



MBTA Fiscal Year 2026 Operating Budget Oversight Report

MBTA Advisory Board

June 12, 2025

Massachusetts General Law Chapter 161a, Section 20

“ The authority shall submit to the advisory board a final itemized budget not later than June 15 prior to the beginning of the fiscal year.”

Oversight Report: Executive Summary

On June 10th, the Advisory Board accepted this report and its recommendations, and furthermore authorized the Committee Chair and the Executive Director to transmit them to the MBTA on behalf of, and in the name of, the MBTA Advisory Board.

- The operating budget is well conceived, organized, and executes a policy direction to improve the quality of public transportation in Greater Boston and a strategic vision to attract back ridership through quality improvements.

Oversight Report: State Assistance

The budget's final revenue will depend on which version of the Commonwealth's FY26 budget is ultimately approved

Each version of the FY26 state budget offers significant increases in state subsidies to the MBTA, which will replenish its deficiency fund, and possibly close projected budget deficits in FY27 and FY28

The Governor, House, and Senate deserve praise, and have the thanks of MBTA communities for their commitment to the MBTA and public transportation in Massachusetts!

Oversight Report: Recommendations

- 1. Manage Workforce Growth:** Focus on controlling non-operational headcount expansion
- 2. Reduce Consultant Costs:** Shift away from external services as internal capacity grows
- 3. Communicate Deficit Risks:** Clearly articulate how the MBTA plans to address future structural deficits, if any.
- 4. Educate Stakeholders:** Highlight national transit challenges to foster public and legislative support
- 5. Reform Funding Model:** Initiate a dialogue on replacing the outdated “Forward Funding” model with a sustainable long-term approach

Peer Comparison

The MBTA is not the only public transportation authority in the United States to grapple with structural funding problems and looming budget deficits.

Unlike in Pennsylvania, in Massachusetts the Governor, House and Senate are offering additional funding to the MBTA to stave off service cuts and fare increases

Southeastern Pennsylvania Transportation Authority

SEPTA faces a \$213 million budget deficit starting July 1, 2025

Proposal:

- Cut service by 45% by Jan. 1
- Raise fares by more than 45%*
- Complete hiring freeze

*Cumulative 2024-2026

