

Massachusetts Transportation Funding Task Force

Final Report • January 2025

Transportation
Funding



Task
Force





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1. TASK FORCE REPORT

Letter to Governor Healey

Dear Governor Healey,

In January 2024, you created a Transportation Funding Task Force to provide advice and make recommendations for a long-term, sustainable transportation funding plan that addresses the need for safe, reliable, efficient, resilient, and sustainable transportation infrastructure. We are pleased to present to you the Task Force's report.

As you will see, the report sets out recommendations to stabilize, enhance and transform the way the state funds and finances public transportation operations and infrastructure. The charge given to the Task Force was to think long-term, and it did so. Nevertheless, the magnitude of the financial challenges impacting the system right now, combined with the new opportunities provided by federal and state revenue sources, required the group's foremost attention.

The Task Force recognizes that critical public transportation services and infrastructure face immediate budget pressures to maintain their state of operations and provide the reliability, safety, and infrastructure conditions that the public expects and deserves. Therefore, a critical focus of the group's work was considering how funding streams currently available to the state could be maximized, and in particular, how Fair Share revenue, approved by voters only a few years ago, could be effectively leveraged to steady finances for public transportation and regional and local infrastructure in all areas of Massachusetts. It is imperative that residents see existing sources of revenue used wisely, even as the state continues to explore what new approaches to transportation funding might look like.

Enhancing transportation operations and improving infrastructure will require a sustained and dedicated effort that will take many years of well-designed plans, priorities, and updates to funding streams. The Task Force looked at the mix of policies and revenue options the state has available and recommends that the Administration and the Legislature work to rationalize the collection of user-based fees currently employed – all while considering important factors such as climate impacts, affordability, equity and competitiveness. Such a review should also contemplate new strategies and technologies that could make the system safer, offer more user choice, ease congestion and reduce carbon emissions.

The Task Force recognizes that climate change requires urgent action to reduce reliance on fossil fuels via electrification of our power and transportation sectors. The global energy transition is underway and requires rethinking business-as-usual investments, especially in long-lived transportation infrastructure.

With that in mind, the Task Force believes that a more equitable pricing system that considers revising current transportation user charges, perhaps alongside variable pricing methods, should be considered and assessed for long-term sustainability. The current mix of user fees does not fully account for climate impact, falls short of optimizing revenue to support operations and exacerbates inequities between who and where users pay such charges. Such issues must be reviewed, and alternatives assessed, to create a renewed structure for user pricing that enables long-term transformation.



Informing this effort over the past year were a range of expert guests, community stakeholders, extensive research into Massachusetts and peer states' best practices, and staff from a number of state and local government entities. This work would not have been possible without their invaluable contributions.

The Task Force hopes that its report can help inform and support your Administration and the Legislature as you work through immediate challenges to our transportation system while positioning our state to engage in the ongoing work of developing new and sustainable transportation funding policies to enhance and transform into the future. We thank you for the opportunity to serve on the Task Force and provide our advice on these vital issues.

Sincerely,

Transportation Funding Task Force



2. EXECUTIVE SUMMARY

Governor Healey established the Transportation Funding Task Force in January 2024 to make recommendations for a long-term, sustainable transportation funding plan.

During the past year, the Task Force reviewed current and projected revenue sources; compared those sources to benchmarks and trends in peer and neighboring states; explored innovative financing approaches and alternative pricing mechanisms; and analyzed the strong connections between transportation and health, labor, jobs, economic development, land use, and housing.

The Task Force, comprising experts from around the state, included representatives of municipalities, regional planning bodies, labor, industry, health care, state and local officials, business leaders and other policy experts. Together, they organized recommendations around the following framework for improving transportation funding:

- **Stabilize:** Address the immediate financial challenges that strain the ability of our public transportation agencies and services to operate. Evaluate the critical aspects of the state's core transportation infrastructure which are in poor condition, vulnerable to climate change, and in need of repair and modernization.
- **Enhance:** Update transportation funding policies, ensure the system can be maintained in a state of good repair and resilience, support housing, economic development, workforce, health and climate priorities, and prioritize investment in modern infrastructure.
- **Transform:** Assess and consider new transportation-related revenues and technologies to support long-term investments that ensure the state's transportation infrastructure moves towards resilience and sustainability for future generations.

