of FY2024, with support for capital leases, debt service subsidy, and highway pass-through funds continuing thereafter
	STATE	- 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 ARP Operating Assistance
	LOCAL	- 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>Proposal</u>
REVENUE	
Passenger Revenue	\$ 265,567
Shared Ride Program	9,569
Other Income	40,495
Investment Income	<u>598</u>
TOTAL OPERATING REVENUE	\$ 316,229
EXPENSES	
Labor and Fringe Benefits	\$ 1,085,167
Material and Services	401,298
Injury and Damage Claims	28,795
Propulsion Power	31,188
Fuel	31,626
Vehicle and Facility Rentals	<u>8,200</u>
OPERATING EXPENSE	\$ 1,586,274
Depreciation/Contributed Capital	<u>\$ 24,260</u>
TOTAL EXPENSES	\$ 1,610,534
DEFICIT BEFORE SUBSIDY	<u>\$ (1,294,305)</u>
OPERATING SUBSIDY	
Federal	\$ 422,942
State	757,324
Local	108,646
Other	<u>5,393</u>
TOTAL SUBSIDY	\$ 1,294,305
SURPLUS/(DEFICIT)	<u>\$ -</u>

3. FY 2023 Assumptions, Consolidated Budget & Financial Projections

FY 2024 – FY 2028 FINANCIAL PROJECTIONS

TOTALS IN \$000s	PROPOSAL		PROJECTIONS			
	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
REVENUE						
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
TOTAL REVENUE	\$316,229	\$336,255	\$356,458	\$378,819	\$402,411	\$427,380
<i>Revenue % of Pre-COVID</i>	61%	65%	69%	73%	78%	83%
EXPENSES						
LABOR & FRINGE BENEFITS	\$1,085,167	\$1,113,751	\$1,143,113	\$1,173,274	\$1,204,258	\$1,239,959
MATERIALS & SERVICES	401,298	409,324	417,511	421,686	425,903	430,162
INJURY & DAMAGE CLAIMS	28,795	29,371	29,958	30,258	30,560	30,866
PROPULSION POWER	31,188	30,876	30,567	30,567	30,873	31,490
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
TOTAL EXPENSES	\$1,610,534	\$1,647,737	\$1,685,919	\$1,720,627	\$1,756,241	\$1,796,685
DEFICIT BEFORE SUBSIDIES	\$(1,294,305)	\$(1,311,482)	\$(1,329,461)	\$(1,341,808)	\$(1,353,829)	\$(1,369,306)
SUBSIDIES						
FEDERAL	\$422,942*	\$398,843*	\$59,151	\$59,964	\$96,988	\$98,265
STATE	757,324	794,221	1,105,769**	1,110,880**	819,995	822,282
LOCAL	108,646	113,827	159,905	161,382	158,087	160,001
OTHER	5,393	4,591	4,637	4,684	4,731	4,778
TOTAL SUBSIDY	\$1,294,305	\$1,311,482	\$1,329,461	\$1,336,910	\$1,079,801	\$1,085,326
SURPLUS/(DEFICIT)	\$-	\$-	\$-	\$(4,898)	\$(269,130)	\$(283,980)
NOTES	*FEDERAL RELIEF		**SERVICE STABILIZATION			

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 2022 remains uncertain at this time, the Federal relief funding will continue to help fulfill budget revenue shortfalls experienced next year.

4. Financial and Budgetary Policies

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 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.

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. The Note is unsecured and bears interest at the Daily LIBOR Rate plus a credit spread. The facility fee associated

4. Financial and Budgetary Policies

with the revolving line of credit varies depending upon the amount borrowed and outstanding during the one-year term. As of March 21, 2022, the Authority did not have an outstanding balance 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
TOTAL	\$54,664	\$234,950	\$289,614

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
TOTAL	\$2,397	\$239,500	\$241,897

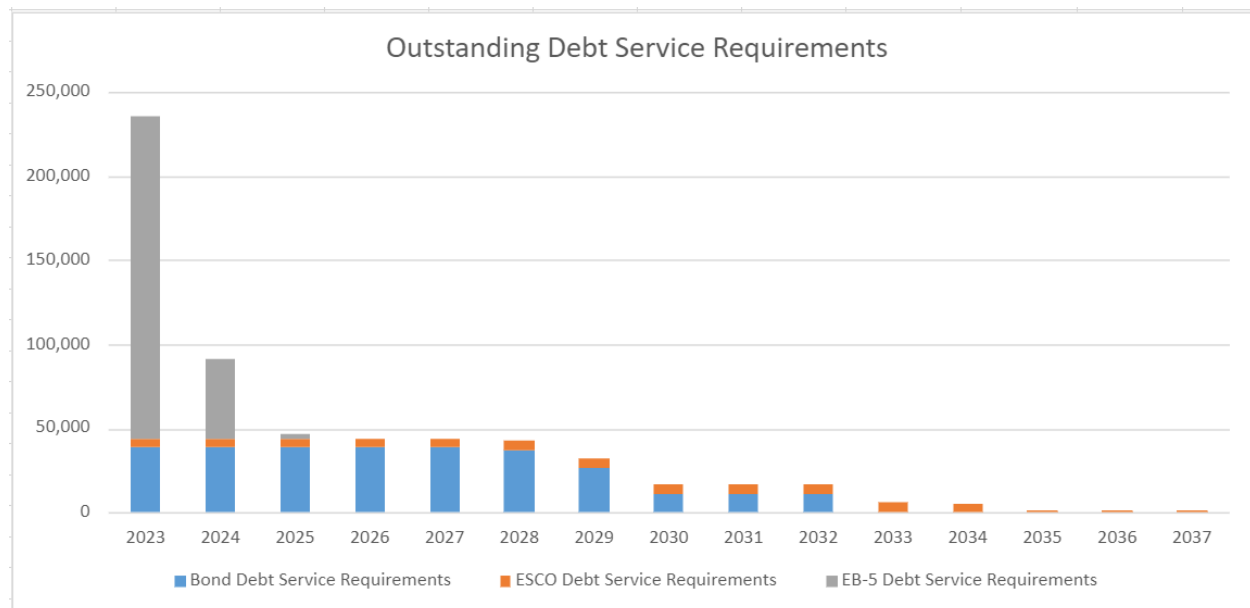
4. Financial and Budgetary Policies

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
TOTAL	\$11,386	\$55,194	\$66,579

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.

FY 2021 ACTUAL, FY 2022 BUDGET AND FY 2023 PROPOSAL			
STATEMENT OF CHANGES IN EQUITY			
Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposal
Contributed Capital:			
Balance at Beginning of Year	\$4,104,254	\$4,090,721	\$4,214,914
Capitalized Grant Property	396,606	558,290	580,622
Capitalized Grant Property - Retirements	(63,939)	(72,480)	(104,922)
Amortization	(410,139)	(433,655)	(444,532)
Amortization - Retirements	63,939	72,038	104,282
Contributed Capital Balance at End of Year	\$4,090,721	\$4,214,914	\$4,350,364
Operating Surplus/(Deficit):			
Accumulated Operating Surplus/(Deficit) at Beginning of Year	\$ (180,858)	\$ (180,377)	\$ (180,377)
Operating Surplus	808	-	-
Unrealized Investment Gain/(Loss)	(327)	-	-
Operating Surplus/(Deficit) After Unrealized Investment Gain/(Loss)	\$ 481	\$ -	\$ -
Accumulated Operating Deficit at End of Year	\$ (180,377)	\$ (180,377)	\$ (180,377)
Total Equity	\$3,910,344	\$4,034,537	\$4,169,987

* - Includes FY 2021 post closing adjustment to contributed capital of \$17,189,870

5. Three Year Comparison Fiscal Years 2021-2023

Amounts in thousands ('000)	Consolidated			FY 2023
	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposal	versus FY 2022
REVENUE				
Passenger Revenue	\$ 149,422	\$ 264,992	\$ 265,567	\$ 575
Shared Ride Program	5,627	9,569	9,569	-
Other Income	38,123	31,559	40,495	8,936
Investment Income	187	580	598	18
TOTAL OPERATING REVENUE	\$ 193,359	\$ 306,700	\$ 316,229	\$ 9,529
EXPENSES				
Labor and Fringe Benefits	\$ 1,005,858	\$ 1,114,639	\$ 1,085,167	\$ (29,472)
Materials and Services	270,590	302,396	401,298	98,902
Injury and Damage Claims	21,829	24,207	28,795	4,588
Propulsion Power	24,709	24,827	31,188	6,361
Fuel	20,919	18,968	31,626	12,658
Vehicle and Facility Rentals	7,215	7,562	8,200	638
OPERATING EXPENSE	\$ 1,351,120	\$ 1,492,599	\$ 1,586,274	\$ 93,675
Depreciation/Contributed Capital	\$ 23,079	\$ 23,839	\$ 24,260	\$ 421
TOTAL EXPENSES	\$ 1,374,199	\$ 1,516,438	\$ 1,610,534	\$ 94,096
DEFICIT BEFORE SUBSIDY	\$ (1,180,840)	\$ (1,209,738)	\$ (1,294,305)	\$ (84,567)
OPERATING SUBSIDY				
Federal	\$ 472,001	\$ 364,329	\$ 422,942	\$ 58,613
State	615,673	734,663	757,324	22,661
Local	88,755	106,245	108,646	2,401
Other	5,219	4,501	5,393	892
TOTAL SUBSIDY	\$ 1,181,648	\$ 1,209,738	\$ 1,294,305	\$ 84,567
SURPLUS/(DEFICIT)	\$ 808	\$ -	\$ -	\$ -

5. Three Year Comparison Fiscal Years 2021-2023

City Transit Division

Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposal	FY 2023 versus FY 2022
REVENUE				
Passenger Revenue	\$ 107,886	\$ 178,123	\$ 182,588	\$ 4,465
Shared Ride Program	5,627	9,569	9,569	-
Other Income	23,084	19,002	25,538	6,536
Investment Income	98	289	298	9
TOTAL OPERATING REVENUE	\$ 136,695	\$ 206,983	\$ 217,993	\$ 11,010
EXPENSES				
Labor and Fringe Benefits	\$ 697,580	\$ 764,294	\$ 741,924	\$ (22,370)
Materials and Services	140,119	150,015	225,236	75,221
Injury and Damage Claims	(15,470)	11,234	13,163	1,929
Propulsion Power	9,578	10,506	13,033	2,527
Fuel	15,925	14,372	23,674	9,302
Vehicle and Facility Rentals	5,187	5,594	6,235	641
OPERATING EXPENSE	\$ 852,919	\$ 956,015	\$ 1,023,265	\$ 67,250
Depreciation/Contributed Capital	\$ 14,678	\$ 15,583	\$ 15,864	\$ 281
TOTAL EXPENSES	\$ 867,597	\$ 971,598	\$ 1,039,129	\$ 67,531
DEFICIT BEFORE SUBSIDY	\$ (730,902)	\$ (764,615)	\$ (821,136)	\$ (56,521)
OPERATING SUBSIDY				
Federal	\$ 274,248	\$ 208,228	\$ 244,586	\$ 36,358
State	398,515	484,504	502,656	18,152
Local	57,640	70,474	72,297	1,823
Other	1,025	1,409	1,597	188
TOTAL SUBSIDY	\$ 731,428	\$ 764,615	\$ 821,136	\$ 56,521
SURPLUS/(DEFICIT)	\$ 526	\$ -	\$ -	\$ -

