Massachusetts Bay Transportation Authority

FY26 Operating and Capital Results

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FY26 Operating Budget Summary

- **Total Operating Revenue $48M (9%) favorable to Budget**
  - **Fare Revenue** $46M (10%) favorable to budget
  - **Average Ridership** is at 77% of pre-pandemic revenues: Fare Revenue is at 71%
  - $8M in **World Cup** special event train tickets
  - Offset by $4M **Commuter Rail Discounts**
- **Total Non-Operating Revenues $210M (8%) unfavorable to budget**
- **Total Expenses $141M favorable to Budget:**
  - **Operating Expenses** $76M favorable to budget
  - $26M favorable to budget in **Wages & Benefits** due to strategic elongation of recruitment pipeline
  - $50M favorable to budget in **non-wage expenses**, driven primarily by reduced reliance on 3rd parties
  - $65M favorable to budget in **Debt Service** due to Legacy Big Dig Debt forgiveness from the Governor in FY26

($M) Category	FY26 Budget	FY26 Actuals	FY26 Variance $	FY26 Variance %	Favorable vs. Unfavorable to Budget
Fare Revenues	449	495	46	10%	Favorable
Own Source Revenue	84	86	1	2%	Favorable
Total Operating Revenue	**533**	**581**	**48**	**9%**	Favorable
Total Non-Operating Revenues	2,542	2,332	(210)	-8%	Unfavorable
Total Revenue	**3,075**	**2,913**	**(162)**	**-5%**	Unfavorable
Wages, Benefits and Payroll Taxes	1,315	1,289	(26)	-2%	Favorable
Non-Wage	1,369	1,319	(50)	-4%	Favorable
Total Operating Expenses	**2,683**	**2,608**	**(76)**	**-3%**	Favorable
Debt Service	560	495	(65)	-12%	Favorable
Total Expenses	**3,244**	**3,103**	**(141)**	**-4%**	Favorable
Net Revenue	**(168)**	**(190)**	**(22)**	**-13%**	Unfavorable

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FY26 Operating Revenue Summary

- **Total Operating Revenues $48M (9%) favorable to budget**
  - Fare Revenues $46M (10%) favorable to budget
    - Bolstered by $8M in World Cup special event train tickets
    - Offset by $4M in discounts on commuter for Free Fare Fridays
- **Sales Tax Revenue: $35M (2%) favorable to budget**
- **State Assistance $217M unfavorable to budget. Additional State Assistance $24M also unfavorable to budget**
  - FY26 State Budget and FY25 Fair Share Supplemental Budget below Governor's proposals

Revenues ($M)	FY26 Budget	FY26 Actuals	FY26 Variance $	FY26 Variance %	Favorable vs. Unfavorable to Budget
Fare Revenue	449	495	46	10%	Favorable
Own Source Revenue	84	86	1	2%	Favorable
Total Operating Revenue	**533**	**581**	**48**	**9%**	Favorable
State Sales Tax Revenue	1,425	1,461	35	2%	Favorable
Local Assessments Revenue	198	198	0	0%	Favorable
Other Income	36	32	(4)	-11%	Unfavorable
State Assistance	687	470	(217)	-32%	Unfavorable
Additional State Assistance	196	172	(24)	-12%	Unfavorable
Total Non-Operating Revenue	**2,542**	**2,332**	**(210)**	**-8%**	Unfavorable
Total Revenue	**3,075**	**2,913**	**(162)**	**-5%**	Unfavorable

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FY26 Operating Spending Summary

- Total Expenses $141M favorable to budget
- Wages & Benefits: $26M favorable to budget:
  - Regular Wages $54M favorable to budget due to strategic elongation of recruitment pipeline, with a focus on retaining core transit operations expertise as full time MBTA staff
  - Overtime $27M unfavorable to budget due to high snowfall, diversion work, and FMLA coverage
- Materials & Services: $68M favorable to budget
  - $57M favorable to budget in Professional Services due to internal efforts to build out internal capacities including contractor conversions, and *in house* innovation among maintenance verticals
  - $11M favorable to budget in Insurance due to softer risk market than expected
  - Debt Service $65M favorable to budget due to Principle refunding's, Legacy Debt Forgiveness, and other Net Present Value Savings across all Series of Bonds

Expenses ($M)	FY26 Budget	FY26 Actuals	FY26 Variance $	FY26 Variance %	Favorable vs. Unfavorable to Budget
Regular Wages	815	761	(54)	-7%	Favorable
Overtime	62	88	27	43%	Unfavorable
Fringe Benefits	438	440	1	0%	Unfavorable
Wages & Benefits Subtotal	1,315	1,289	(26)	-2%	Favorable
Materials & Services	510	453	(57)	-11%	Favorable
Insurance	47	35	(11)	-24%	Favorable
Financial Service Charge	15	16	1	6%	Unfavorable
Materials, Services, Insurance Subtotal	572	504	(68)	-12%	Favorable
Commuter Rail	599	621	22	4%	Unfavorable
The RIDE	163	158	(5)	-3%	Favorable
Local Service & Ferry	35	36	1	2%	Unfavorable
Purchased Transit Subtotal	***797***	***815***	***18***	***2%***	Unfavorable
Total Operating Expenses	2,683	2,608	(76)	-3%	Favorable
Debt Service	560	495	(65)	-12%	Favorable
Total Expenses	3,244	3,103	(141)	-4%	Favorable

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Capital Program Review

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FY26 Capital Investment Plan at the MBTA

The FY26-FY30 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

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FY26 $1,876.8M Capital Spend and Key Investments

INFRASTRUCTURE IMPROVEMENTS

- Track Improvement Program: Improving efficiency and reliability
- Station Improvements & Accessibility upgrades
  Passenger Facilities – Foxboro Station, Jackson Square Accessibility, Hingham Ferry Dock Modification
- Facility Improvements – Quincy Bus Maintenance Facility, Cabot Yard, Facility Roof Replacements, and Wellington Yard Upgrade

Vehicle Procurements

- New Flyer Hybrid Bus Overhaul
- Hyundai Rotem Bi-Level Coach Option Purchase
- Green Line Type 10 Milestones
- Red/Orange Line Vehicles
- HSP46 Locomotive Overhaul

