

FY25 Operating Budget Year End vs. Actual

November 12, 2025

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Highlights

- Non-toll Snow and Ice operations incurred total costs of \$106 million, exceeding the original \$35 million budget by \$71 million. To address the shortfall, a supplemental funding request of \$60.4 million has been submitted, and \$10.6 million in identified savings have been allocated to help close the gap.
- Non-toll operations have accumulated a \$45 million reserve, primarily through savings in payroll, security services, and IT efficiencies. The majority of these funds were used to support balancing the FY26 budget.
- Toll collections came in \$14.4 million under budget due to a shift from toll gantry/transponder collections to an increase in pay-by-plate transactions, which often have inherent revenue recognition lags. However, revenue projections/budget still assumed full gantry collection levels. This discrepancy has been addressed and corrected in the FY26 budget.
- Toll excess revenue available for capital (pay-go) totals \$310.9 million, \$42.1 million greater than budget, primarily driven by real estate sales, higher investment returns, and other savings.
- Toll operations across the Metropolitan Highway System, Western Turnpike, and Tobin Bridge have accumulated a combined ending reserve balance of \$925.8 million. Of this amount, \$140.8 million is scheduled to be drawn in FY26 to support capital projects, with the remaining funds allocated to the five-year Capital Investment Plan (CIP).

Summary

- Non-Toll Operating
 - Revenues exceeded the budget by \$3.8 million (0.5%), primarily due to higher Commonwealth Transfers driven by COLA increases, and increased investment income resulting from higher cash balances and interest rates. These gains were partially offset by lower than anticipated federal grant revenues.
 - Excluding Snow and Ice, expenses were \$47 million (6.7%) under budget. This favorable variance was primarily driven by payroll savings from position management and Full Time Equivalent (FTE) controls, IT cost reductions and operational efficiencies, and lower spending on security and fuel.
- Toll Operating
 - Revenues exceeded the budget by \$18.4 million (2.8%), primarily due to higher investment income driven by increased cash balances and interest rates, as well as real estate transactions. This was slightly offset by a shortfall in toll collections, resulting from a shift from gantry/transponder tolling to increased pay by plate, while projections continued to assume full gantry revenue.
 - Expenses came in under budget by \$23.7 million (5.9%), primarily due to savings from lower credit card processing fees and Transcore costs, along with reduced expenses for electricity, fuel, and insurance. Additional savings were realized through payroll reductions driven by position management and FTE controls.

Non-Toll Operating (excludes Snow and Ice)

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\$ in millions	General	MRB	MVITF	Federal Grants	Total Actual	Budget	\$ Variance	% Variance
REVENUE:								
Operating Revenue	36.0	0.0	0.0	0.0	36.0	34.5	1.5	4.3%
Commonwealth Transfers	605.0	11.7	0.0	0.0	616.7	609.3	7.4	1.2%
Federal Grants	0.0	0.0	0.0	22.8	22.8	32.0	(9.2)	-28.7%
Motor Vehicle Inspection Trust Fund	0.0	0.0	60.0	0.0	60.0	58.9	1.1	1.8%
Investment Income	9.7	0.0	0.5	0.0	10.2	7.1	3.0	42.7%
Total Revenue	650.7	11.7	60.5	22.8	745.7	741.9	3.8	0.5%
EXPENDITURES:								
Employee Compensation and Benefits	381.3	5.2	5.4	1.0	392.8	417.0	(24.2)	-5.8%
Office and Administrative Expenses	37.7	0.4	0.1	0.1	38.2	39.9	(1.7)	-4.2%
Professional Services	48.5	0.0	6.5	0.7	55.7	62.8	(7.0)	-11.2%
Construction and Maintenance	14.0	0.0	0.0	1.9	16.0	14.8	1.2	7.8%
IT Services and Equipment	31.7	6.5	0.0	0.3	38.5	46.4	(7.9)	-17.1%
Materials, Supplies, and Equipment	4.7	0.1	0.0	0.0	4.8	7.1	(2.3)	-32.5%
Grants, Subsidies, and ISA	96.2	0.0	2.5	7.1	105.8	110.8	(5.0)	-4.5%
Total Expenditures	614.1	12.2	14.4	11.1	651.8	698.8	(47.0)	-6.7%
Excess (deficit) Revenue over Expenditures	36.6	(0.5)	46.0	11.8	93.9	43.1	50.8	118.0%
Other Financing Sources	(3.5)	0.5	(44.1)	(12.6)	(59.7)	(44.0)	(15.8)	
Net Revenue (Expense)	33.1	0.0	1.9	(0.9)	34.2	(0.9)	35.1	

