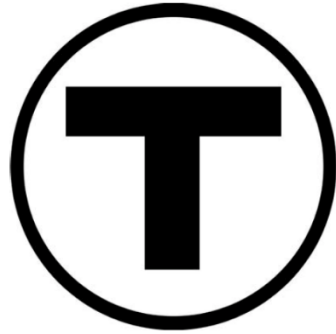




**Massachusetts Bay
Transportation Authority**

FY25 Capital & Operating Results

Joe Pagliuca and Susan Woods

September 18, 2025

FY25 Operating Budget Summary

- **Total Revenues: \$74M favorable to budget**

- Fare Revenue exceeds expectations as Total Ridership approaches 70% of pre pandemic baseline
- Non-Operating Revenue favorable due to Legacy Debt Relief (\$96M) received for defeasance of GTS Series Bonds (Big Dig Mitigation Debt)

- **Total Expenses \$154M favorable to budget and exceeds \$93M savings target:**

- Wage and Headcount recruitment management
- Professional Services Consolidation and Operational efficiencies through “in house” solutions

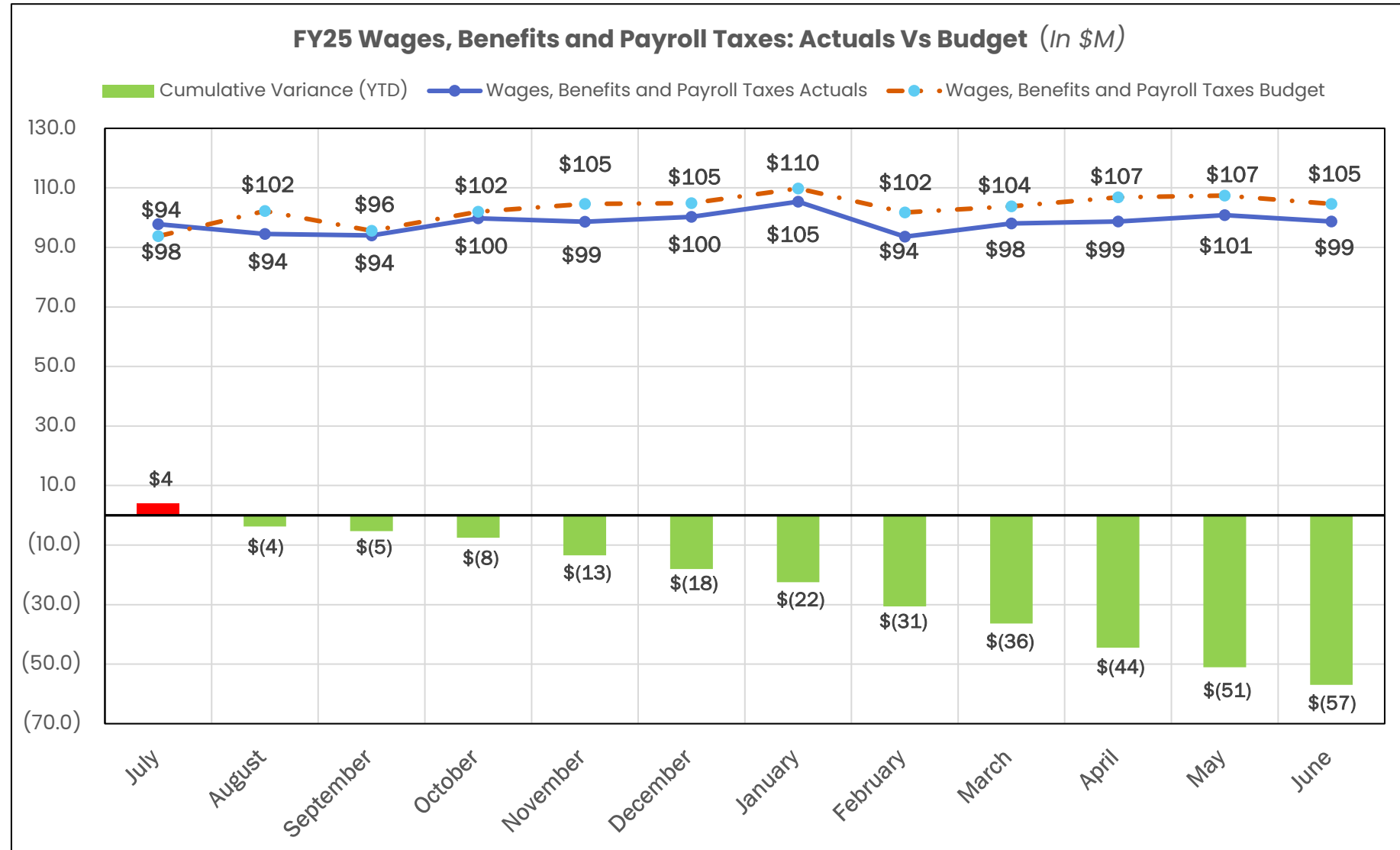
- **Net Revenues: \$228M Favorable to budget**

- \$2,788M in Total Revenues
- \$2,867M in Total Expenses
- \$(79M) in Net Revenue

(\$M) Category	FY25 Budget	FY25 Actuals	Variance \$	Variance %	FAV or UNFAV
Fare Revenues	403	441	38	9%	FAV
Own Source Revenue	80	85	5	7%	FAV
Non-Operating Revenues	2,231	2,263	31	1%	FAV
Total Revenues Subtotal	2,714	2,788	74	3%	FAV
<i>Fare Recovery Ratio</i>	16%	18%	-	3%	FAV
Wages, Benefits and Payroll Taxes	1,237	1,180	(57)	-5%	FAV
Non-Wage	1,317	1,229	(88)	-7%	FAV
Operating Expenses Subtotal	2,554	2,409	(145)	-6%	FAV
Debt Service	467	458	(9)	-2%	FAV
Total Expenses Subtotal	3,021	2,868	(154)	-5%	FAV
Net Revenues Before Transfers	(307)	(79)	228	74%	FAV

Wages, Benefits and Payroll Taxes: FY25 Budget vs Actuals

- Wages, Benefits, and Payroll Taxes FY25 actuals were \$1,180M
 - Favorable to the budget by \$57M
 - 7,131 ending operating headcount in FY25 or 88% of 8,030 headcount Target



FY25 Revenue Summary

- **Total Revenues: \$2,788M**
 - \$74.0M favorable to budget
- **Fare Revenues: \$38M favorable to budget**
 - Driven by stronger than expected ridership across key transit modes specifically Rail
- **Sales Tax Revenue: \$21M unfavorable to budget**
 - Due to less collections than anticipated by The Department of Revenue
- **Federal Funds: \$131M unfavorable to budget**
 - Due to 5307 formula funds being transferred to the capital budget
- **Own Source Revenue \$5M favorable to budget**
 - Mostly due to digitalization of advertising on Agency billboards (\$1M) and Verizon Telecom settlement (\$4M)
- **Other Income \$14M favorable to budget:**
 - Mostly due to higher than an expected interest rates

Revenues (\$M)	FY25 Budget	FY25 Actuals	Variance \$	Variance %	FAV or UNFAV
Fare Revenue	403	441	38	9%	FAV
Own Source	80	85	5	7%	FAV
Total Operating Revenue	483	526	43	9%	FAV
State Sales Tax Revenue	1,465	1,444	(21)	-1%	UNFAV
Federal Funds (MEMA)	191	60	(131)	-69%	UNFAV
Local Assessments Revenue	193	193	0	0%	FAV
Other Income	23	37	14	60%	FAV
State Assistance	359	529	170	47%	FAV
Total Non-Operating Revenue	2,231	2,263	31	1%	FAV
Total Revenue	2,714	2,788	74	3%	FAV

FY25 Spending Summary

- **Total Expenses: \$2,868M**
 - \$154.0M favorable to budget
- **Wages & Benefits: \$57M favorable to budget**
 - \$28M favorable in Regular Wages as authority restructures headcount management process
 - \$17M unfavorable in Overtime due to existing vacancies and critical maintenance work
- **Materials & Services: \$83M favorable**
 - \$70M under budget in Services due to decrease dependency on professional services and contractor conversions
 - \$9M under budget in Materials specifically in uniforms as vacancies continue to be filled in key front-line roles
- **Purchased Transit: \$5M favorable**
 - \$3M unfavorable in Commuter Rail due to new Keolis wage increases
 - \$8M favorable in The RIDE due to timing of Income Eligible program ramps up
- **Debt Service: \$9M favorable**
 - \$9M favorable due to timing of debt issuance, which was later than expected

