THE NEXT MASSDOT
A Transportation Vision for the Baker Administration

December 2014
Transportation Priorities for the Baker Administration

Continue reforms by making every dollar count. Focus transportation investment on key outcomes such as boosting economic opportunity and quality of life, reducing greenhouse gas emissions and improving public health .......................................................... page 4

Expand transportation choices by supporting the creation of walkable, bikeable, transit-accessible communities of the kind that are in demand in the 21st century .................. page 6

Close the transportation funding gap by working with the Legislature to identify sufficient funding for the Commonwealth to maintain and modernize the transportation network in a fiscally responsible manner .......................................................... page 8

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Transportation for Massachusetts is a diverse coalition of Bay State organizations working together to create safe, convenient, and affordable transportation choices for everyone in Massachusetts. Our 40 members represent tens of thousands of residents and work for a 21st century transportation system for our state.

Photo credits (clockwise from top left): MassDOT, Assembly Row, Worcester Regional Transit Authority, Boston Transportation Department.
Assembly Square in Somerville is less than three miles from downtown Boston. Yet, despite a prime location, the area languished for decades, serving as a home to a failed mall and lots of unused parking.

Today, Assembly Square is booming, with new housing, a bustling retail center, and an influx of office workers. Assembly Square’s resurgence is due in large part to a strategic transportation investment—the construction of a new Orange Line MBTA stop—which helped unlock the area’s full potential for economic development.

From the Berkshires to Cape Cod, Massachusetts has many opportunities for economic growth and renewal. By making smart, strategic transportation policy choices over the next four years, the Baker Administration can help communities and the private sector tap that potential for growth while making Massachusetts a better, healthier and more prosperous place to live.

Transportation investments contribute to Massachusetts’ health and vitality in a variety of ways:

**Boosting economic development**—Massachusetts’ economic future will be built on attracting and retaining skilled workers to fuel the state’s knowledge-based industries—workers who are increasingly drawn to walkable neighborhoods with good public transportation. Transportation investments can help Massachusetts compete with other states for those workers and the companies that wish to employ them.

**Improving public health and reducing greenhouse gas emissions**—A healthy Massachusetts is a productive Massachusetts, and transportation has a big influence on our health. People who walk, bike or take transit for transportation have lower rates of obesity and lower health care costs than those fully dependent on automobiles. Smart transportation investments can expand residents’ access to transit and active transportation, while contributing to Massachusetts’ efforts to cut greenhouse gas emissions.

**Expanding access to jobs and opportunity**—Lack of access to jobs and opportunity hampers the growth and prosperity of our Gateway Cities and economically disadvantaged areas throughout the Commonwealth. Smart transportation and land use policies can expand access to economic opportunity, and ensure it is broadly shared by those of all incomes, ages and abilities.

**Maintaining our transportation system**—Deferred maintenance of transportation infrastructure might help balance budgets in the short run, but at tremendous long-term cost. Crumbling roads and bridges damage vehicles and contribute to crashes and delays; closures and service disruptions make transportation systems unreliable; and it can cost twice as much to rebuild a road after it has been degraded than to maintain it properly over time. Investing in maintenance and repair would enable Massachusetts to extend the life of our transportation infrastructure, while ensuring that Massachusetts residents can get where they need to go efficiently and reliably.

Over the next four years, Governor-elect Baker has the opportunity to move Massachusetts forward by implementing transportation policies that address key challenges such as housing, economic opportunity for low-income residents, climate change, and public health.

The need is great. The way forward is clear. The time for leadership is now.
A Pivotal Moment: Transportation in the New Administration

Transportation policy in Massachusetts is at a pivotal moment. In recent years, the Commonwealth has finally taken the first steps toward reversing the transportation system’s long slide into debt and decay. Long-awaited reforms to transportation agencies are underway. Long-deferred projects to repair and modernize our transportation system are finally moving forward.

Over the next four years—and especially within the next year—the Baker Administration will make important transportation decisions that will shape the future of Massachusetts. By addressing the Commonwealth’s transportation challenges and taking advantage of emerging opportunities, the Baker Administration can lay a foundation for economic growth and improved quality of life that can yield benefits for years to come.

