

# Staff Summary Sheet

## Board of Directors Meeting

| TO |          | FOR |           | FROM:  |
|----|----------|-----|-----------|--|
| 1  | Sec./CEO | X   | Approval  | Dept.: Fiscal    Presenter: David Pottier    Ext: 857 368-9130 |
|    |          | X   | Signature |  |
| 2  | BD       | X   | Vote      | Subject: FY26 Operating Budget<br>Date: June 18, 2025          |
|    |          |     | Info      |  |

Implications: (The implications checked below are involved in this action, are discussed below or in a separate enclosure, and have been considered in the final recommendation.)

☐ Capital Budget                      ☒ Operating Budget                      ☐ Legal                      ☐ Other

### **PURPOSE:**

This Staff Summary requests the Board of Directors to approve the MassDOT Fiscal Year 2026 operating budget.

The operating budget enables the day-to-day functioning of MassDOT by paying for expenditures for goods and services. The budget is aligned with the Secretary's, and Governor's, strategic objectives and goals for the next fiscal year.

### **DISCUSSION:**

The FY26 operating budget is presented on a consolidated basis inclusive of all revenues and expenses accounted for within the Massachusetts Transportation Trust Fund, Toll Fund, Motor Vehicle Inspection Trust Fund and Federal Grants Fund. All MassDOT activities not specifically directed to other funds, such as the capital project funds, are accounted for in these funds.

The FY26 operating budget is funded through a combination of tolls collected for passage on the Metropolitan Highway System (MHS), Tobin Bridge and Western Turnpike (WT), rents, leases, investment income and appropriations from the Commonwealth Transportation Fund (CTF) and the Education & Transportation Fund (ETF). The budget funds the operation of the divisions within MassDOT and includes expenditures for employee payroll, benefits, operating and administrative costs, snow and ice removal, debt service, grants, IT Services and equipment, materials, supplies, and equipment, and maintenance and construction.

This FY26 operating budget is effective July 1, 2025 and, to be conservative, is based upon the lowest of Governor, House and Senate budget submissions. Staff will be back before the Board once the Final Commonwealth FY26 Budget is presented to, and signed by, the Governor to highlight any changes.

### **RECOMMENDATION:**

It is recommended that the Board of Directors approve the FY26 operating budget and authorize the Chief Financial Officer to forward it to the Executive Office for Administration and Finance in compliance with MassDOT's enabling legislation.

### **ENCLOSURES:**

MassDOT FY26 Operating Budget

**RECOMMEND APPROVAL:**

David W Pottier, Chief Financial Officer

Monica Tibbits-Nutt, Secretary and CEO