

FY 2024 BUDGET RECOMMENDATION BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Mass Mobility: Transportation in the Commonwealth

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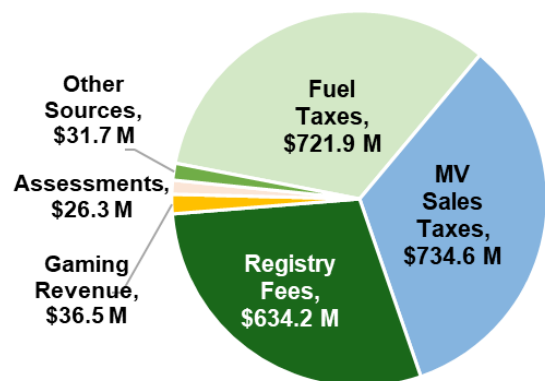
Introduction

A well-functioning transportation system and access to mobility is key to a thriving Commonwealth. Ensuring residents and visitors can get to the places they need to for commerce or recreation safely, reliably, and efficiently – whether in Boston, the Berkshires, or the Cape – by train, bus, bike, car, or ferry – is a priority of the Healey-Driscoll administration. The FY24 H.1 budget recommendation puts investments towards improving our transportation system across modes and regions. Investments in MassDOT, the Registry of Motor Vehicles (RMV), the MBTA, and Regional Transit Authorities (RTAs) will improve the traveler and customer experience and help Massachusetts deliver on long term investments.

Operating Funding for Transportation at a Glance

The state budget primarily supports transportation spending from the Commonwealth Transportation Fund (CTF), which collects over \$2 billion annually in revenue from taxes and fees on fuel and motor vehicle sales, as well as transactions at the Registry of Motor Vehicles (RMV). Funds are appropriated from the CTF to support the operations of MassDOT, the Merit Rating Board, the MBTA, and RTAs, as well as debt service costs related to transportation. In addition, nearly \$1.5 billion of sales tax revenue is dedicated to the MBTA.

FY22 CTF Revenue Sources
Total Revenue: \$2.185 B



H.1 supplements this funding with \$490 million in Fair Share revenues. These new investments bolster capital spending at MassDOT and the MBTA, provide additional technical assistance to municipalities, expand water transportation including ferries, and bolster support for RTAs and other transit providers. H.1 also recommends funding to match federal discretionary grants for projects across the Commonwealth in order to strengthen applications and maximize federal funding.

MassDOT

The Massachusetts Department of Transportation (MassDOT) is the Commonwealth's central hub for managing transportation programs and coordinating with municipalities, RTAs, and other transportation service providers. MassDOT includes four divisions: Highway, RMV, Rail and Transit, and Aeronautics. H.1 recommends \$529 million for MassDOT operations, including \$95 million for snow removal and de-icing, which supplements roughly \$80 million in MassDOT's own-source revenue from motor vehicle inspections, real estate, and investments.

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Division	Programmatic Focuses
Highway	Capital planning and delivery, municipal grants and technical assistance, snow and ice operations – toll roads, non-toll roads, interstates, bicycle and pedestrian paths, and sidewalks
Registry of Motor Vehicles	Vehicle and driver credentials/services, customer service and transactions
Rail and Transit	Passenger and Freight Rail investments; partnerships with Regional Transit Authorities, MBTA, and Amtrak; administration of grant programs (e.g., Community Transit Grant Program to meet the mobility needs of seniors and people with disabilities)
Aeronautics	Public use airports (other than Logan, Hanscom, and Worcester), advanced technologies (e.g., drones and electronic helicopters to support disaster response along with medicine and organ delivery)

In addition, H.1 recommends \$100 million for a new MassDOT Municipal Partnership grant program to address key issues in developing and funding municipal projects, including:

- Developing a pipeline of shovel-ready local projects
- Providing design assistance to include projects in the Statewide Transportation Improvement Program (STIP)
- Increasing funding for existing municipal technical assistance programs, similar to Complete Streets technical assistance grants
- Providing funding to municipalities for expanding bike share

H.1 also includes \$100 million to expand investments in highway bridge preservation to reduce the need for more disruptive and expensive replacements due to deferred maintenance, as well as \$14 million for roadside maintenance and beautification, including graffiti removal, litter picking, increased mowing, street sweeping, and other efforts to improve roadside maintenance.

Finally, H.1 recommends allocating \$50 million for federal matching funds. The Bipartisan Infrastructure Law provides an unprecedented amount of new capital investment, and this investment will better position Massachusetts to compete for federal funding for both state and municipal projects.

Registry of Motor Vehicles (RMV)

The RMV ensures safe roadways for travelers by verifying the credentials and knowledge of drivers and vehicles in the Commonwealth. The RMV operates 29 service centers across Massachusetts, processing over 9 million online and in-person transactions each year.

