



**Massachusetts Bay
Transportation Authority**

FY26 Q1 Operating & Capital Results

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December 11, 2025

FY26 Operating Budget Summary

- **Net Loss: (\$25M)**
 - \$715M in total revenues
 - \$740M in total expenses
- **Total Revenues: \$42M unfavorable to budget**
 - Fare Revenue continues to trend upwards at \$8M above budget through Q1,
Fare Revenue estimates for October are \$44M, the highest monthly total since the beginning of the pandemic
 - State Assistance unfavorable by \$56M due to lower state appropriations offset by Favorable Sales Tax collections, \$8M
- **Total Expenses: \$36M favorable to budget**
 - Non-Wage expenses \$25M favorable due to lower material, service, and professional costs
 - Debt Service \$22M Favorable due to timing of bond defeasance
 - Wages Benefits & Payroll Taxes Unfavorable by \$11M due to timing of hiring
- **Net Revenue \$6M unfavorable to budget**
 - Q1 Net Revenue \$6M unfavorable, driven by lower-than-expected appropriation of state assistance

(\$M) Category	FY26 YTD (Q1) Budget	FY26 YTD (Q1) Actuals	FY26 YTD (Q1) Variance \$	FY26 YTD (Q1) Variance %	FAV or UNFAV
Fare Revenues	114	122	8	7%	FAV
Own Source Revenue	20	19	(0)	-2%	UNFAV
Non-Operating Revenues	623	574	(50)	-8%	UNFAV
Total Revenues Subtotal	757	715	(42)	-6%	UNFAV
Fare Recovery Ratio	18%	20%	-	2%	FAV
Wages, Benefits and Payroll Taxes	305	315	11	3%	UNFAV
Non-Wage	331	306	(25)	-7%	FAV
Operating Expenses Subtotal	636	622	(14)	-2%	FAV
Debt Service	140	118	(22)	-16%	FAV
Total Expenses Subtotal	776	740	(36)	-5%	FAV
Net Revenue/(Loss) Before Transfers	(19)	(25)	(6)	-32%	UNFAV



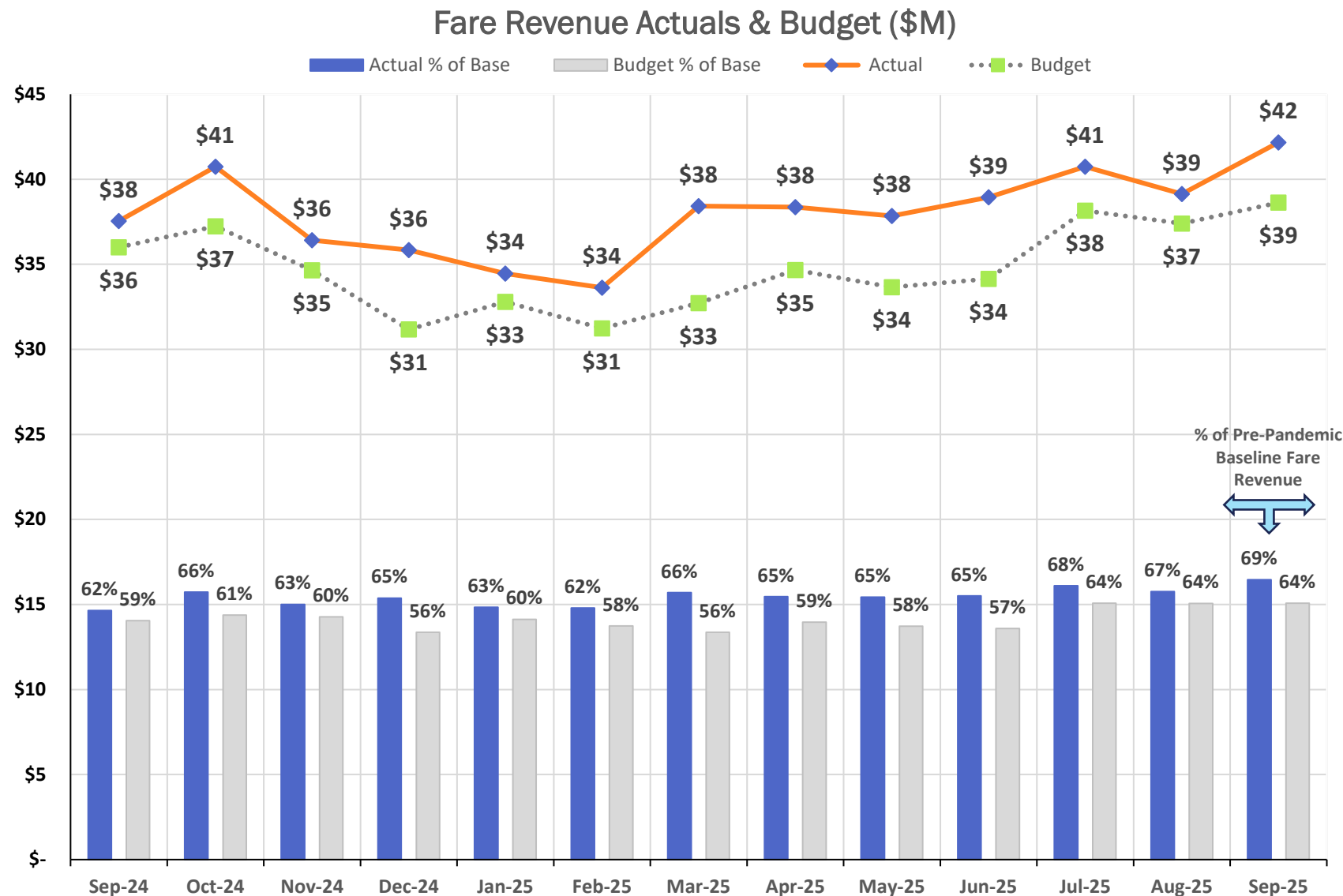
FY26 Q1 Revenue Summary

- **Total Revenues: \$715M**
 - \$42M unfavorable to budget
- **Fare Revenues: \$8M favorable to budget**
 - Driven by stronger than expected fare collection across key transit modes
- **Sales Tax Revenue: \$8M favorable to budget**
 - As state collections are on track for FY26 certified comptroller annual allocations
- **State Assistance: \$56M unfavorable to budget**
 - Due to FY26 State Budget and FY25 Supplemental Budget below Governors initial H1 and Supplemental proposals

Revenues (\$M)	FY26 YTD (Q1) Budget	FY26 YTD (Q1) Actuals	FY26 YTD (Q1) Variance \$	FY26 YTD (Q1) Variance %	FAV or UNFAV
Fare Revenue	114	122	8	7%	FAV
Own Source	20	19	(0)	-2%	UNFAV
Total Operating Revenue	134	141	7	6%	FAV
State Sales Tax Revenue	355	362	8	2%	FAV
Federal Funds (MEMA)	-	-	-	0%	UNFAV
Local Assessments Revenue	49	49	(0)	0%	UNFAV
Other Income	10	9	(1)	-8%	UNFAV
State Assistance	209	153	(56)	-27%	UNFAV
Total Non-Operating Revenue	623	574	(50)	-8%	UNFAV
Total Revenue	757	715	(42)	-6%	UNFAV

