Summary of
“The Way Forward”
21st Century Transportation Plan

Prepared by the Transportation Finance Research Collaborative
(A Better City, Conservation Law Foundation and Dukakis Center)
The Way Forward

• 10 year plan for the entire system
• 10 year pro forma included
  – 25 year pro forma was created
• Looks at the system as a whole
  – MBTA addressed through proposed transfers to cover operating deficits
The Gap: How much transportation revenue is needed?

• Operating funds
  – MassDOT operating deficit
  – MBTA operating deficit
  – Regional Transit Authorities’ operating needs

• Capital funds
  – Maintenance and modernization
  – Strategic investment in expansion

• Debt service
## The Operations Plan

<table>
<thead>
<tr>
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<th>FY2014</th>
<th>10 Year Total</th>
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<tbody>
<tr>
<td>MassDOT Operating Deficit</td>
<td>$371 mil.</td>
<td>$4.4 bil.</td>
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<tr>
<td>Regional Transit Authorities</td>
<td>$100 mil.</td>
<td>$1.1 bil.</td>
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<td>Operating Funding</td>
<td>$166 mil.</td>
<td>$3.2 bil.</td>
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<tr>
<td>MBTA Operating Funding</td>
<td></td>
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<tr>
<td>TOTAL FOR OPERATIONS</td>
<td>$637 mil.</td>
<td>$8.7 bil.</td>
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Operating Needs: MassDOT

- MassDOT has a larger operating deficit than the MBTA, but it is “hidden” in the Commonwealth’s capital budget. 
- The FY2014 capital budget for transportation includes:
  - $193 million in employee expenses
  - $45 million in office and administrative expenses
- Capitalizing operating expenses is problematic:
  - Each $1 borrowed will cost roughly $1.75 to pay back over the 25 year life of the bonds issued.
  - The Commonwealth has a limited “bond cap” and over one-third of the bond cap allocated to transportation in FY14 will be spent on operating expenses rather than much-needed projects.
- The 2009 transportation reform legislation required MassDOT to have a plan in place to convert all employees from the capital to the operating budget by July 1, 2012.
The Capital Plan: Proposed 10 year investment of $13 bil.

Proposed 21st Century Transportation Investment of $13 Billion Over Ten Years (in $ millions)

- Maintenance/Repairs to Roads & Bridges, $3,755
- MBTA Trains & Buses, $2,982
- MBTA Capacity (South Station), $850
- Regional Transit Authority Vehicles, $400
- MBTA Expansion Projects, $2,971
- Bicycle & Pedestrian Facilities, $430
- Aeronautics, $125
- MBTA Modernization Pilot Projects, $200
- MBTA Power & Facilities, $300
- Registry of Motor Vehicles, $150

Expansion represents 23% of proposed spending
A word on South Station: Investment in capacity, NOT expansion

South Station Expansion

- $850 million capital cost
- Adds 7 new tracks to accommodate future growth
- Regional equity
- More rush hour train service
- Potential to provide 2.5 million sf of air rights development
- Will re-open Dorchester Avenue and help reconnect Boston to its waterfront
The Capital Plan: Additional detail

Proposed 21st Century Transportation Investment Plan (in $ millions)

- **Maintenance/Repairs to Roads & Bridges**: $3,755
- **Regional Transit Authority Vehicles**: $400
- **Bicycle & Pedestrian Facilities**: $430
- **Funding for Local Roads (Ch. 90)**: $1,000
- **Highway Preservation Facilities & Systems**: $400
- **Regional Priority Projects**: $930
- **Multimodal Highway Program**: $2,250
- **Bridge Program**: $1,175

- **MBTA Trains & Buses**: $2,982
- **Registry of Motor Vehicles**: $150
- **MBTA Capacity (South Station)**: $850
- **Green Line Extension**: $674
- **Cape Cod Rail Berkshires to NYC Inland Route**: $362
- **South Coast Rail**: $1,800
- **Registry of Motor Vehicles**: $125
- **MBTA Modernization Pilot Projects**: $200
- **Aeronautics**: $125
- **MBTA Power & Facilities**: $300
- **Red Line Car #3 Overhaul**: $200
- **MBTA Buses**: $450
- **Green Line Cars**: $732
- **Red & Orange Line Cars**: $1,500

Additional detail includes:

- **Cape Cod Rail Berkshires to NYC Inland Route**: $362
- **South Coast Rail**: $1,800
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Dukakis Center for Urban & Regional Policy  www.northeastern.edu/dukakiscenter
Expansion projects NOT funded

- Red-Blue Connector ($748 million)
- Blue Line extension to Lynn
- Urban Ring ($2.4 billion)
- North-South Rail Link ($6-8 billion)
The proposed revenue allocation

Allocation of Proposed Spending, FY14-23
(in $ millions)

- MassDOT Operations
  - $4,400 (37%)
- Debt Service for Maintenance/Modernization Projects
  - $2,265 (20%)
- Debt Service for MBTA expansion projects
  - $661 (6%)
- MBTA Operations (including debt relief)
  - $3,121 (27%)
- RTA Contract Assistance
  - $1,139 (10%)
Paying the bills: Fiscal Year 2013 Debt Service Costs

- Current transportation revenues must first cover $1.176 billion in debt service
  - Past Borrowing - $1 billion for things the Commonwealth already built or bought or services received
  - Metropolitan Highway System - $129 million for the eastern portion of the Turnpike
  - Western Turnpike - $21 million for the western portion of the Turnpike
- FY2013 revenue from the gas tax and Registry fees totals $1.185 billion
Paying the bills: The first 10 years
Paying the bills: The full 25 years

Transportation Debt Service (in $ millions)

- Existing Debt Obligations
- FY14 - FY23 Commonwealth Planned Borrowings Principal & Interest
- ATP $13B Finance Plan Principal & Interest