Expenses (\$M)	FY25 Budget	FY25 Actuals	Variance \$	Variance %	FAV or UNFAV
Regular Wages	744	716	-29	-4%	FAV
Overtime	59	76	17	29%	UNFAV
Fringe Benefits	434	389	-45	-10%	FAV
Wages & Benefits Sub Total	1,237	1,180	(57)	-5%	FAV
Materials & Services	499	411	(87)	-18%	FAV
Insurance	40	44	4	9%	UNFAV
Financial Service Charge	13	13	0	3%	UNFAV
Materials & Services Subtotal	551	468	(83)	-15%	FAV
Commuter Rail	578	581	3	1%	UNFAV
The RIDE	157	149	(8)	-5%	FAV
Local Service & Ferry	31	31	(0)	-1%	FAV
Total Operating Expenses	2,554	2,409	(145)	-6%	FAV
Debt Service	467	458	(9)	-2%	FAV
Total Expenses	3,021	2,868	(154)	-5%	FAV

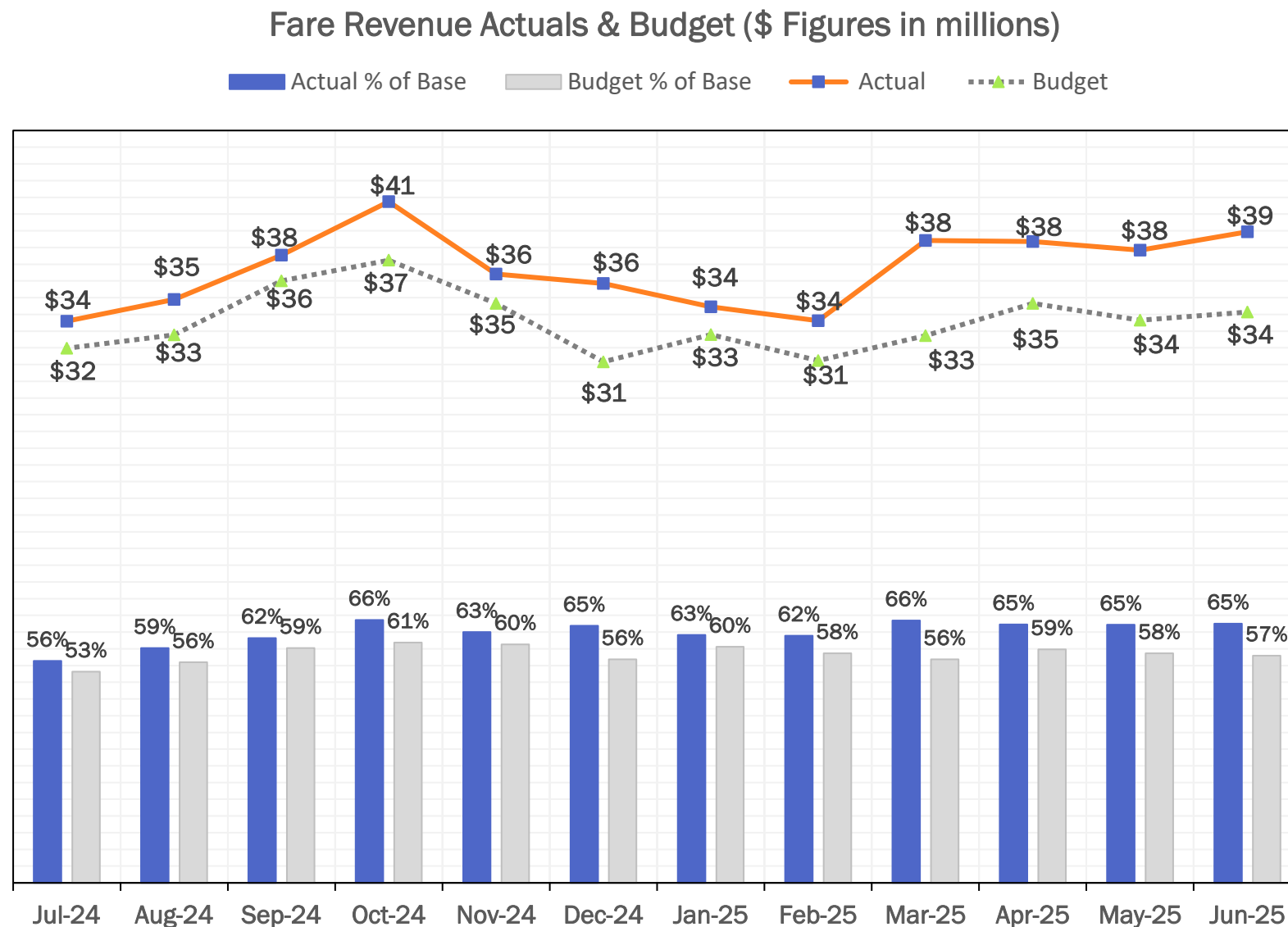
FTA Special Directive Spending Update

- **\$609M** in available funding to address results of the FY23 FTA Safety Management Inspection (SMI)
- **\$523M** in total committed spending for FTA Special Directives on both the Capital and Operating Budget
- **\$480M** total expenses incurred, primarily in Directive 22-4 to support Track Repair
- **\$434M** total reimbursements by legislature and executive

Directive	Description	Amount Spent	Total Committed
22-4	Address deficiencies in personal protective equipment and right of way safety; to correct defective track conditions; and to address management practices that negatively impact track repair	\$270.8M	\$302.6M
22-5	Address the pattern of safety incidents and interim safety findings concerning unintended and uncontrolled train movements by disabled trains in maintenance facilities and rail yards	\$64.0M	\$64.1M
22-6	Address the pattern of safety incidents and interim safety findings related to actions within the Operations Control Center at MBTA	\$19.0M	\$19.1M
22-7	Address the pattern of safety incidents and interim safety findings concerning lapsed training certifications of safety-sensitive rail personnel	\$15.2M	\$17.5M
22-9	Assist the MBTA in focusing its attention on balancing demands from operations and capital projects with workforce capacity and capability to inform resource prioritization	\$33.2M	\$34.1M
22-10	Enhance and expedite implementation of the agency's SMS, including the development of procedures, safety management training, safety risk assessment, and safety assurance activities to build the organization's capability to identify safety concerns and to prioritize action to mitigate safety risk	\$7.04M	\$7.25M
22-11	Improve MBTA's management of its safety committee process, employee safety reporting program, and safety promotion activities	\$1.46M	\$1.46M
22-12	Improve MBTA's management of its operating and maintenance policies, monitoring of rail transit operations, Quality Assurance/Quality Control capabilities, and training and procedures	\$18.5M	\$22.3M
Directive Support	Support services and resources necessary to facilitate the progress and completion of multiple directives, including human resources for hiring and retention along with quality compliance & oversight of FTA directives	\$31.2M	\$34.6M
	Workforce Initiatives	\$20.0M	\$20.0M
	Total	\$480.4M	\$523.0M

Monthly Fare Revenue Collection

- Fare revenues continue to outperform budget
 - \$441M in actual revenue collected vs \$403M budgeted
 - Resulting in a \$38M (9%) favorable variance
- Ridership exceeds expectations at end of FY25*
 - Total Ridership at 69% of pre pandemic baseline
 - Commuter Rail Ridership at 90% of pre pandemic baseline
 - Ferry Ridership at 120% of pre pandemic baseline due to new service expansions
 - The RIDE Ridership at 103% of pre pandemic baseline as Income Eligible Fares program ramps up



Capital Program Review



FY25 Capital Investment Plan at the MBTA

The CIP includes a five-year investment plan that address critical asset needs and keep the T on a path to better safety, service, and sustainability; includes over 600 unique capital projects to modernize, expand, and increase the safety and reliability with a programmed spend of \$9.6 billion over the next five fiscal years

- **Safety, Reliability, and Modernization**: prioritize and promote safety, improve connectivity, modernize assets, and give riders more dependable and frequent service
- **Accessibility** that ensures access for all riders when using our system through the advancement of accessible facilities and accessible vehicles and vessels
- **Sustainability and Resilience**: advancing toward the State's climate and sustainability goals
- **Equity and Diversity**: invest in the infrastructure necessary to attract, retain, and support our diverse ridership and workforce



FY25 \$2,095M Capital Spend and Key Investments

INFRASTRUCTURE IMPROVEMENTS CONTRIBUTING TO CUSTOMER EXPERIENCE

- Track Improvement Program: improving efficiency and reliability
- Station Improvements – accessibility upgrades; various station upgrades
D line accessibility upgrades and added further accessibility on CR;
continuing into FY26 with significant signal and power updates
- South Coast Rail – Entered into revenue service March 2025
- AFC fare collection begins – fare gates are now operational at certain stations
- Quincy Bus Maintenance Facility
- Cabot Yard
- Codman Yard