Monthly Fare Revenue Collection

- Fare revenues continue to outperform FY26 Budget:
 - \$122M in actual revenue collected vs \$114M budgeted
 - \$8M (7%) favorable variance
- Increased Fare Collection remains the primary driver of favorability in FY26:
 - Fare revenue has increased almost \$5M from September 2025 to September 2024
 - September fare revenue marked the highest actuals to date at \$42.8M
 - Preliminary Fare Revenue estimates for October are \$44M, the highest monthly total since the beginning of the pandemic



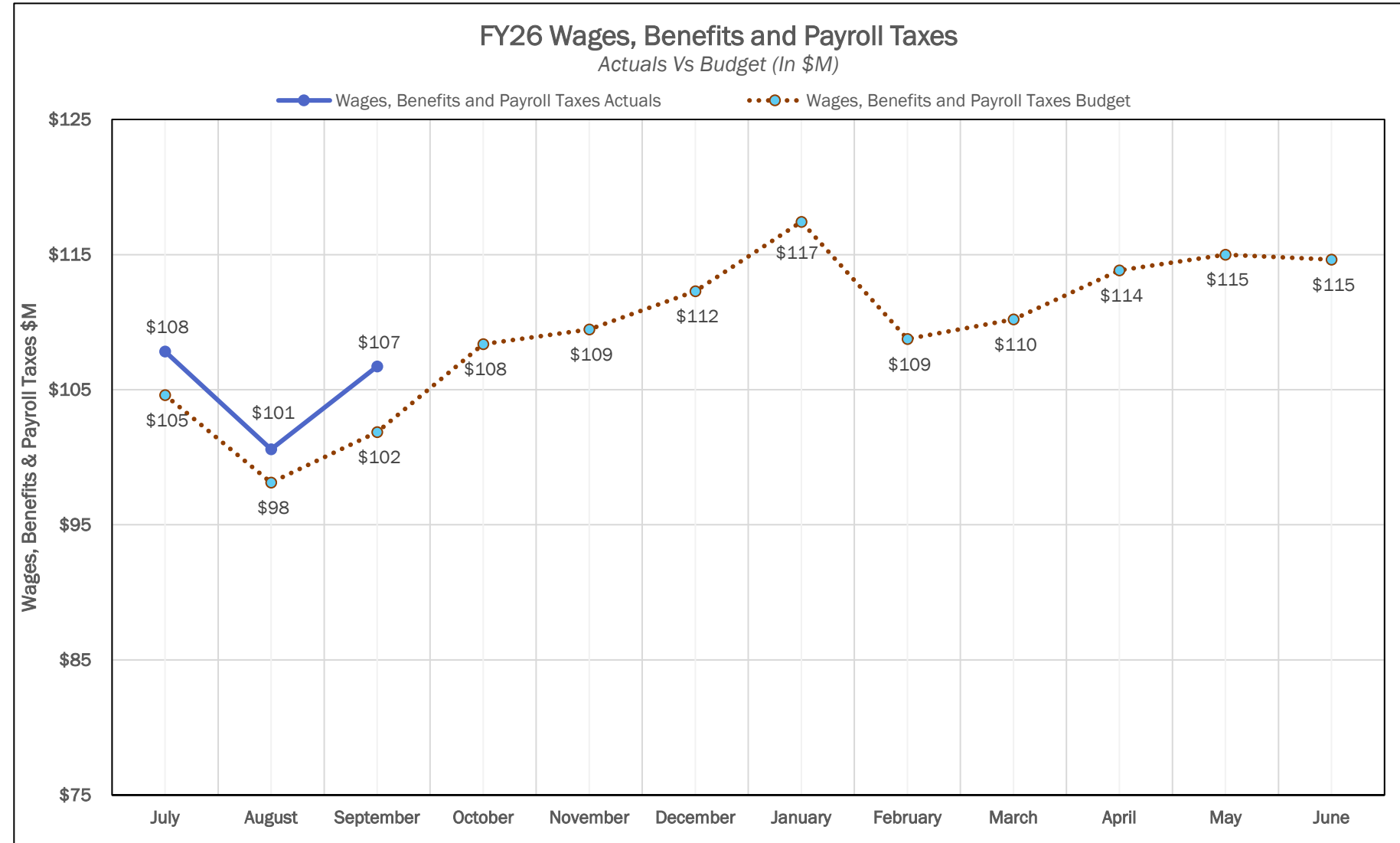
FY26 Q1 Spending Summary

- **Total Expenses: \$740M**
 - \$36M favorable to budget
- **Wages & Benefits: \$11M unfavorable to budget**
 - Regular Wages \$7M unfavorable due to timing of hiring in Q1 of FY26
 - As vacancies continued to be filled to our 450 net hiring target, wages will become more favorable to budget for the rest of FY26
 - OT \$6M unfavorable due to vacancies, slight decrease in OT from Q1 FY25 to Q1 FY26
- **Materials & Services: \$24M favorable**
 - Majority of favorability in Services due to contractor conversions to full time equivalents
 - Limiting global materials price increases
- **Debt Service: \$22M favorable**
 - Debt Service \$22M favorable due active portfolio management

Expenses (\$M)	FY26 YTD (Q1) Budget	FY26 YTD (Q1) Actuals	FY26 YTD (Q1) Variance \$	FY26 YTD (Q1) Variance %	FAV or UNFAV
Regular Wages	180	187	7	4%	UNFAV
Overtime	15	21	6	40%	UNFAV
Fringe Benefits	110	107	-2	-2%	FAV
Wages & Benefits Subtotal	305	315	11	3%	UNFAV
Materials & Services	116	95	(21)	-18%	FAV
Insurance	11	8	(3)	-28%	FAV
Financial Service Charge	4	4	0	5%	UNFAV
Materials & Services Subtotal	131	107	(24)	-18%	FAV
Commuter Rail	150	150	0	0%	UNFAV
The RIDE	41	40	(1)	-2%	FAV
Local Service & Ferry	10	9	(1)	-6%	FAV
Total Operating Expenses	636	622	(14)	-2%	FAV
Debt Service	140	118	(22)	-16%	FAV
Total Expenses	776	740	(36)	-5%	FAV

Total Wages, Benefits & Payroll Taxes: FY26 Budget vs Actuals

- **Wages, Benefits, and Payroll Taxes Q1 actuals were \$315M**
 - Unfavorable to budget by \$11M due to timing of hiring
 - As vacancies continued to be filled to our 450 net hiring target, wages will become more favorable to budget for the rest of FY26
- **Compensation pressure continues into FY26**
 - Increased hiring and reduced attrition
 - Collective Bargaining Increases
 - Retention and longevity bonuses