Toll-Operating

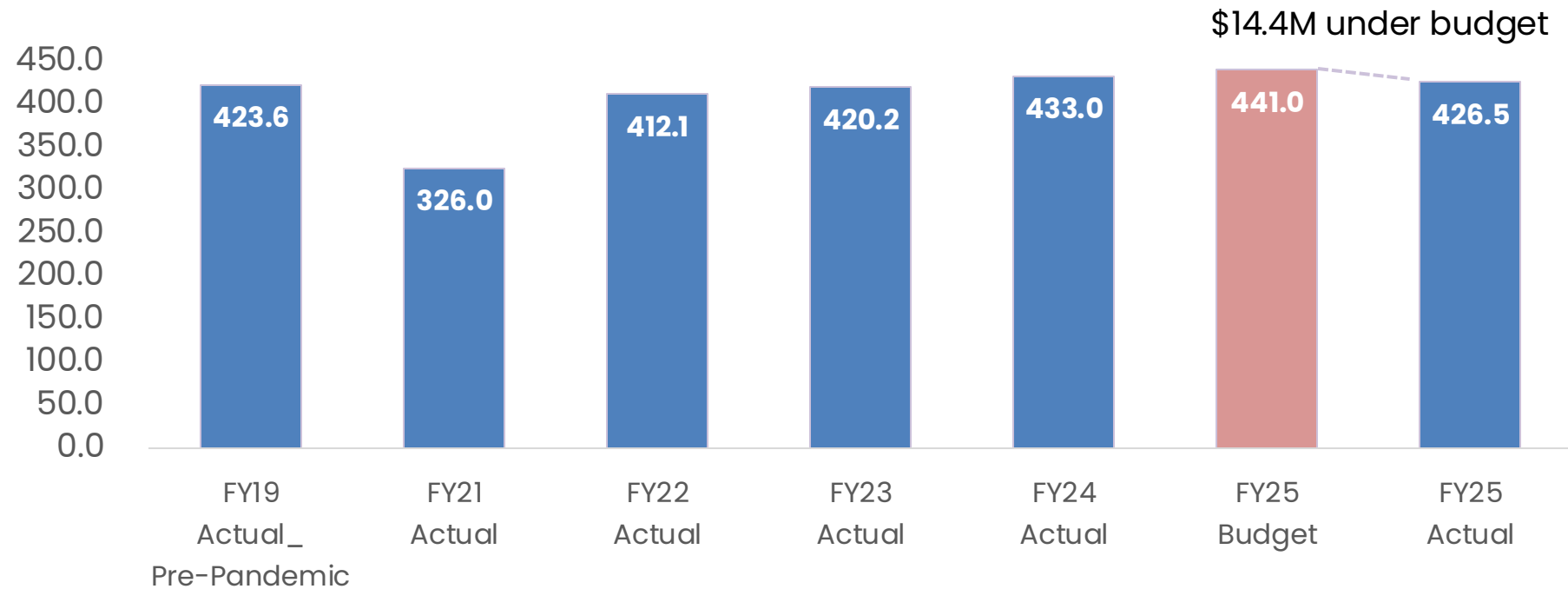
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\$ in millions	MHS	WT	Tobin	Total Actual	Budget	\$ Variance	% Variance
REVENUE:							
Toll Revenue:							
Operating Revenue	33.4	38.1	0.1	71.6	58.6	13.1	22.3%
Toll Collections	220.2	159.7	46.6	426.5	440.9	(14.4)	-3.3%
Total Toll Revenue	253.6	197.8	46.7	498.1	499.5	(1.4)	-0.3%
Commonwealth Transfers	125.0	0.0	0.0	125.0	125.0	0.0	0.0%
Investment Income	33.7	20.8	10.4	64.9	45.1	19.8	43.9%
Total Revenue	412.3	218.6	57.1	688.0	669.6	18.4	2.8%
EXPENDITURES:							
Employee Compensation and Benefits	56.4	44.3	4.7	105.5	108.4	(3.0)	-2.7%
Office and Administrative Expenses	22.5	7.1	2.4	32.0	36.4	(4.4)	-12.0%
Professional Services	27.5	25.4	1.9	54.9	67.8	(12.9)	-19.0%
Construction and Maintenance	9.9	6.5	0.3	16.7	17.0	(0.2)	-1.4%
IT Services and Equipment	6.7	5.7	0.0	12.4	13.2	(0.8)	-6.2%
Materials, Supplies, and Equipment	5.3	4.9	0.2	10.5	10.8	(0.3)	-2.8%
Grants, Subsidies, and ISA	1.0	0.1	0.0	1.1	1.7	(0.7)	-39.9%
Debt Service	144.1	0.0	0.0	144.1	145.5	(1.4)	-1.0%
Total Expenditures	273.5	94.0	9.7	377.1	400.8	(23.7)	-5.9%
Excess (deficit) Revenue over Expenditures/Available for Capital	138.9	124.6	47.4	310.9	268.8	42.1	15.7%