Highlights from the report's recommendations are:

Stabilize

- Allocate half of Fair Share revenues to transportation over time
- Expand capital capacity for transportation by dedicating a significant portion of Fair Share revenue to the CTF
- Use Fair Share to stabilize public transportation agency operations
- Maintain predictable and stable funding for investments in Regional Transit Authorities and microtransit providers
- Increase investment in the Chapter 90 local roads programs by at least 50% to improve local transportation infrastructure condition
- Make an additional \$500 million investment to repair bridges that are in poor condition and prevent additional at-risk bridges from falling into poor condition, using lifecycle asset management principles
- Create a coordinated fund of \$100-\$500 million to support an accelerated small bridge and culvert program that addresses climate vulnerabilities
- Deploy critical funds throughout all regions of the Commonwealth

Enhance

- Review and update the state's existing revenue policies and statutes, many of which have not been updated in a decade or more



- Review and realign policies to encourage and support EV adoption and decarbonization, including use of existing tax credits and incentives
- Update and right-size the suite of user-based fees and existing revenue sources to align with comparable states and jurisdictions while supporting the state's climate, housing and economic development objectives
- Empower municipalities to unlock local and regional revenue sources for infrastructure investment

Transform

- Assess and implement a phased approach to establishing a more equitable roadway pricing system that eases congestion and better addresses climate change
- Consider adoption of a differential user-based approach to pricing which may include VMT, tolling, and other approaches as a methodology

Together, these recommendations advance Massachusetts' transportation funding policy towards the vision and themes present in Section 5 and reiterated throughout this report.



2.1 Framework and Process

The Transportation Funding Task Force was established by Governor Healey’s Executive Order No. 626: “Creating the Governor’s Transportation Funding Task Force.”

This report describes the framework used by the Task Force to inform its thinking about transportation funding, and subsequently provides recommendations to the Administration and Legislature for stabilizing, enhancing and transforming the way that rail, roads, bridges, and other services and infrastructure are funded. The appendices include information on current transportation funding and background content considered by the Task Force in its deliberations. Presentations and related content presented at Task Force meetings are included alongside the report at www.massdotat15.com/taskforce

The Task Force undertook its work with knowledge of the many helpful and similar past efforts to identify pathways to ensure the long-term stable funding of the various entities responsible for meeting the Commonwealth’s transportation needs – MassDOT, MBTA, the RTAs, municipalities, and microtransit and other small transportation providers.

Membership

The Transportation Funding Task Force includes a range of public and private leaders:

Table 1: Summary of Task Force Members

Member	Title	Entity
Chair Monica Tibbits-Nutt	Secretary of Transportation	Transportation
Chair Matthew Gorzkowicz	Secretary of Administration and Finance	Administration and Finance
Brendan Crighton	Senate Chairman – Joint Committee of Transportation	Massachusetts State Senate
William Straus	House Chairman – Joint Committee on Transportation	Massachusetts State Representative
Edward Augustus	Secretary Housing and Livable Communities	Housing and Livable Communities
Yvonne Hao	Secretary of Economic Development	Economic Development
Lauren Jones	Secretary of Labor and Workforce Development	Labor and Workforce Development
Rebecca Tepper	Secretary of Energy and Environmental Affairs	Energy and Environmental Affairs
Phillip Eng	General Manager	Massachusetts Bay Transportation Authority
Melissa Hoffer	Climate Chief	Office of Climate Innovation and Resilience
Quentin Palfrey	Director of Federal Funds and Infrastructure	Governor’s Office
Jonathan Butler	President and CEO	Berkshire Chamber of Commerce
Karen Courtney	Executive Director	Foundation for Fair Contracting



Member	Title	Entity
Rebecca Davis	Chief Operating Officer	Mass Competitive Partnership
Jeita Deng	Associate Dean and Chief Financial Officer	Harvard Kennedy School
Kate Dineen	President and CEO	A Better City
Linda Dunlavy	Chair	Mass Association of Regional Planning Agencies
Melissa Fales	Executive Director	Quaboag Valley CDC
Alejandro Guardiola	VP of Government Affairs and Public Policy	Worcester Regional Chamber of Commerce
Douglas Howgate	President	Massachusetts Taxpayers Foundation
Brian Kane	Executive Director	MBTA Advisory Board
Isabel Lopez	Founder and Director	Brockton Workers Alliance
Jeff Mahoney	Executive Director	Construction Industries of Massachusetts
Michael Nicholson	Mayor of Gardner	Massachusetts Municipal Association
Paul Niedzwiecki	CEO	Cape Cod Chamber of Commerce
Jason Palitsch	Executive Director	495/MetroWest Corridor Partnership
James Rooney	President and CEO	Greater Boston Chamber of Commerce
Sandra Sheehan	Administrator of Pioneer Valley Transit Authority	Mass Association of Regional Transit Authorities
Amie Shei	President and CEO	The Health Foundation of Central Mass
Lisa Stiglich	Executive Director	128 Business Council
Brooke Thomson	President and CEO	Associated Industries of Massachusetts