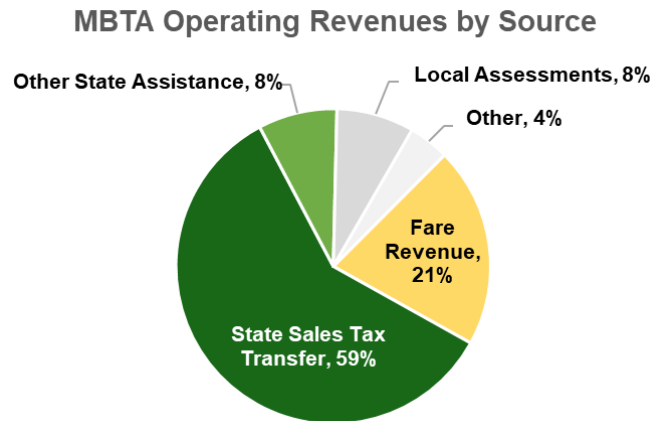
In FY24, the RMV will be implementing the Work and Family Mobility Act (WFMA), a new law allowing Commonwealth residents to obtain a standard Massachusetts driver's license, regardless of immigration status. This law represents a monumental step forward for safety

and equity in the Commonwealth, ensuring that drivers on Massachusetts roadways have demonstrated their knowledge of driving laws and are able to access insurance coverage.

In support of this new law, H.1 adds \$28 million in funding to expand service hours at select RMV locations, add new customer service representatives and road test examiners to support additional applicants, and bolster support staff to ensure records and credentials are properly vetted and processed. New applicants will pay the standard transaction fees at the Registry, bringing in additional revenue that will largely offset these implementation costs.

The MBTA

The MBTA's budget is supported by several revenue sources, including a portion of the Commonwealth's sales tax revenue dedicated to the MBTA, which supports over half of the MBTA's operating budget, and fares, which supports around another fifth. Ridership changes brought on by the pandemic have led to significant decreases in fare revenue for the MBTA, but this has been offset by rapid sales tax growth as well as one-time federal and state supplemental funding in the near term.



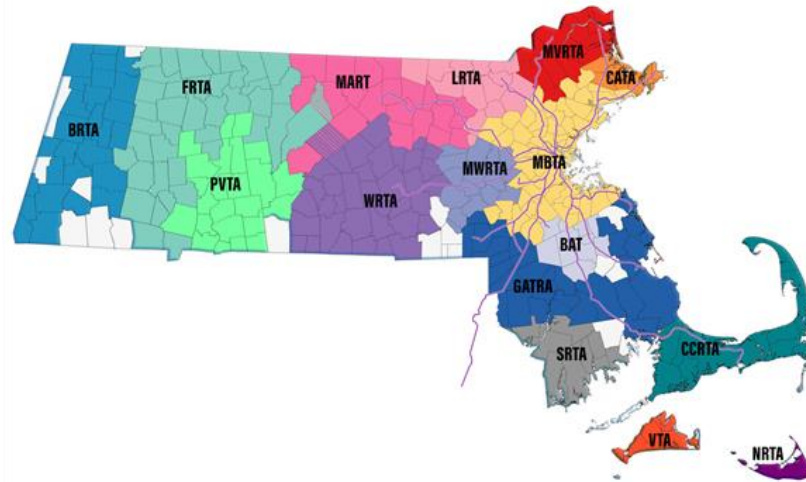
At the beginning of FY23, the MBTA had over \$1 billion in one-time resources and reserves budgeted through at least FY25, but this funding must be put to work now to develop the MBTA's workforce and improve its safety culture and procedures. Therefore, the administration will recommend funding for new hiring and training supports for the MBTA in an upcoming supplemental budget to help meet our goal of hiring 1,000 additional workers this year.

In addition, H.1 includes key investments including start-up costs for a means-tested fare program and design costs for the Red-Blue Connector. H.1 also recommends \$70 million for station improvement and making accessibility improvements across the network, as well as \$100 million for significant bridge repair, rehabilitation, and replacement needs systemwide.

Regional Transit

The Commonwealth's 15 Regional Transit Authorities (RTAs) are independently run entities that provide integral transit services for communities across the Commonwealth, particularly for elderly and disabled residents that rely on paratransit. Each RTA serves a distinct population and geography and making service decisions that match the needs of their local communities, whether urban, rural, or somewhere in between. MassDOT works closely with each of the RTAs to deliver financial support and manage performance evaluation and improvement.

Map of Massachusetts Transit Authorities



H.1 recommends expanding base funding for RTAs by nearly \$9 million. H.1 also adds \$19 million for new grant opportunities for transit providers, including RTAs, to enable providers to explore new service models that better meet the needs of their communities, expand service to additional hours and days, and improve paratransit infrastructure. At least 25% would go towards providers serving rural communities.

In addition, this budget recommendation lays the groundwork for the West-East Rail, a project with the potential to truly transform. H.1 includes funding for a West-East Rail Director in MassDOT, and it recommends \$12.5 million for components of a future West-East Rail, including track improvements at the Pittsfield Station and the study and design of Palmer Station.