



**Massachusetts Bay  
Transportation Authority**

# Budget Update: February Results

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Fiscal Management Control Board

April 12, 2021

Mary Ann O'Hara, Chief Financial Officer

# Operating Budget Summary for February

- February actuals are compared to the revised FY21 budget as presented on October 19, 2020
- The budget (October 19, 2020) reflects February net revenues (total revenues less total expenses and before transfers) of -\$1M with \$186M in total revenues and \$187M in total expenses
  - Net revenues are total revenues less total expenses before transfers
- Actual **February net revenues were \$30M** with \$204M in total revenues and \$174M in total expenses, which includes \$385M in CARES Act federal relief funds budgeted to date
- Compared to budget, **February net revenues were favorable \$31M** (Budget: -\$1M; Actual: \$30M)
  - **Total revenues were \$19M favorable** mainly due to sales tax, real estate, and investment income
    - Dedicated sales tax revenue accounts for \$18M (98%) of total revenue favorability for the month
    - At current run-rate, sales tax revenue remains in line with most recent estimate
  - **Total expenses were \$12M favorable** mainly due to Commuter Rail, the RIDE and other materials/services spending
  - February COVID-19 actual expenses were \$3.4M bringing **total COVID-19 related payments to \$56M since March 2020 as we continue to track a potential exposure of \$13.0M to budget**
- Actual **operating budget employee headcount is 5,683**, a net decrease of 14 employees from the previous month

## Year to Date Summary

- Compared to budget, **YTD net revenues variance is favorable \$170M**
  - If we manage to the adopted budget for the next 4 months, this favorable variance to budget to date will be available to fund FY22 budgeted expenses
  - **YTD balance before transfers is \$99.3M (\$30.3M this month plus \$69M through January)**, which will be transferred to the Operating Budget Deficiency Fund to mitigate exposures in FY21 and balance FY22



# Monthly Balance Summary

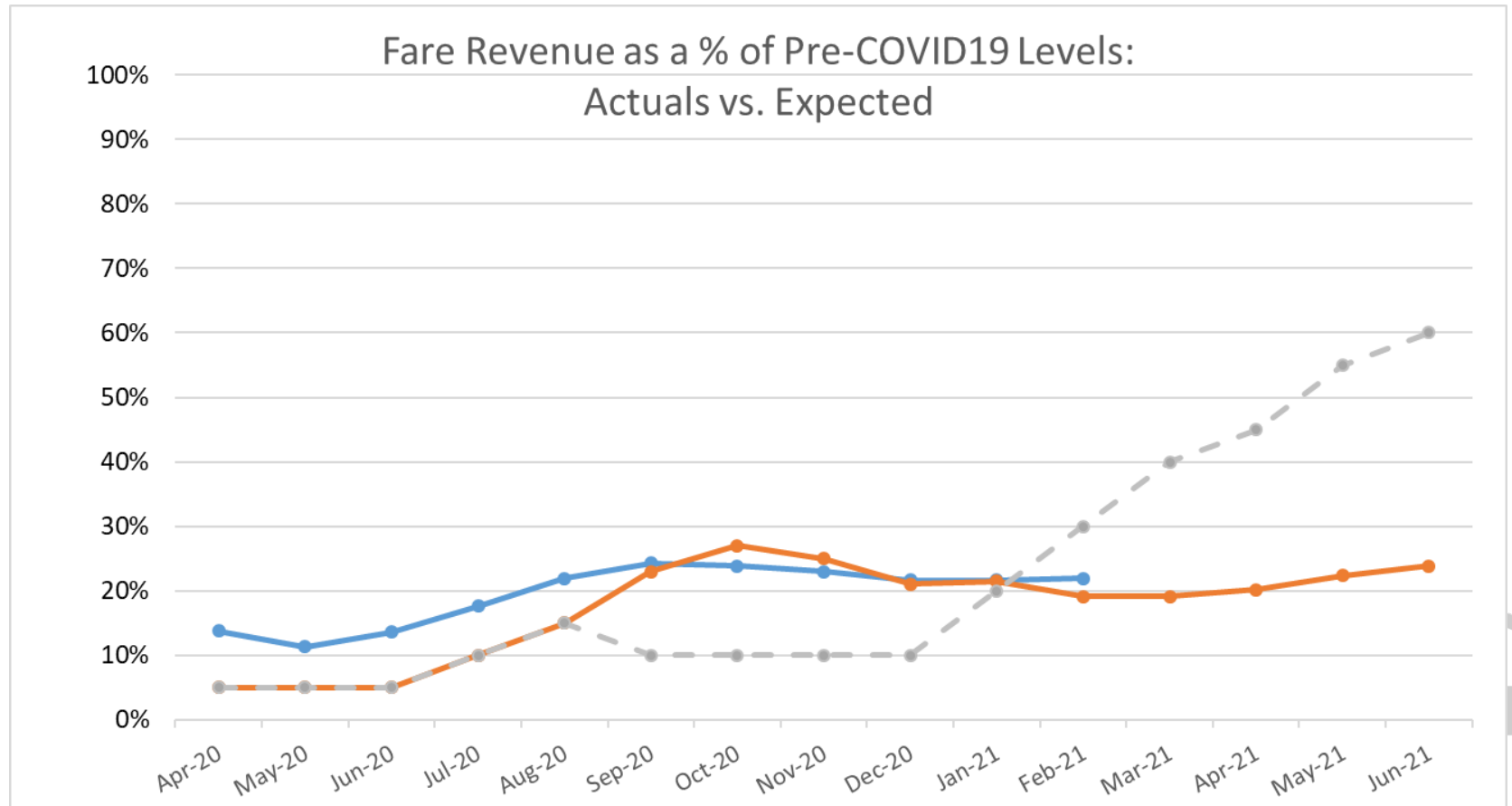
- Actual net revenues for February were \$31M as one-time federal relief funds from the CARES Act continue to support budget balance
- Without CARES Act funding, net deficit of -\$18M for month and -\$285M YTD
- Fare recovery ratio of 9% this month compared to 42% in February 2020 shows one-time CARES Act funding replacing fare revenue losses to balance the budget
- In accordance with FMCB approved action, \$30M to be transferred to the Operating Budget Deficiency Fund this month to bring YTD transfers to \$99M