FTA Special Directive Spending Update

- **\$659.9M in total committed** spending for FTA Special Directives on both the Capital and Operating Budget
 - Currently \$50.9M of \$659.9M in committed spending is not covered by legislative appropriations
- **\$535.5M total expenses incurred**, primarily in Directive 22-4 to support Track Repair
- To date, the MBTA has **received \$434M** of the total **\$609M appropriated**
- **\$609M in total FTA appropriations:**
 - **\$398M appropriated** in FY24 & FY23 State Budgets
 - **\$36M appropriated** in the FY25 state budget
 - **\$175M appropriated** in the FY25 supplemental budget was passed in the legislature in the FY26 closeout supplemental budget on 11/20/2025

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	\$294.9M	\$317.3M
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	\$70.1M	\$90.7M
22-6	Address the pattern of safety incidents and interim safety findings related to actions within the Operations Control Center at MBTA	\$20.8M	\$26.6M
22-7	Address the pattern of safety incidents and interim safety findings concerning lapsed training certifications of safety-sensitive rail personnel	\$16.9M	\$24.5M
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	\$48.7M	\$99.9M
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	\$7.75M	\$10.3M
22-11	Improve MBTA's management of its safety committee process, employee safety reporting program, and safety promotion activities	\$1.54M	\$1.82M
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	\$21.6M	\$29.0M
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	\$33.2M	\$39.8M
Various	Workforce Initiatives	\$20.0M	\$20.0M
Total		\$535.5M	\$659.9M

Capital Program Review



FY26 Capital Investment Plan at the MBTA

The CIP includes strategic investments and over 600 unique capital projects to modernize, expand, and increase the safety and reliability of the MBTA infrastructure

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

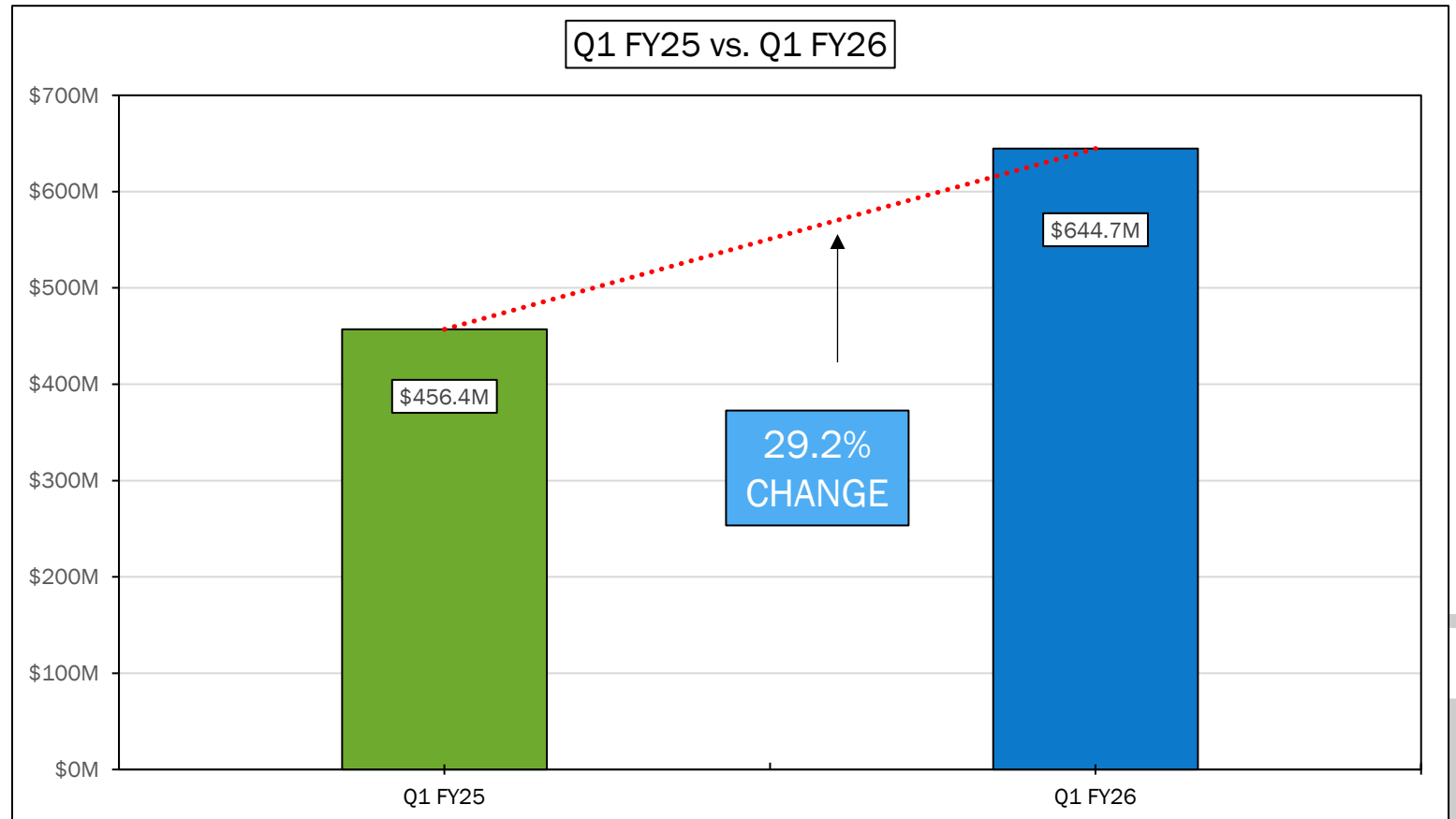


Q1 FY26 \$644.7M Capital Spend & Key Capital Investments

- **FY26 Q1 Capital Spend of \$644.7M** is the **highest** ever expended by the MBTA in one fiscal quarter compared through 2019 (FY25 \$456.4M or **29.2% higher YoY**)