Continuing Challenges

Massachusetts faces the tough task of restoring our transportation system after years of deferred maintenance and accumulated debt. Each day, millions of vehicle trips are made across one of Massachusetts’ 416 structurally deficient bridges. More than one out of every eight miles of road in the Commonwealth is in poor condition. In 2012, the MBTA experienced 4,667 mechanical failures that interrupted passenger service.

Accumulated debt strains the ability of transportation agencies to maintain the system properly, much less enhance it to meet new demands. More than half of the funds expended by MassDOT and the MBTA continue to be dedicated toward paying debt service on projects already completed.

Meanwhile, Massachusetts has numerous unmet transportation needs, including for improved transit service in cities across the Commonwealth, critical safety-related improvements to our highway network, and rail system expansions to connect our regions to one another and to the economy of Greater Boston.
SIGNS OF PROGRESS

Over the last five years, lawmakers have begun to respond to these challenges.

- The 2009 transportation reform law took the first steps to consolidate the Commonwealth’s transportation agencies, reform the MBTA, and streamline transportation finance. Moving MBTA employees onto the Group Insurance Commission health plan and ending the agency’s “21 and out” retirement policy are already saving tens of millions of dollars each year.

- The 2013 Transportation Finance Act went further—dedicating new revenue to transportation, taking the next steps toward reform by eliminating practices such as paying employee salaries with borrowed money, and calling for uniform and transparent criteria to evaluate transportation projects.

AN OPPORTUNITY FOR LEADERSHIP

Massachusetts must continue the progress begun under the 2009 and 2013 transportation laws. Those laws represent the beginning of Massachusetts’ pathway to transportation reform and reinvestment, not the end.

By taking several straightforward actions on transportation, the Baker Administration can move Massachusetts toward a more economically vibrant future.

Specifically, the new Administration should:

- **Invest transportation dollars strategically to achieve key goals.**
- **Make a commitment to expand transportation choices for Massachusetts residents.**
- **Fill the remaining gap in transportation funding.**

2015: A Critical Year for Transportation in Massachusetts

Governor-elect Baker is taking office at a time of critical transportation decisions. Among the key studies, planning processes, and decision points upcoming in the next year are the following:

- **Project selection criteria**—The Project Selection Advisory Council is due to report to the Legislature with its recommendations for uniform, transparent and data-driven criteria for the prioritization of transportation projects. (See page 4)

- **Long-range transportation planning**—The MBTA’s long-range plan, the Program for Mass Transportation, is due to be updated in 2015, while metropolitan planning organizations are also due to issue their new long-range transportation plans. Regional Transit Authorities are also completing the comprehensive service plans mandated by the 2013 Transportation Finance Act.

- **Public-private partnerships**—The Public-Private Partnership Oversight Commission, created by the 2009 transportation reform law, continues to review proposals for privately financed and/or built transportation infrastructure in Massachusetts.

- **Other requirements**—The new administration will also be called upon to complete the implementation of a new integrated asset management system for transportation infrastructure and complete a study of the potential of value capture as a transportation funding mechanism.
TRANSPORTATION PRIORITIES

1) Continue Reforms By Making Every Dollar Count

The Baker Administration should adopt project selection criteria that prioritize transportation investments based on their ability to help the Commonwealth achieve its key goals: boosting economic development, improving public health, reducing greenhouse gas emissions, expanding access to jobs and opportunity, and maintaining its transportation system.

Massachusetts has set a course toward transportation reform, joining other leading states that are working to streamline and focus transportation policy in an era of uncertain funding. Focusing investment on the achievement of key goals is a central objective of transportation reform.

Historically, Massachusetts and other states have done a poor job of articulating the goals that transportation investments are intended to achieve and an even worse job of measuring whether those goals are being met. The result has often been inefficiency and waste—as well as a tremendous missed opportunity to deploy taxpayer resources in ways that maximize benefits for the public.