	Feb Budget	Feb Actual	Monthly Variance	FY21 YTD Budget	FY21 YTD Actual	\$ Variance	FAV/ UNFAV	Feb FY20	FY21 Annual Budget	
<b>REVENUE</b>	Fare Revenues	10	12	1	93	102	8	FAV	56	144
	Own Source Revenue	2	2	0	17	21	5	FAV	6	27
	Non-Operating Revenues	163	180	17	1,270	1,325	55	FAV	123	1,980
	State Assistance	11	11	0	85	85	0	FAV	11	127
	<b>Total Revenues</b>	<b>186</b>	<b>204</b>	<b>19</b>	<b>1,465</b>	<b>1,532</b>	<b>68</b>	<b>FAV</b>	<b>195</b>	<b>2,277</b>
	<i>Fare Recovery Ratio</i>	7%	9%	2%	8%	9%	1%	FAV	42%	8%
<b>EXPENSES</b>	Wages, Benefits and Payroll Taxes	65	62	3	553	525	27	FAV	66	831
	Non-Wage	78	70	8	634	566	67	FAV	67	940
	Operating Expenses	143	132	11	1,187	1,092	95	FAV	133	1,771
	Debt Service	44	42	1	349	341	8	FAV	41	523
	<b>Total Expenses</b>	<b>187</b>	<b>174</b>	<b>12</b>	<b>1,536</b>	<b>1,433</b>	<b>102</b>	<b>FAV</b>	<b>174</b>	<b>2,295</b>
	<b>Net Revenues Before Transfers</b>	<b>-1</b>	<b>30</b>	<b>31</b>	<b>-71</b>	<b>99</b>	<b>170</b>	<b>FAV</b>	<b>21</b>	<b>-18</b>
	<i>CARES Act Federal Relief Revenue</i>	48	48	0	385	385	0	FAV	0	605
	<i>Net Revenues Without Relief Revenue</i>	<b>-49</b>	<b>-18</b>	<b>31</b>	<b>-455</b>	<b>-285</b>	<b>170</b>	<b>FAV</b>	<b>21</b>	<b>849</b>

# Monthly Fare Revenue Collections

- Fare revenue collections in February were 22% of baseline and above budget assumptions
- \$1.5M favorable for the month with \$11.8M in fare revenue compared to the \$10.3M budgeted
  - \$8.4M favorable YTD with actual fare revenue at \$101.8M compared to the \$93.4M budgeted
- \$9.2M of fare revenue favorability from Q1 of FY21 has decreased to \$8.4M YTD
  - Since October 2020 fare revenue unfavorable \$790K
  - Compared to actuals, February marks five consecutive months of declines in fare revenue

Description	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June
Actual %	14%	11%	14%	18%	22%	24%	24%	23%	22%	22%	22%				
Actual \$ (M)	8.10	6.60	8.09	10.58	12.92	14.75	14.63	13.21	11.96	11.95	11.80				
Revised Budget %	5%	5%	5%	10%	15%	23%	27%	25%	21%	22%	19%	19%	20%	22%	24%
Original Budget %	5%	5%	5%	10%	15%	10%	10%	10%	10%	20%	30%	40%	45%	55%	60%



# Operating Budget Deficiency Fund

- **\$118.8M Operating Budget Deficiency Fund balance** through February 2021
  - Net Revenue for February is **\$30.3M**
  - **\$99.3M** in total transferred as of February 2021 adds to the pre-existing fund balance
- Balance amount to date can decrease in future months if spending or revenues do not meet FY21 budget
- Expected revenues in March-June to support \$365M net revenue estimate include \$236M in CRRSAA federal relief funds and \$40M in sales tax acceleration revenue
- As approved by the board on August 24th, transferring net revenues to mitigate current or future obligations
- The **Operating Budget Deficiency Fund** contains one-time reserve revenues and may be used to pay debt service obligations and other operating expenses at the discretion of the CFO

Operating Budget Deficiency Fund	
Description	Amount (\$M)
<b>Pre-existing Balance</b>	<b>19.5</b>
<i>July 2020 Net Revenue</i>	<i>(1.1)</i>
<i>August 2020 Net Revenue</i>	<i>14.5</i>
<i>September 2020 Net Revenue</i>	<i>16.1</i>
<i>October 2020 Net Revenue</i>	<i>7.5</i>
<i>November 2020 Net Revenue</i>	<i>14.3</i>
<i>December 2020 Net Revenue</i>	<i>3.5</i>
<i>January 2021 Net Revenue</i>	<i>14.2</i>
<i>February 2021 Net Revenue</i>	<i>30.3</i>
<b>FY21 Net Transfers to Date</b>	<b>99.3</b>
<b>FY21 Balance Amount to Date</b>	<b>118.8</b>
<b>*Planned Funds Available for FY22</b>	<b>365.0</b>

*\*Planned funds available reflects targeted ending balance in FY21 as presented in the March Pro Forma presentation to the FMCB on 3/8 and FY22 Budget Preview on 3/29*