VEHICLE PROCUREMENTS

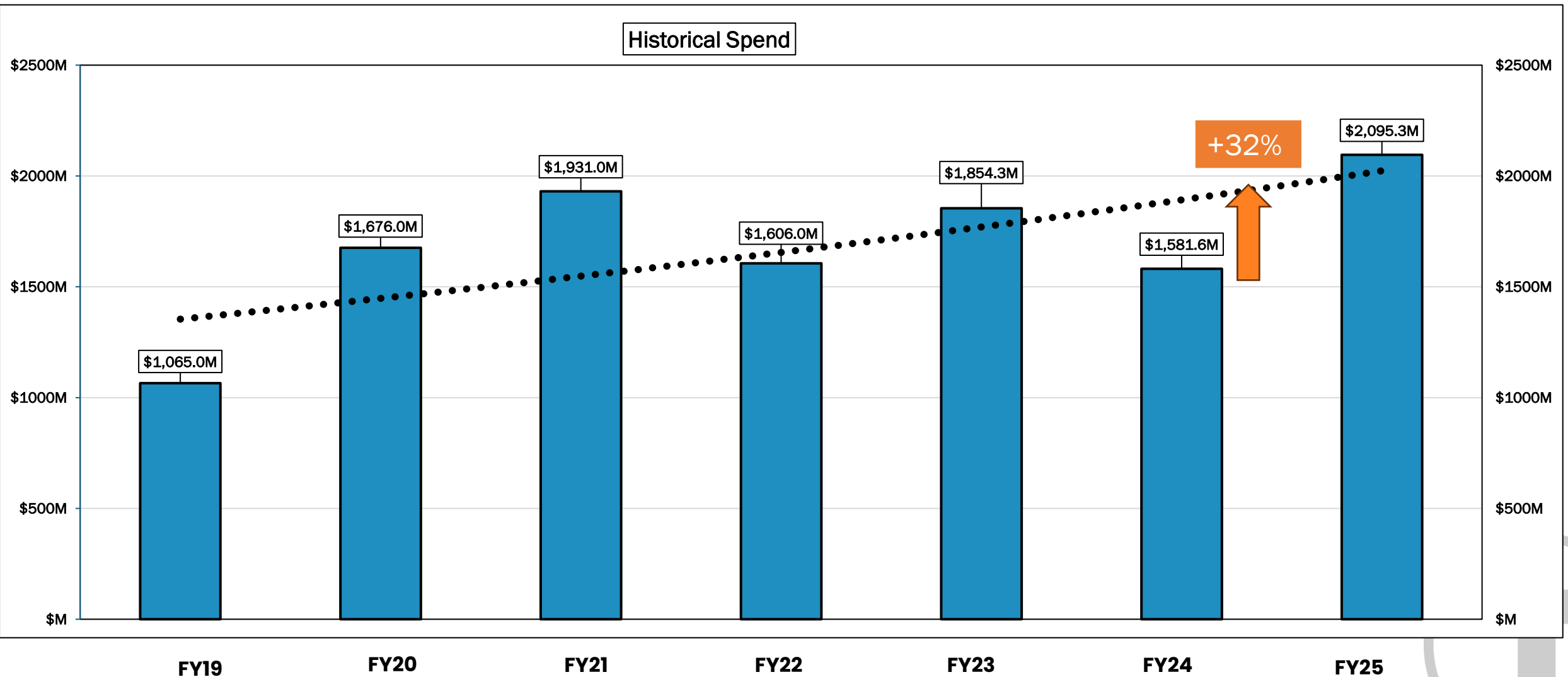
- Hyundai Rotem Bi-Level Coaches
- Red/Orange Line Vehicles
- 40ft Electric Hybrid Buses



STRATEGIC REAL ESTATE AND FERRY ACQUISITIONS

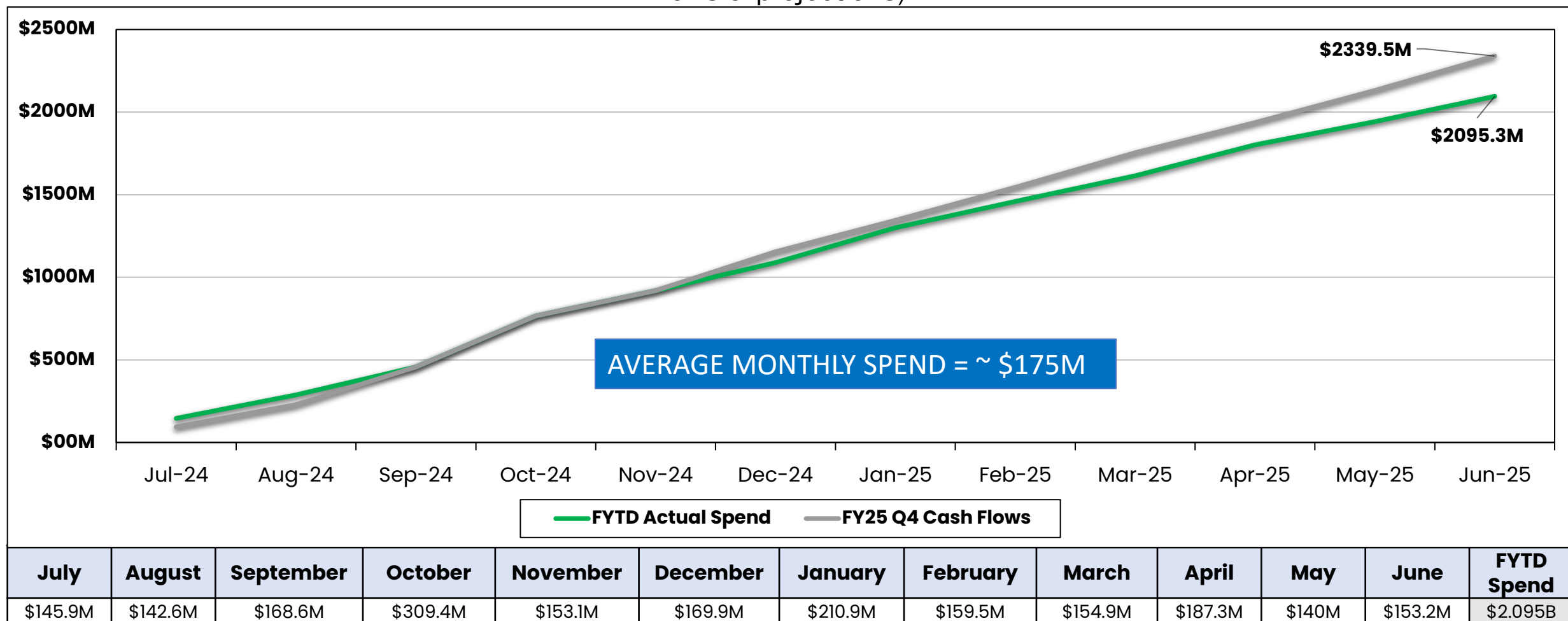
Historical MBTA Capital Spend FY19 – FY25

FY25 Spend Up 32% vs FY24



FY25 Spend vs Projections Overview

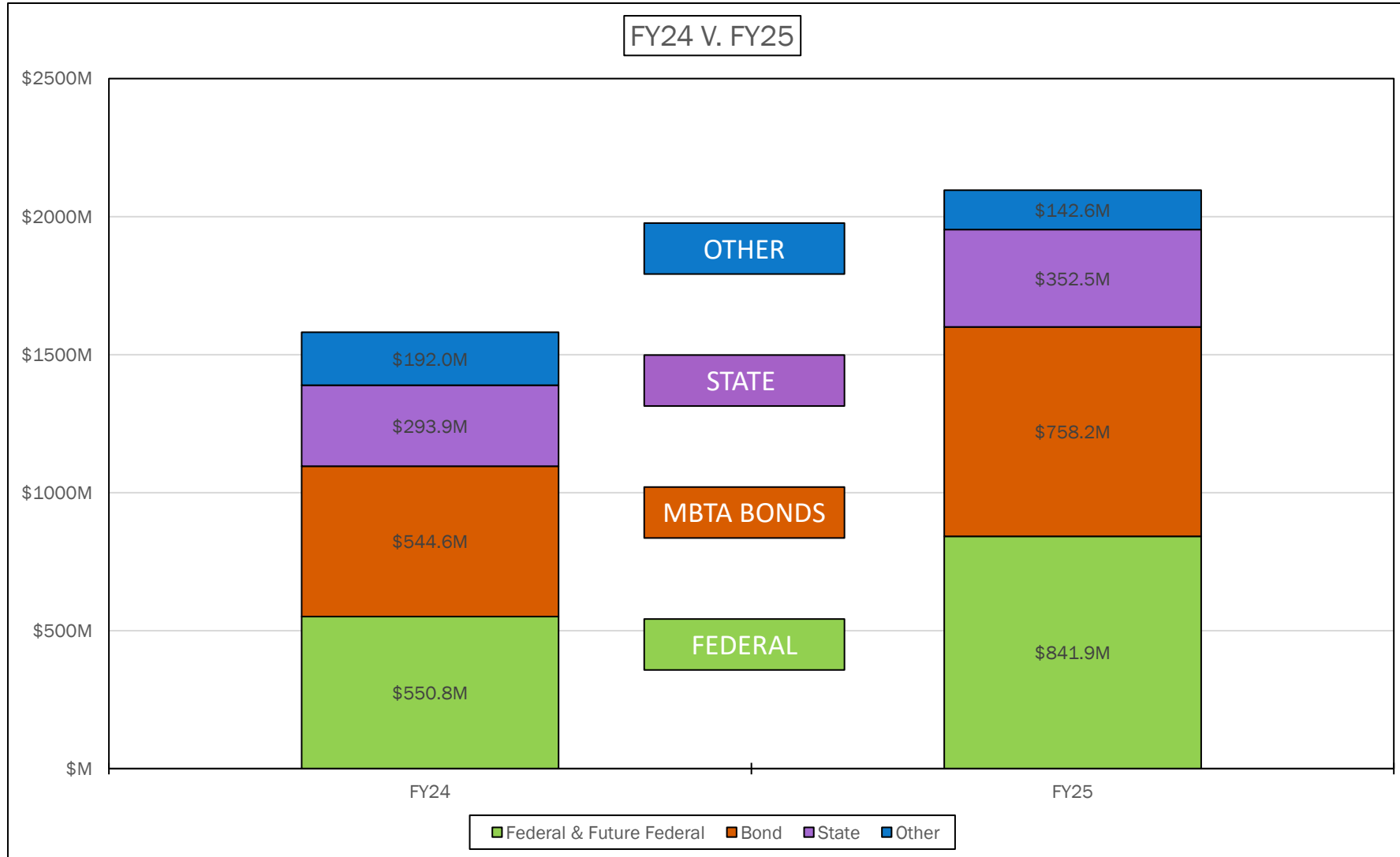
Total spend through 6/30/25 is **\$2,095M**. Almost 90% within the Q4 cash flow projections of **\$2,339M*** (based on PM cash flows & projections).