5. Three Year Comparison Fiscal Years 2021-2023

Victory Division

Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposal	FY 2023 versus FY 2022
REVENUE				
Passenger Revenue	\$ 10,644	\$ 17,622	\$ 13,913	\$ (3,709)
Shared Ride Program	-	-	-	-
Other Income	2,958	2,705	3,351	646
Investment Income	6	14	15	1
TOTAL OPERATING REVENUE	\$ 13,608	\$ 20,341	\$ 17,279	\$ (3,062)
EXPENSES				
Labor and Fringe Benefits	\$ 77,060	\$ 84,450	\$ 83,285	\$ (1,165)
Materials and Services	16,959	20,802	24,187	3,385
Injury and Damage Claims	1,502	1,092	1,147	55
Propulsion Power	1,159	1,212	1,508	296
Fuel	2,760	2,546	4,380	1,834
Vehicle and Facility Rentals	264	260	259	(1)
OPERATING EXPENSE	\$ 99,704	\$ 110,362	\$ 114,766	\$ 4,404
Depreciation/Contributed Capital	\$ 267	\$ 301	\$ 293	\$ (8)
TOTAL EXPENSES	\$ 99,971	\$ 110,663	\$ 115,059	\$ 4,396
DEFICIT BEFORE SUBSIDY	\$ (86,363)	\$ (90,322)	\$ (97,780)	\$ (7,458)
OPERATING SUBSIDY				
Federal	\$ 33,785	\$ 24,707	\$ 29,161	\$ 4,454
State	45,815	57,058	59,680	2,622
Local	6,825	8,557	8,939	382
Other	-	-	-	-
TOTAL SUBSIDY	\$ 86,425	\$ 90,322	\$ 97,780	\$ 7,458
SURPLUS/(DEFICIT)	\$ 62	\$ -	\$ -	\$ -

5. Three Year Comparison Fiscal Years 2021-2023

Frontier Division

Amounts in thousands ('000)	FY 2023 versus FY 2022			
	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposal	
REVENUE				
Passenger Revenue	\$ 2,916	\$ 4,466	\$ 3,810	\$ (656)
Shared Ride Program	-	-	-	-
Other Income	743	666	919	253
Investment Income	2	4	4	-
TOTAL OPERATING REVENUE	\$ 3,661	\$ 5,136	\$ 4,733	\$ (403)
EXPENSES				
Labor and Fringe Benefits	\$ 28,526	\$ 30,305	\$ 32,304	\$ 1,999
Materials and Services	4,130	5,506	5,355	(151)
Injury and Damage Claims	38	339	377	38
Propulsion Power	-	-	-	-
Fuel	1,869	1,700	2,946	1,246
Vehicle and Facility Rentals	80	80	80	-
OPERATING EXPENSE	\$ 34,643	\$ 37,930	\$ 41,062	\$ 3,132
Depreciation/Contributed Capital	\$ 59	\$ 72	\$ 65	\$ (7)
TOTAL EXPENSES	\$ 34,702	\$ 38,002	\$ 41,127	\$ 3,125
DEFICIT BEFORE SUBSIDY	\$ (31,041)	\$ (32,866)	\$ (36,394)	\$ (3,528)
OPERATING SUBSIDY				
Federal	\$ 11,656	\$ 8,852	\$ 10,448	\$ 1,596
State	16,306	20,309	21,990	1,681
Local	2,444	3,045	3,296	251
Other	658	660	660	-
TOTAL SUBSIDY	\$ 31,064	\$ 32,866	\$ 36,394	\$ 3,528
SURPLUS/(DEFICIT)	\$ 23	\$ -	\$ -	\$ -

5. Three Year Comparison Fiscal Years 2021-2023

Regional Rail Division

Amounts in thousands ('000)	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposal	FY 2023 versus FY 2022
REVENUE				
Passenger Revenue	\$ 27,976	\$ 64,781	\$ 65,256	\$ 475
Shared Ride Program	-	-	-	-
Other Income	11,338	9,186	10,687	1,501
Investment Income	81	273	281	8
TOTAL OPERATING REVENUE	\$ 39,395	\$ 74,240	\$ 76,224	\$ 1,984
EXPENSES				
Labor and Fringe Benefits	\$ 202,692	\$ 235,590	\$ 227,654	\$ (7,936)
Materials and Services	109,382	126,073	146,520	20,447
Injury and Damage Claims	35,759	11,542	14,108	2,566
Propulsion Power	13,972	13,109	16,647	3,538
Fuel	365	350	626	276
Vehicle and Facility Rentals	1,684	1,628	1,626	\$ (2)
OPERATING EXPENSE	\$ 363,854	\$ 388,292	\$ 407,181	\$ 18,889
Depreciation/Contributed Capital	\$ 8,075	\$ 7,883	\$ 8,038	\$ 155
TOTAL EXPENSES	\$ 371,929	\$ 396,175	\$ 415,219	\$ 19,044
DEFICIT BEFORE SUBSIDY	\$ (332,534)	\$ (321,935)	\$ (338,995)	\$ (17,060)
OPERATING SUBSIDY				
Federal	\$ 152,312	\$ 122,542	\$ 138,747	\$ 16,205
State	155,037	172,792	172,998	206
Local	21,846	24,169	24,114	(55)
Other	3,536	2,432	3,136	704
TOTAL SUBSIDY	\$ 332,731	\$ 321,935	\$ 338,995	\$ 17,060
SURPLUS/(DEFICIT)	\$ 197	\$ -	\$ -	\$ -

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.

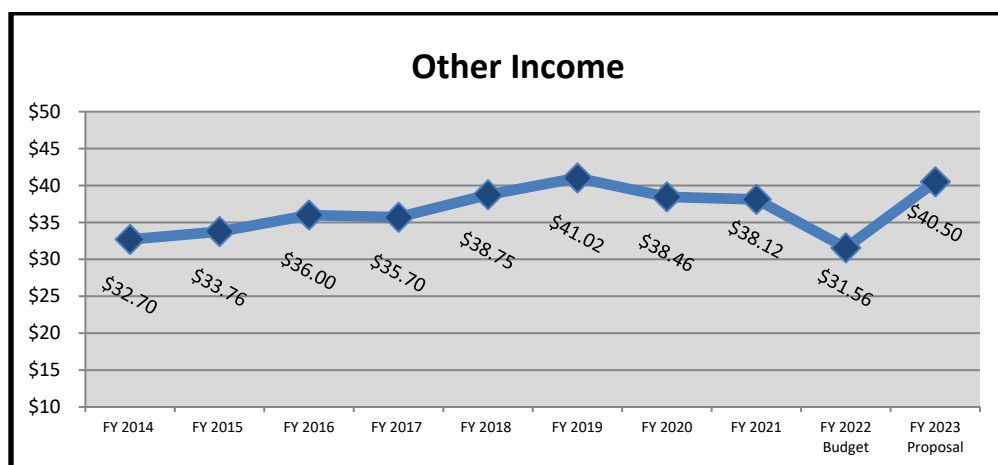
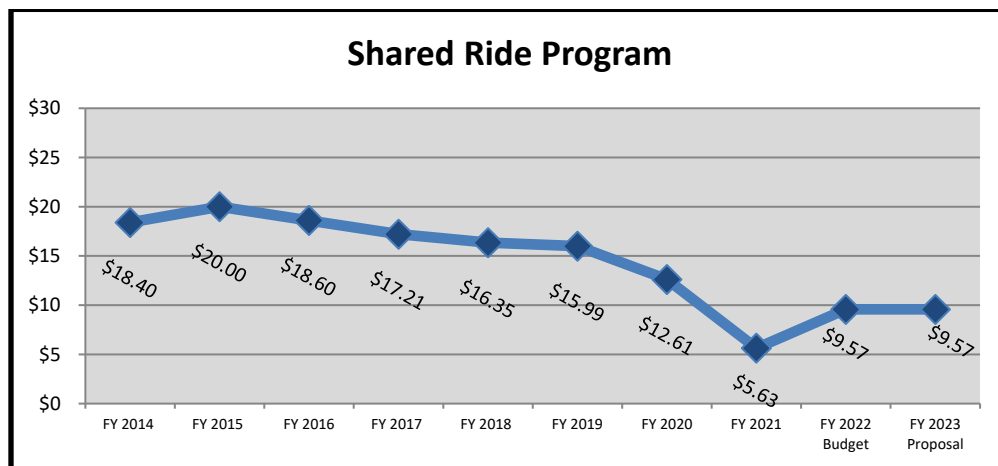
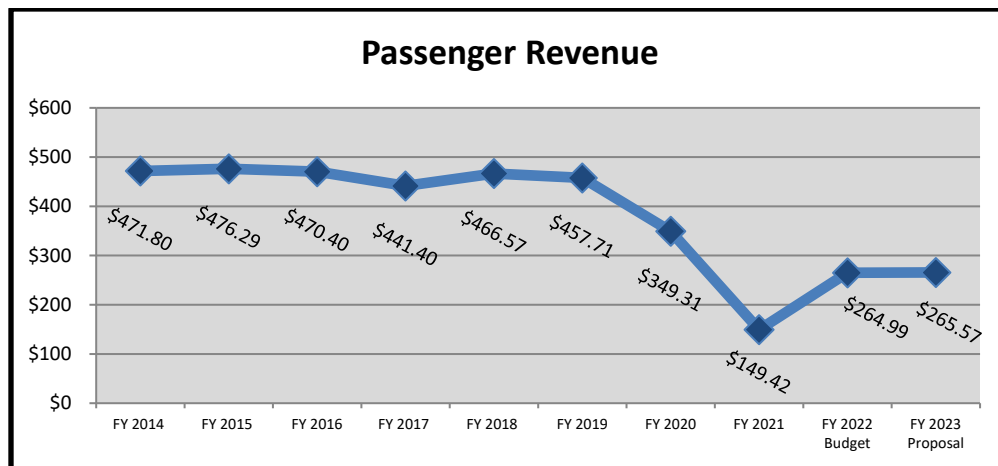
The FY 2023 Operating Budget includes route changes that are already in place experimentally that are being made permanent through virtual public hearings. These include Routes 3, 14, 40, 70, 95, 110, 111, 114 and 117. Some of these changes were required due to property access constraints that were outside 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:

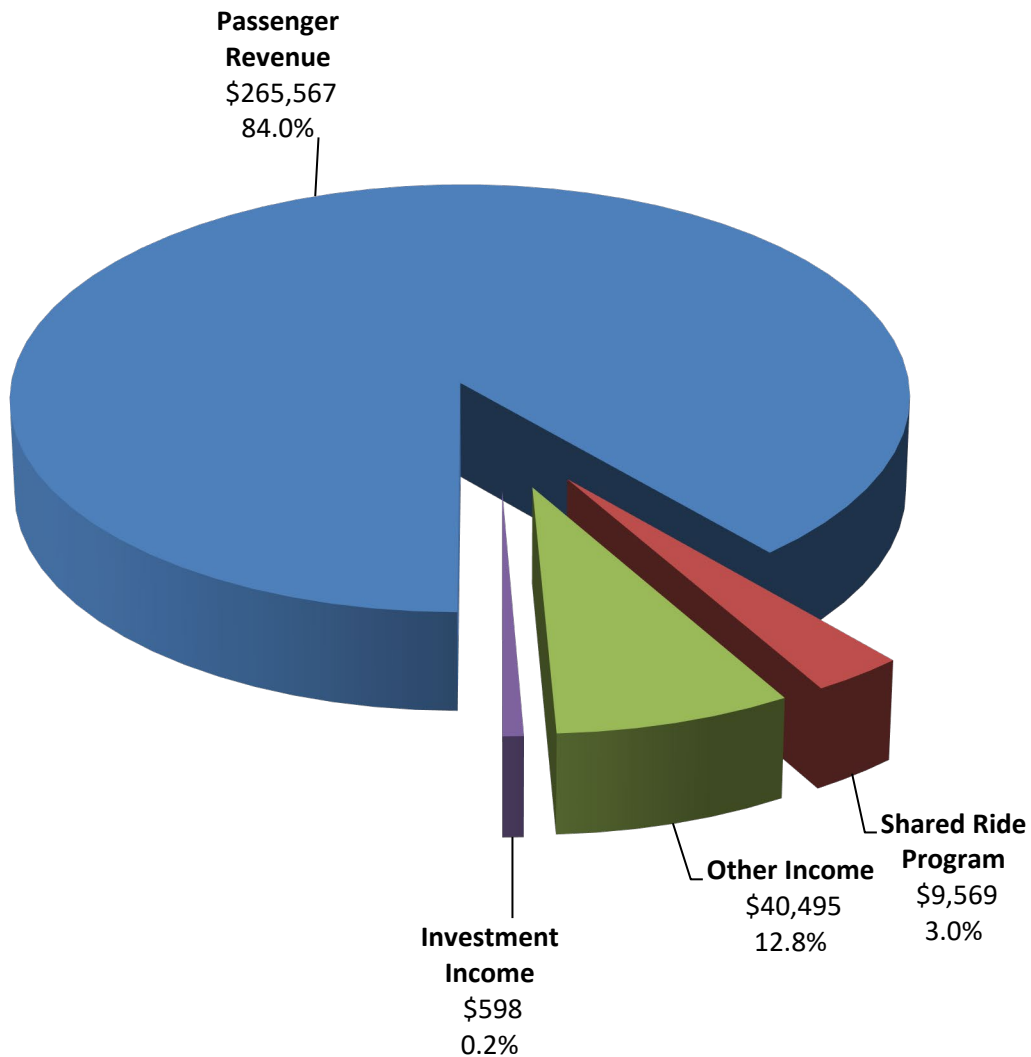
Amounts in Millions



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 aforementioned relief acts; 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%
Total	100%

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. SEPTA's debt service expenses and some lease costs are funded through the Capital Program. 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 <u>Transit</u>	<u>Victory</u>	<u>Frontier</u>	Regional <u>Rail</u>
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%
Total	100.00%	100.00%	100.00%	100.00%

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>
Total	100%

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

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, Fiscal Year 2026, and a portion of Fiscal Year 2027 before it too is projected to expire.

