



**MassDOT**  
FY17 Q3 Update  
May 8, 2017

## FY17 Budget vs Actual as of March 31, 2017

- FY17 results have been impacted as a result of events that occurred subsequent to the recast budget being approved by the Board on January 23, 2017, the primary driver being snow and ice:
  - Non-toll snow and ice totals are \$126M, \$34M greater than budgeted (which included \$30M in expected supplemental funding)
  - It is anticipated that the \$64M snow and ice shortfall will be covered through a supplemental spending bill
  - Since we have not yet received supplemental funding filed for by the Governor, we plan to draw down reserves to ensure we can pay contractors and use the expected supplemental funding to replace these reserves



# FY17 Budget Projection

(\$'s in 000's)	FY 17 Budget	FY17 Projection	Variance \$	Variance %
<b>REVENUE</b>				
Toll Revenue	411,286	411,286	-	0.00%
Operating Revenue	69,898	51,222	(18,676)	(26.7%)
Commonwealth Transfers & Salary Reserve	545,781	545,781	-	0.0%
Federal Grants	49,357	49,357	-	0.0%
MVITF	54,607	54,607	-	0.0%
Investment Income	3,452	6,700	3,248	94.1%
<b>Total Revenue</b>	<b>1,134,381</b>	<b>1,118,953</b>	<b>(15,428)</b>	<b>(1.4%)</b>
<b>OPERATING AND DEBT EXPENDITURES</b>				
Employee Payroll, Fringe and Other Benefits	431,764	431,764	-	0.0%
Materials, Supplies, Services	137,238	137,238	-	0.0%
Office and Administrative Expenses	105,054	105,054	-	0.0%
Construction and Maintenance	378,342	412,218	33,876	9.0%
Grants, Subsidies, Contract Assistance	116,304	116,304	-	0.0%
Debt Service	167,472	167,472	-	0.0%
<b>Total Operating and Debt Expenditures</b>	<b>1,336,174</b>	<b>1,370,050</b>	<b>33,876</b>	<b>2.5%</b>
<b>Excess Revenue Over Expenditures</b>	<b>(201,793)</b>	<b>(251,097)</b>	<b>(49,304)</b>	<b>(24.4%)</b>
<b>OTHER FINANCING SOURCES</b>				
MTTF Reserves	-	18,051	18,051	100.0%
MVITF Reserves	1,896	1,896	-	0.0%
Toll Reserves	169,897	167,274	(2,623)	(1.5%)
Supplemental Funding	30,000	63,876	33,876	112.9%
<b>Total Other Financing Sources</b>	<b>201,793</b>	<b>251,097</b>	<b>49,304</b>	<b>24.4%</b>
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## FY17 Revenue as of March 31, 2017