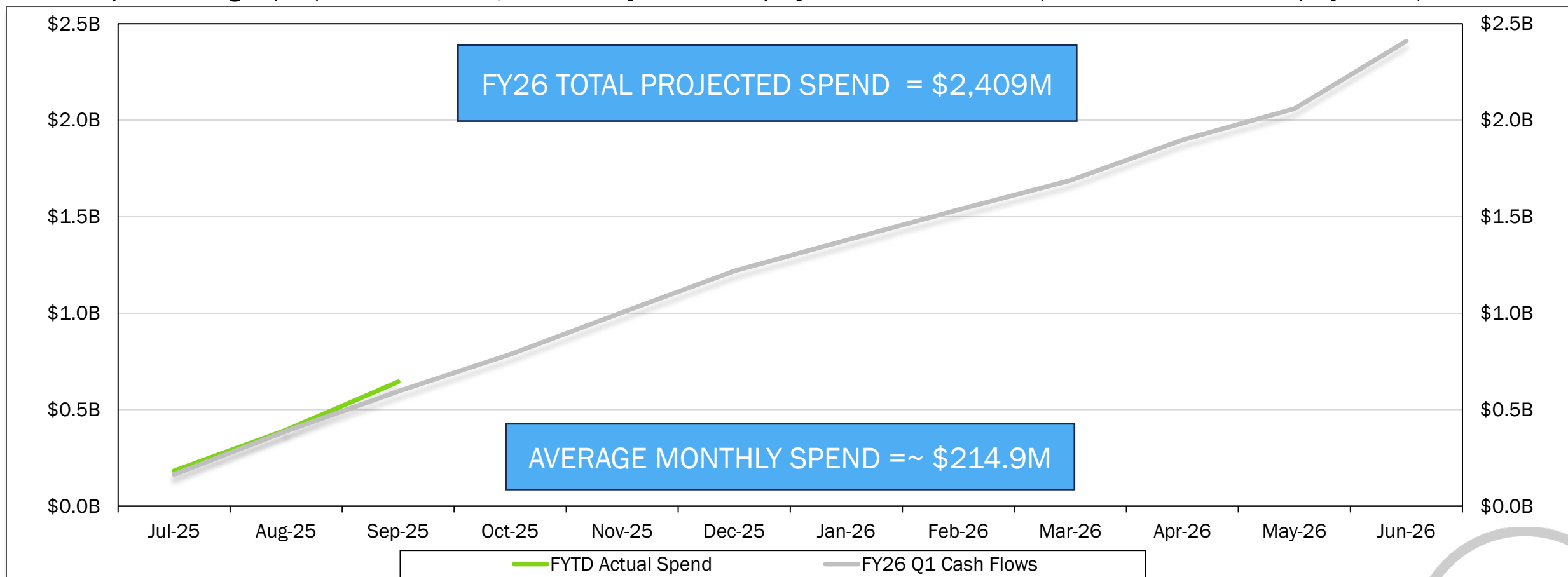
FY26 CAPITAL IMPROVEMENTS CONTRIBUTING TO CUSTOMER EXPERIENCE

- Signal Light and Power
- Vehicle Procurement
- Facilities
- Station Improvements



Q1 FY26 Spend and Projections Overview (\$M)

Total spend through 9/30/25 is **\$644.7M.**, 7.6% over Q1 cash flow projections of **\$595.5M*** (based on PM cash flow projections).

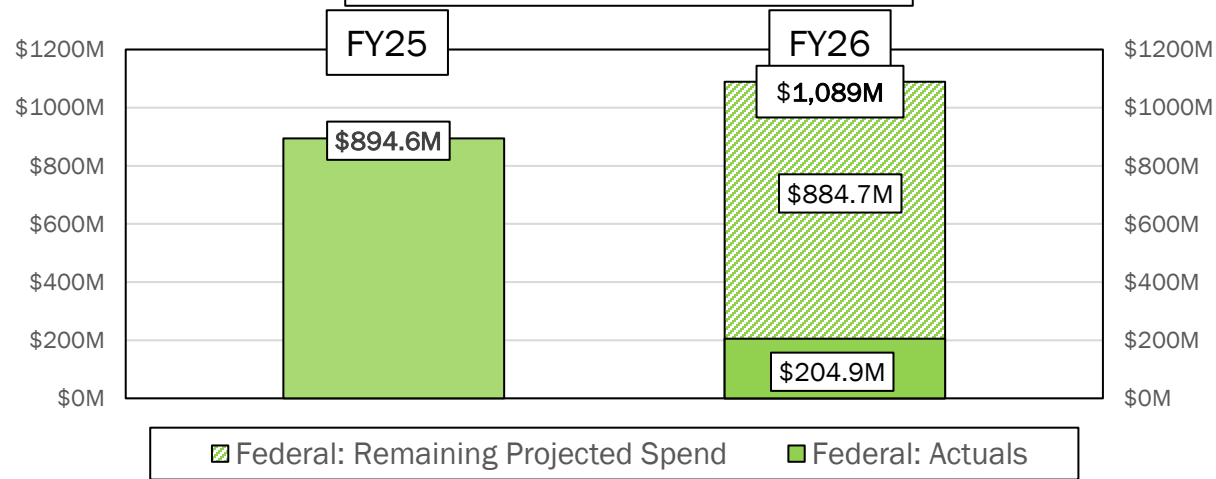


July	August	September	October	November	December	January	February	March	April	May	June	FYTD Spend
\$183.5M	\$211M	\$250.2M										\$644.7M

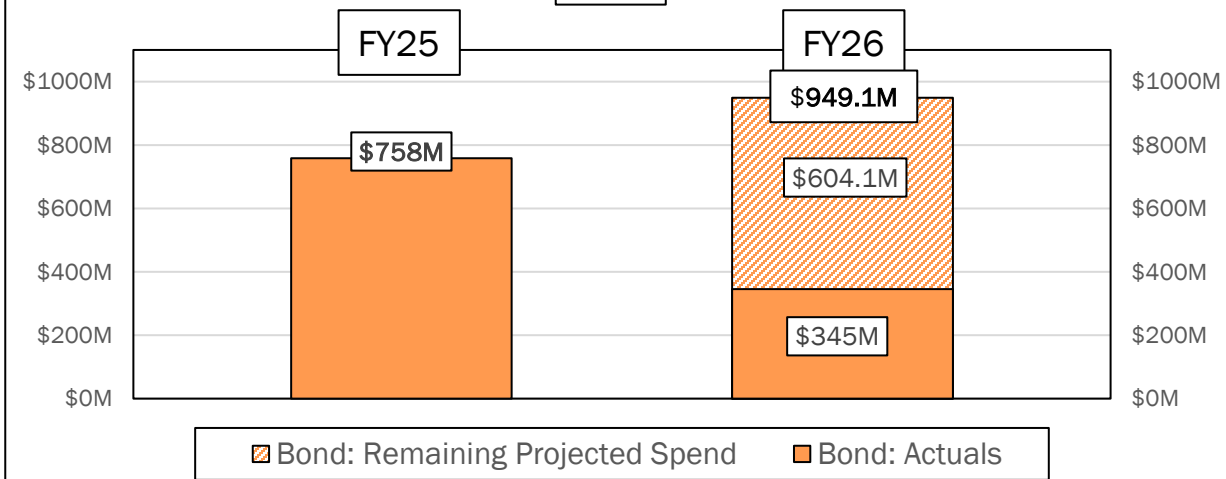
YOY Capital Spend by Funding Source (\$M)