Strategic Real Estate Acquisitions

- Wellington Bus Maintenance Facility, 440 Riverside
- Von Hillern Storage Facility

Quincy Bus

Red Line Coach on the line at CRRC

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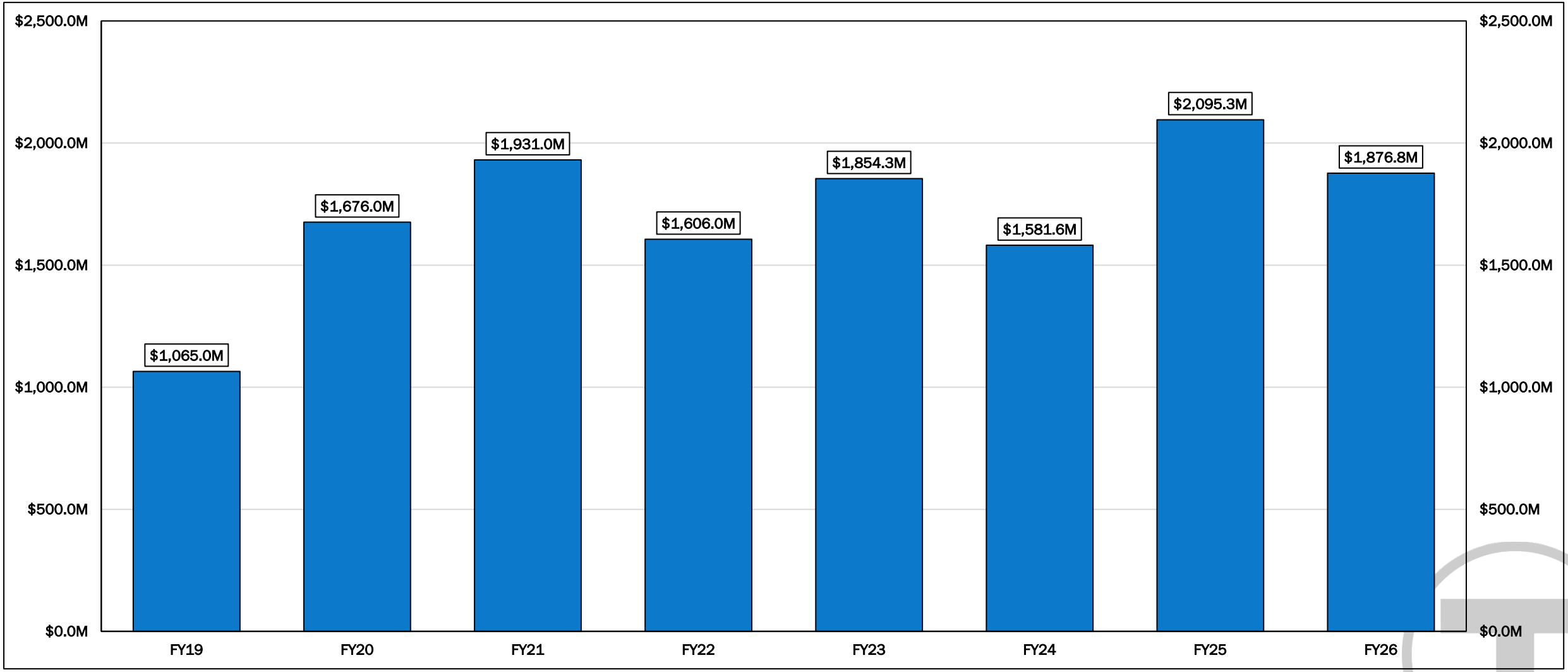
Historical Spend Actuals FY18 - FY26



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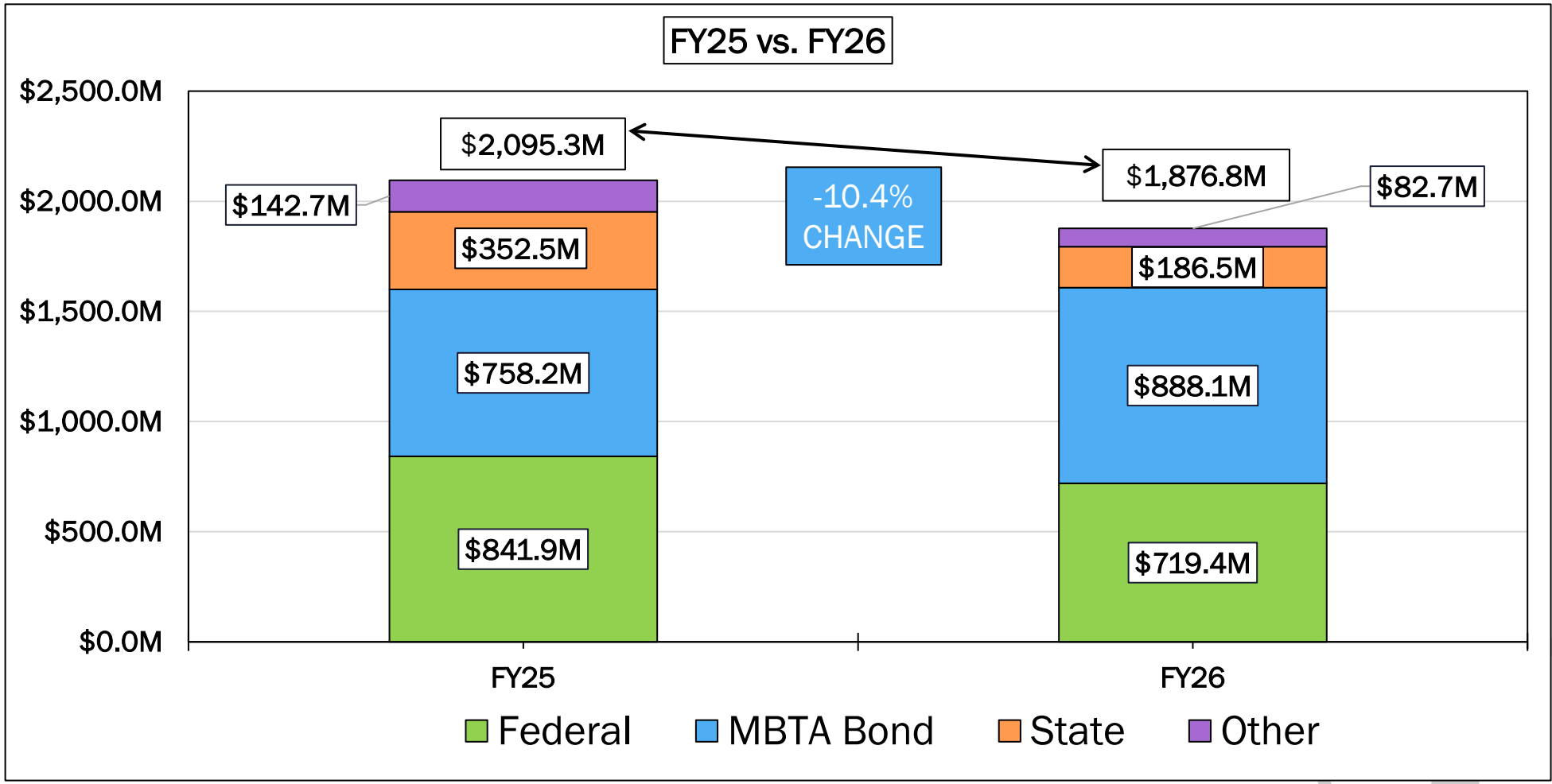
FY26 vs FY25 by Funding Source