\$ in Millions

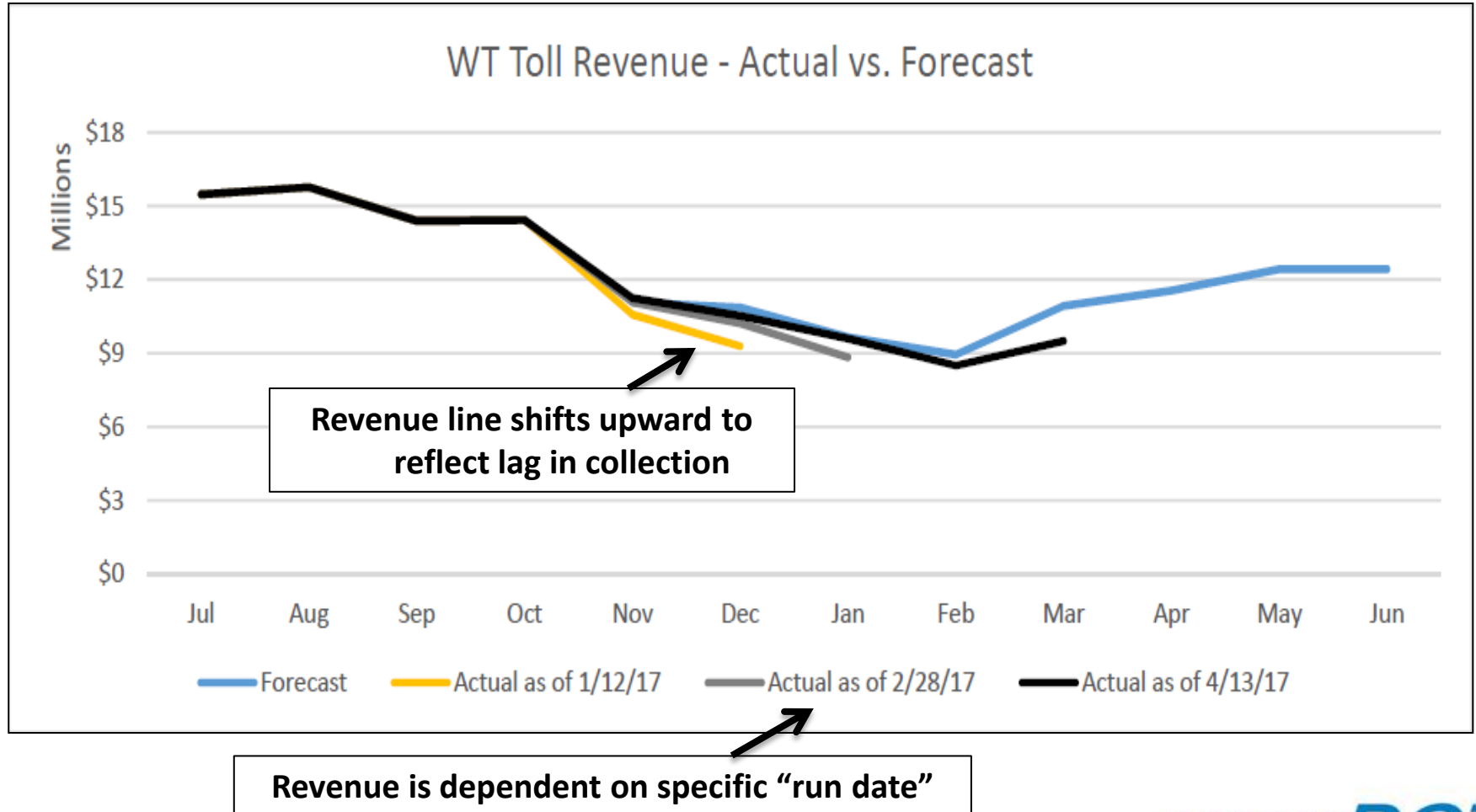
REVENUE	FY17 Q3 Actual	FY17 Projected	FY17 Budget	FY17 Q3 % of Budget	FY16 Q3 % of Actual
Toll Revenue	326.4	411.3	411.3	79.4%	73.9%
Operating Revenue	37.2	51.2	69.9	53.3%	44.4%
Commonwealth Transfers	461.0	545.8	545.8	84.5%	87.8%
Federal Grants	20.5	49.4	49.4	41.6%	49.4%
Motor Vehicle Inspection Trust Fund	41.8	54.6	54.6	76.5%	72.0%
Investment Income	5.2	6.7	3.5	148.6%	50.1%
<b>Total Revenue</b>	<b>892.1</b>	<b>1,119.0</b>	<b>1,134.4</b>	<b>78.6%</b>	<b>76.7%</b>

- Toll revenue projected on budget due to strong Q1 cash collections being offset by the lag in Q4 pay-by-plate revenue billing and collection
- Operating Revenue shortfall due to budgeted real estate transactions pushed to FY18
- Federal Grants under budget due to timing of cash drawdowns
- Investment Income over budget due to significant increase in Mass Municipal Depository Trust yields in FY17