At a time when transportation funding is under pressure from many directions (see page 8), innovative state governments are working to ensure that every dollar of transportation funding is used to maximum effect. States across the country are working to identify the goals they hope to achieve through transportation investment and use rigorous, data-driven, and transparent processes to assist in the selection of projects that best help to achieve those goals.

In 2013, the Massachusetts Legislature opted to join this trend by creating the Project Selection Advisory Council as part of the Transportation Finance Act. The council has been tasked with developing criteria for project evaluation that would inform creation of a statewide transportation plan. The council has met multiple times and is working to develop a system by which transportation investments can be evaluated based on their ability to:

- Ensure maintenance of existing infrastructure;
- Improve transportation system reliability and efficiency;
- Expand access to transit, bicycling and walking for residents;
- Reduce greenhouse gas pollution;
- Reduce the frequency and severity of collisions;
- Support housing and economic development in places well-served by infrastructure;
- Ensure the effective movement of freight;
- Enhance economic opportunity for low-income residents and people of color;

Enabling Smart Transportation Investment Decisions

The Project Selection Advisory Council has been charged by the Legislature with developing criteria for selecting transportation projects that are:

Uniform—Enabling various types of transportation projects to be compared against one another in order to identify the best tools for addressing transportation challenges.

Transparent—Enabling citizens and decision-makers to clearly understand how proposed transportation projects will be evaluated.

Data-driven—Reducing the influence of political and subjective judgments in the transportation planning process.
• Reduce incidence of chronic disease;
• Ensure climate resiliency, and;
• Improve evacuation routes.

These are goals that have been articulated repeatedly by the Legislature and previous administrations and enjoy broad support from the public. The Global Warming Solutions Act, for example, calls for reducing greenhouse gas emissions in Massachusetts to 25 percent below 1990 levels by 2020, with initiatives such as GreenDOT, expansion of transportation choices (see page 6), and support for smart growth all representing necessary components of the strategy to achieve that target.8

The completion of the Project Selection Advisory Council’s work in June 2015 will create an immediate opportunity for the Baker Administration and the Legislature to commit Massachusetts to a more rigorous, sensible and goal-oriented system for selecting transportation projects.

The Baker Administration should implement project selection criteria consistent with the Commonwealth’s existing policies and overall transportation goals, and use those criteria to shape future transportation plans.

**CASE STUDY**

**Evaluating Return on Transportation Investment in Minnesota**

In 2012, Minnesota faced many of the same challenges as Massachusetts—growing need for repair of the existing transportation system, growing demand for expanded transportation options, and a declining amount of revenue available to pay for either.

The state commissioned a blue-ribbon panel that made recommendations for how to close the funding gap and then followed up by conducting a rigorous return on investment (ROI) analysis of the highway projects considered by the panel. The ROI analysis included consideration of a wide variety of costs and benefits of those investments, including the impacts on safety, the use of non-driving modes of transportation, and pollution.

The analysis found wide variation in projects’ expected ROI, ranging from projects that failed to deliver any return to those that delivered returns 12 times the amount invested.9 By engaging in a rigorous evaluation process, Minnesota officials were able to learn how to focus limited transportation revenues on the most beneficial projects, and were better able to make the business case for transportation investment to decision-makers and the public.

**CASE STUDY**

**Prioritizing Transportation Projects in North Carolina**

Faced with transportation revenue challenges, a growing population and a history of politically motivated decision-making, North Carolina political leaders from both parties have worked in recent years to set goals for transportation and apply data-driven analysis to prioritize transportation projects.

North Carolina began the process in 2011 by establishing a set of overarching priorities in its 30-year transportation plan. The state then solicited suggestions from metropolitan planning organizations for needed capital projects and subjected those projects to rigorous evaluation that includes assessment of the projects’ contribution to mobility, economic competitiveness, accessibility and safety, with added weight given to projects that were prioritized by local decision-makers.