FY26 Capital spend of **$1,876.8M** is 10.4% less than FY25 spend of $2,095.3M.

FY26 Spend by Funding Source

- MBTA Bonds (47.3%)
- Federal (38.3%)
- State (9.9%)
- Other (4.5%)



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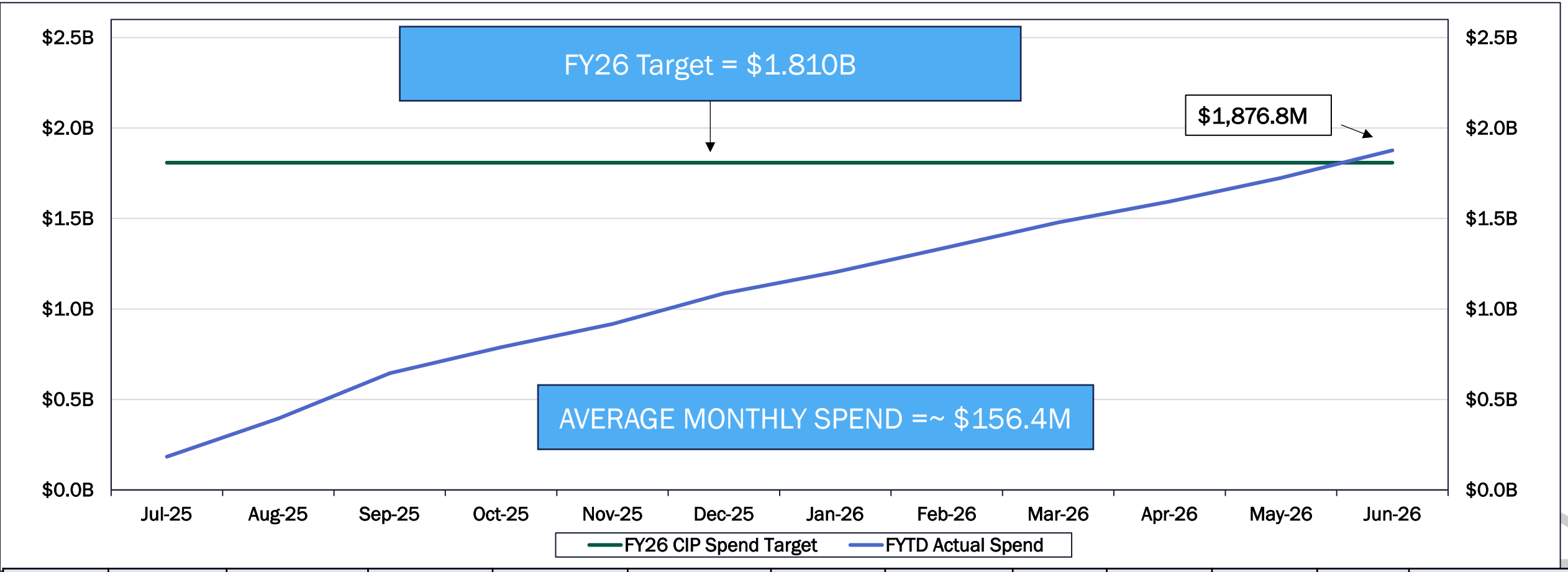
FY26 Spend vs CIP Target



July	August	September	October	November	December	January	February	March	April	May	June	FYTD Spend
$183.5M	$211M	$250.2M	$143.9M	$128.3M	$169.7M	$117.3M	$133.3M	$134M	$100.2M	$131.1M	152.2M	$1,876.8M

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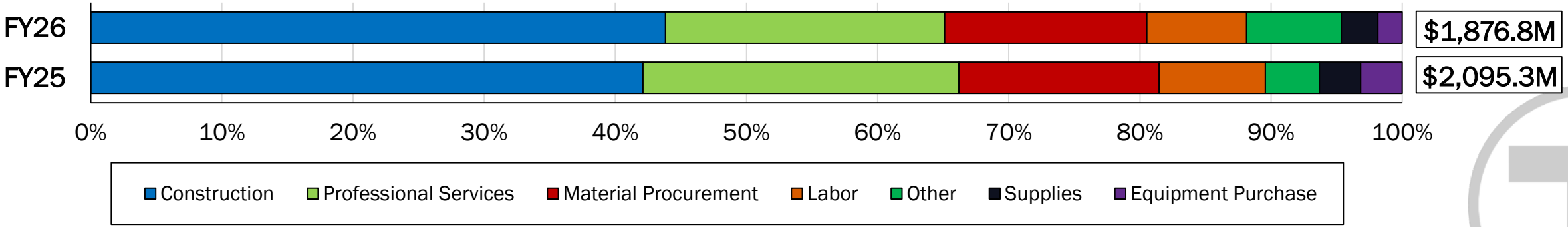
**Cash flow projections provided by project managers (unadjusted).*

FY26 Capital Expense Category Trend ($M)