7. Detail of Revenue and Subsidies

DETAIL OF SUBSIDIES

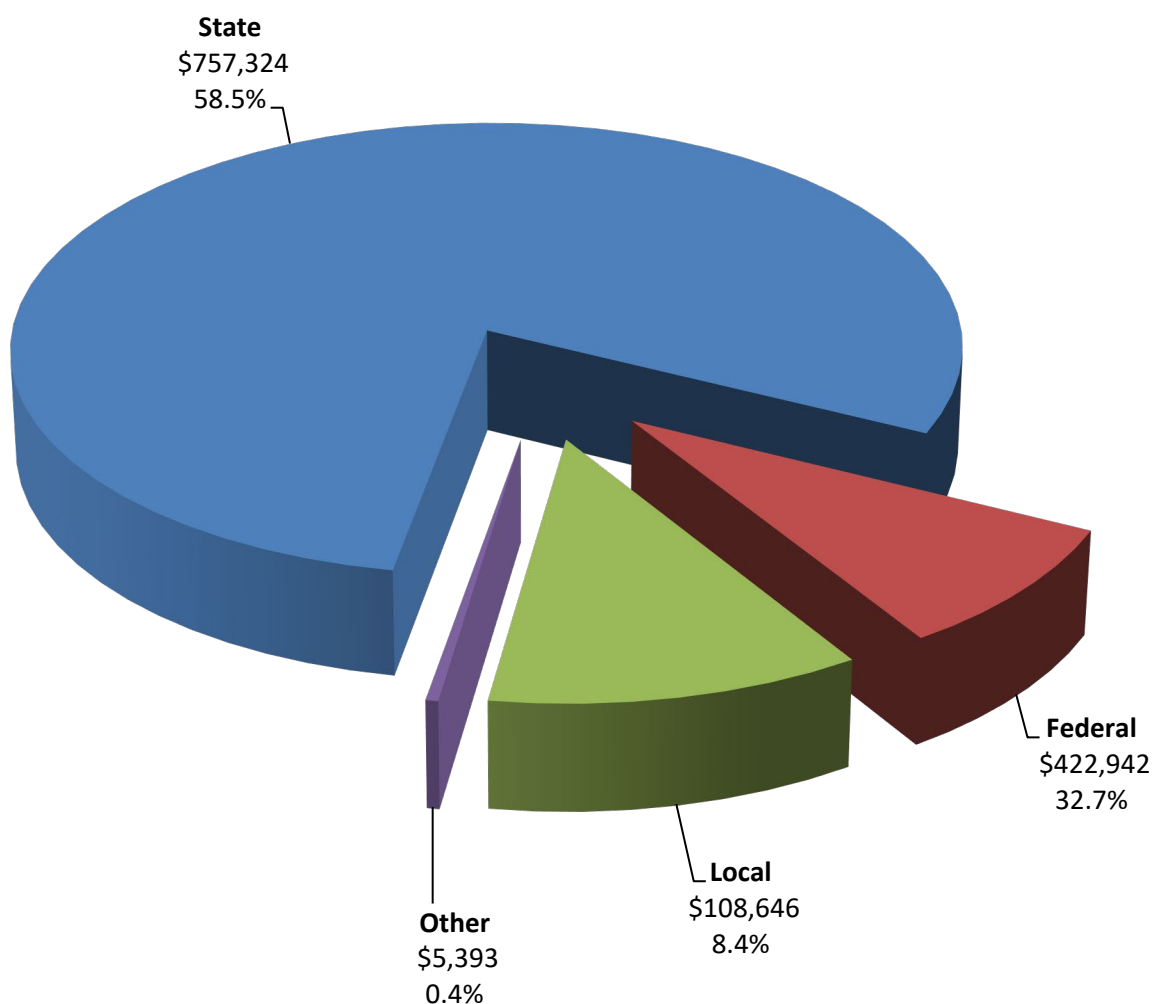
	Amounts in thousands ('000)				
	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Federal					
Relief Funding (CARES/CRRSA/ARPA)	\$ 240,580	\$ 29,161	\$ 10,448	\$ 79,811	\$ 360,000
Relief Funding re:Amtrak Leases	-	-	-	54,967	54,967
Capital Lease Subsidy				639	639
Debt Service / Highway Pass Through Subsidy	4,006	-	-	3,330	7,336
Subtotal Federal	\$ 244,586	\$ 29,161	\$ 10,448	\$ 138,747	\$ 422,942
State					
Operating Subsidy - (Section 1513)	\$ 476,155	\$ 59,579	\$ 21,968	\$ 157,179	\$ 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 Lease Subsidy- (Section 1514)				154	154
Match - Capital Debt Service Subsidy- (Section 1514)	872	-	-	806	1,678
Subtotal State	\$ 502,656	\$ 59,680	\$ 21,990	\$ 172,998	\$ 757,324
Local	\$ 72,297	\$ 8,939	\$ 3,296	\$ 24,114	\$ 108,646
(Please see subsequent pages for Detail by County)					
Other - Route Guarantees	\$ 1,597	\$ -	\$ 660	\$ 3,136	\$ 5,393
TOTAL SUBSIDY	\$ 821,136	\$ 97,780	\$ 36,394	\$ 338,995	\$ 1,294,305

7. Detail of Revenue and Subsidies

SUMMARY OF OPERATING SUBSIDIES

TOTAL SUBSIDIES = \$1,294,305

In Thousands



7. Detail of Revenue and Subsidies

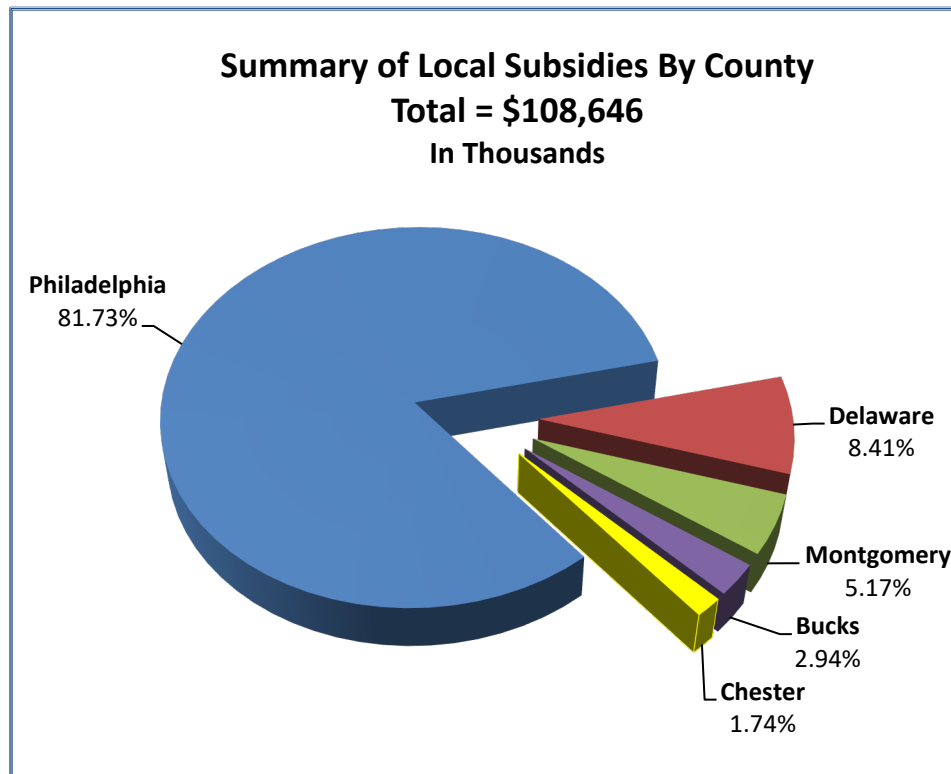
DETAIL OF LOCAL SUBSIDIES AND OTHER BY COUNTY

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Base PA Trust Fund Local Match					
Bucks	\$ 192	\$ -	\$ 1,220	\$ 1,391	\$ 2,803
Chester	-	146	560	1,014	1,720
Delaware	-	6,280	-	2,075	8,355
Montgomery	178	875	1,516	2,593	5,162
Philadelphia	71,053	-	-	16,504	87,557
Subtotal	\$ 71,423	\$ 7,301	\$ 3,296	\$ 23,577	\$ 105,597
Suburban Paratransit Local Match					
Bucks	\$ -	\$ 360	\$ -	\$ -	\$ 360
Chester	-	147	-	-	147
Delaware	-	732	-	-	732
Montgomery	-	396	-	-	396
Philadelphia	-	-	-	-	-
Subtotal	\$ -	\$ 1,635	\$ -	\$ -	\$ 1,635
Total Trust Fund Local Subsidy					
Bucks	\$ 192	\$ 360	\$ 1,220	\$ 1,391	\$ 3,163
Chester	-	293	560	1,014	1,867
Delaware	-	7,012	-	2,075	9,087
Montgomery	178	1,271	1,516	2,593	5,558
Philadelphia	71,053	-	-	16,504	87,557
Total Trust Fund Local Subsidy	\$ 71,423	\$ 8,936	\$ 3,296	\$ 23,577	\$ 107,232
Local Debt Service Subsidy					
Bucks	\$ 3	\$ -	\$ -	\$ 31	\$ 34
Chester	-	-	-	23	23
Delaware	-	1	-	46	47
Montgomery	3	-	-	58	61
Philadelphia	844	-	-	368	1,212
Subtotal	\$ 850	\$ 1	\$ -	\$ 526	\$ 1,377
Local Lease Cost Subsidy					
Bucks	\$ -	\$ -	\$ -	\$ -	\$ -
Chester	-	-	-	-	-
Delaware	-	2	-	2	4
Montgomery	-	-	-	2	2
Philadelphia	24	-	-	7	31
Subtotal	\$ 24	\$ 2	\$ -	\$ 11	\$ 37
Total Debt Service Subsidy	\$ 874	\$ 3	\$ -	\$ 537	\$ 1,414
Total Local Subsidy Required	\$ 72,297	\$ 8,939	\$ 3,296	\$ 24,114	\$ 108,646
Total Other Route Guarantees	\$ 1,597	\$ -	\$ 660	\$ 3,136	\$ 5,393