* Cash flow projections provided by project managers (unadjusted)

Capital Spend by Funding Source YoY

Driven Mostly by Bond and Federal Spending



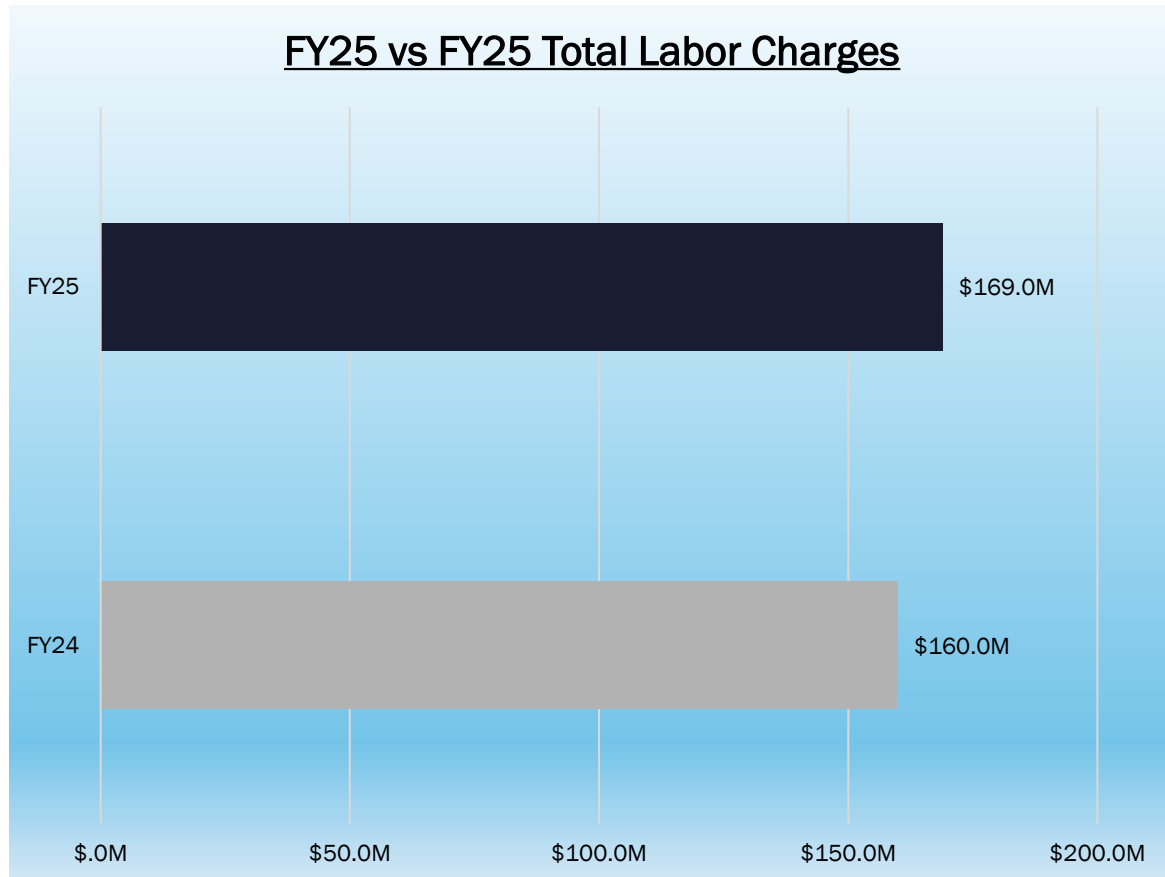
- **FY25 TOTAL SPEND** increased by 32% vs FY24 due to aggressive spending on TIP and related system improvements
- **Federal and Future Federal: 52.9% Higher YoY**
- **Bond: 39.2% Higher YoY**
- **State: 19.9% Higher YoY**



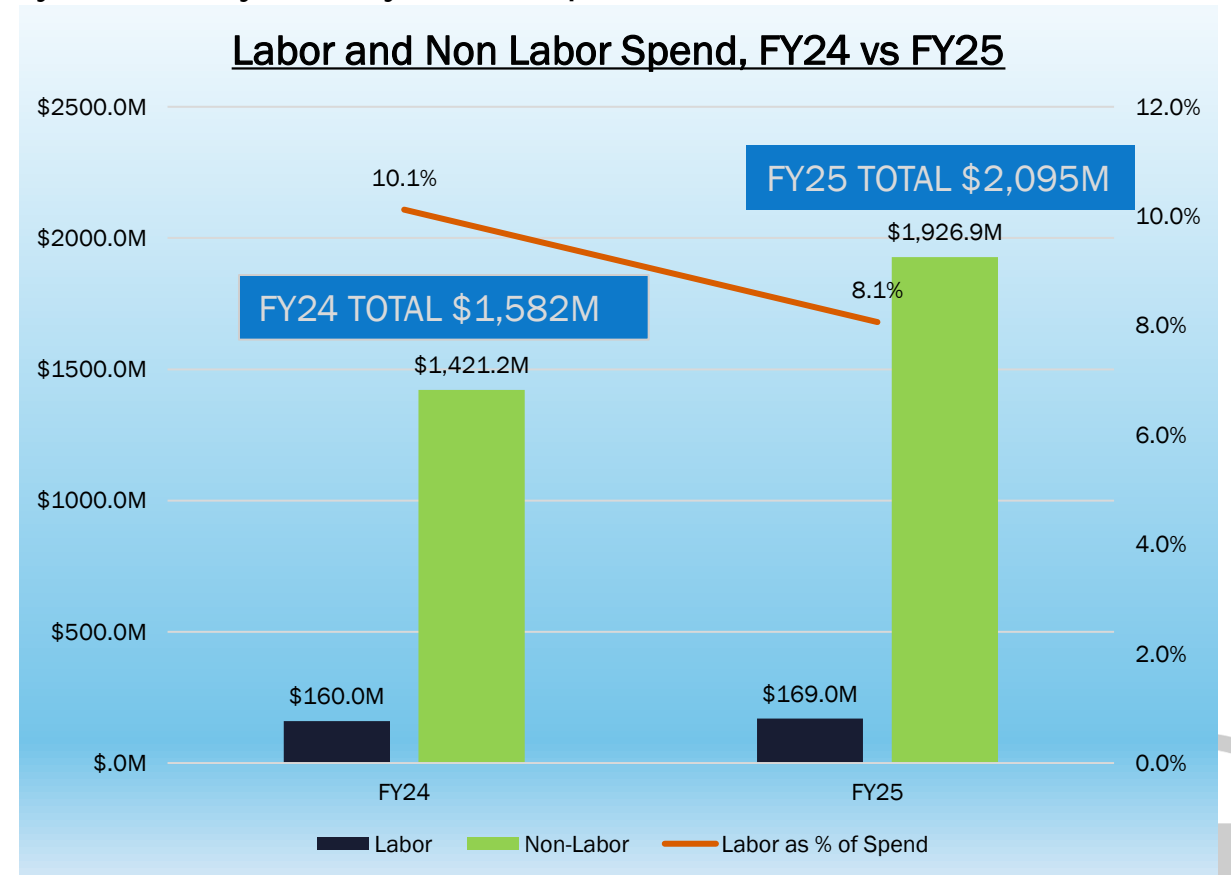
FY25 Capital Labor Expense (\$M)

FY25 Labor Expenses remained relatively flat when compared to FY24 while the capital teams delivered record level investments in accessibility, reliability and system improvements