Responsibility Code	FY26 Spend	FY26 % of Total Spend	FY25 Spend	FY25 % of Total Spend	YoY % Change
Construction	$807.3M	43.0%	$882.2M	42.1%	-8.5%
Professional Services	$415.5M	22.1%	$505.0M	24.1%	-17.7%
Material & Equipment Procurement	$317.3M	16.9%	$386.2M	18.4%	-17.8%
Labor	$177.4M	9.5%	$169.5M	8.1%	4.7%
Other	$101.7M	5.4%	$86.6M	4.1%	17.4%
Supplies	$57.7M	3.1%	$65.8M	3.1%	-12.4%
Grand Total	**$1,876.8M**	**100%**	**$2,095.3M**	**100%**	**-10.4%**

- While **Construction** spending is roughly in line with FY25 expenditures, it saw a small increase in the portion of overall expenditures, increasing from 42.1% to 43.0%
- **Professional Services** saw a significant drop in YoY expenditures, mainly due to an $86M milestone payment for AFC 2.0 in FY25
- **Other** spending had the largest YOY increase of 17.44% due to land acquisitions for the Wellington Bus Maintenance Facility and Von Hillern Storage Facility
- **Material & Equipment Purchases** (-17.8%) drop mainly caused by the completion of the deliveries for first bi-level coach procurement near the end of FY25



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FY26 Capital Investment Highlights - RL/OL Vehicles

FY26 Expenditure: $65.7M

Project scheduled for completion of deliveries in FY32

- All 152 new Orange Line cars conditionally accepted as of 3/6/2026
- 68 of 252 new Red Line cars conditionally accepted as of 7/15/2026
- In FY26, the new Orange Line cars achieved an average Mean Miles Between Failure (MMBF) of 143,877 miles
  - Contract requirement is 90,000 miles
  - Peak MMBF of 274,422 miles in April 2026
- In FY26, the new Red Line cars achieved an average MMBF of 97,120 miles

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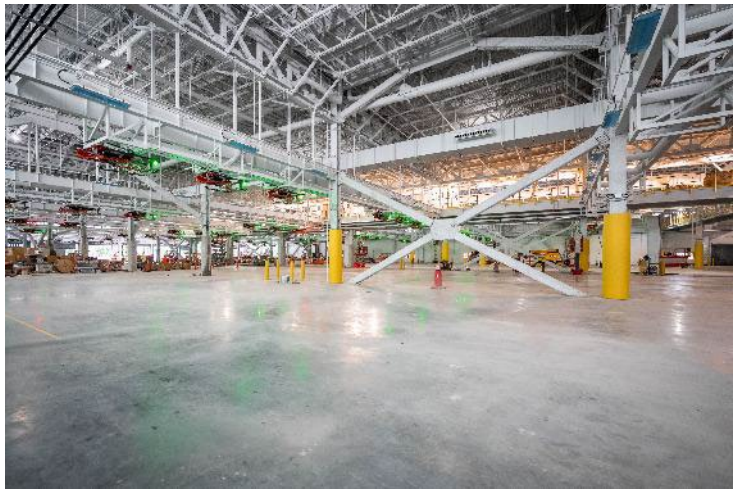
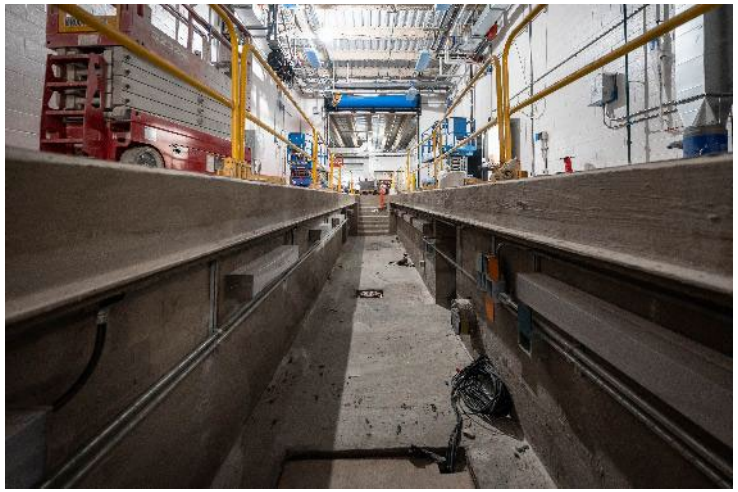
FY26 Capital Investment Highlights - Quincy Bus Maintenance Facility





FY26 Expenditure: $113.7M

Project remains on budget and schedule with expected completion date of 12/15/2026

- Substantial completion of the exterior building envelope
- Interior fit-out of mechanical, electrical, and plumbing systems
- Permanent energization of major electrical infrastructure
- Initiation of testing for pantograph charging systems

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FY26 Capital Investment Highlights - Cabot Yard Complete Upgrade

Duct Bank-Conduit and Reinforcing Steel Installation

Duct Bank – Concrete Placement

Completed Work Area – Restored to MBTA Operations

FY26 Expenditure: $73.5M

Project remains on budget and schedule with expected completion date of 6/30/2028

- Reconstruction of the North Yard including track and 3rd rail.
- Installed new traction power duct banks, upgraded electrical and signals
- New lighting, security cameras and repaved the north yard.
- Bulk of the track work was done in under 6 months to limit our impacts to one of our busiest train yard.