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>
Total Local Subsidy					
Bucks	\$ 195	\$ 360	\$ 1,220	\$ 1,422	\$ 3,197
Chester	-	293	560	1,037	1,890
Delaware	-	7,015	-	2,123	9,138
Montgomery	181	1,271	1,516	2,653	5,621
Philadelphia	<u>71,921</u>	<u>-</u>	<u>-</u>	<u>16,879</u>	<u>88,800</u>
Subtotal	\$ 72,297	\$ 8,939	\$ 3,296	\$ 24,114	\$ 108,646



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

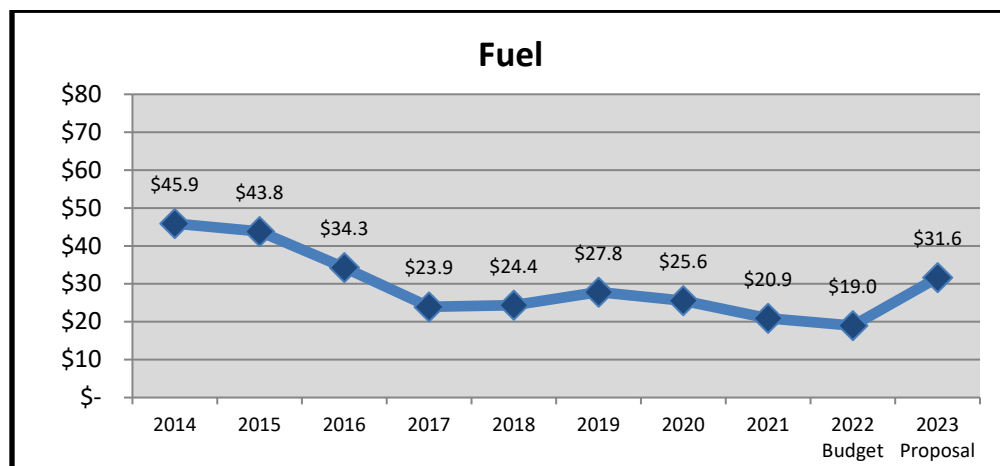
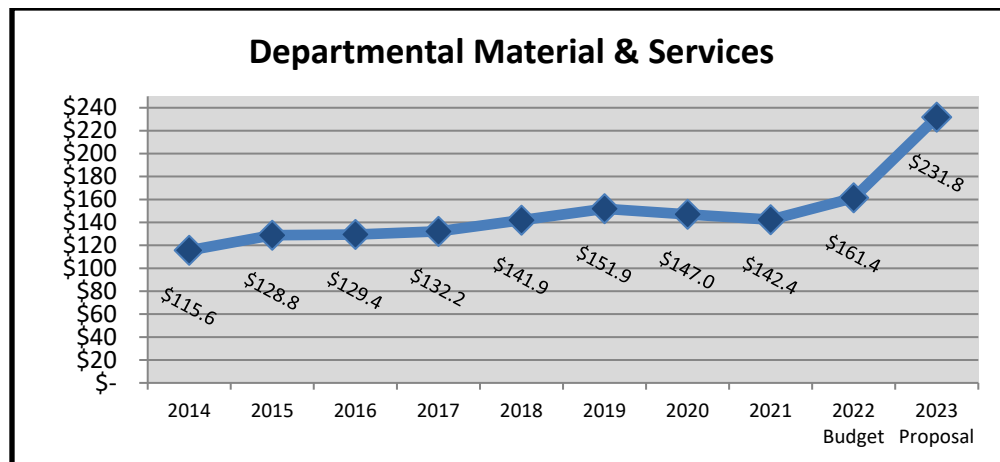
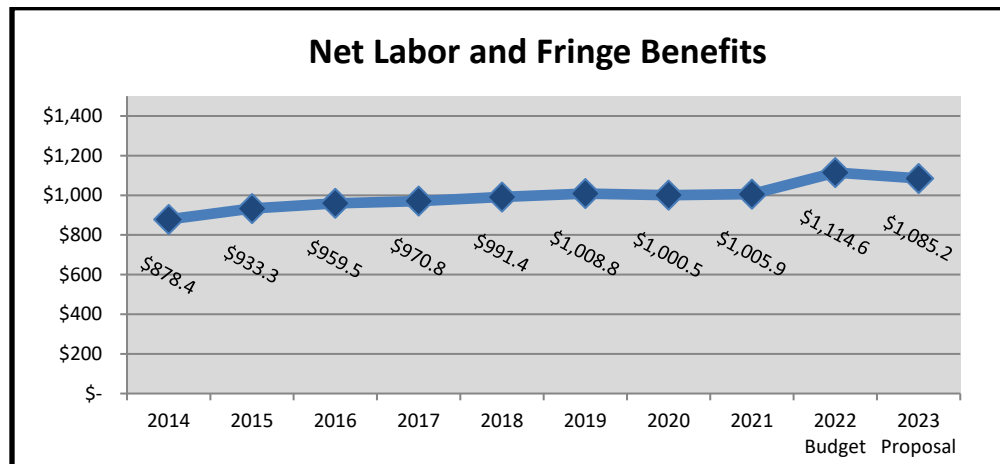
Total Trust Fund Local Subsidy (15% Match of Section 1513)	\$ 107,232
Total Local Lease Cost Subsidy	37
Debt Service Subsidy Local Match	<u>1,377</u>
Total Local Subsidy Required	<u>\$ 108,646</u>

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:

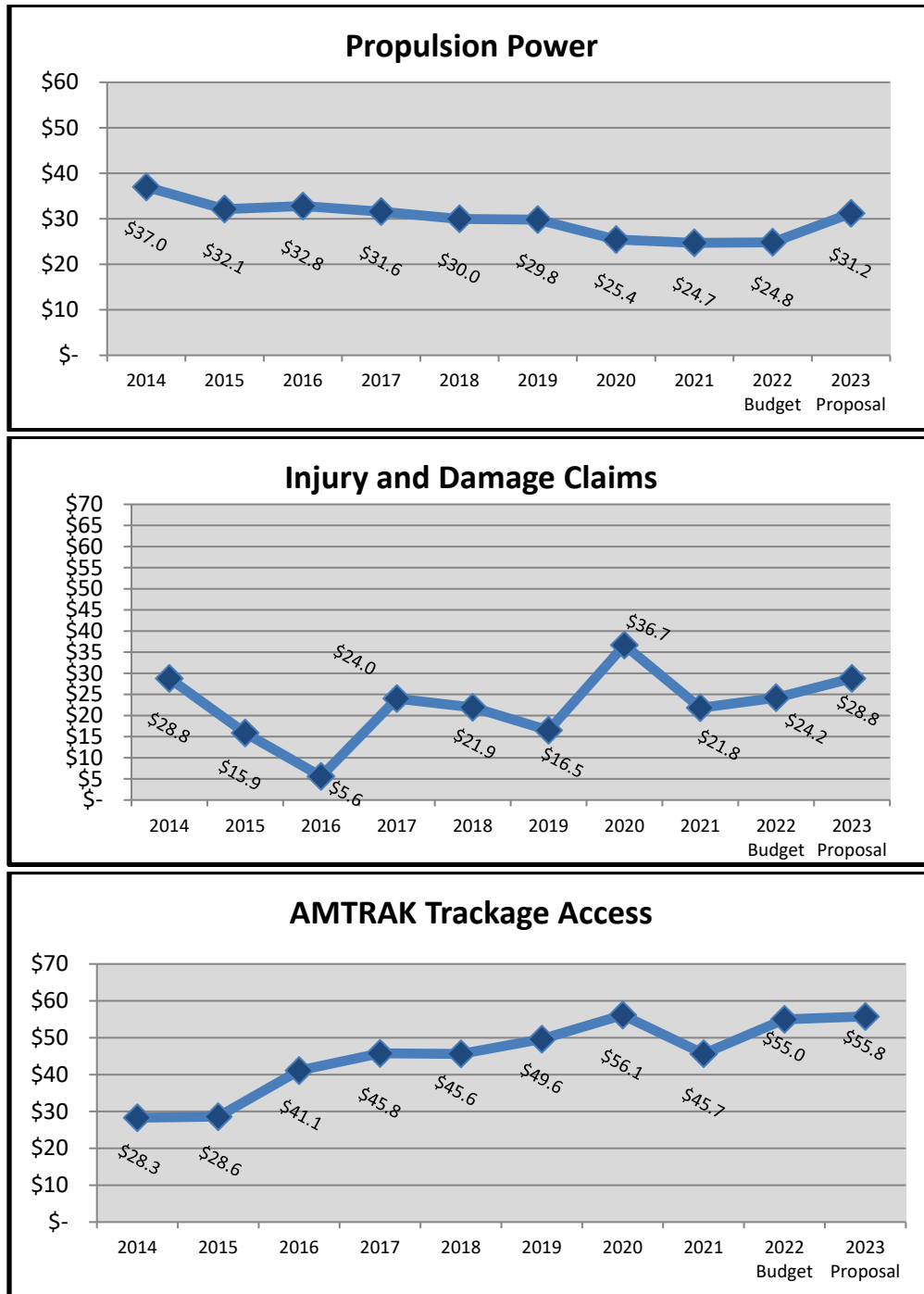
Amounts in Millions



8. Detail of Expenses

TEN YEAR EXPENSE TRENDS cont.