Driven mostly by Bond & Federal

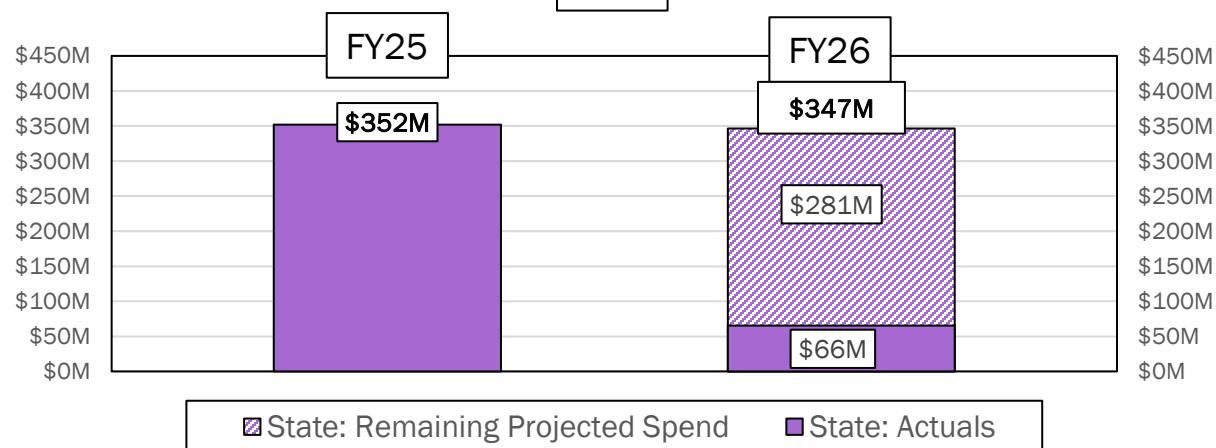
Federal, Future Federal & RRIF



Bond



State



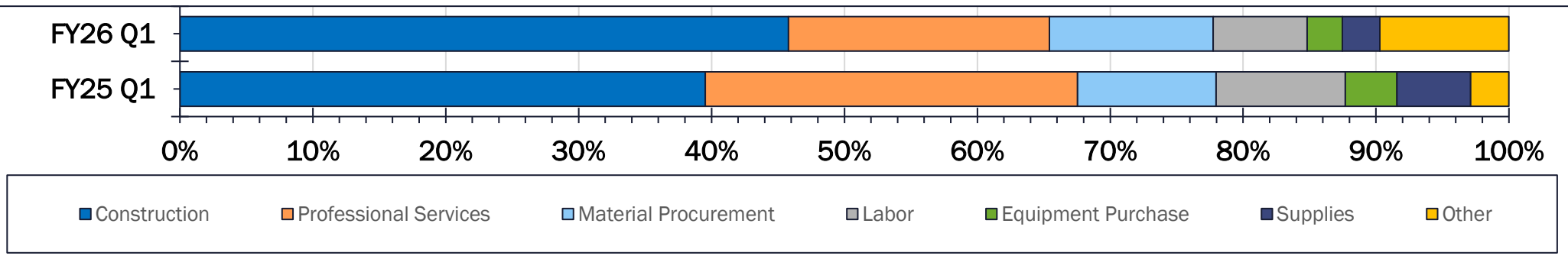
- **Federal and Future Federal & RRIF** – Projecting 17.9% higher YoY
- **Bond** – Projecting 20.1% higher YoY
- **State** – Projecting 1.4% lower YoY



Q1 FY26 Capital Expense Category Trend (\$M)

Responsibility Code	FY26 Q1 Spend	FY26 % of Total Spend	FY25 Q1 Spend	FY25 % of Total Spend	YoY % Change
Construction	\$295.2M	45.8%	\$180.4M	39.5%	6.3%
Professional Services	\$126.6M	19.6%	\$127.8M	28.0%	-8.4%
Material Procurement	\$79.4M	12.3%	\$47.5M	10.4%	1.9%
Other	\$62.6M	9.7%	\$13.1M	2.9%	6.8%
Labor	\$45.7M	7.1%	\$44.5M	9.7%	-2.7%
Supplies	\$18.1M	2.8%	\$25.3M	5.6%	-2.7%
Equipment Purchase	\$17.1M	2.7%	\$17.7M	3.9%	-1.2%
Grand Total	\$644.7M	100%	\$456.4M	100%	0%

- FYTD spend is led by Construction, followed by Professional Services
- Compared to FY25 Q1, Construction spending increased 6%
- Professional Services decreased 8.4% over the prior FY25 Q1
- Other increased 6.8% over FY25 Q1 due to the purchase of the 440 Riverside property.



\$644.7M

\$456.4M

Q1 FY26 Capital Investment Highlights



Green Line Type 10



Orange Line Car Shell



New Battery Electric Buses

Notable Investments Vehicle Projects

- Hyundai-Rotem Bi-Level Coaches – 80 Coaches
 - \$134M LTD spend
 - Production of 4 lead coach in production
 - 4 coaches due to arrive in the USA - Sept 2026
- Red / Orange Line Vehicles
 - \$579.9M LTD – project spend
 - 148 of 152 Orange Line cars delivered
 - 58 of 252 Red Line cars delivered
- Green Line Type 10
 - \$130.3M LTD – project spend
 - 4 Pilot vehicles are in production
- Hybrid Bus Overhaul
 - \$42M LTD – project spend
 - 59 out of 60 buses returned to service
 - 156 Option order pilot returning 11/19/2025
 - 15 buses in production
- Battery Electric Bus
 - \$22.7M (base & option) LTD – project spend
 - 11 out of the next 27 buses have been delivered
 - All 27 buses accepted by end of Feb 2026



Q1 FY26 Capital Investment Highlights

Notable Investments Acquisition of the Millenium Vessel

MBTA Welcomes New Ferry

August 7, 2025



- \$10.5M spend through Q1
- The 400-person catamaran will operate full time on the Hingham providing additional service to the South Shore
- Sister ship to the Aurora and Asteria, two Boston Harbor City Cruises-owned boats that operate our F1 Hingham to Rows Wharf route every weekday year-round
- Vessel includes fully accessible boarding and main deck, as well as accessible restroom.
- When first built, it operated in Boston Harbor. It was then sold and has operated in various areas including San Francisco Bay, the Caribbean, and Bermuda. Most recently operated between New Jersey and Manhattan NY