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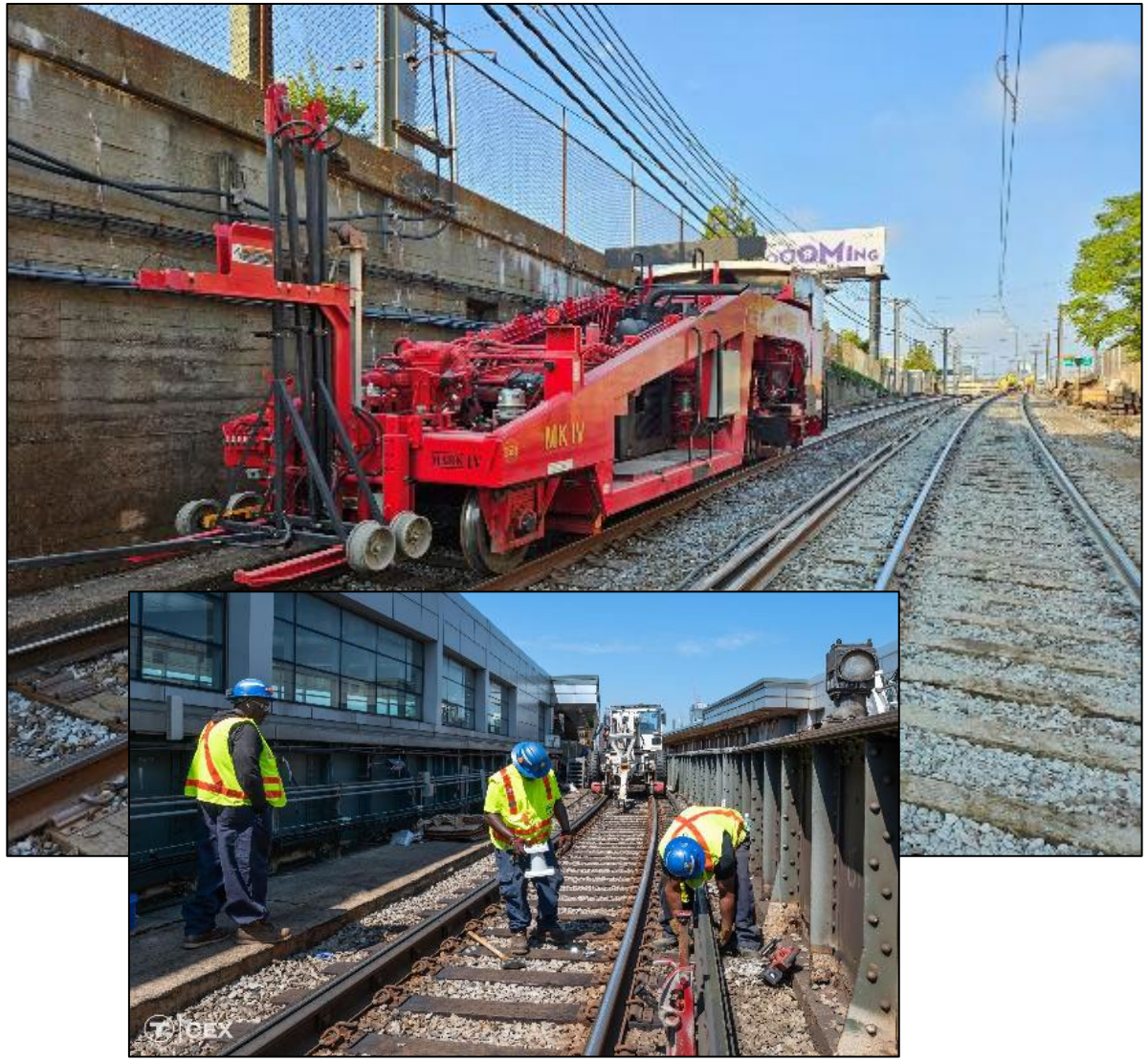
FY26 Capital Investment Highlights - Track State of Good Repair



FY26 Expenditure: $77M

Project remains on budget and schedule with expected completion date of 12/31/2026

- **Recent Track Work Includes:**
  - Green, Blue and Red Line shutdowns
  - 40 days of diversions achieved:
    - 1,414 ft of full depth track replacement
    - 8,640 linear ft of rail replacement
    - 10,828 tie replacements
    - 92,534 track feet of tamping replaced

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Appendix

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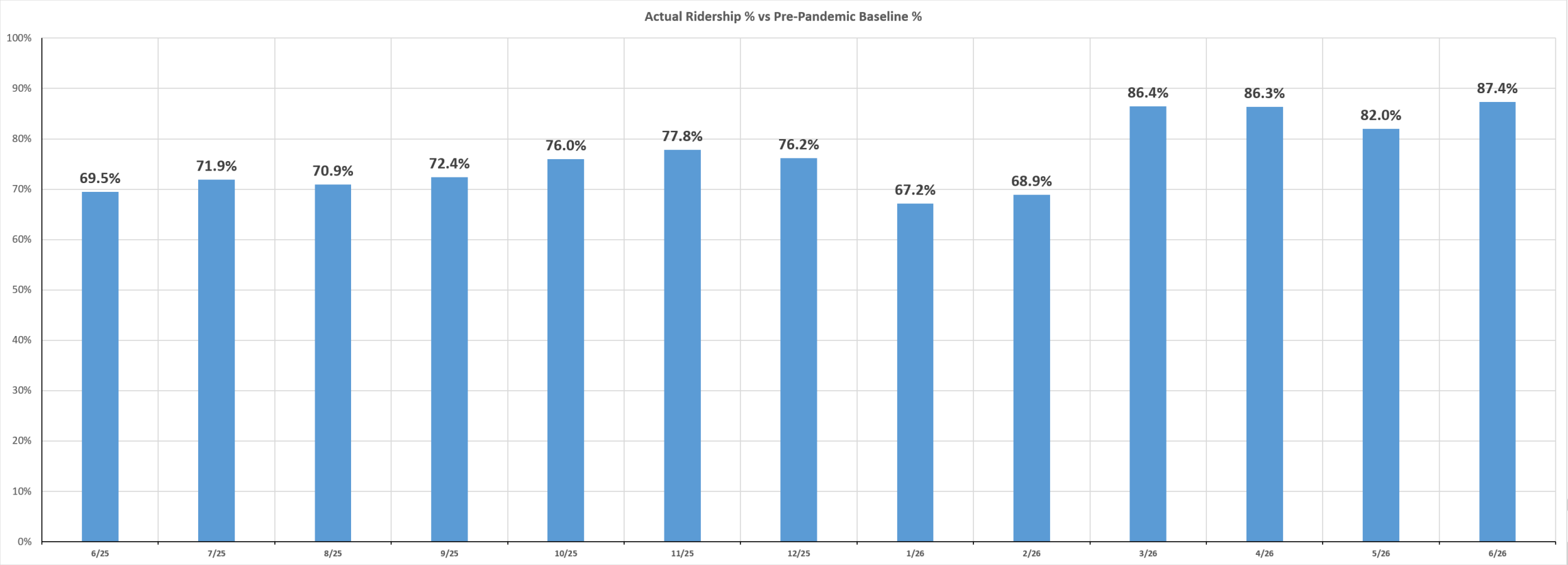
FY26 Total Ridership