In 2013, the state legislature reaffirmed its commitment to project evaluation by adopting a new Strategic Mobility Formula. The new formula allocates funding among projects with local, regional and statewide significance, and subjects statewide projects to rigorous evaluation based on their benefit/cost ratio, impact on congestion, economic impact, safety benefits, and impact on freight and military traffic.10
TRANSPORTATION PRIORITIES

2) Expand Transportation Choices for Massachusetts Residents

*The Baker Administration should commit to a bold goal for expanding access to transportation choices. We support continuing the current goal of tripling the amount of travel taking place by transit, bicycling and walking by 2030.*

Americans increasingly want to live in places with a variety of transportation choices. Communities with good transit, cycling and pedestrian facilities are highly desirable—home values near MBTA stations have increased far faster than those in the region as a whole and similar effects have been demonstrated near bicycle paths. Young people, especially, see the availability of options such as high-quality public transit as key determinant of where they will choose to live. Supporting transit-rich neighborhoods will help Massachusetts retain and attract young talent.

Massachusetts is blessed with walkable downtowns in our Gateway Cities and traditional town centers, many of which are or could be linked together by rail or other forms of transit. Expanding access to transit and supporting walking and bicycling through smart transportation and land use policies can help cities and towns throughout Massachusetts connect workers to jobs and spark economic renewal.

The dramatic growth of neighborhoods like the South Boston Innovation District is testament to the power of walkable, transit-rich communities to attract talented people and the companies that wish to hire them. But transit, bicycling and walking do more than boost the economy, they are also good for our health, good for our pocketbooks, serve as key tools in the fight against global warming, and ensure that all residents have access to opportunity.

If Massachusetts is to position itself well for economic success in the 21st century, expanding access to an array of transportation choices must be a top priority. To that end, in 2012, MassDOT adopted the goal of tripling the amount of travel taking place by transit, bicycling and walking by 2030. This “mode shift goal” provides a strategic vision and direction for the Commonwealth’s transportation policies and investments, ensuring that transit and non-motorized transportation are considered and prioritized in every transportation decision.

For example:

- All roadway projects funded by MassDOT are now required to include safe and comfortable
walking, bicycling and (where applicable) transit facilities, a result of the 2013 Healthy Transportation Directive.

- Cities and towns will be encouraged to compete for funding to create streets that accommodate travel by car, foot, transit or bicycle, through the Complete Streets Certification Program.

- The degree to which transportation projects support or hinder transit and active transportation are among proposed criteria for project selection being considered by the Project Selection Advisory Committee. (See page 4)

To continue that momentum, the Baker Administration should **commit to expanding transit, bicycling and walking in Massachusetts**, and setting in place the policies that can bring the goal of tripling the use of these modes within reach, including:

- Continuing to implement the GreenDOT initiative and retaining the GreenDOT office to incorporate environmental sustainability into MassDOT decisions and practices.

- Ensuring that transportation is planned in conjunction with housing and economic development through partnerships between MassDOT, the Executive Office of Housing and Economic Development, and other state and regional agencies, and in partnership with local governments.

- Ensuring that all investments increase transportation choices for Massachusetts residents.

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**CASE STUDY**

**Supporting Downtown Revitalization with Rail Investment in Maine**

Maine, like Massachusetts, has many small, formerly industrial cities blessed with historic architecture and walkable downtowns. Like Massachusetts’ Gateway Cities, many of these cities have struggled economically in recent decades, but strategic transportation investments are beginning to unlock their potential and spur new investment.

In 2001, for example, Maine restored passenger rail service between Boston and Portland for the first time in more than three decades. The Downeaster rail service linked Maine’s historic downtowns and coastal resorts to one another and to the economic engines of Greater Boston and the Northeast.

Funded through ticket sales and state and federal financial support, the Downeaster has spurred tens of millions of dollars of development in downtown areas served by the line. In Biddeford-Saco, Maine, the newly built Amtrak station serves as one of the anchors for the redevelopment of the cities’ mill district, as well as a connecting point for transit services throughout the region. In Brunswick, arrival of Downeaster service in 2012 coincided with renovation of the city’s Maine Street Station into a retail, hotel and commercial complex.

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**CASE STUDY**

**Shifting Modes in San Francisco**

Massachusetts competes with states and cities across the country for top-notch talent and growing, knowledge-based industries. Some of those competitors are making bold investments and setting ambitious goals to expand access to transportation choices.