Amounts in Millions

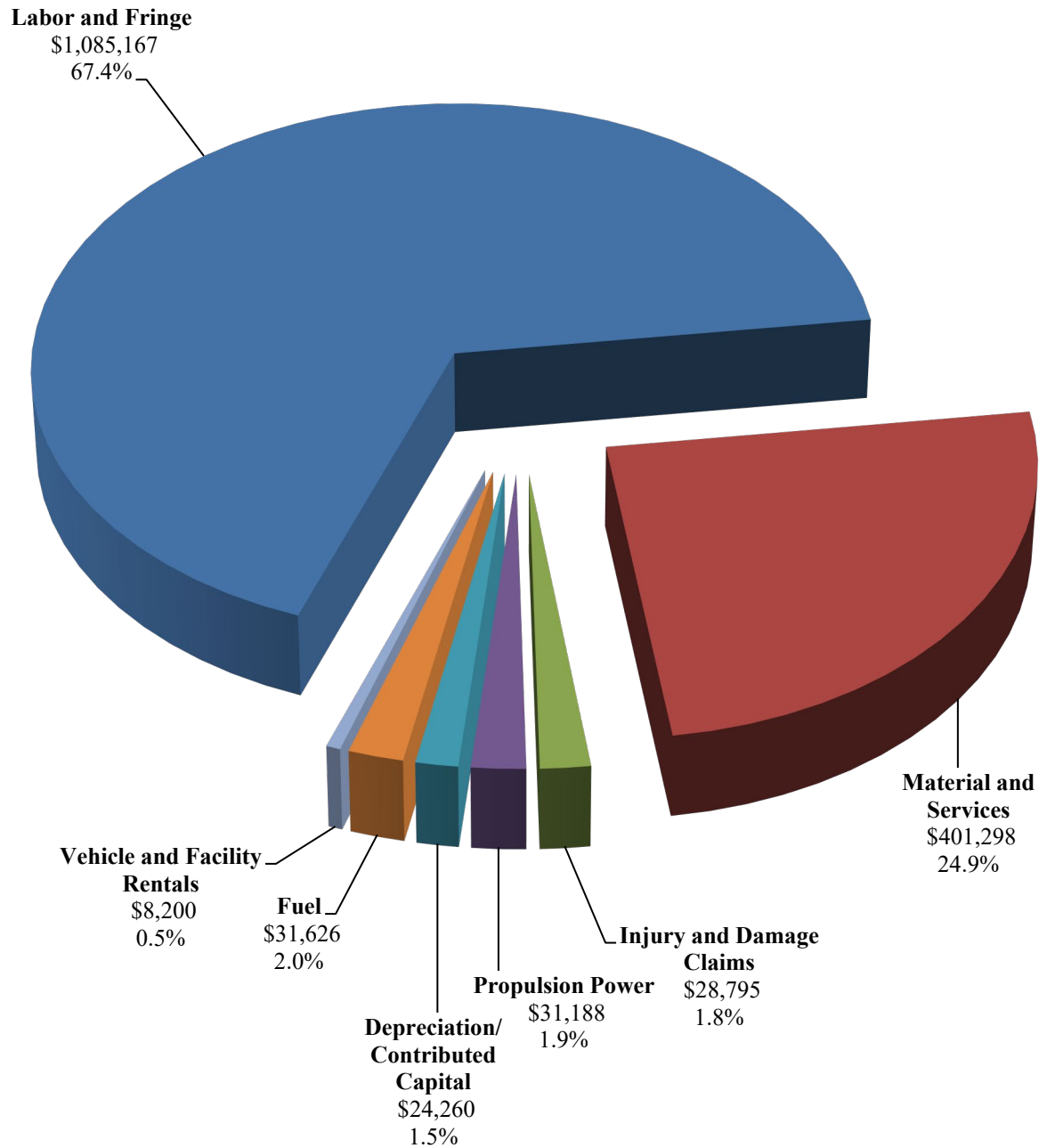


8. Detail of Expenses

SUMMARY OF OPERATING EXPENSES

TOTAL OPERATING EXPENSES = \$1,610,534

In Thousands



8. Detail of Expenses

FY 2023 BUDGET PROPOSAL IN 000'S*

Division/Departmental Expenses	Labor and Fringe	Material and Services	Total
OPERATIONS			
Administration And Finance	\$ 4,509	\$ 412	\$ 4,921
Control Center	9,940	218	10,158
Surface Transportation	230,684	697	231,381
Subway-Elevated Transportation	55,845	1,272	57,117
Regional Rail Transportation	65,259	7,992	73,251
Customized Community Transportation (CCT)	9,580	5,150	14,730
Bus / Rail Operations & Vehicles	129,918	52,033	181,951
Maintenance Of Way	54,967	18,897	73,864
Bridges And Buildings	30,354	47,362	77,716
Transit Police Department	24,144	11,028	35,172
Total Operations	\$ 615,200	\$ 145,061	\$ 760,261
Finance	\$ 36,345	\$ 37,544	\$ 73,889
Planning & Strategy	\$ 4,896	\$ 10,041	\$ 14,937
Human Resources	\$ 18,511	\$ 3,986	\$ 22,497
Office Of General Counsel	\$ 18,395	\$ 37,525	\$ 55,920
Office Of Inspector General	\$ 2,627	\$ 106	\$ 2,733
System Safety	\$ 2,163	\$ 968	\$ 3,131
Equity & Inclusion	\$ 669	\$ 73	\$ 742
Corporate Staff	\$ 12,855	\$ 4,649	\$ 17,504
Capital Labor Allocation/Rental Reclassification	(23,634)	(8,200)	(31,834)
Total Departmental Expenses	\$ 688,027	\$ 231,753	\$ 919,780
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	\$ 397,140	\$ -	\$ 397,140
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	-	8,483	8,483
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	-	(3,202)	(3,202)
Total Non-Departmental Expenses	\$ 397,140	\$ 169,545	\$ 566,685
OTHER OPERATING EXPENSES			
Injury and Damage Claims	\$ -	\$ 28,795	\$ 28,795
Propulsion Power	-	31,188	31,188
Fuel	-	31,626	31,626
Vehicle and Facility Rentals	-	8,200	8,200
Depreciation/Contributed Capital	-	24,260	24,260
Total Other Expenses	\$ -	\$ 124,069	\$ 124,069
TOTAL EXPENSES	\$ 1,085,167	\$ 525,367	\$ 1,610,534

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

8. Detail of Expenses

FY 2023 BUDGET PROPOSAL ALLOCATION BY COMPANY IN 000'S*

Division/Departmental Expenses	Headquarters 1100	City Transit 2100	Victory 2200	Frontier 2300	Railroad 3100	Total
OPERATIONS						
Administration And Finance	\$ 3,293	\$ 1,282	\$ 56	\$ -	\$ 290	\$ 4,921
Control Center	452	4,417	377	-	4,912	10,158
Surface Transportation	-	181,959	34,497	14,925	-	231,381
Subway-Elevated Transportation	-	57,117	-	-	-	57,117
Regional Rail Transportation	-	-	-	-	73,251	73,251
Customized Community Transportation (CCT)	12,102	1,416	-	1,212	-	14,730
Bus / Rail Operations & Vehicles	201	128,559	11,900	5,714	35,577	181,951
Maintenance Of Way	19	43,428	4,788	-	25,629	73,864
Bridges And Buildings	1,361	66,091	2,669	10	7,585	77,716
Transit Police Department	35,172	-	-	-	-	35,172
Total Operations	\$ 52,600	\$ 484,269	\$ 54,287	\$ 21,861	\$ 147,244	\$ 760,261
Finance	\$ 58,223	\$ 650	\$ -	\$ -	\$ 15,016	\$ 73,889
Planning & Strategy	\$ 13,927	\$ 3	\$ 5	\$ -	\$ 1,002	\$ 14,937
Human Resources	\$ 14,550	\$ 4,445	\$ 479	\$ 155	\$ 2,868	\$ 22,497
Office Of General Counsel	\$ 45,162	\$ 7,521	\$ 301	\$ 181	\$ 2,755	\$ 55,920
Office Of Inspector General	\$ 2,733	\$ -	\$ -	\$ -	\$ -	\$ 2,733
System Safety	\$ 3,131	\$ -	\$ -	\$ -	\$ -	\$ 3,131
Equity & Inclusion	\$ 707	\$ 35	\$ -	\$ -	\$ -	\$ 742
Corporate Staff	\$ 17,431	\$ -	\$ -	\$ -	\$ 73	\$ 17,504
Capital Labor Allocation/Rental Reclassification	(22,778)	(6,802)	(307)	(103)	(1,844)	(31,834)
Headquarters Allocation	(185,686)	134,938	13,147	4,048	33,553	-
Total Departmental Expenses	\$ -	\$ 625,059	\$ 67,912	\$ 26,142	\$ 200,667	\$ 919,780
NON-DEPARTMENTAL EXPENSES						
Fringe Benefits	\$ 63,618	\$ 231,646	\$ 21,888	\$ 9,558	\$ 70,430	\$ 397,140
Amtrak	-	-	-	-	55,765	55,765
CCT - ADA Services	-	13,505	10,932	-	-	24,437
CCT - Shared Ride Program	-	16,521	-	-	-	16,521
Debt Service Interest and Fees	742	11,273	148	51	21,127	33,341
Property Insurance/Other Claims Payouts, Net	4,287	2,668	280	40	1,208	8,483
Services for Headquarters' Building	6,282	-	-	-	-	6,282
Snow Removal and Other Weather Related Expenses	-	-	-	-	5,650	5,650
Utilities	6,673	9,200	751	149	5,495	22,268
Capitalized Costs and Other	(3,074)	222	1	7	(358)	(3,202)
Headquarters Allocation	(78,528)	57,066	5,560	1,712	14,190	-
Total Non-Departmental Expenses	\$ -	\$ 342,101	\$ 39,560	\$ 11,517	\$ 173,507	\$ 566,685
OTHER OPERATING EXPENSES						
Injury and Damage Claims	-	13,163	1,147	377	14,108	28,795
Propulsion Power	-	13,033	1,508	-	16,647	31,188
Fuel	-	23,674	4,380	2,946	626	31,626
Vehicle and Facility Rentals	-	6,235	259	80	1,626	8,200
Depreciation/Contributed Capital	-	15,864	293	65	8,038	24,260
Total Other Expenses	\$ -	\$ 71,969	\$ 7,587	\$ 3,468	\$ 41,045	\$ 124,069
TOTAL EXPENSES	\$ -	\$ 1,039,129	\$ 115,059	\$ 41,127	\$ 415,219	\$ 1,610,534

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

8. Detail of Expenses

FY 2022 BUDGET EXPENSES IN 000'S

Division/Departmental Expenses	Labor and Fringe	Material and Services	Total
OPERATIONS			
Administration and Analysis	\$ 992	\$ 1,690	\$ 2,682
Control Center	9,698	154	9,852
Customized Community Transportation	9,522	6,132	15,654
AGM Staff	1,195	10	1,205
Rail Transportation-Subway-Elevated	57,115	1,193	58,308
Rail Transportation - Regional Rail	71,313	7,576	78,889
Surface Transportation	224,982	971	225,953
Vehicle Equipment Maintenance	124,166	44,532	168,698
Total Operations	\$ 498,983	\$ 62,258	\$ 561,241
DGM Operations, EMC, & Vehicles	\$ 5,928	\$ 7,814	\$ 13,742
Engineering, Maintenance & Construction	\$ 82,596	\$ 22,829	\$ 105,425
Transit Police	\$ 21,472	\$ 4,236	\$ 25,708
STAFF DEPARTMENTS			
Audit and Investigative Services	\$ 2,255	\$ 31	\$ 2,286
Corporate Staff	3,104	335	3,439
Communications	7,594	1,093	8,687
Deputy General Manager/Treasurer Administration	863	19	882
Finance	23,210	19,137	42,347
Planning and Strategic Initiatives	4,164	4,169	8,333
Human Resources	16,622	1,979	18,601
Information Technology	6,684	11,082	17,766
New Payment Technologies	128	11,711	11,839
Office of General Counsel	9,309	14,711	24,020
Procurement, Supply Chain & DBE	11,028	373	11,401
Public and Government Affairs	1,594	4,099	5,693
System Safety	2,038	974	3,012
Total Staff Departments	\$ 88,593	\$ 69,713	\$ 158,306
Capital Labor Allocation/Rental Reclassification	13,756	(7,562)	6,194
Total Departmental Expenses	\$ 711,328	\$ 159,288	\$ 870,616
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	\$ 403,311	\$ -	\$ 403,311
Amtrak	-	54,984	54,984
CCT - ADA Services	-	22,172	22,172
CCT - Shared Ride Program	-	15,686	15,686
Debt Service Interest and Fees	-	14,955	14,955
Property Insurance/Other Claims Payouts, Net	-	6,598	6,598
Services for Headquarters' Building	-	5,781	5,781
Snow Removal and Other Weather Related Expenses	-	5,650	5,650
Utilities	-	18,888	18,888
Capitalized Costs and Other	-	(1,606)	(1,606)
Total Non-Departmental Expenses	\$ 403,311	\$ 143,108	\$ 546,419
OTHER OPERATING EXPENSES			
Injury and Damage Claims	-	\$ 24,207	\$ 24,207
Propulsion Power	-	24,827	24,827
Fuel	-	18,968	18,968
Vehicle and Facility Rentals	-	7,562	7,562
Depreciation/Contributed Capital	-	23,839	23,839
Total Other Expenses	\$ -	\$ 99,403	\$ 99,403
TOTAL EXPENSES	\$ 1,114,639	\$ 401,799	\$ 1,516,438

8. Detail of Expenses

FY 2021 ACTUAL EXPENSES IN 000'S

Division/Departmental Expenses	Labor and Fringe	Material and Services	Total
OPERATIONS			
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
Total Operations	\$ 459,911	\$ 54,668	\$ 514,579
DGM Operations, EMC, & Vehicles	\$ 5,582	\$ 6,356	\$ 11,938
Engineering, Maintenance & Construction	\$ 78,050	\$ 21,774	\$ 99,824
Transit Police	\$ 20,080	\$ 1,508	\$ 21,588
STAFF DEPARTMENTS			
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
Total Staff Departments	\$ 78,778	\$ 65,257	\$ 144,035
Capital Labor Allocation/Rental Reclassification	(5,624)	(7,214)	(12,838)
Total Departmental Expenses	\$ 636,777	\$ 142,349	\$ 779,126
NON-DEPARTMENTAL EXPENSES			
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)
Total Non-Departmental Expenses	\$ 369,081	\$ 128,242	\$ 497,323
OTHER OPERATING EXPENSES			
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
Total Other Expenses	\$ -	\$ 97,750	\$ 97,750
TOTAL EXPENSES	\$ 1,005,858	\$ 368,341	\$ 1,374,199