FY25 vs FY25 Total Labor Charges



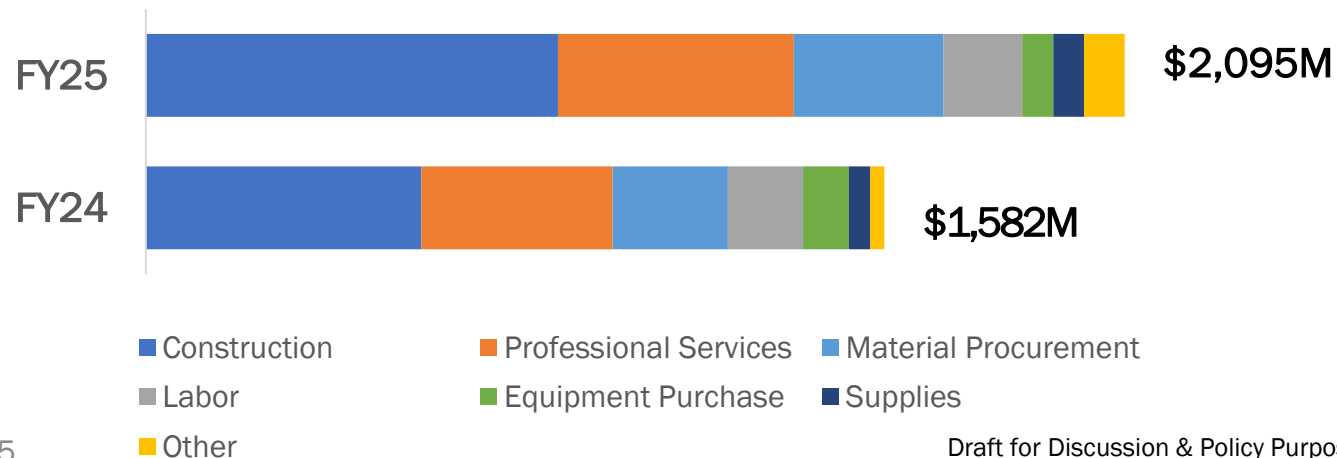
Labor and Non Labor Spend, FY24 vs FY25



FY25 Spend by Expense Category (\$M)

Responsibility Code	FY25 Spend	% of Total Spend	FY24 Spend	% of Total Spend	% Change YoY
Construction	\$882.2M	42.1%	\$589.7M	37.3%	49.6%
Professional Services	\$505.0M	24.1%	\$409.8M	25.9%	23.2%
Material Procurement	\$319.8M	15.3%	\$246.8M	15.6%	29.6%
Labor	\$169.5M	8.1%	\$160.4M	10.1%	5.6%
Equipment Purchase	\$66.3M	3.2%	\$98.4M	6.2%	-32.6%
Supplies	\$65.8M	3.1%	\$45.9M	2.9%	43.5%
Other	\$86.6M	4.1%	\$30.2M	1.9%	187.3%
Grand Total	\$2.095B	100%	\$1581.2M	100%	32.5%

- **Construction** has been robust and compared to last year, spending has increased 49.6%
- **Professional Services** – 23.1% increase over the prior FY which includes bus diversion costs related to TIP
- **Equipment Purchase**– is down 32.6% as a reflection of the TIP Program, shifting into construction.



FY25 Capital Investment Highlights

SOUTH COAST RAIL



NOTABLE ACCOMPLISHMENTS & BENEFITS

- Revenue Service:
 - South Coast Rail began service to New Bedford and Fall River on Monday, March 24, 2025, providing passenger rail service to and from Boston for the first time in 65 years
 - The Middleborough/Lakeville Line is now the Fall River/New Bedford Line and includes six new passenger stations plus two new layover facilities
 - Expenditures in FY25 were \$95.0M. The total MBTA budget is \$991M, with over \$914M expended



FY25 Capital Investment Highlights

MBTA VEHICLE PROJECTS



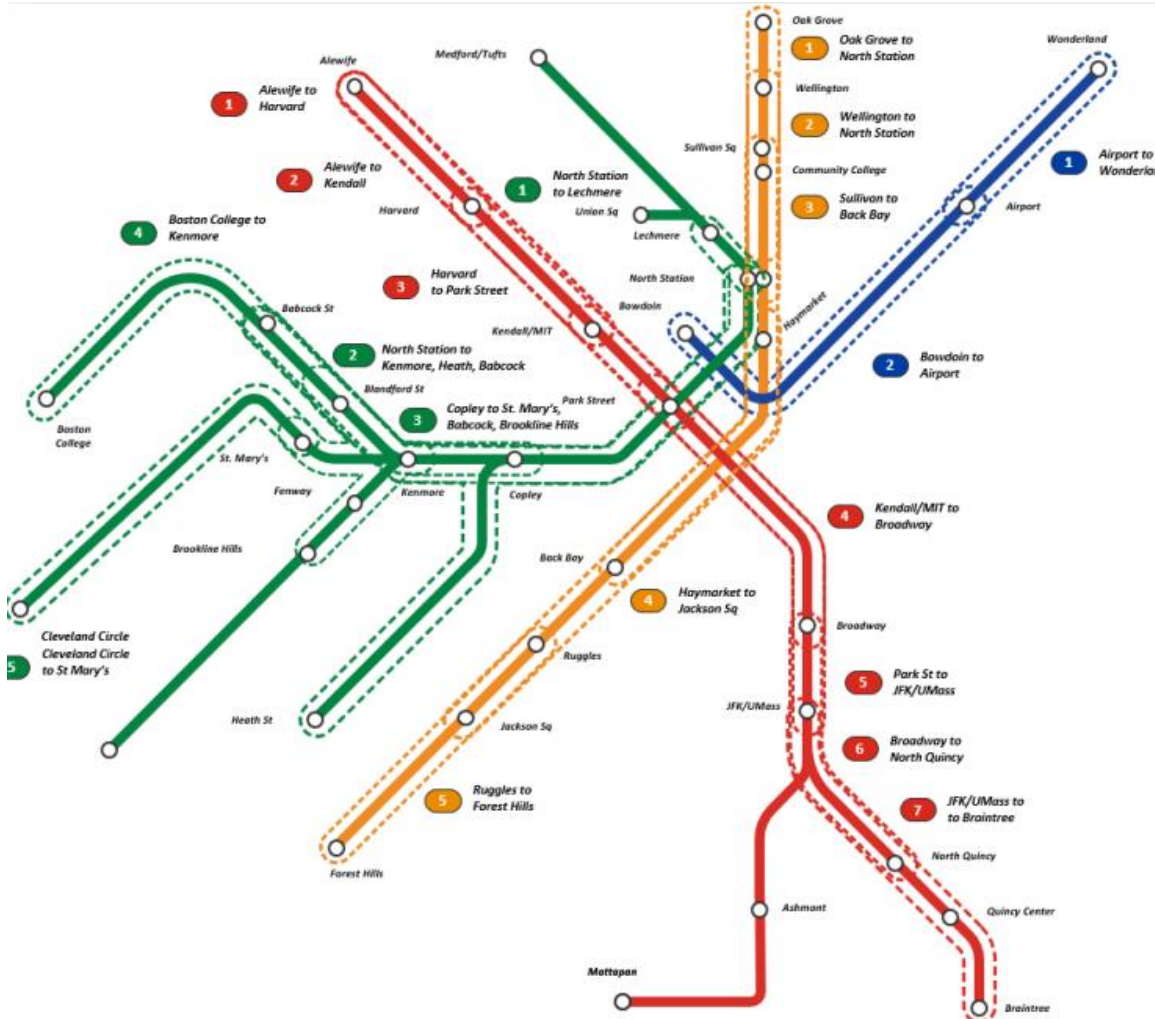
NOTABLE ACCOMPLISHMENTS & BENEFITS

- **Hyundai-Rotem Bi-Level Coaches – 80 Option Coaches**
 - \$149.4M spent in FY25
 - Production of 4 lead coach shells started May 2025
 - 4 Coaches due - Sept 2026
- **Red / Orange Line Vehicles**
 - \$76.2M spent in FY25
 - 146 of 152 Orange Line cars delivered
 - 50 of 252 Red Line cars delivered
- **Hybrid Bus Overhaul**
 - \$19.4M (base & option) spent in FY25
 - 57 out of 60 buses returned to service
 - 156 Option order pilot teardown complete
 - 10 buses in production



FY25 Capital Investment Highlights

TRACK IMPROVEMENT PROGRAM



NOTABLE ACCOMPLISHMENTS & BENEFITS

- Improvements in all 132 stations
- 226 speed restrictions lifted; first time in 22 years
- 250,000 feet of rail replaced
- Expenditures of \$296 million in FY25
- Major increases in safety, efficiency, and consistency for riders
- Travel Time Improvement saving riders minutes
- Generates nearly \$1 million in economic benefit daily
- Surpassed all goals; overdelivered on scope

"Our goal is to continue the positive momentum by focusing on accessibility and signal upgrades in FY26 and beyond, as well as staying on top of preventative maintenance to ensure the T delivers safe, reliable and frequent service to best serve the public today as we build for future generations."