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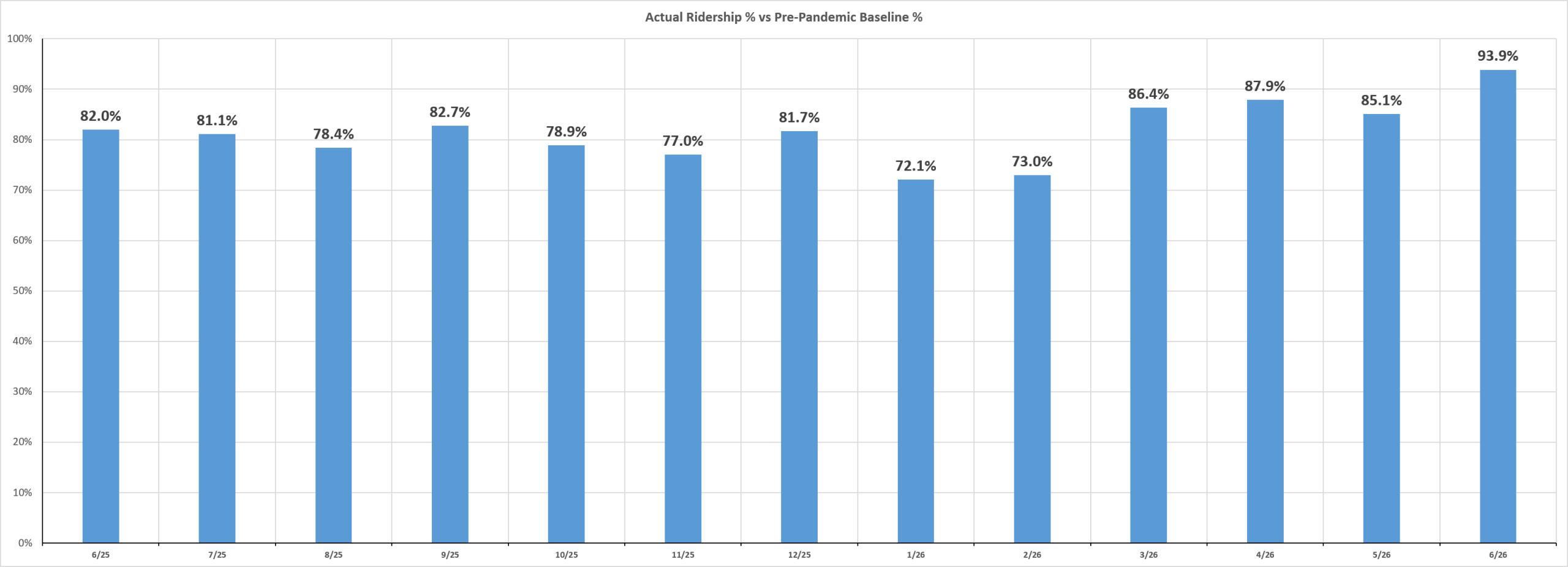
FY26 Bus Ridership



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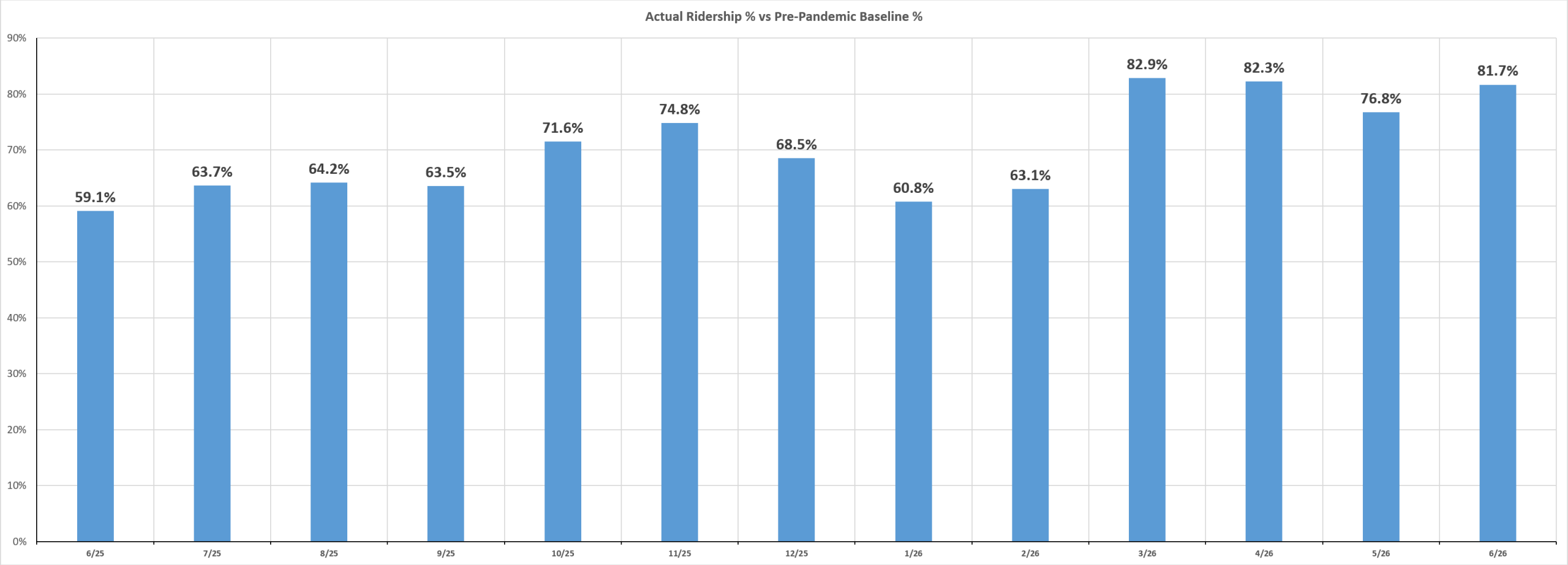
FY26 Rail Ridership