Q1 FY26 Capital Investment Highlights

Notable Investments Purchase of 440 Riverside Ave

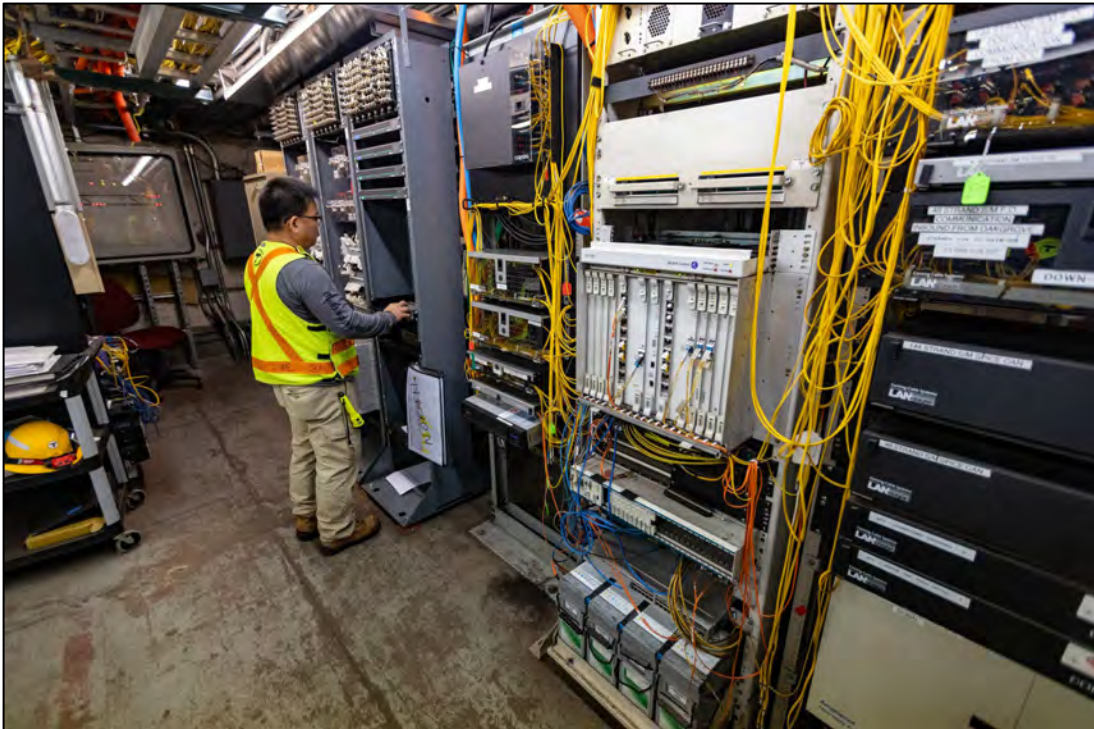


- In Q1, the MBTA finalized the purchase of 440 Riverside
- Operational garage is centrally located and crucial for expanding the bus fleet
- Current garages are too small and outdated to handle modern buses, especially battery-electric buses;
- 440 Riverside site may include both office space, maintenance bays, and canopy vehicle storage
- In coordination with the city of Medford, opportunities for future development are being explored

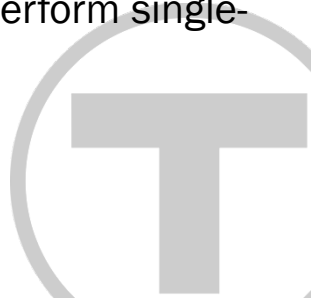


Q1 FY26 Capital Investment Highlights

Notable Investments Red/Orange Line Signal Program Q1 Spend \$12.2M



- In Q1, the project team completed work during 6 diversions over 12 days, during which time the installation, testing, and commissioning of full new segments of signal systems
- Replacement and improvement of the existing analog system is crucial as these improvements will reduce the time and additional cost needed to maintain our signals, as well as continue to provide improved service reliability, and fewer delays, and a more resilient system that can support future growth
- The system design also adds a new function to permit Bi-Directional train operation between North Station and Back Bay Stations enabling trains to operate in either direction on both tracks to perform single-tracking diversions