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:

Management	Supervisory, administrative, and management employees.
Clerical	Unionized clerical, storeroom and customer service agent employees.
Maintenance Transportation, or Cashiers	Unionized maintenance and transportation employees, cashiers, and police officers.
Capital	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
Administration and Finance	37	1	5	-	-	43
Control Center	91	11	-	4	0	106
Surface Transportation	184	20	-	2,695	0	2,899
Subway-Elevated Transportation	101	3	263	175	305	847
Regional Rail Transportation	74	41	5	660	-	780
Customized Community Transportation (CCT)	86	-	-	24	-	110
Bus / Rail Operations & Vehicles	205	38	1598	-	-	1841
Maintenance of Way	102	56	540	-	-	698
Bridges and Buildings	95	11	313	-	-	419
Transit Police Department	65	-	139	-	-	204
Total Operations	1,040	181	2,863	3,558	305	7,947
Corporate Staff	68	64	2	-	-	134
Equity and Inclusion	6	-	-	-	-	6
Finance	278	136	53	-	-	467
Human Resources	179	16	5	-	-	200
Office of General Counsel	175	27	-	-	-	202
Office of Inspector General	24	-	3	-	-	27
Planning and Strategy	52	12	-	-	-	64
System Safety	24	-	-	-	-	24
Total Headcount	1,846	436	2,926	3,558	305	9,071

FISCAL YEAR 2023 CAPITAL HEADCOUNT

CAPITAL HEADCOUNT						
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Administration and Finance	20	-	-	-	-	20
Surface Transportation	-	-	-	5	-	5
Subway-Elevated Transportation	1	-	-	-	-	1
Bus / Rail Operations & Vehicles	60	3	191	-	-	254
Maintenance of Way	89	6	168	-	-	263
Bridges and Buildings	42	1	110	-	-	153
Transit Police Department	7	-	55	-	-	62
Total Operations	219	10	524	5	-	758
Corporate Staff	1	-	-	-	-	1
Equity and Inclusion	5	-	-	-	-	5
Finance	10	-	-	-	-	10
Planning and Strategy	2	-	-	-	-	2
System Safety	3	-	-	-	-	3
Total Capital Headcount	240	10	524	5	-	779

9. Headcount Authorizations

FISCAL YEAR 2023 TOTAL HEADCOUNT

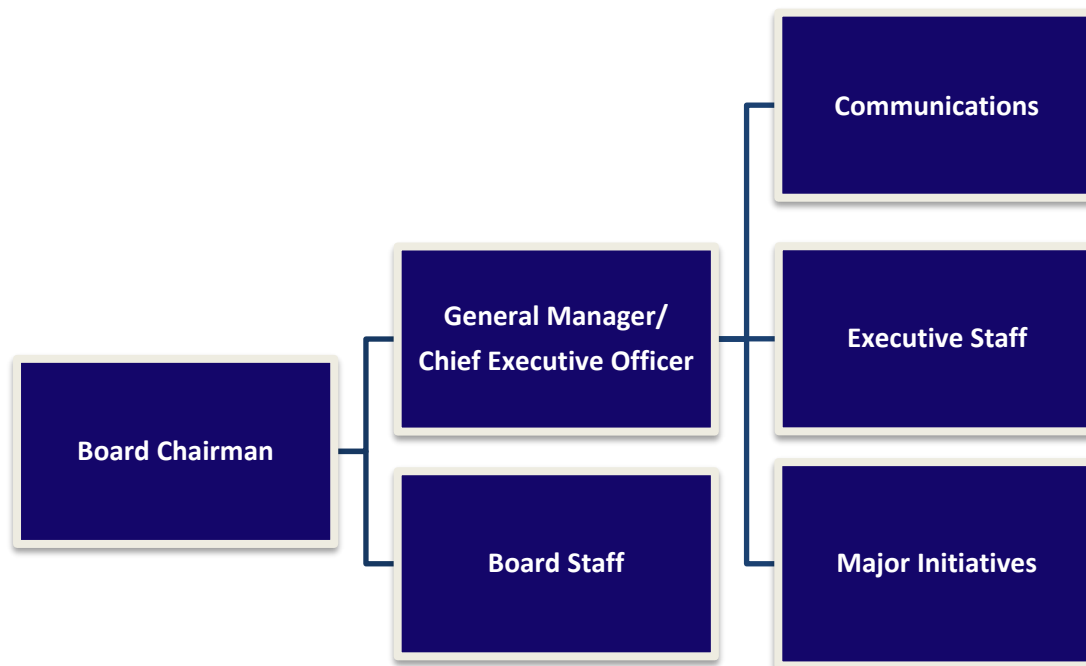
TOTAL HEADCOUNT						
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Administration and Finance	57	1	5	-	-	63
Control Center	91	11	-	4	-	106
Surface Transportation	184	20	-	2,700	-	2,904
Subway-Elevated Transportation	102	3	263	175	305	848
Regional Rail Transportation	74	41	5	660	-	780
Customized Community Transportation (CCT)	86	-	-	24	-	110
Bus / Rail Operations & Vehicles	265	41	1,789	-	-	2,095
Maintenance of Way	191	62	708	-	-	961
Bridges and Buildings	137	12	423	-	-	572
Transit Police Department	72	-	194	-	-	266
Total Operations	1,259	191	3,387	3,563	305	8,705
Corporate Staff	69	64	2	-	-	135
Diversity, Equity, and Inclusion	11	-	-	-	-	11
Finance	288	136	53	-	-	477
Human Resources	179	16	5	-	-	200
Office of General Counsel	175	27	-	-	-	202
Office of Inspector General	24	-	3	-	-	27
Planning and Strategy	54	12	-	-	-	66
System Safety	27	-	-	-	-	27
Total Headcount	2,086	446	3,450	3,563	305	9,850

10. Departmental 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
Board Staff	5	\$ 1,019	\$ 49	\$ 1,068
GM and Executive Staff	17	\$ 3,250	\$ 262	\$ 3,512
Communications	111	\$ 8,405	\$ 4,317	\$ 12,722
Major Initiatives	2	\$ 181	\$ 21	\$ 202
Total	135	\$ 12,855	\$ 4,649	\$ 17,504

10. Departmental Summaries

Principal Responsibilities

Board Staff

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

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. Departmental 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. Departmental 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 (DBE) 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 (DBE) 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.

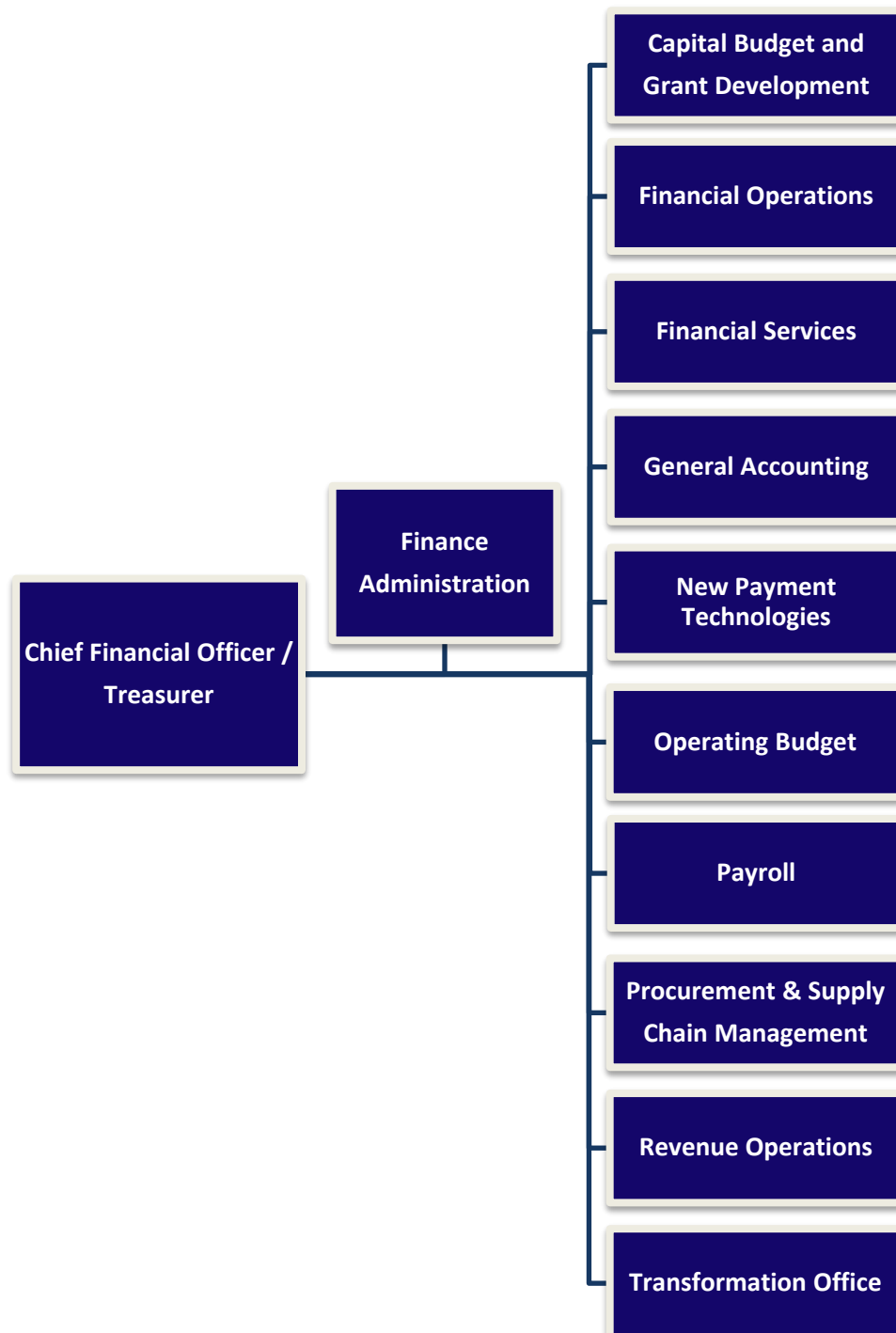
More information about the structure and composition of this new Division will be available in the Final Budget book published in Summer 2022.

10. Departmental Summaries

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. Departmental Summaries

\$ Amounts in Thousands ('000)

Finance	Heads	Net Labor	Non-Labor	Total
Capital Budget and Grant Development	6	\$ 445	\$ 1	\$ 446
Finance Administration	10	\$ 1,605	\$ -	\$ 1,605
Financial Operations	56	\$ 4,001	\$ 5,655	\$ 9,656
Financial Services	31	\$ 2,330	\$ 643	\$ 2,973
General Accounting	11	\$ 845	\$ 268	\$ 1,113
New Payment Technologies*	6	\$ 195	\$ 13,108	\$ 13,303
Operating Budget	8	\$ 732	\$ 21	\$ 753
Payroll	6	\$ 408	\$ 2	\$ 410
Procurement & Supply Chain Management	154	\$ 11,134	\$ 499	\$ 11,633
Revenue Operations	183	\$ 13,815	\$ 13,847	\$ 27,662
Transformation Office	6	\$ 836	\$ 3,500	\$ 4,336
Total	477	\$ 36,345	\$ 39,398	\$ 73,890

*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. Departmental 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. Departmental 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. Departmental 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 success through COVID recovery and beyond.