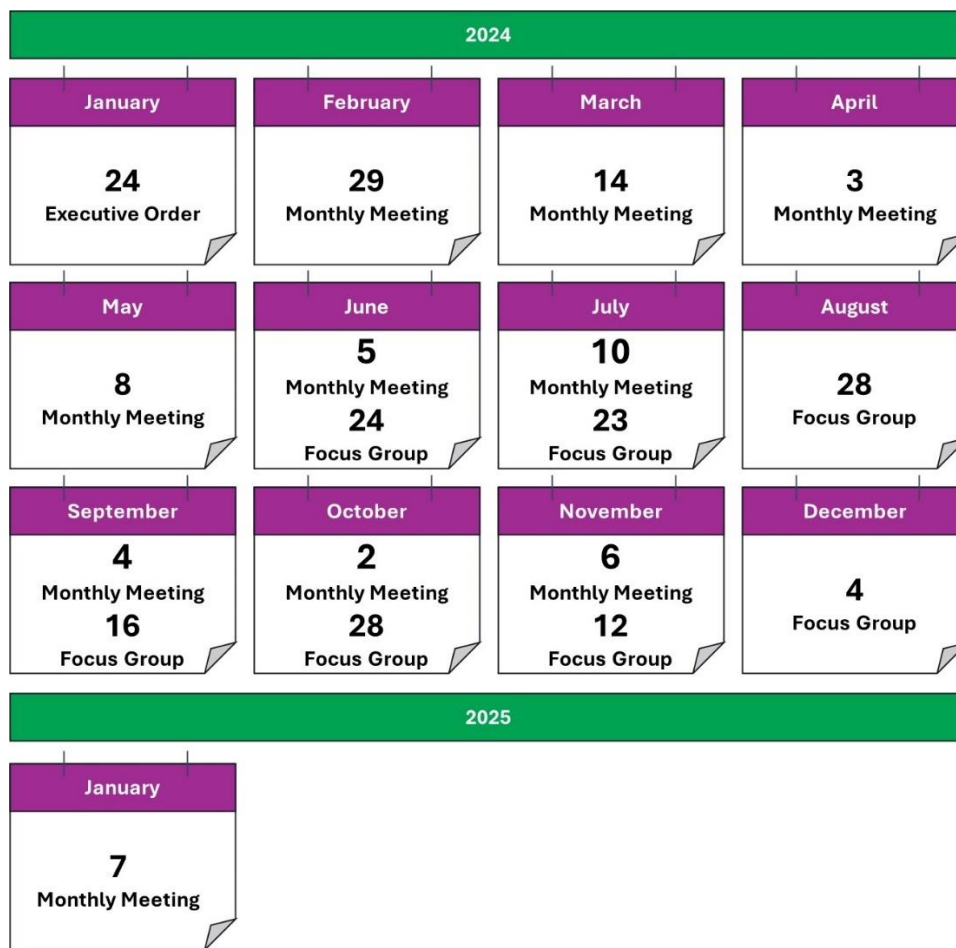
The Task Force would like to thank the expert guests, community stakeholders, and others that contributed to meetings and development of this report.



Meeting Schedule

The Task Force met regularly throughout 2024 to evaluate the current state of transportation, learn how other states and jurisdictions approach similar challenges, hear from relevant sector leaders how transportation impacts success, and collaborate to identify potential approaches to establish Massachusetts as the leading region for families to live and work, businesses to locate, and nonprofits to drive change.

Figure 1: Calendar of Task Force Meetings and Focus Groups



Task Force sessions included regular monthly meetings as well as in-depth focus groups to allow members to take a deeper dive into the key issues and discuss complexities at the heart of transportation funding. Sessions were held both in-person and hybrid to encourage participation, and took place in Boston and Springfield, Massachusetts.