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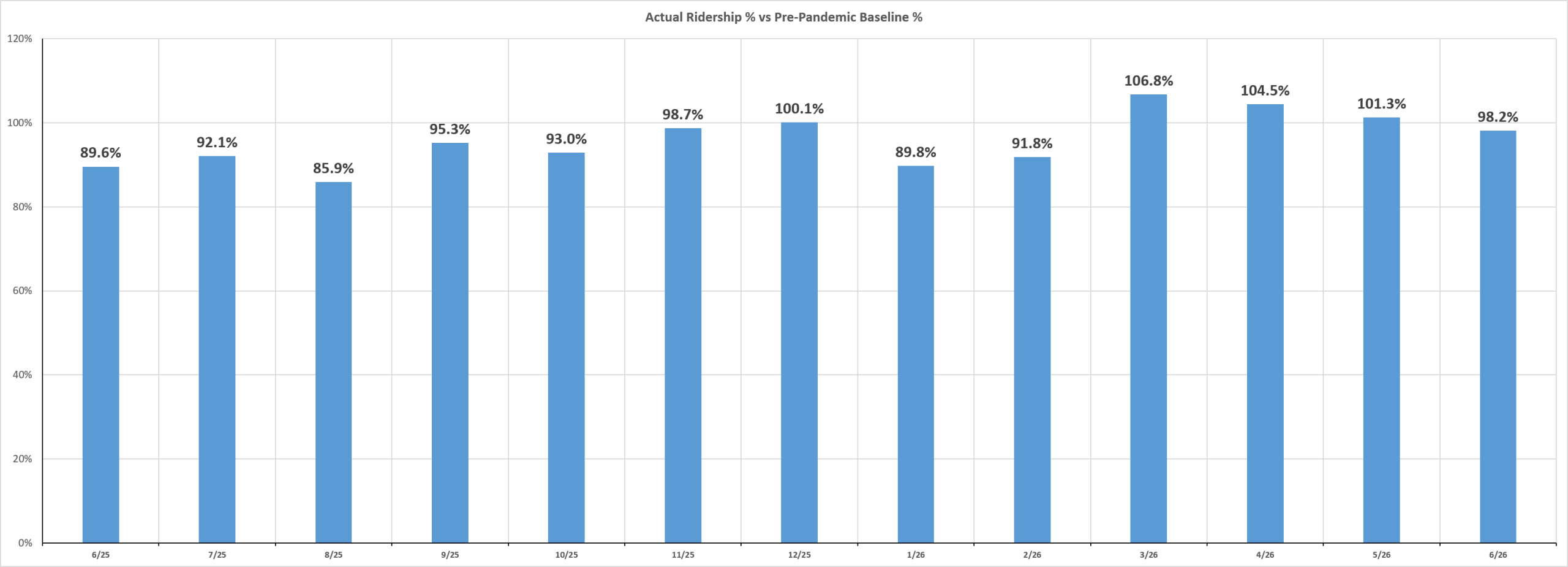
FY26 Commuter Rail Ridership



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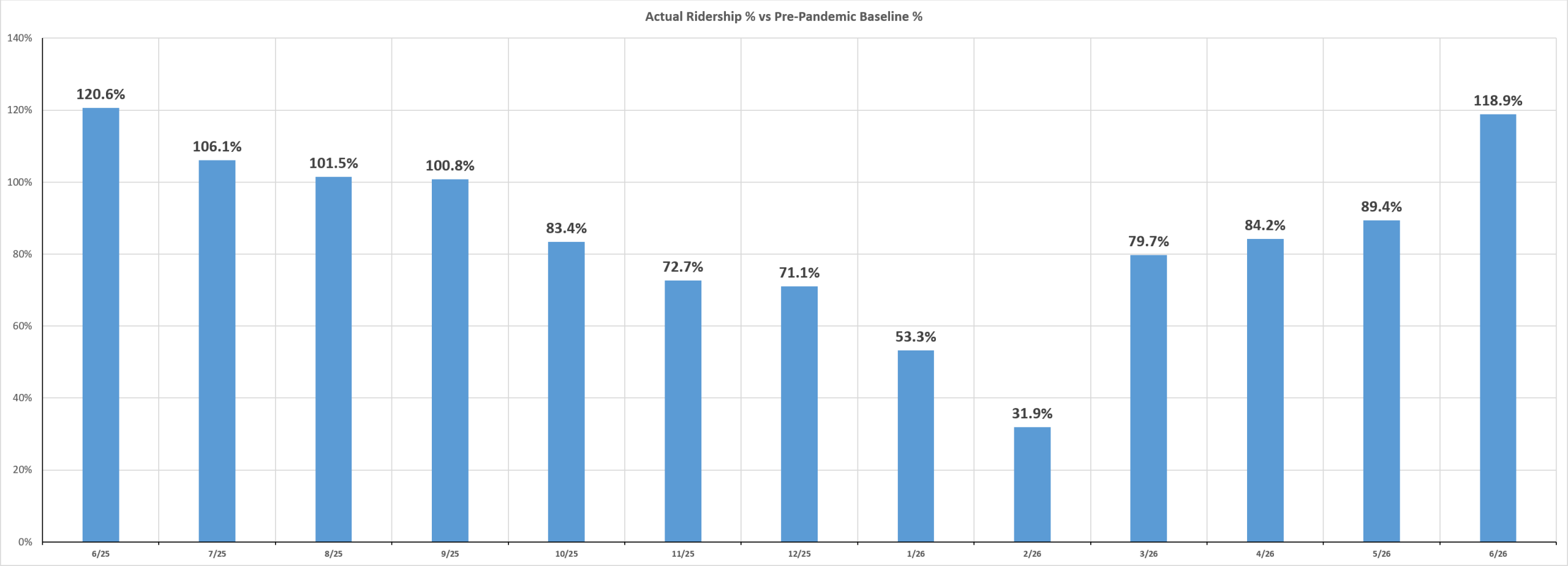
FY26 Ferry Ridership