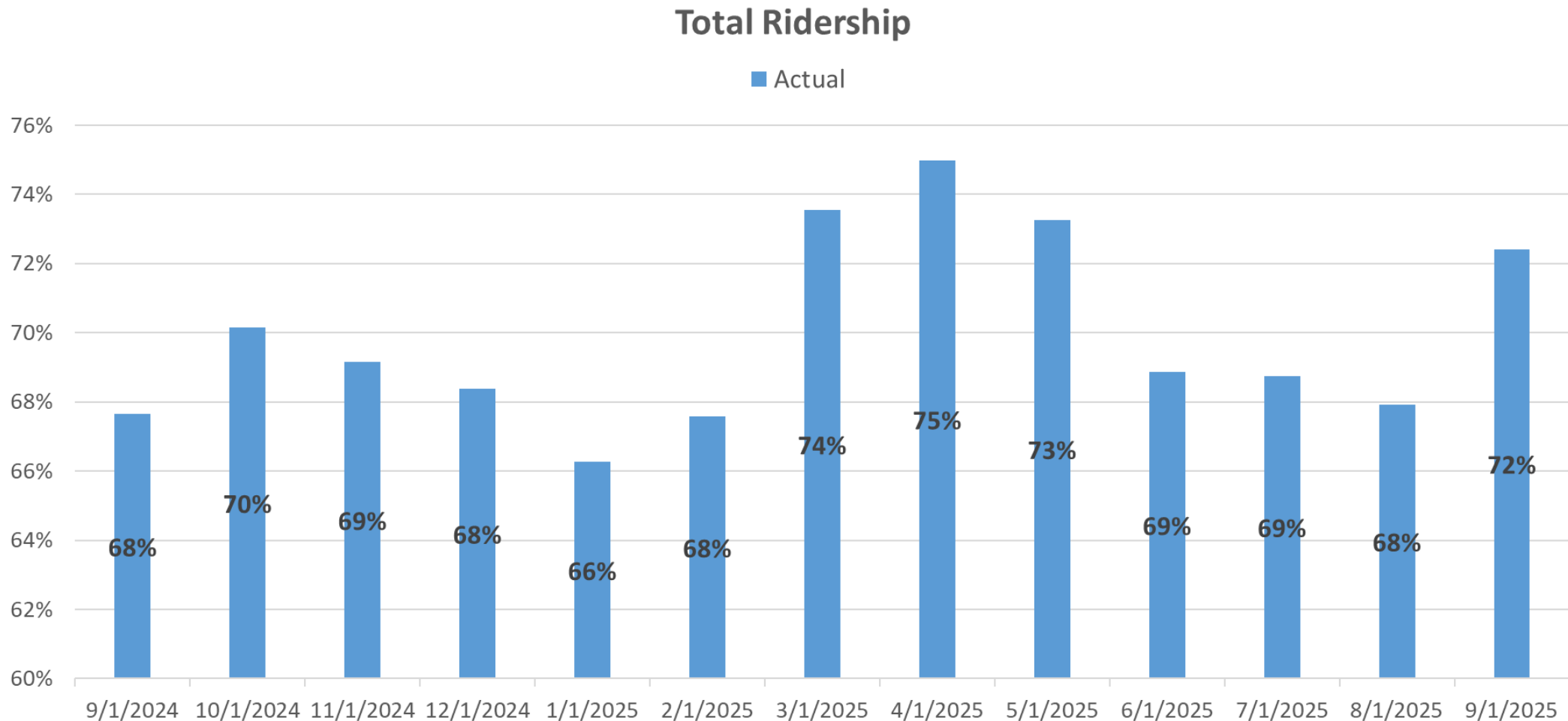


Appendix



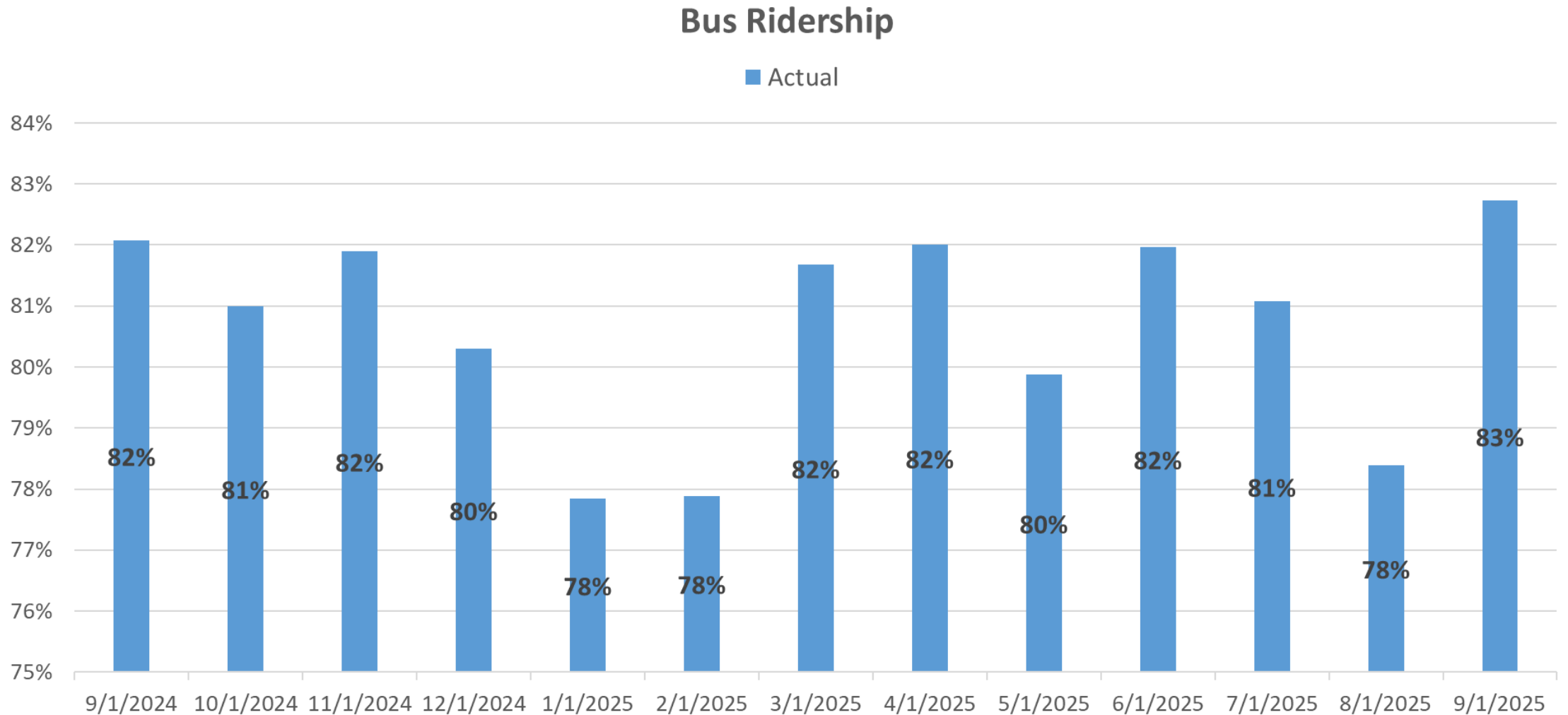
Total Ridership

- Total Ridership for Q1 FY26 is 72% of Pre-Pandemic Baseline



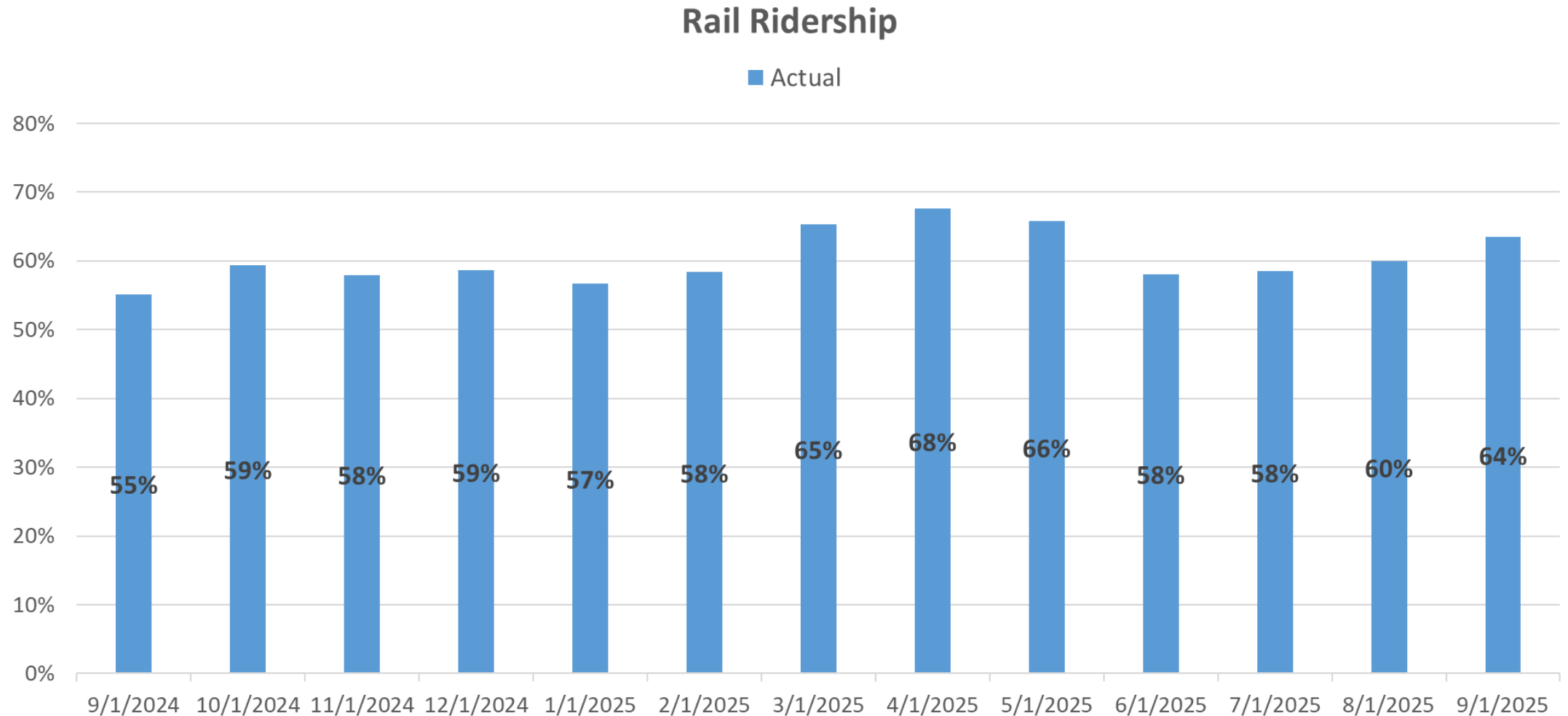
Bus Ridership

- Bus Ridership for Q1 FY26 is 83% of Pre-Pandemic Baseline



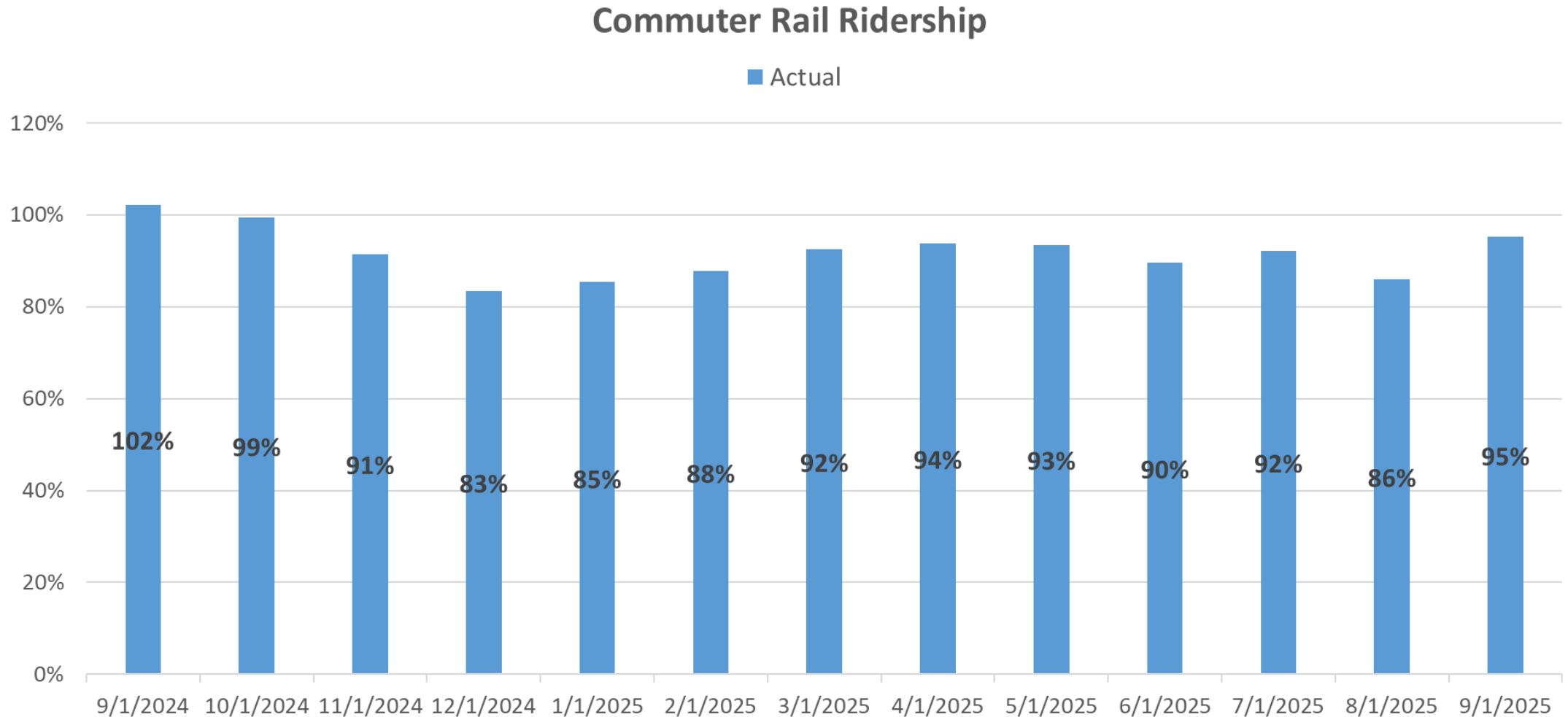
Rail Ridership