Task Force meetings, focus groups and topics included:

- Affordability
- Climate mitigation and resilience
- Competitiveness
- Equity
- Funding streams
- Health, wellness and quality of life
- Housing and economy
- Infrastructure
- Jobs and workforce
- Operations and capital budgets
- Peer jurisdictions



Guiding Principles

The work of the Task Force was guided by the following principles:



Massachusetts needs a safe, reliable, sustainable, resilient and efficient transportation network to connect communities and move people, enhance overall quality of life, and grow its economy.



The Commonwealth's transportation network should be multimodal, accessible, and interconnected statewide.



A successful transportation network should make Massachusetts a more equitable, affordable, and competitive place to live and visit.

Vision

Throughout the duration of the Task Force, members discussed a range of different approaches, strategies, and ideals for the future of transportation in Massachusetts. Members emphasized a strong desire to improve upon the current state of transportation and progress towards a changing future, ensuring that assets across the state are well-funded and able to handle growing needs. The following statements encapsulate members' shared vision for how to improve upon the current state, and how to facilitate improvement moving forward.

Statement 1: Existing infrastructure should be upgraded to be in a state of good repair that is safe and reliable, including resilience to climate change impacts.

Statement 2: Transportation should provide equitable access for people, including considerations of geography, ability, age, race, language, and socioeconomic status.

Statement 3: Future investments in transportation should benefit communities statewide – including urban, suburban, exurban, and rural – in various regions throughout the state.

Statement 4: Investments in transportation should support economywide decarbonization, as well as shared policy goals and are fundamental to maintaining and extending Massachusetts' robust economy, quality of life, access to jobs, housing, skills, opportunity, climate leadership, and competitiveness.

Transportation Funding Overview

Over the past year, the Task Force reviewed current and projected revenue sources, peer state benchmarks and trends, financing approaches, clean energy transformation, pricing mechanisms, connections between transportation and health, labor, jobs, economic development, land use, housing, and strategies to encourage mass transit use and reduce reliance on carbon-intensive modes.

This section provides an overview of the Task Force's funding analysis. The full analysis can be found in the Analysis section of the report.



Funding Approaches

The Task Force evaluated existing and potential revenues and funding approaches, including federal funds, revenues from operations and users of the transportation system, existing revenues dedicated to transportation, and leveraging revenues for capital investment. Existing capital investment financing strategies include federal GANs, GO bonds issued under the state’s general obligation credit, and bonds backed by CTF revenues.

Among these approaches, the Task Force recognizes opportunities to leverage Fair Share revenues for urgent operating needs and capital investment stability.

Operating priorities include:

- Stabilize the operating budgets of public transportation agencies across the state
- Provide reliable and recurring support for service, workforce and project delivery at MassDOT, including highway and rail divisions and grant programs
- Continue strong operational fundamentals to improve service, reliability, and restore trust in public transportation, forming a stable foundation upon which to enhance and transform

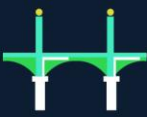
Capital investment priorities include:

- Prioritize state of good repair and resilience needs for infrastructure statewide
- Ensure funding for local transportation infrastructure through an expanded, improved, multi-year Chapter 90 program
- Enhance safety and ease congestion
- Repair and reconstruct bridges and pavement to improve condition and resilience
- Coordinate across agencies and state and local government to upgrade culvert and small bridge infrastructure
- Facilitate the clean energy transformation of the transportation system

Revenue Broad Scan

The Task Force analyzed a broad range of transportation funding sources. Revenue sources were divided among those that the Commonwealth already employs to fund transportation and revenue sources used in other jurisdictions. Below is a summary of the major sources of transportation funding currently used in the Commonwealth.

Motor Fuels Tax	Registry Fees	Sales Tax	Local Assessments	Tolls
Fair Share	Vehicle Sales Tax	Fares	Federal Funding	Other (e.g., advertising, parking)



Current Revenue Sources and Uses

The chart below outlines the flow of transportation funds in Massachusetts, grouped by the three major transportation fund entities: the MBTA, the CTF, and the MTTF. Together, the three entities form the basis for funding all elements of transportation within the Commonwealth. Each fund is supported by multiple sources, with the MBTA and MTTF also receiving annual transfers from the CTF for operating assistance. In accordance with the FY25 budget, a portion Fair Share revenue flows into the CTF.