San Francisco, for example, has adopted a goal of having half of all trips in the city take place by means other than the automobile by 2018. Achieving that goal in the span of just a few years will require major changes, including a tripling of bicycle travel.15

The city is currently implementing a series of strategies to bring the goal within reach, including a major realignment of transit service, street improvements, expansion of bus rapid transit, and expansion of bike lanes. In part because of these investments, San Francisco has accommodated rapid economic growth while, at the same time, reducing the share of people commuting into the city by car and keeping a lid on traffic congestion.
TRANSPORTATION PRIORITIES

3) Close the Transportation Funding Gap

The Baker Administration should close the annual funding gap between current transportation revenues and what is needed to repair, maintain and modernize Massachusetts’ transportation network.

In 2013, the Legislature passed the Transportation Finance Act, which dedicated an additional $600 million in funding toward transportation, partially addressing a funding crisis that had contributed to deferred maintenance and a rapidly growing mound of debt. The law raised the gasoline tax for the first time in 22 years, created a pathway of regular, predictable fare increases for the MBTA, and generated additional revenue from other sources.

Just as importantly, the Act helped spur a conversation about long-term funding options for transportation. With gasoline tax revenues waning due to stagnating vehicle travel and the use of more fuel-efficient vehicles, and with federal funding increasingly uncertain, Massachusetts faces serious questions about how it will pay for maintenance of, and improvements to, the Commonwealth’s transportation system. The passage of Question 1, the measure to end indexing of the gasoline tax to inflation, on the fall 2014 ballot makes those questions even more urgent.

In 2007, the bipartisan Transportation Finance Commission concluded that the Commonwealth faced a $15 billion to $19 billion gap over the next 20 years between the amount of funding available and the amount needed just to return the system to a state of good repair and keep it there. The commission’s estimate assumed that no transportation improvement or expansion projects would occur over the next 20 years.

Massachusetts needs to act to ensure that the pattern of disinvestment, decay and debt that has long afflicted the Commonwealth’s transportation system is ended once and for all. Experts believe that the Commonwealth will need to identify an additional $500 million to $600 million of annual funding to maintain our existing infrastructure and make strategic improvements.

The Baker Administration should take steps to close the transportation funding gap by working with the Legislature to identify new options for transportation revenue. There are many potential options:

- Value capture mechanisms could harness the increase in land value near transit stations to fund improvements in public transportation.
- Tolling—including the use of variable tolls designed to limit congestion—could be expanded on highways.

Transportation Funding Facts

$668 Million—Gross motor fuel tax receipts in Massachusetts in 2002

$663 Million—Gross motor fuel tax receipts in 2012, prior to recent 3 cent increase in the gas tax

22—Number of years between increases in the Massachusetts gas tax

42%—Reduction in purchasing power of a dollar of gas tax revenue from 1991 to 2013 due to inflation
• Communities and regions can be empowered to raise their own funds for transportation projects through local option taxes approved by the voters. This model has been used by regions across the country to generate revenue for important local transportation projects.

• The Commonwealth could pilot a vehicle-miles traveled (VMT) fee program. VMT fees charge road users for use of the system by number of miles driven, rather than amount of gasoline used. As vehicles become more fuel efficient, VMT fees can ensure a steady and reliable stream of transportation revenue.

• University Pass (U-Pass) programs could expand college students’ use of transit and generate revenue for transit agencies through university purchases of discounted passes for all their students. A pilot of the program is planned for Boston next fall.

Every year that the Commonwealth goes without closing the transportation funding gap represents a missed opportunity to put our transportation infrastructure on a sound footing and make the strategic investments we need to unlock Massachusetts’ economic potential. The Baker Administration should work with the Legislature to make new transportation revenue a priority and close the funding gap.

Principles for Transportation Funding

There are many options for raising new transportation revenue. But to be truly effective, solutions to the Commonwealth’s transportation funding challenges should conform to these principles:

• **Generate sufficient revenue for the long term**—Rather than lurching from crisis to crisis, the governor and Legislature should strive for a long-term solution to the transportation funding challenge that provides at least 10 years’ worth of predictable funding at levels sufficient to fill the gap identified by the Transportation Finance Commission and other experts.

