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## Transportation for Massachusetts Analysis of H3382, An act relative to Transportation Finance

*T4MA undertook its own analysis of the House and Senate leadership's new transportation plan – independent from MassDOT, independent from legislative sources. Developed in consultation with the Conservation Law Foundation and the Dukakis Center at the Northeastern University*

**Total New Revenue:** The finance package provides \$265M in net new revenue for transportation in FY 2014 and a total of \$2.52B over 5 years, averaging \$504M per year.

- The package also includes revenues *not* dedicated to transportation or any other purpose in the amount of \$182.6M in FY 2014 and a total of \$1.3B of new revenue over 5 years.
- It also requires that MassDOT/MBTA meet certain revenue targets by cutting costs or raising tolls, fees and fares. This could lead to large toll, fare and fee increases.

**Operations and Maintenance:** H3382 focuses on meeting operating and maintenance needs for the next five years.

- The bill eliminates the need for FY 2014 MBTA fare hikes.
- It phases out borrowing funds for operating expenses, including employee salaries, over 3 years
  - Over time, this will free up \$240 million in bond capacity for capital projects
- However, the package does not guarantee funds for these needs:
  - It relies on as much as **\$150 million in annual general fund** appropriations for the first 3 years.
  - It relies on MassDOT and the MBTA to raise or save significant funds, totaling **\$270 million**.
- *The bill does not include funds for restoring last year's MBTA service cuts or providing late-night service.*

**Capital:** H3382 allocates **no new funding** to borrow money for new capital projects, excepting freed-up bond capacity.

- Unless funds are made available to cover annual debt service, the Commonwealth cannot borrow money to move the following projects forward, *even if a bond bill is adopted later this year*:
  - **Needed road and bridge repairs, including** expanded Accelerated Bridge Program, I-91 Viaduct in Springfield, I-95/93 Interchanges in Woburn and Canton
  - **Transit State of Good Repair projects, including** new Red Line, Orange Line, Green Line cars, MBTA Power and signal upgrades, and MBTA and RTA buses
  - **Rail and Transit Expansions, including** South Station Expansion, South Coast Rail, Green Line Extension (legally required)
- Inadequate funding to pay debt service means we cannot undertake capital projects to make our roads better and less congested, to modernize transit rights of ways, signal systems, and rolling stock, and to create infrastructure for safer biking and walking.
- It begins to address our state of good repair backlog by funding the current MBTA & MassDOT 5-year maintenance plans.

**Regional Equity:** Questions remain about status of RTA and Chapter 90 funding

- **RTAs:** The revenue framework promises \$80 million to forward fund the RTAs and \$12M in annual additional funds for operating support, but the bill does not guarantee these funds. The additional support does not adequately improve daytime service or provide sufficient night and weekend service.
- **Chapter 90:** Separate bond bill would raise annual authorization to \$300M. However, MassDOT cannot prudently release the total amount when weighed against other pressing needs.