# All Electronic Tolling Transaction and Revenues

“Lag in Collections” Explained



# FY17 Operating Expenditures as of March 31, 2017

\$ in Millions

Operating Expenditures:	FY17 Q3 Actual	FY17 Projected	FY17 Budget	FY17 Q3 % of Budget	FY16 Q3 % of Actual
Employee Payroll, Fringe and Other Benefits Non-Capital	293.5	431.8	431.8	68.0%	71.3%
Materials, Supplies, Services	85.8	137.2	137.2	62.6%	61.2%
Office and Administrative Expenses	61.7	105.1	105.1	58.7%	70.7%
Construction and Maintenance	239.4	412.2	378.4	63.3%	70.8%
Grants, Subsidies, Contract Assistance	106.8	116.3	116.3	91.8%	90.0%
Debt Service	167.7	167.5	167.5	100.2%	99.8%
<b>Total Operating Expenditures</b>	<b>954.9</b>	<b>1370.1</b>	<b>1336.2</b>	<b>71.5%</b>	<b>72.1%</b>
<b>Pay Go Capital Expenditures included above</b>	<b>151.1</b>		<b>296.2</b>	<b>51.0%</b>	<b>64.7%</b>

- Materials, Supplies and Services is under budget due to the following:
  - \$2M in moving expenses for 10 Park Plaza tenants added to budget but not spent
  - Timing of the billing for various services that have been utilized through Q3
- Construction and Maintenance projected to be over budget due to Snow and Ice expenditures



# FY17 Snow and Ice Expenditures as of April 7, 2017

(\$ in Millions)

Operating Expenditures	Non Toll Expenses	FY17 Budget	Budget Balance/ (Deficiency)
Hired Equipment	82.1	55.6	(26.5)
Materials	31.1	25.7	(5.4)
Vehicle Repairs	0.7	0.7	-
Overtime and Fringe	9.0	6.8	(2.2)
DCR/DOC Snow and ice operations	3.1	3.2	0.1
<b>Total Operating Expenditures</b>	<b>126.0</b>	<b>92.0</b>	<b>(34.0)</b>

- The snow and ice budget assumed \$62.1M in funding from the CTF Operating Transfers, including \$30M in supplemental funding
- Non Toll Snow and Ice deficiency as of 4/07/17 is \$64M (Non Toll expenses less CTF transfer)



# MassDOT FTE Breakdown

## as of April 7, 2017

Division	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Budget	FY17 as of 4/7/17
AERONAUTICS	8.0	8.0	10.0	12.0	12.0	13.0	12.0	13.0
HIGHWAY*	2,618.9	2,619.3	2,626.5	2,636.4	2,673.2	2,354.7	2,392.5	2,346.9
PLANNING AND ENTERPRISE SERVICES	412.7	453.0	442.1	465.9	468.1	429.7	435.2	430.5
RAIL AND TRANSIT	0	0	7.0	10.0	14.0	12.0	14.0	11.0
REGISTRY OF MOTOR VEHICLES	759.9	764.5	736.0	749.7	735.4	710.0	715.3	696.5
Grand Total	3,799.5	3,844.8	3,821.6	3,874.0	3,902.7	3,519.4	3,568.9	3,497.8

- \*Adjusted to exclude toll takers from Highway FY11 – FY17 for comparison purposes
- FY17 FTE count is based on actual FTE payroll count as of April 7, 2017





## FY17 Q3 Projection Summary

- Toll revenues are projecting on budget in accordance with the guidance provided by the Jacob's report
- Shifting \$18M in expected real Estate revenue to FY18
- Non-toll snow and ice totals are \$126M, \$34M greater than budgeted (including \$30M in supplemental funding)
- It is anticipated that the \$64M snow and ice shortfall will be covered through a supplemental spending bill



# FY17 Budget Reporting to Board Schedule

- June – FY18 Budget Recommendation