Figure 2: FY24 Transportation Revenue Sources and Uses

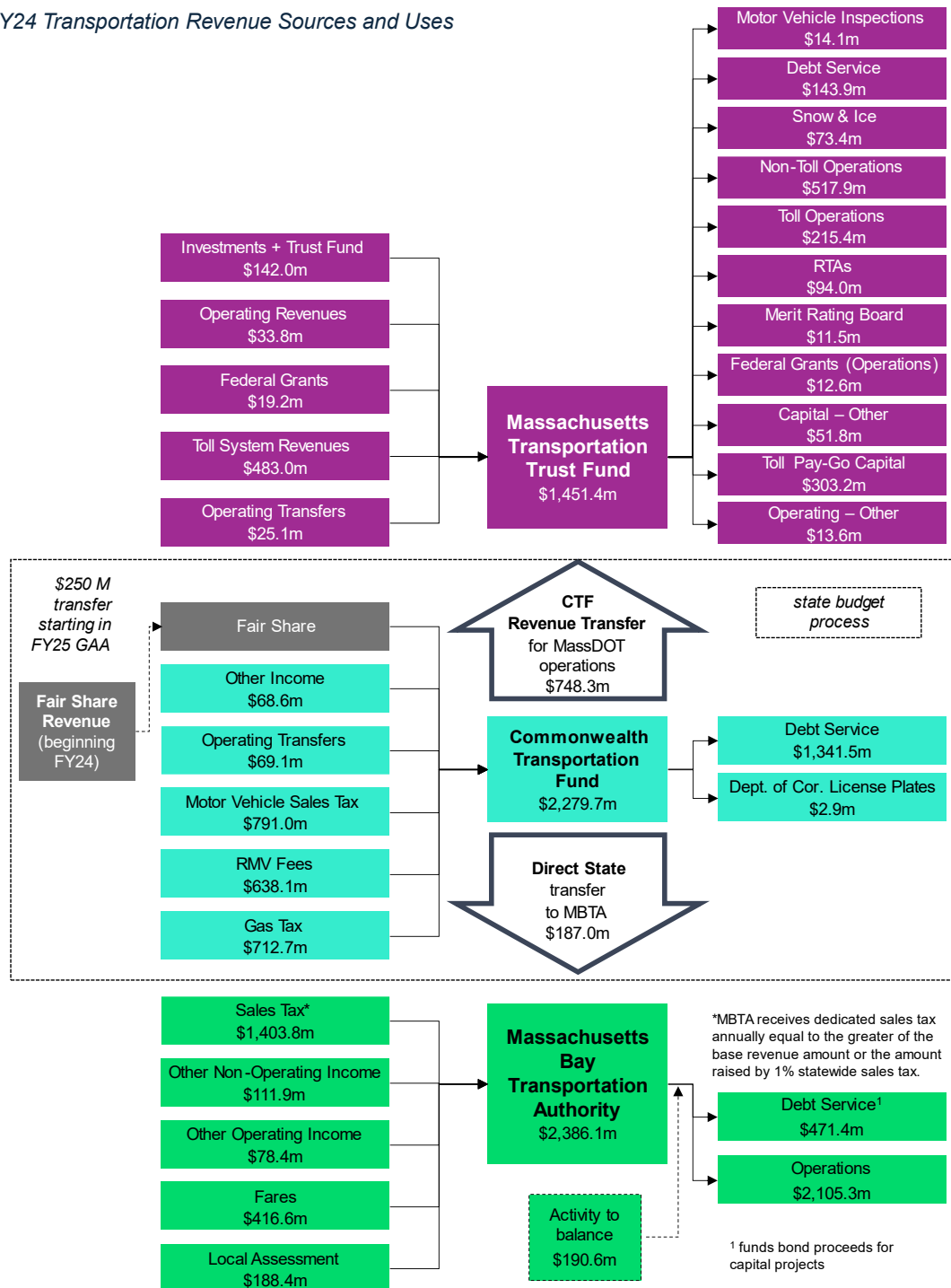




Table 2: FY24 Transportation Revenues

	Program	Description	Tax/Fee Rate	FY24 Revenue
CTF	Gas Tax	Tax on motor fuel (gasoline and diesel)	\$0.24/gallon	\$712.7m
	RMV Revenues	Driver's License, Vehicle Registration, Other Registry Fees	\$10–\$100	\$638.1m
	Motor Vehicle Sales Tax	Tax on purchase of vehicle (minus trade-in value)	6.25%	\$791.0m
	Operating Transfers	From capital funding, gaming revenue	<i>if necessary</i>	\$69.1m
	Miscellaneous Revenue into CTF	Highway fines, tank cleaning fee, citations, etc..	<i>variable</i>	\$68.8m
	Total CTF			\$2,279.7m
MTTF	Toll Revenue	User fee on toll roads	<i>variable</i>	\$428.6m
	Other Toll System Income	Rental income, lease income from tolled facilities	<i>variable</i>	\$54.4m
	Federal Grants	Federal funding with no repayment required	<i>variable</i>	\$19.2m
	Investment Income	From MVITF, pledged and unpledged toll funds	<i>variable</i>	\$82.3m
	Motor Vehicle Inspection Trust	Trust fund of vehicle inspection charges	\$15–\$35	\$59.7m
	Operating Revenue	General rental income, lease income, departmental income	<i>variable</i>	\$33.8m
	Operating Transfers	Revenue from state	<i>if necessary</i>	\$25.1m
	CTF Transfer	From CTF revenue sources	<i>appropriation</i>	\$748.3m