• **Create reliable and stable funding streams**—Economic recessions can take a big bite out of revenue streams such as sales taxes, causing disruptive cuts in transportation investment and transit service at the times when they are particularly important. A transportation funding system that uses an array of diverse, stable funding sources is more likely to weather economic downturns.

• **Require beneficiaries of transportation investments to pay their fair share.**

• **Mitigate the impact of regressive revenue sources on low-income and working households.**
CONCLUSION

Massachusetts has vast untapped potential for economic growth and development. Resolving Massachusetts’ transportation funding crisis and making smart, strategic new investments in transportation can help Massachusetts tap that potential and compete effectively with other states for the jobs and workers we need to build prosperity in the 21st century—even as we reduce our contribution to climate change, expand economic opportunity, and improve our health and the quality of life of our communities.

The three essential steps laid out in this document—continuing down the path of reform by focusing investments on key public interest goals, expanding transportation choices, and closing the transportation funding gap—are just the most important of many actions that Massachusetts must take to realize that promise. Improving coordination among state agencies; reforming land-use policies to support the development of compact, walkable communities; continuing to improve the efficiency of our transportation agencies; and working to improve the accessibility and affordability of public transportation for low-income residents are other critical steps that the Baker Administration should take to build an efficient, reliable and equitable transportation system.

A detailed list of policy actions to support these goals can be found in Transportation for Massachusetts’ 2014 brief prepared for gubernatorial candidates, Moving Massachusetts Forward. (See list of additional resources on facing page.)

The opportunity exists for Massachusetts to take a bold leap forward in the next four years—putting behind us a legacy of debt and decay and embracing a new future of fiscally sound, sustainable improvements in transportation that enhance our economic competitiveness and quality of life.

We look forward to working with Governor-elect Baker and the new administration to take advantage of that opportunity.

REFERENCES

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4 See Smart Growth America and Taxpayers for Common Sense, Repair Priorities: Transportation Spending Strategies to Save Taxpayer Dollars and Improve Roads, June 2011.
5 See, Transportation for Massachusetts, Keeping on Track, March 2014.
6 U.S. Federal Highway Administration, Highway Statistics series, Tables HM-63 and HM-64, analyzed using the methodology described in Smart Growth America and Taxpayers for Common Sense, Repair Priorities 2014, March 2014, 16-17.
9 Minnesota Department of Transportation and Smart Growth America, Assessing Return on Investment in Minnesota’s State Highway Program: Final Report, November 2013.
ADDITIONAL RESOURCES

Transportation for Massachusetts has produced a series of reports and documents that provide additional details and perspectives on the issues highlighted in this document.

Moving Massachusetts Forward, coauthored by Transportation for Massachusetts and the Massachusetts Smart Growth Alliance, lays out a detailed set of policy recommendations for the next administration on transportation, housing, development and environmental policy.

Keeping on Track documents the progress made to date in implementing the requirements of the 2013 Transportation Finance Act. It is the first in a series of progress reports that will track implementation of the law.

Maxed Out, a 2011 primer from Transportation for Massachusetts, documents how the Commonwealth's transportation system came to be living on borrowed time and borrowed money, and suggests a series of common-sense steps for restoring Massachusetts' transportation system to health.

Other key documents on transportation in the Commonwealth include:

- MassINC's Reinventing Transit: A Blueprint for Investing in Regional Transportation Authorities for Strong Gateway City Economies, a 2013 paper that outlines the importance of transit to economic development in the Commonwealth's Gateway Cities and suggests ways to improve the system.

- MassDOT's GreenDOT Implementation Plan describes the sustainability goals and strategies that will enable the agency to achieve the goals of a cleaner environment for all Massachusetts residents.


- Transportation Finance in Massachusetts: An Unsustainable System, the 2007 report of the Massachusetts Transportation Finance Commission, documents the fiscal and other challenges facing the Commonwealth's transportation system.

- Additional resources can be found on the Transportation for Massachusetts website at www.t4ma.org.