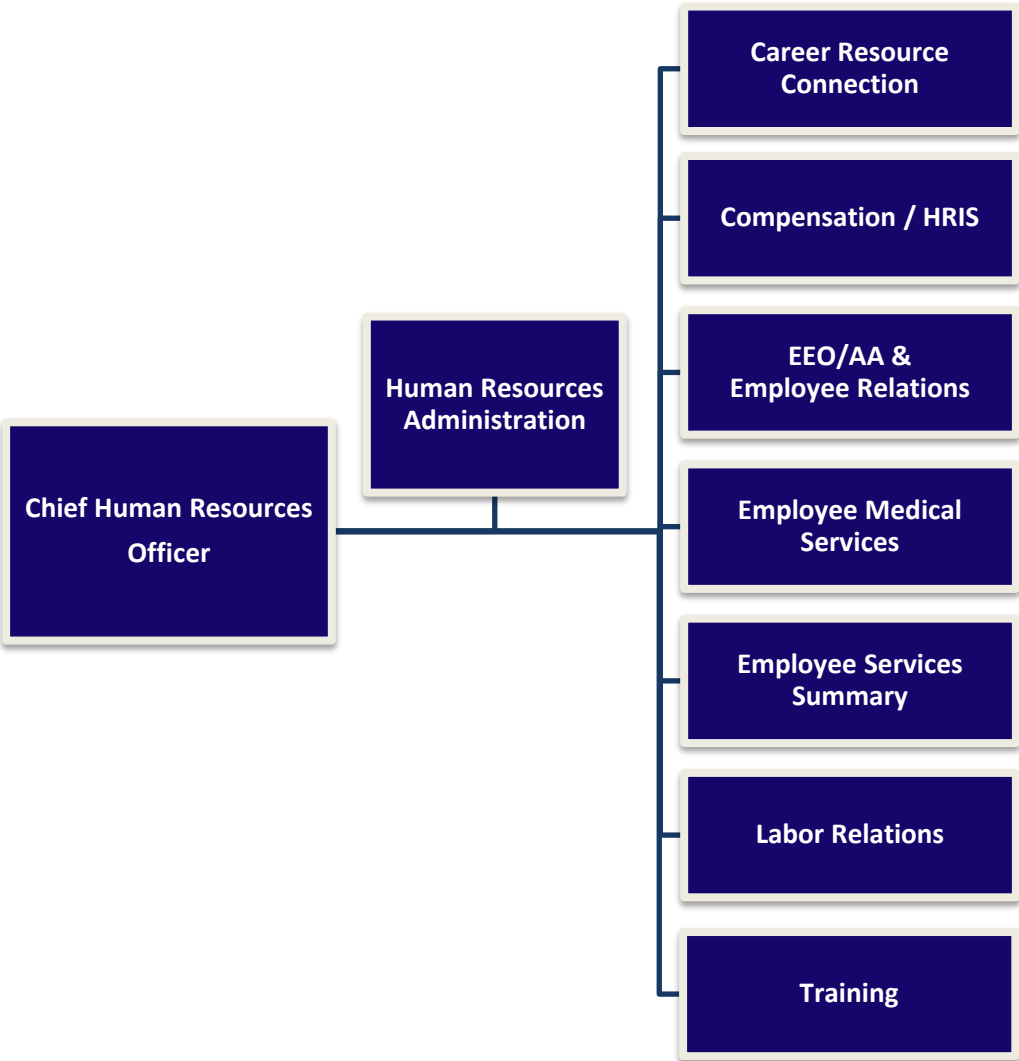
10. Departmental Summaries

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. Departmental Summaries

\$ Amounts in Thousands ('000)

Human Resources	Heads	Net Labor	Non-Labor	Total
Career Resource Connection	4	\$ 238	\$ 65	\$ 303
Compensation / HRIS	12	\$ 974	\$ 195	\$ 1,169
EEO/AA & Employee Relations	6	\$ 556	\$ 23	\$ 579
Employee Medical Services	15	\$ 1,114	\$ 311	\$ 1,425
Employee Services Summary	34	\$ 2,868	\$ 1,095	\$ 3,963
Human Resources Administration	10	\$ 1,809	\$ 322	\$ 2,131
Labor Relations	14	\$ 1,323	\$ 302	\$ 1,625
Training	105	\$ 9,629	\$ 1,673	\$ 11,302
Total	200	\$ 18,511	\$ 3,986	\$ 22,497

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. Departmental Summaries

Labor Relations

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

Training

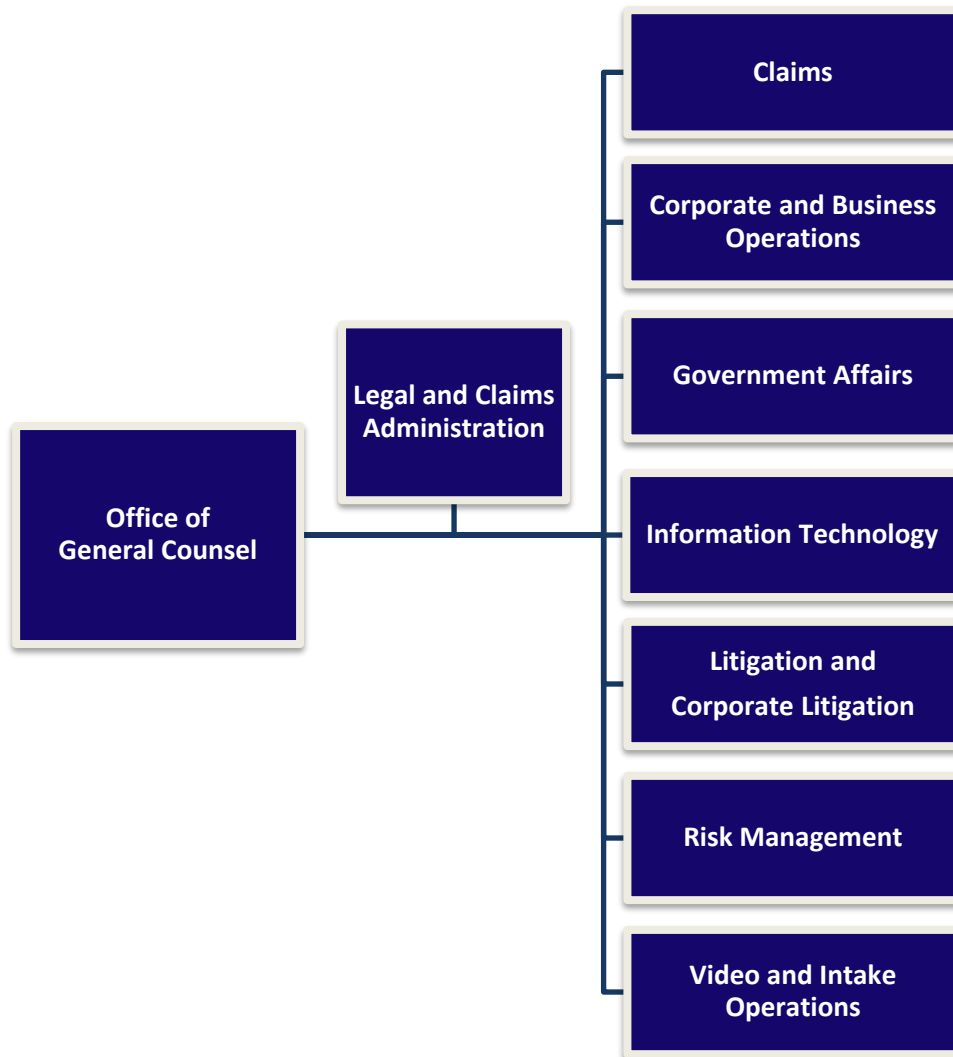
Provides soft skills and technical training solutions focused on integrative programs to improve employee performance and enhance employee development and relations. Provides employees with an on-demand, self-paced learning environment via Enterprise Learning. Provides training classes to teach new skills or re-train employees as required to ensure that the work force has a comprehensive understanding of regulations, procedures, 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. Departmental 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	12	\$ 1,154	\$ 1,268	\$ 2,422
Information Technology	74	\$ 7,057	\$ 18,463	\$ 25,520
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
Total	202	\$ 18,395	\$ 37,525	\$ 55,920

10. Departmental 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.

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. Departmental 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.

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.

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.

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.

10. Departmental Summaries

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.

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

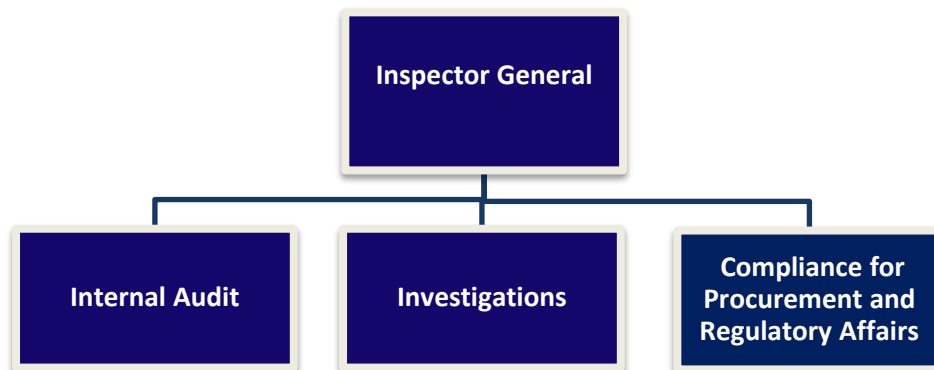
Manages the communications and customer experience for the Authority. Identifies and documents the needs for technology throughout the Authority Divisions and act as the liaison between internal IT staff and the customer to complete the project. Provides the short- and long-term strategy, direction, 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.

10. Departmental 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
Investigations	9	\$ 955	\$ 72	\$ 1,027
Internal Audit	15	\$ 1,389	\$ 33	\$ 1,422
Compliance for Procurement & Regulatory Affairs	3	\$ 283	\$ 1	\$ 284
Total	27	\$ 2,627	\$ 106	\$ 2,733

Principal Responsibilities

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.

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.

10. Departmental Summaries

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

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.

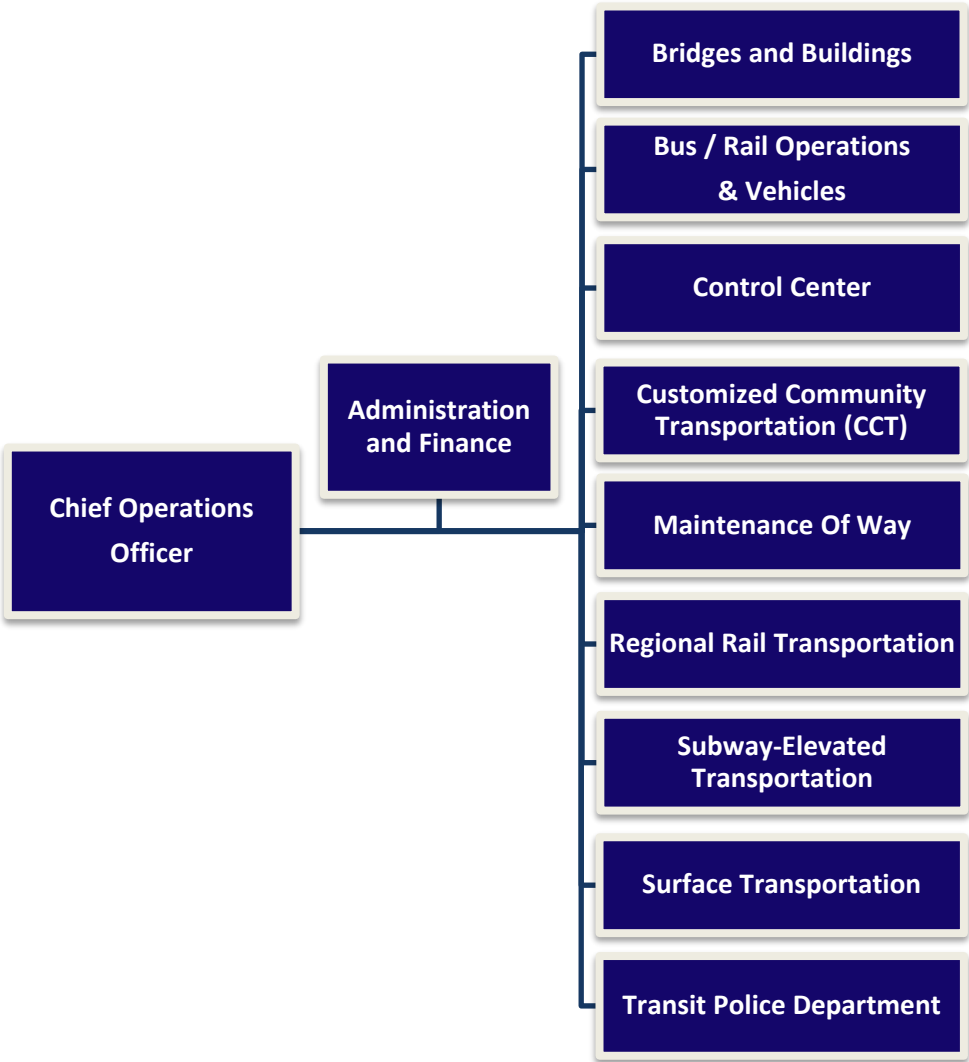
10. Departmental Summaries

OPERATIONS

Overview

The Operations Division includes the following departments: Administration and Analysis, AGM Staff, Control Center, Customized Community Transportation (CCT), Regional Rail, Subway-Elevated, Surface Transportation, and Vehicle Equipment Maintenance. The Division provides long term goals related to these areas of responsibility.