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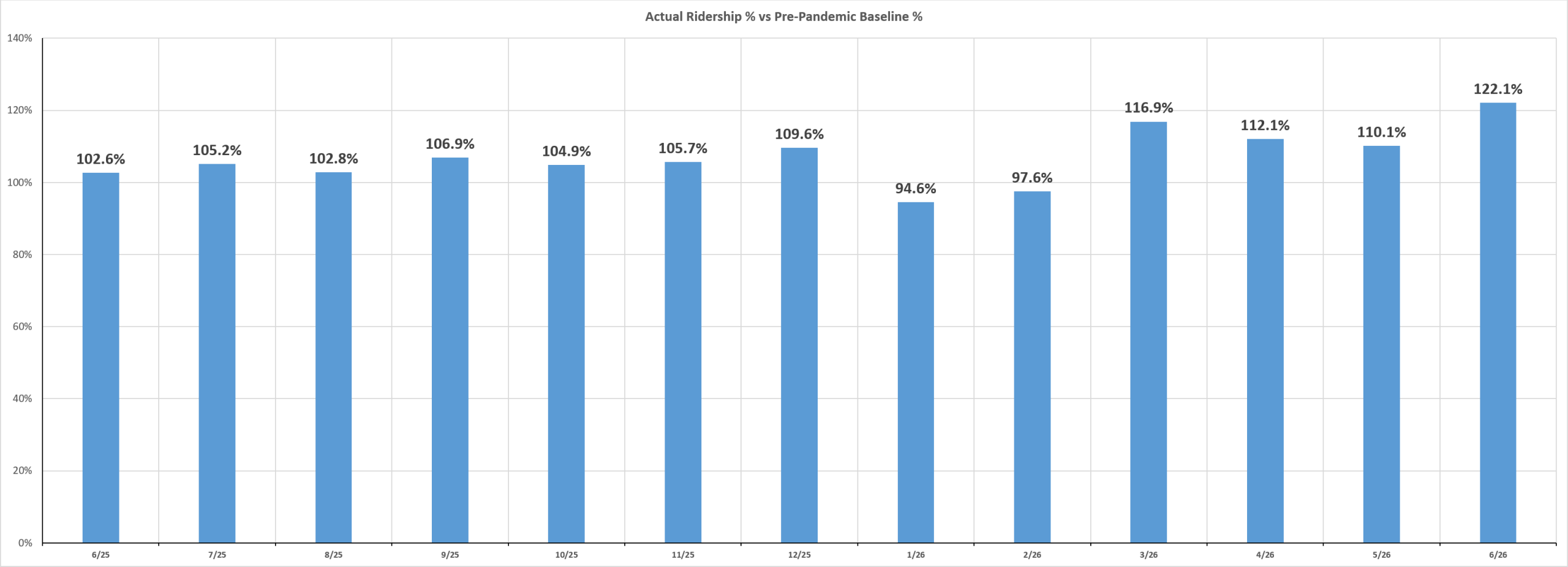
FY26 The RIDE Ridership



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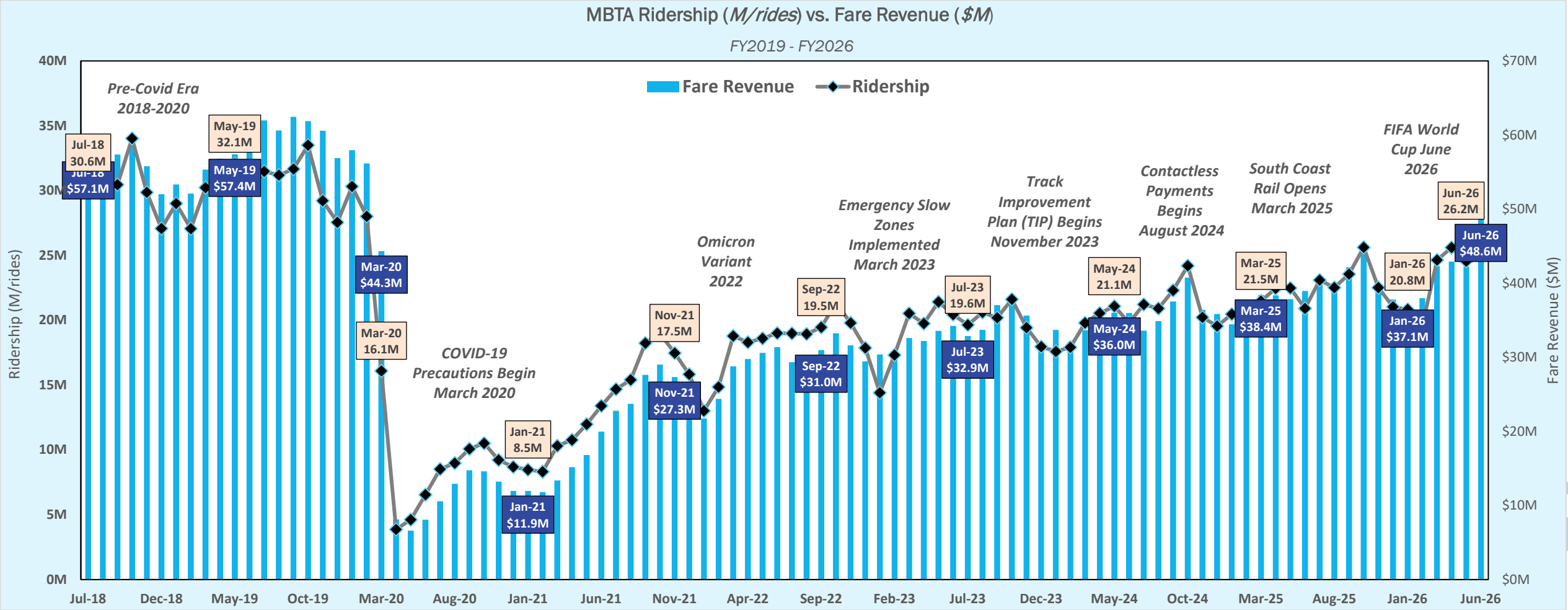
FY2026 MBTA Ridership & Fare Revenue Results show maturing investments in Safety, Resiliency & Maintenance

- June 2026 Fare Revenue ($48.6M) & Total Ridership (26.2M) were the highest recorded since the pre-pandemic era
- The Track Improvement Plan (TIP), Improving Inhouse Capacity, Opening New lines of Service & the FIFA world cup are key contributors of sustained ridership growth