



Governor’s Budget and MassDOT Plan: A Comparison

On January 23, 2013, Governor Patrick released his FY14 budget recommendations. The budget was proposed on the heels of the recently announced MassDOT plan, “The Way Forward.” The MassDOT plan represents a clear assessment of the funding needs of the state’s transportation network.

The revenue needs outlined in the MassDOT plan is sufficient to:

- 1) Create a financially stable transportation system that doesn’t rely on borrowing and debt to pay for everyday expenses
- 2) Create a safe and well-maintained transportation system
- 3) Make smart, strategic investments that help modernize our transportation system, giving people in every corner of Massachusetts transportation options, and spurring economic growth and development

In order to meet the needs outlined in the Plan, we need an average of \$1B in new revenue that is dedicated to transportation every year.

Governor Patrick’s proposed FY14 budget dedicates a portion of the needed investment for this next year, with \$269M going to public transportation and \$100M invested in local roads and bridges.

Once the Governor’s tax reforms are phased in, transportation investments would grow to \$600M in FY15 and \$700M for FY16, with increases yearly thereafter. We can estimate that even if the Governor’s budget proposal is enacted, it would not reach the recommended funding levels outlined in the MassDOT plan until FY17.

A summary of MassDOT’s Plan and the Governor’s Transportation Budget are below.

MassDOT Plan Needs: The Way Foward

The MassDOT plan creates a 10-year investment plan for all modes of transportation and in every corner of the commonwealth.

This is a breakdown of how new revenue would be spent under MassDOT’s Plan:

Road, Bridge and Bike/Ped	<ul style="list-style-type: none"> ➤ Highway preservation an maintenance ➤ Bike and pedestrian facilities and multimodal highways ➤ Increase in money for local roads and bridges
RTA	<ul style="list-style-type: none"> ➤ Put the RTAs on sound financial footing ➤ Money for new RTA vehicles ➤ Increased night and weekend service

MBTA	<ul style="list-style-type: none"> ➤ New rail cars on the red and orange line, upgrades to the green line ➤ Replacement of old buses ➤ Upgrades to facilities
Specific Transit Projects	<ul style="list-style-type: none"> ➤ South Coast Rail ➤ Green Line Extension ➤ South Station Expansion ➤ Rail connection between Boston and Springfield ➤ Rail connection between Berkshires and NYC ➤ Commuter rail to Cape Cod

Transportation Spending under Governor Patrick's Budget

The Governor's budget takes steps to meet the needs outlined in the MassDOT plan, but only provides a portion of what the Plan shows is needed. In FY14, this is how money would be spent:

	Increased Investment	Result
MBTA, RTA and MassDOT	\$269M	<ul style="list-style-type: none"> ➤ Close the FY14 budget gap at the MBTA ➤ Restore evening and weekend service on the commuter rail and MBTA ➤ Start paying salaries with operating funds rather than debt borrowing ➤ Put the RTAs on sound financial footing
Local Roads and Bridges	\$100M	<ul style="list-style-type: none"> ➤ Increase funding to cities and towns to address issues on local roads and bridges

Governor Patrick's Revenue Proposal

The Governor's proposed budget includes significant changes to the tax code, non-tax revenues, and one-time borrowing.

Sales Tax	<ul style="list-style-type: none"> ➤ Decreases from 6.25% to 4.5% ➤ Repeals exemptions on computer software, candy, soda
Income Tax	<ul style="list-style-type: none"> ➤ Increases from 5.25% to 6.25% ➤ Doubles personal exemption to \$8800 ➤ Doubles married exemption to \$17,600
Other taxes or tax revenue	<ul style="list-style-type: none"> ➤ Indexes gas tax to inflation ➤ Caps film tax credit to \$40M ➤ Eliminates high-income tax breaks ➤ Increases cigarette tax, cigar tax and smokeless tobacco tax ➤ Increased tax enforcement at Department of Revenue ➤ Sales tax on purchases made on www.amazon.com ➤ Increase tolls by 5% every two years, starting in FY15 ➤ Increase MBTA fares 5% every two years, starting in FY15 ➤ Increase RMV fees 10% every five years, starting in FY16