- Rail Ridership for Q1 FY26 is 64% of Pre-Pandemic Baseline



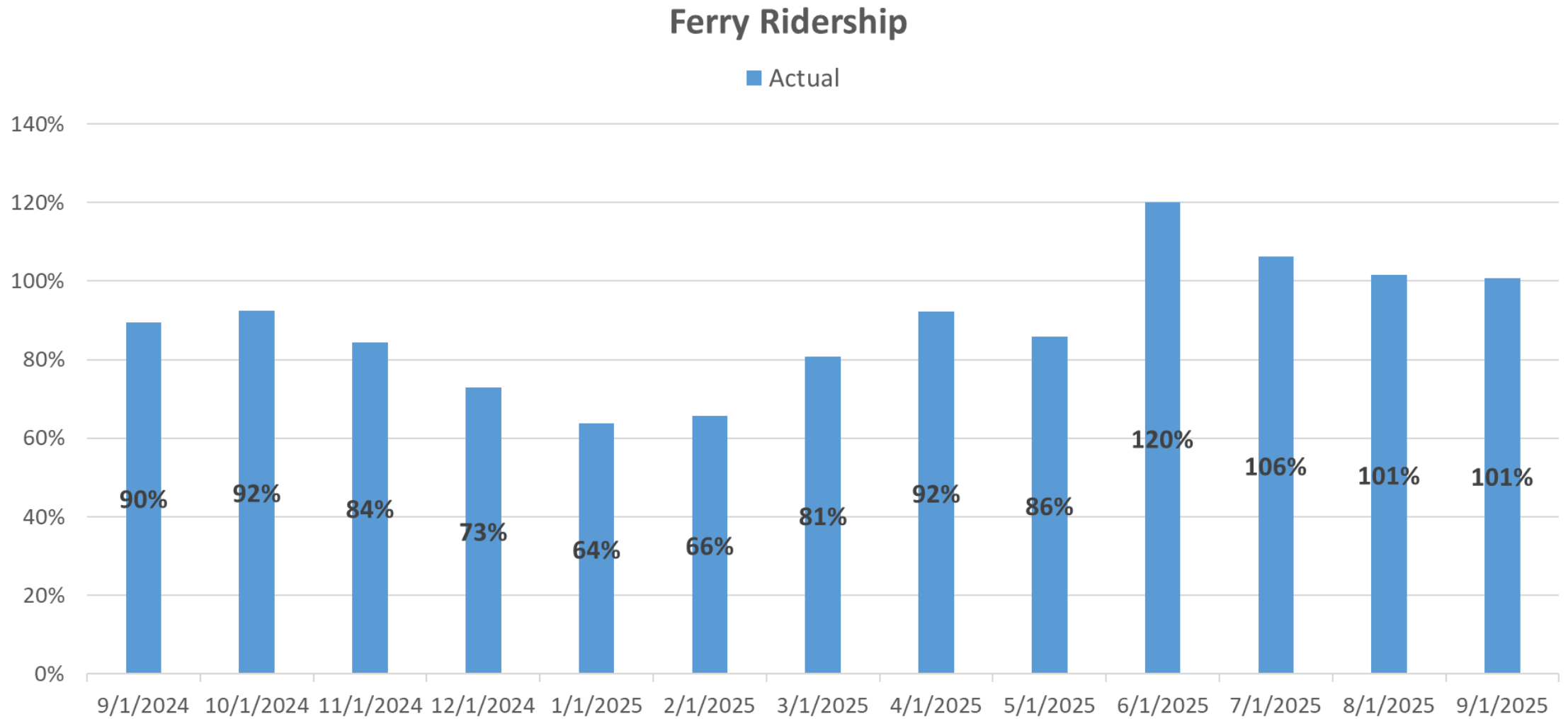
Commuter Rail Ridership

- Commuter Rail Ridership for Q1 FY26 is 95% of Pre-Pandemic Baseline



Ferry Ridership

- Ferry Ridership for Q1 FY26 is 101% of Pre-Pandemic Baseline



The RIDE Ridership

- The RIDE Ridership for Q1 FY26 is 107% of Pre-Pandemic Baseline