	Total MTTF			\$1,451.4m
MBTA	Fares	Cost to ride bus, rapid transit, commuter rail, ferry	<i>variable</i>	\$416.6m
	Own-Source Revenue	Advertising, parking, real estate	<i>variable</i>	\$78.4m
	Sales Tax	Dedicated portion of state-wide sales tax	"penny" of 6.25%	\$1,403.8m
	Local Assessments	Paid by MBTA-served municipalities	Grow by max. 2.5%	\$188.4m
	Non-Operating Revenue	Safety directives, federal funds, other income	<i>variable</i>	\$111.9m
	CTF Transfer	From CTF revenue sources	<i>appropriation</i>	\$187.0m
	Total MBTA			\$2,386.1m

Note: Unaudited values. Values indicated in the table are amounts allocated to fund transportation, not total revenue collections. Numbers may not sum due to rounding.

Fair Share Amendment

In November 2022, Massachusetts voters passed the Fair Share Amendment, creating a 4% surtax on personal income above \$1 million. Surtax revenue is dedicated to statewide education and transportation, including disbursements to local jurisdictions. In FY24, the surtax generated \$2.46 billion, surpassing projections.



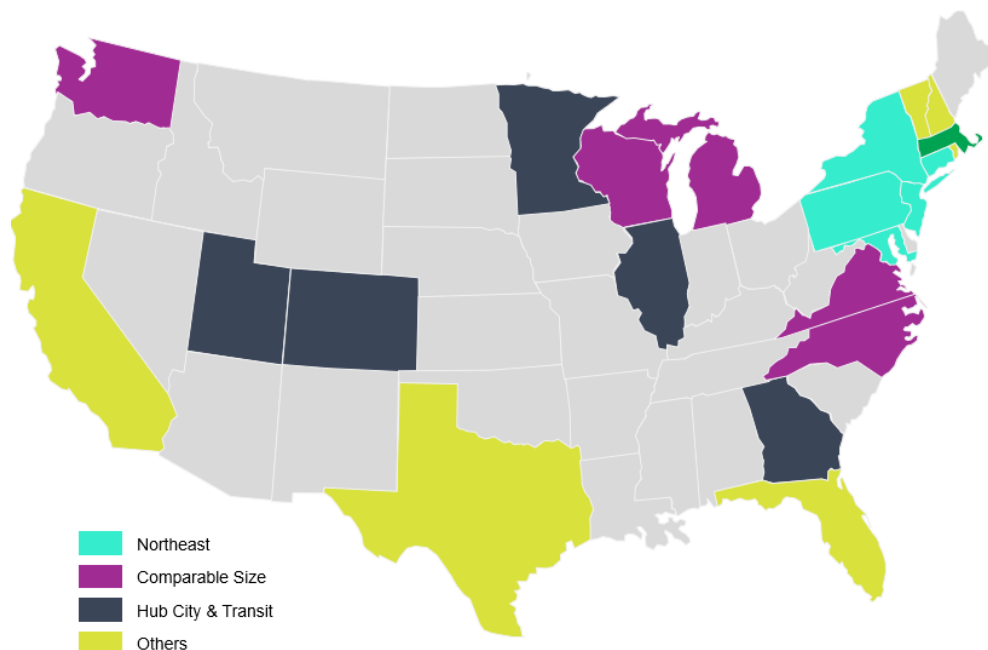
Peer States and Benchmarking

The Task Force considered peer states, neighboring states and other relevant comparative examples when benchmarking, and developed recommendations that prioritized Massachusetts' competitiveness in that context.