– MBTA GM Phil Eng

FY25 Capital Investment Highlights

QUINCY BUS MAINTENANCE FACILITY



NOTABLE ACCOMPLISHMENTS & BENEFITS

Bus Facility Modernization Project

The Quincy facility will replace an aging, 104-year-old garage, and will be a pioneering force in serving the system's growing electric fleet

- Expenditures of \$119.5m in FY'25, with a total budget of \$476.2M
- Accommodate a larger, more modern fleet of battery electric buses (BEBs)
- Allow for potential service expansion and support
- Supports efforts to lessen our environmental impact
- The new garage, with state-of-the-art battery charging equipment, will be able to accommodate the servicing of up to 120 buses



APPENDIX



FY25 FYTD Capital Program Type Trend (\$M)

Program	FYTD Spend	% Of Total Spend
Vehicles	\$414.3M	19.8%
Maintenance and Administrative Facilities	\$305.3M	14.6%
Guideway, Signal, and Power	\$302.7M	14.4%
Track Improvement Program	\$296.0M	14.1%
Technology and Innovation	\$193.5M	9.2%
Passenger Facilities	\$155.1M	7.4%
Green Line Extension	\$131.8M	6.3%
Structures	\$114.0M	5.4%
South Coast Rail	\$95.0M	4.5%
Business and Operational Support	\$85.1M	4.1%
Expansion Projects	\$2.6M	0.1%
Grand Total	\$2095.3M	100.0%

- **TIP Expenditures** are just under 15% of FYTD Capital Spend
- **Vehicles** (\$414.3M) spend is driven mostly by Bi-Level Coach Option (\$116.2M), RL/OL Cars (\$76.3M) and several other vehicle investments
- **Maintenance and Admin Facilities** (\$305.3M) largely driven by Quincy Bus Modernization (\$119.5M), Codman Yard Expansion (\$34.7M) and Cabot Yard Upgrade (\$28.9M) and various other facility improvements
- **Guideway, Signal, and Power** (\$302.7M) is driven exclusively by the Signal Program (\$47.2M), Commuter Rail Fiber Optic Resiliency (\$30.1M), and Tower 1 (\$29.5M)

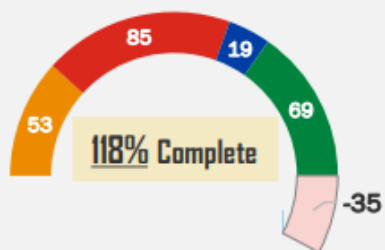


Track Improvement Program | *Program Metrics*

Speed Restrictions



226 lifted, **35 more** than orig. scope

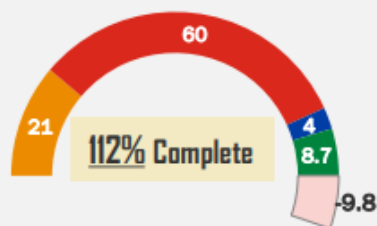


Originally Projected
191* Speed Restrictions

Travel Time Improvement



93.7 min returned, **9.8 more** than orig. scope

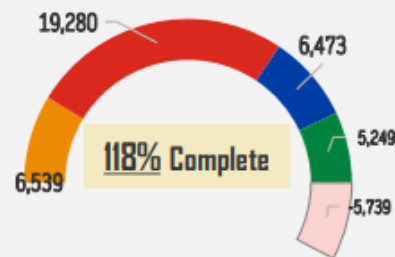


Refined Model
84 min

Ties Replaced



37,541 replaced, **5,739 more** than orig. scope

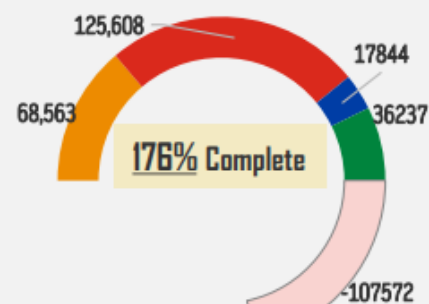


Originally Projected
31,802 Ties for Replacement,
incl SGR

Feet of Rail Replaced



248,252 replaced, **107,572 more** than orig. scope

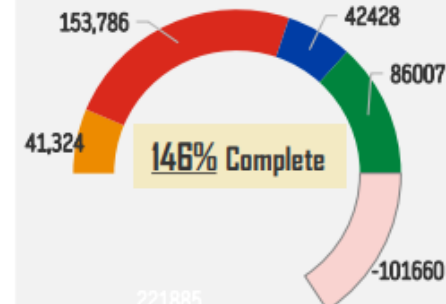


Originally Projected
140,680 ft for Replacement

Feet of Tamping



323,545 tamped, **101,660 more** than orig. scope



Originally Projected
221,885 ft to Tamp

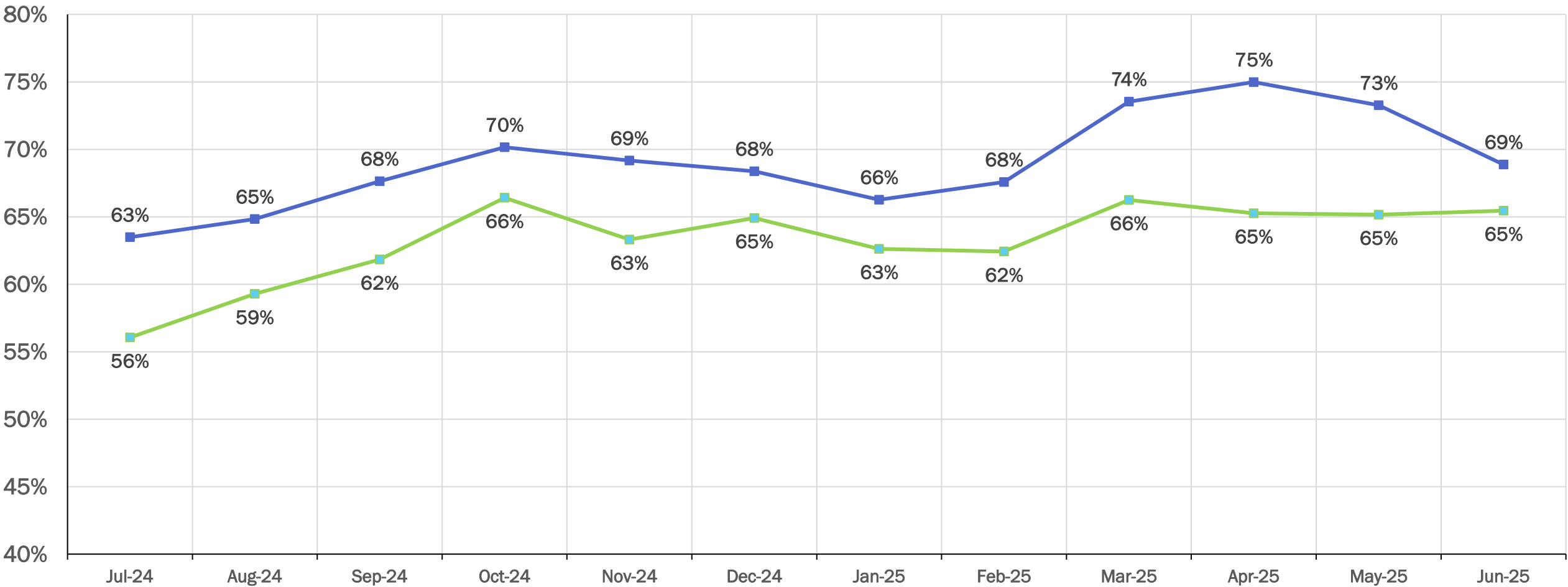
Track Improvement Program Projections as of Nov. 6, 2023.
Data date: Dec.10, 2024