The Operations Division provided 105.9 million annual passenger trips in Fiscal Year 2021, while operating 81.2 million vehicle miles. Total passenger miles exceeded 480 million. The Division operates 2,845 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 289 stations.



10. Departmental Summaries

\$ Amounts in Thousands ('000)

Operations	Heads	Net Labor	Non-Labor	Total
Administration and Finance	63	\$ 4,509	\$ 412	\$ 4,921
Bridges and Buildings	572	\$ 30,354	\$ 47,362	\$ 77,716
Bus / Rail Operations & Vehicles	2,095	\$ 129,918	\$ 52,033	\$ 181,951
Control Center	106	\$ 9,940	\$ 218	\$ 10,158
Customized Community Transportation (CCT)*	110	\$ 9,580	\$ 5,150	\$ 14,730
Maintenance Of Way*	961	\$ 54,967	\$ 18,897	\$ 73,864
Regional Rail Transportation	780	\$ 65,259	\$ 7,992	\$ 73,251
Subway-Elevated Transportation	848	\$ 55,845	\$ 1,272	\$ 57,117
Surface Transportation*	2,904	\$ 230,684	\$ 697	\$ 231,381
Transit Police Department	266	\$ 24,144	\$ 11,028	\$ 35,172
Total	8,705	\$ 615,200	\$ 145,061	\$ 760,261

*Utilities and/or Purchased Transportation not included in non-labor total

Principal Responsibilities

Administration and Finance

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.

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).

10. Departmental Summaries

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.

Contracted Services

Provides management oversight and compliance of contracts between SEPTA and third-party providers of fixed route services. Currently, it oversees the Route 204 service (Eagleview-Paoli Station) which operates seven days a week.

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.

10. Departmental Summaries

Rail Transportation - 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.

Rail Transportation - Subway-Elevated

Provides train service, customer service, and station cleaning services to the Market-Frankford and Broad Street Lines.

Subway-Elevated Transportation Services

The MFL operates trains each weekday between the Frankford Transportation Center and the 69th Street Terminal. The BSL operates revenue 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-Elevated Custodial Services

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

Surface Transportation

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

The nine operating districts operate a total of 121 bus, 3 trolleybus routes, 8 trolley (light rail) routes, and 1 interurban high speed (heavy rail) line. 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 9 operating districts in Surface Transportation 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. **Elmwood** - operates trolley (light rail) Routes 11, 13, 34, and 36
5. **Frankford** - operates 13 bus routes and 3 trolleybus routes
6. **Midvale** - operates 25 bus routes
7. **Southern** - operates 18 bus routes
8. **Frontier** - operates 23 bus routes
9. **Victory** – operates 20 bus routes, 2 trolley (light rail) Routes 101 and 102, and 1 heavy rail Route 100

Bus / Rail Vehicle Operations

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.

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.

10. Departmental Summaries

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.

Vehicle Engineering

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 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.

Rail Vehicle Engineering

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

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.

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.

10. Departmental Summaries

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

Maintenance of Way

Administration and Finance

Coordinate and manage the financial and administrative activities for the Engineering, Maintenance and Construction Division. Primary responsibilities include: the Division's operating budget; Infrastructure Safety Renewal Program (ISRP) development, analysis and reporting; Human Resource administration; Contract Management.

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 3rd 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.

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.

10. Departmental Summaries

Transit Police

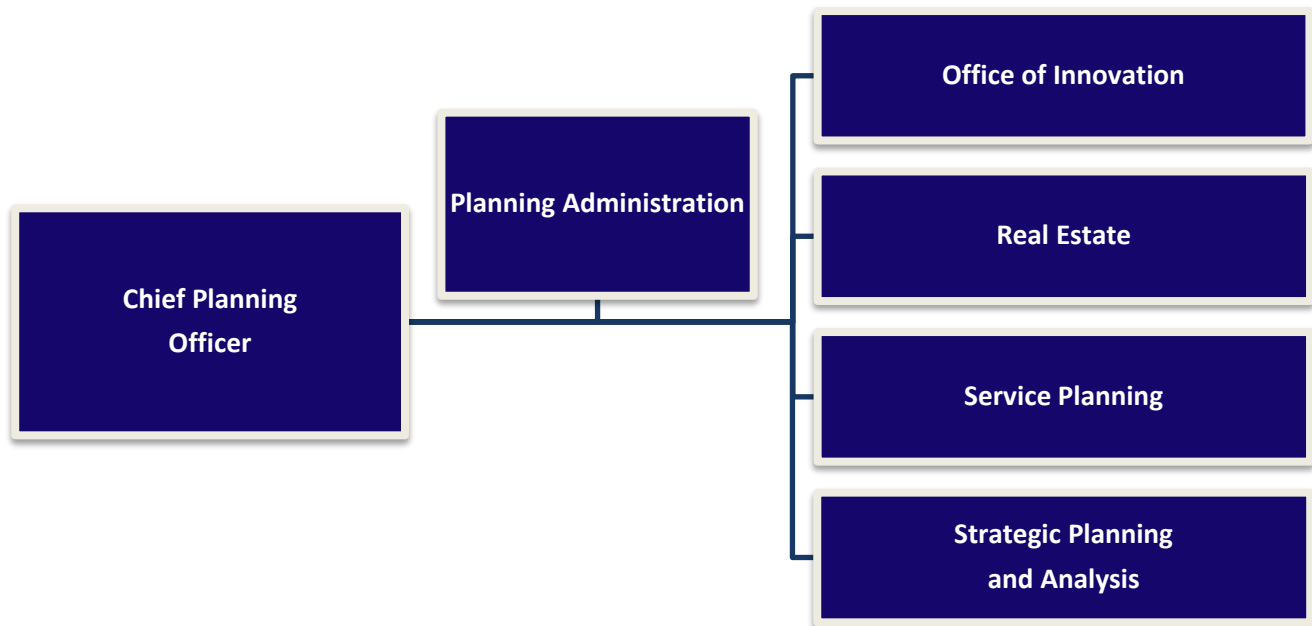
SEPTA's Transit Police are tasked with preventing and investigating crime; establishing an atmosphere of safety and security throughout each of our transit modes; and serving as public safety ambassadors for the transit system.

10. Departmental 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	\$ 600	\$ 1,390
Planning Administration	6	\$ 727	\$ 102	\$ 829
Real Estate	6	\$ 550	\$ 4,295	\$ 4,845
Service Planning	35	\$ 2,326	\$ 286	\$ 2,612
Strategic Planning and Analysis	10	\$ 503	\$ 4,758	\$ 5,261
Total	66	\$ 4,896	\$ 10,041	\$ 14,937

10. Departmental Summaries

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 "SEPTAINABLE" Annual Report and the SEPTA website at 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. Departmental 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.

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 Engineering Management experience provide oversight and direction for this initiative, including

10. Departmental Summaries

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

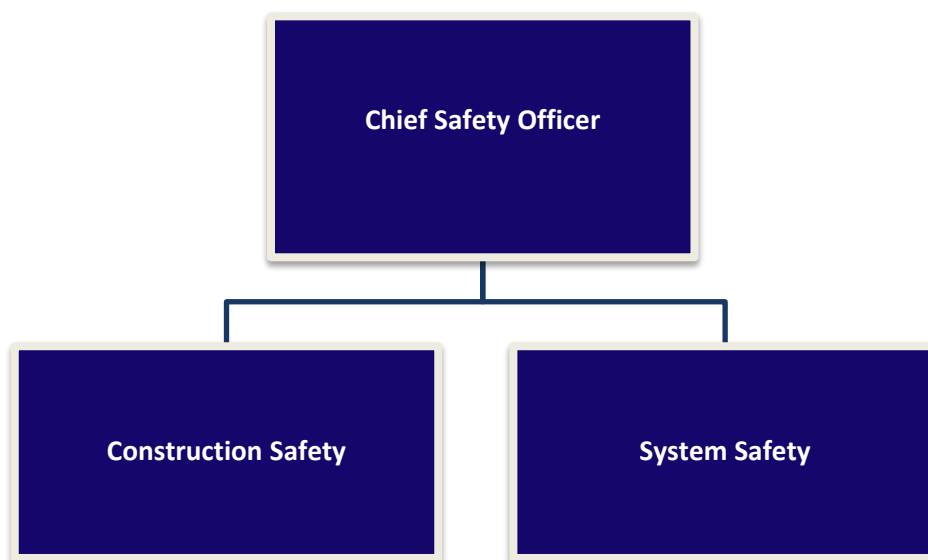
This Department also supports Planning and Strategic Initiatives in engineering feasibility, alternatives analyses, and site evaluation for capital initiatives such as Bus Revolution ends of lines and Zero Emissions Bus.

10. Departmental 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
Total	27	\$ 2,163	\$ 977	\$ 3,131

*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. Departmental 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 3rd 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 26.6% of the Fiscal Year 2022 Operating Budget Proposal of \$1.52 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 Proposal		
Fringe Benefit Expense		
(Amounts in Thousands)		
Medical, Prescription, Dental, Vision & Life Insurance	\$	215,564
Payroll and Unemployment Taxes		75,929
Pension		115,111
Workers' Compensation and FELA		<u>33,352</u>
Subtotal	\$	439,956
Capital Support and Projects		<u>(42,816)</u>
Fringe Benefit Expense	\$	<u>397,140</u>

11. Summary of Interdepartmental Expenses

Fiscal Year 2023 Operating Budget Proposal

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	\$ 12,855	\$ 7,420	\$ 20,275
Equity & Inclusion	669	386	1,055
Finance	36,346	20,979	57,325
Human Resources	18,511	10,685	29,196
Office Of General Counsel	18,395	10,618	29,013
Office Of Inspector General	2,627	1,516	4,143
Operations	615,200	355,103	970,303
Planning & Strategy	4,896	2,826	7,722
System Safety	2,163	1,249	3,412
Capital Allocation	<u>(23,635)</u>	<u>(13,642)</u>	<u>(37,277)</u>
Total	<u>\$ 688,027</u>	<u>\$ 397,140</u>	<u>\$ 1,085,167</u>

11. Summary of Interdepartmental Expenses

NON-DEPARTMENTAL EXPENSES

Amtrak	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.
ADA	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.
Shared Ride Program	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.
Debt Service Interest and Fees	Interest expenses and amortization of insurance premiums associated with the Authority's outstanding debt.
Property Insurance/Other Claims Payouts, Net	Reflects the projected premiums for insurance on various Authority assets, as well as other claims payouts net of recoveries.
Services for Headquarters' Building	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.
Snow Removal/ Severe Weather Contingencies	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.
Utilities	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 285,000 trips for ADA City Division and 171,000 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 was to provide a total of 358,000 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 proposed at \$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.

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
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
V	
VIPR	Visible Intermodal Prevention Response Team
VOH	Vehicle Overhaul Program
W	
WIT	Women in Transit
Y	
YAC	Youth Advisory Committee

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