The Task Force recommends that any consideration of new or increased revenues should be viewed through the lens of competitiveness with peer and neighboring states, as well as equity and affordability for Massachusetts residents, families, businesses, and the economy more broadly.

Members considered many existing revenue sources, the dates that they were most recently amended, and where Massachusetts falls in comparison with other peer states. Select peer states were chosen for benchmarking against Massachusetts due to: (i) location in the northeastern part of the country with characteristics similar to Massachusetts, (ii) comparable population to Massachusetts, and (iii) the presence of a large hub city and radiating public transit system. The Task Force also compared Massachusetts to its neighboring states, states experiencing significant population growth, and states leading decarbonization efforts

Peer States and Points of Comparison



The Task Force considered many existing revenue sources, the dates that they were last updated, and where Massachusetts falls in comparison with these peer states. These findings – indicated on the chart below using a “low” and “high” scale to benchmark Massachusetts against peer states and other relevant points of comparison – can support future efforts to consider and update Massachusetts’ transportation funding policies. Findings are based on detailed quantitative and evaluative analysis and benchmarking conducted and reviewed over the course of the Task Force’s work.



Summary of Massachusetts Comparative Analysis

Metric	Low ← → High	Last Update by MA
Gas Tax <i>50 state comparison</i>	★	MA Gas Tax was last raised 2013. Inflation adjustment was repealed in 2014.
Registry Fees <i>19 state comparison¹</i>	★	Registry fees were last raised in 2014.
EV Registry Fees <i>19 state comparison¹</i>	★	MA doesn't charge a separate EV Registry Fee in addition to regular passenger vehicle fees.
Commercial Truck Registry Fees <i>19 state comparison²</i>	★	Registry fees were last raised in 2014.
Toll Rates & Revenues <i>17 and 21 state comparison³</i>	★ — ★ ★	All-Electronic Tolling (AET) began in 2016. Toll rates changed to accommodate AET. Toll rates last materially changed in 2008.
Subway Fare <i>7 system comparison⁴</i>	★	MBTA last raised subway fares in 2019. Income-eligible reduced fares introduced in 2024.
TNC Fees <i>6 state comparison⁵</i>	★	TNC fees established in 2016.
Statewide Sales Tax <i>50 state comparison</i>	★	MA State Sales Tax was last raised in 2009.
State + Local Sales Tax <i>50 state comparison</i>	★	MA doesn't have separate local sales tax. Combined state + local comparison reflects aggregate total in those states with both state and local sales taxation.

¹ Where vehicle registry fee depends on weight, year, and/or vehicle MSRP, the fee is calculated based on a 4,329 lb. vehicle purchased in 2022 for \$47,077.

² Where truck registry fee depends on weight and truck type, fee is calculated based on a 35,000 lb. commercial semi with trailer.

³ Toll revenue comparison (solid star): among 21 states, MA generated the 9th most total toll revenue. Toll rates represent a range (outlined stars): of 17 states with statewide fixed rate tolls, MA falls below the average minimum passenger vehicle fee per mile at \$0.08/mile (avg. min. for static tolls is \$0.11/mile) and below the average maximum passenger vehicle fee at \$0.11/mile (avg. max. for static tolls is \$0.14/mile). This range is shown with the dotted connector line.

⁴ Comparison performed against New York MTA, SEPTA, WMATA, BART, LA Metro and Chicago CTA using rates in December 2024.

⁵ Comparison performed against states with flat TNC fees; discounts not considered for shared rides or zero-emission vehicles.



2.2 Recommendations

The Task Force identified immediate needs and priorities of Massachusetts’ transportation infrastructure and developed a suite of recommendations for considering new revenues and funding opportunities.

Accordingly, the Task Force recognizes that there are immediate and urgent needs to **stabilize** the operating conditions of public transportation agencies around the state, including the MBTA, RTAs, and microtransit services, and to address acute municipal needs for infrastructure funding, collaboration, and technical assistance for significant local and regional challenges. Similarly, there is urgency around building institutional capacity and funding for operations within MassDOT to accelerate the stabilization of core infrastructure, tackle the challenges of climate change, and **enhance** and **transform** the development of all components of the state’s transportation infrastructure over the long term.