Orange Line Red Line Blue Line Green Line Beyond Scope

Ridership vs. Fare Revenue FY25

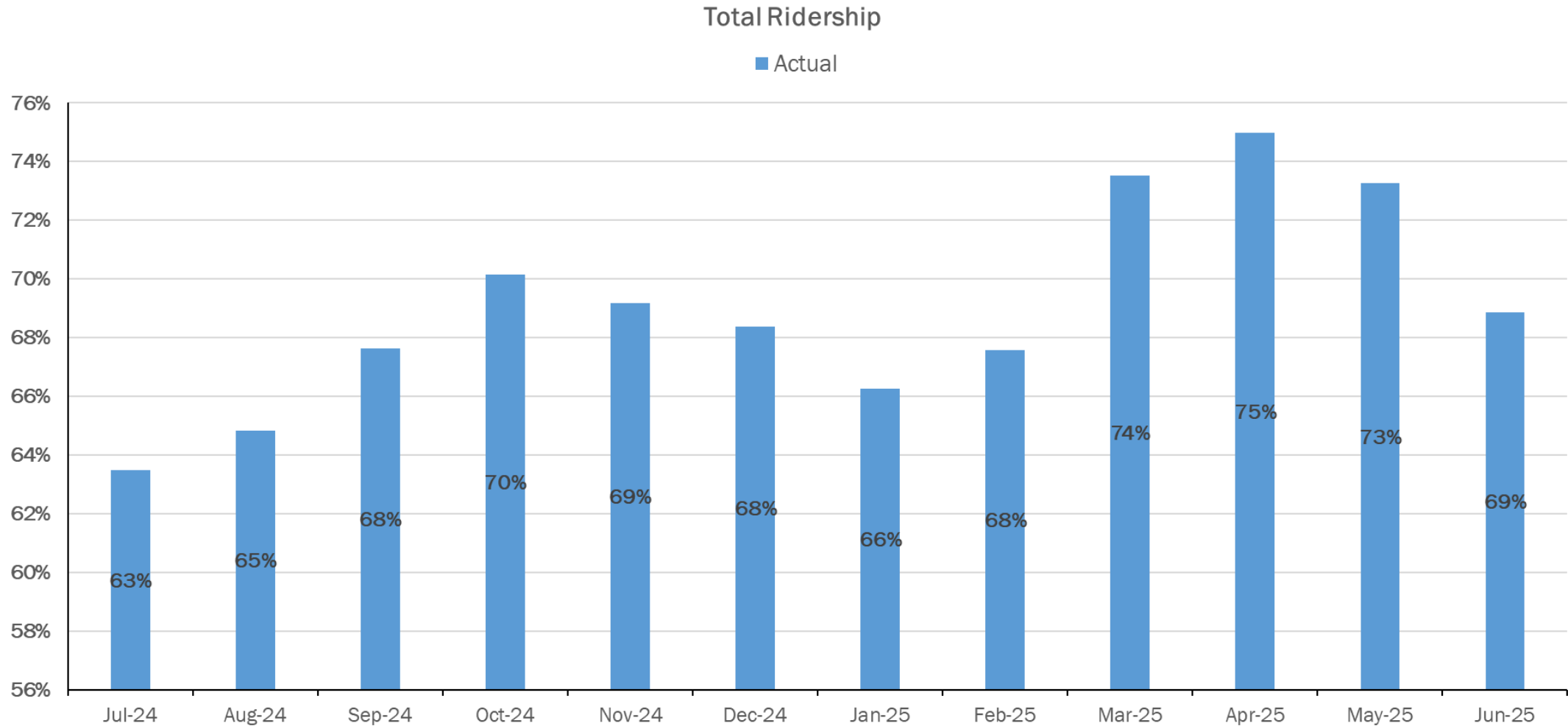
Ridership % of Pre-COVID compared to Fare Revenue % of Pre-COVID

Ridership % of Pre-COVID Baseline Total Actual Fare Revenue % of Pre-COVID Baseline Total Actual