Toll Collection

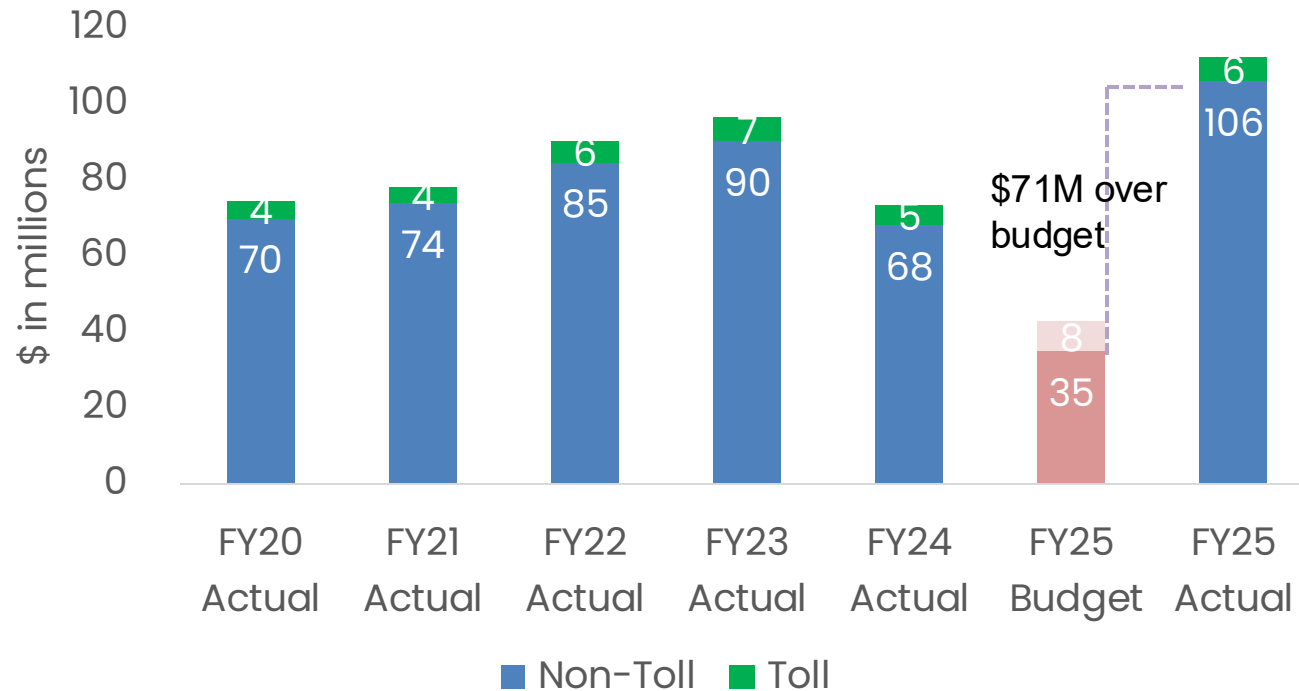
\$ in millions

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Roadway Name in millions	FY25 Actual	FY25 Annual Budget	\$ Variance	% Variance
Metropolitan Highway System	220.2	225.9	(5.7)	-2.5%
Western Turnpike	159.7	167.1	(7.4)	-4.5%
Tobin	46.6	47.9	(1.3)	-2.8%
Total	426.5	440.9	(14.4)	-3.3%

Snow & Ice



- Non-toll snow and ice operations exceeded the budget by \$71 million
- 25 storm events occurred during FY25
- A \$61 million deficiency request was filed through the year-end supplemental, with an additional \$10 million in allocated savings used to offset the shortfall

Thank You

