



MassDOT's *The Way Forward*: A 21st-Century
Transportation Plan and the Patrick-Murray
Administration's FY14 Budget
Recommendation Synopsis

February 7, 2013

Highlights of MassDOT's "The Way Forward"

The Way Forward is a 10-year roughly \$13 billion additional capital dollar investment plan drafted by the MassDOT Board of Directors in an effort to address the current and future state of our transportation infrastructure. Over the years, the state and condition of our transportation system has declined, and the reality presents no room for further inaction. Below is a chart to indicate the additional operating budget needs.

Additional Operating Budget Needs	FY 14 (in millions)	10-year (in billions)
MassDOT	\$371	\$4.4
RTA	\$100	\$1.1
MBTA	\$166	\$3.2
Total	\$637	\$8.7

However, the report also acknowledges the need for additional revenue to meet its ambitious goals. The presented plan will require an additional average of \$1.02 billion per year in new revenue over the next 10 years. Included in *The Way Forward* findings are suggested revenue options proposed by members of the public and other stakeholders over the last year.

Investment Projects Proposed by MassDOT

Project	Cost	Notes
MBTA Red and Orange Line Cars	\$1.5 billion	Replaces the old car fleets with additional track and system upgrades
Red Line #3 Overhaul	\$200 million	Overhaul of #3 Red Line cars
Green Line Cars	\$732 million	New Green Line cars and system upgrades
MBTA Buses	\$450 million	Replaces buses past their useful life
MBTA Power Facilities & Operations	\$300 million	Critical upgrades to old electrical, fuel, water and other systems
RTA Vehicles	\$400 million	Replaces regional buses at the end of their useful life
Regional Priority Projects	\$930 million	Funds three major highway projects, including the I-91 viaduct in Springfield, the I-93/I-95 interchange in Woburn and the I-93/I-95 Interchange in Canton
Chapter 90	\$1 billion	An additional \$100 million per year to improve local bridges and roads.
Multimodal Highway Program	\$1.25 billion	Focuses on statewide projects to reduce congestion and reduce high crash points
Highway Preservation Facilities & Systems	\$400 million	Municipal bottlenecks program, safety improvements at depots, and

Bicycle and Pedestrian Facilities	\$430 million	others Improve bicycle and pedestrian areas
Bridge Program	\$1.175 billion	Accelerates repair to local bridges and completes several large ones
Aeronautics	\$125 million	General airport improvements
Registry of Motor Vehicles	\$150 million	Consolidation into regional super centers and creation of self-service kiosks
Modernization Pilot Projects	\$200 million	Bus Rapid Transit and Diesel Multiple Unit Pilot Programs

Potential Sources of Additional Revenue

Historically, MassDOT has relied on funding from the gas and sales tax. The state tax on gas has not increased since 1991, and due to the gas taxes being a fixed value, at 21 cents per gallon, versus a percentage of the overall sale, there is no additional benefit if there is an increase in gas cost. The MBTA relies on the sales tax from the Forward Funding initiative to fund its operations and debt-service payments. Unfortunately, the anticipated revenue from the sales tax never came to fruition, with growth being only 1% per year vs. the original hoped for 3% being the minimum growth level. In the past three years this has cost the MBTA a gap of \$460 million in lost sales tax revenue.

The MassDOT report acknowledges what the Advisory Board members have been saying for years. Without new streams, the MassDOT Board of Directors will need to cut services at the MBTA and the RTAs, while still raising fares. Some of the proposed recommendations from citizens, activists, and others, include small increases in the gas tax, payroll tax, sales tax, income tax, a green fee on vehicle registrations, among others.

	Deficit FY14	Board Proposed Funding Amounts*
MBTA	\$140 million	\$141 million
MassDOT	\$284 million	\$291 million

*Combination of increased registration fees, vehicle inspection, license fee, I-90 tolls, MBTA fares, service cuts.

Governor Deval Patrick - Fiscal Year 2014 Budget Recommendations

On January 14, 2013 The MassDOT Board and Transportation Secretary and CEO Richard A. Davey today announced a long-term financing plan showing how the state needs additional funds to operate at current capacity. The plan also seeks to address the systemic budget deficits at the Regional Transit Authorities (RTA's), the MBTA, and in the MassDOT operating budget.

The Governor's FY14 budget recommendation proposes state spending of \$34.8 billion. We focus only on the Transportation section for this report, where there is a proposed \$13 billion capital investment over 10 years. More than \$9 billion of this amount will be spent on maintaining the current system.

Program	FY2013 Projected Spending	FY2014 Recommended Spending	Difference
Aeronautics	\$17,107,995	\$13,343,013	(\$3,764,982)
Rail and Transit	\$404,548,513	\$495,006,203	\$90,457,690
Registry of Motor Vehicles	\$107,419,798	\$121,680,770	\$14,260,972
Roads, Bridges, and Tunnels	\$1,481,579,649	\$1,633,659,724	\$152,080,075
Transportation General Operations and Administration	\$144,094,679	\$144,872,845	\$778,166
Total	\$2,154,750,634	\$2,408,562,555	\$253,811,921

Highlighted in the critical State of Good Repair projects within the MassDOT Proposed Projects chart, the Governor proposes an additional \$4 billion will be set for the expansion projects seen in the chart below.

Proposed Expansion Projects

Project	Cost	Notes
South Coast Rail	\$1.8 billion	Commuter rail to connect Boston to Fall River and New Bedford
Green Line Extension	\$674 million	Green Line extension to Medford from Lechmere station
South Station Expansion	\$850 million	Expanding South Station to spur rail-use growth
Springfield-Boston Rail	\$362.4 million	Connecting Boston to Springfield via rail
Berkshires-NYC Rail	\$113.8 million	Rail service between Pittsfield and NYC
Cope Code Rail	\$20.8 million	Seasonal service between Boston and Hyannis
Total	3.821 billion	

The Governor’s plan also includes additional funding for the Chapter 90 program (see Investment Projects Proposed by MassDOT Chart) and funds for expansion of RTA service.

Conclusion

From the MBTA Advisory Board perspective, our long-standing desire to see a serious investment in “state of good repair” initiatives would come to pass under this plan. The MBTA would have the physical assets it needs to deliver critical transit services to the communities that require it. The plan also lays the groundwork that would finally break the cycle of budget crises that plague the MBTA and the Regional

Transit Agencies across the state. It is a broad and controversial plan that faces a serious challenge in the state legislature and we urge all Advisory Board members to understand this plan and share your opinion of this serious effort to provide a permanent solution to the transportation funding problems

Read “The Way Forward”

http://www.massdot.state.ma.us/Portals/0/docs/infoCenter/docs_materials/TheWayForward_Jan13.pdf

Read the Governor’s Budget Plan extract

<http://www.mass.gov/governor/pressoffice/pressreleases/2013/0123-fy14-budget.html>