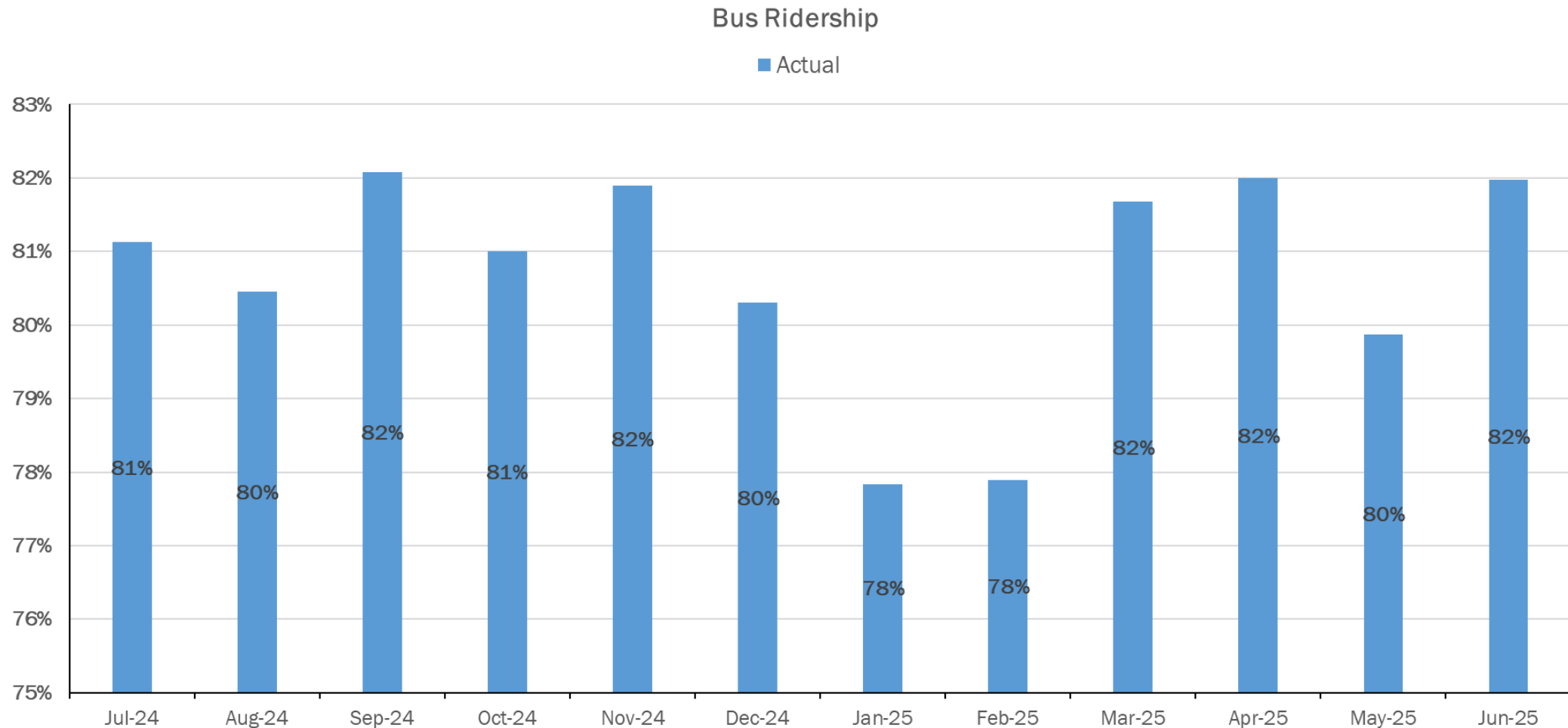
Total Ridership

- Total Ridership for June FY25 is 69% of pre-pandemic levels



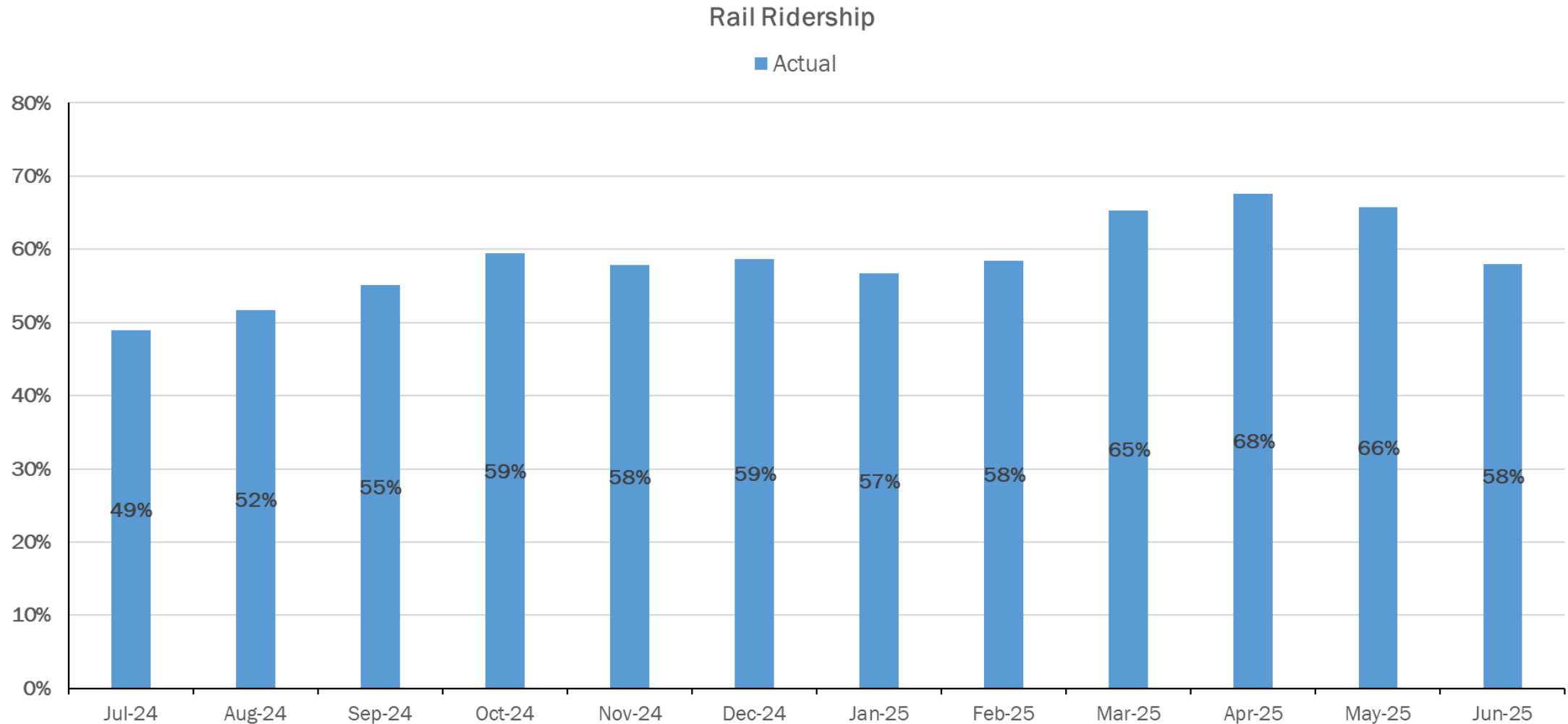
Bus Ridership

- Bus Ridership for June FY25 is 82% of pre-pandemic levels



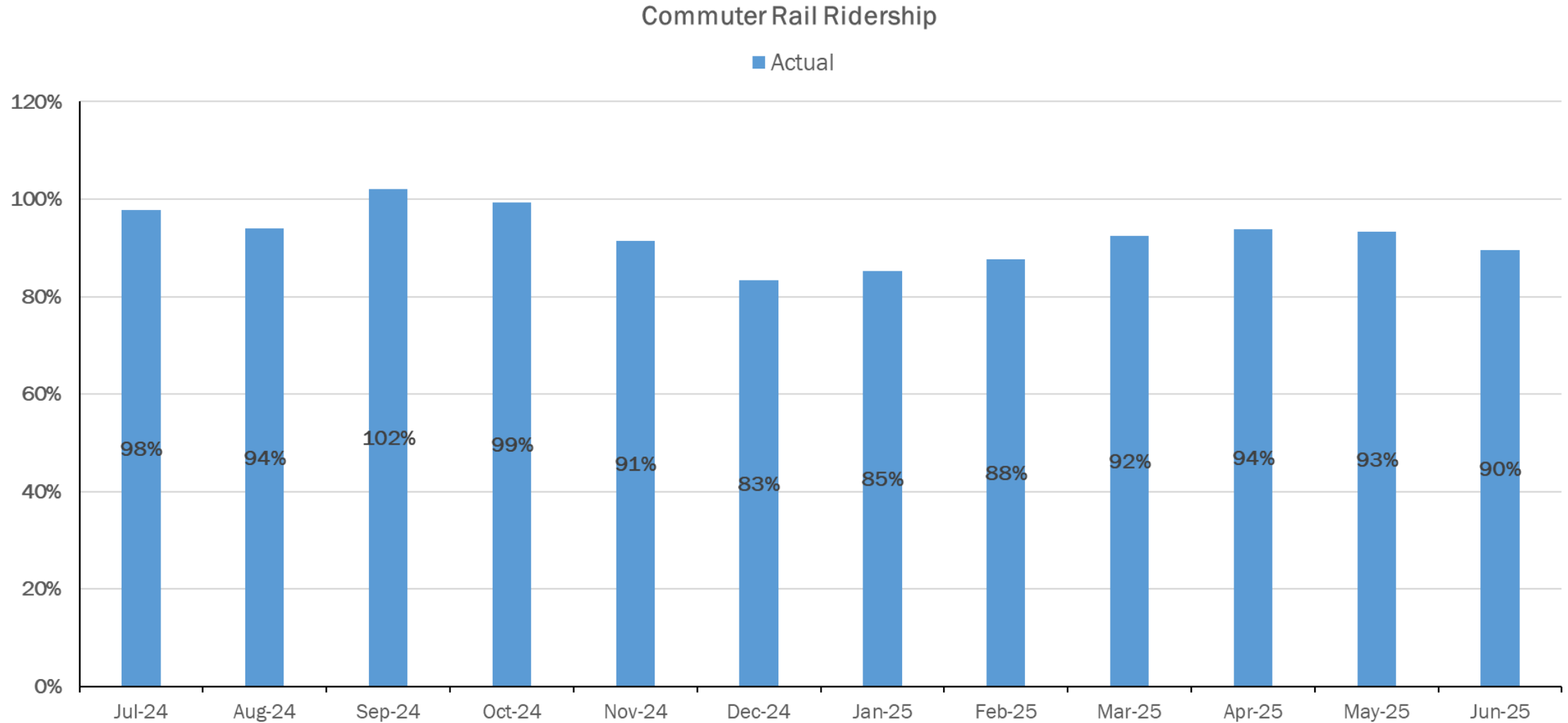
Rail Ridership

- Rail Ridership for June FY25 is 58% of pre-pandemic levels



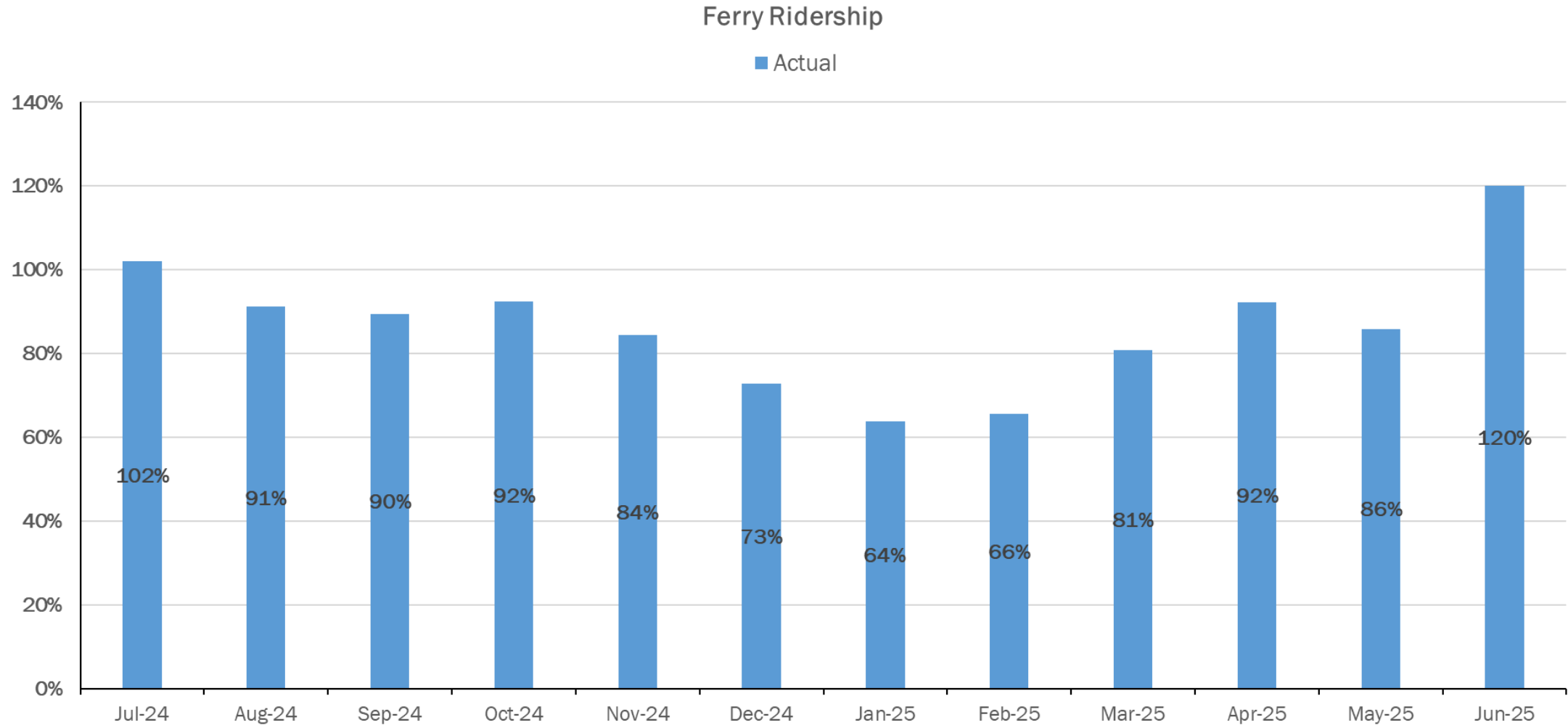
Commuter Rail Ridership

- Commuter Rail Ridership for June FY25 is 90% of pre-pandemic levels



Ferry Ridership

- Ferry Ridership for June FY25 is 120% of pre-pandemic levels



The RIDE Ridership

- The RIDE Ridership for June FY25 is 103% of pre-pandemic levels