Figure 3: Stabilize, Enhance, and Transform Framework

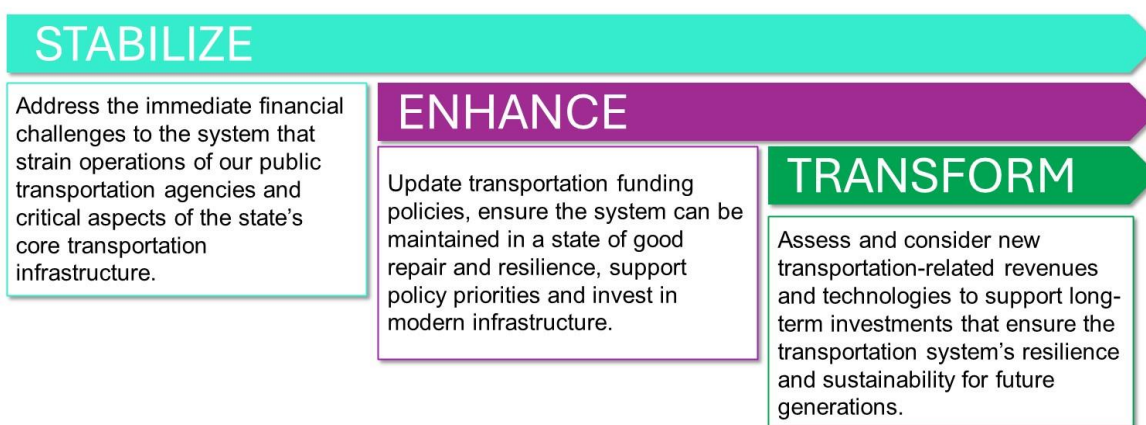


Figure 4: Stabilize: Opportunities, Investments and Outcomes

Revenue Opportunity	<ul style="list-style-type: none"> ▪ Dedicate half of Fair Share revenue to transportation uses over time ▪ Optimize new Fair Share revenues with transparent and clear initiatives ▪ Aggressively pursue federal funds ▪ Work with other states and cities to advocate for federal reauthorization, including support for transit, rail, and road priorities
Investments	<ul style="list-style-type: none"> ▪ Stabilize transit operating budgets ▪ Improve safety and ease congestion ▪ Prioritize state of good repair and resilience ▪ Provide reliable and recurring support to MassDOT operations and project delivery, including Rail, Highway, RTA, microtransit and grant programs ▪ Workforce investments across agencies ▪ Increase funding for Chapter 90, including rural ▪ Leverage Fair Share in CTF for capital
Outcomes	<ul style="list-style-type: none"> ▪ Reduce inventory of poor bridges and pavement ▪ Create strategy for culvert/small bridge resilience ▪ Multiyear solve of MBTA and RTA operating deficits



- Improve RTA and microtransit service offerings, ensuring equity across the state

Figure 5: Enhance: Opportunities, Investments and Outcomes

Revenue Opportunity

- Right-size existing revenue sources to align with the current size and scope of transportation in Massachusetts
- Regularly review existing own-source and user-based revenue sources to keep pace with inflation and neighboring/peer states
- Increase total amount of transportation revenue
- Address cost escalation and efficiency through policy and effective management

Investments

- Support ongoing operating funding to extend stabilization of public transportation agencies and services
- Address state of good repair and resilience backlog of capital needs statewide
- Prioritize and extend investment to reinforce housing, economic development, and health benefits of safe, reliable transportation
- Invest in resilience upgrades to vulnerable infrastructure and decarbonization priorities

Outcomes

- Bring Massachusetts' transportation revenue sources in line with neighboring/peer states and the Commonwealth's transportation needs
- Improve state of good repair and resilience
- Improve sustainability of operating and capital

Figure 6: Transform: Opportunities, Investments and Outcomes

Revenue Opportunity

- Consider new transportation-related revenues
- Consider new broad-based revenue sources
- Consider advanced/emerging strategies that align with current and anticipated transportation uses
- Pursue a reliable long-term funding strategy that promotes desired policy outcomes including climate, housing, health, jobs, and economic growth

Investments

- Use revenue generated from new sources to permanently stabilize public transportation agencies' operating budgets
- Invest in MassDOT, MBTA, RTAs and microtransit for programs and projects that improve transportation reliability, safety, decarbonization and modal choice statewide
- Prioritize allocation of revenue generated from new sources to maintain SGR and resilience for the next generation

Outcomes

- Capture new revenue for transportation
- Construction of capital projects that improve transportation and yield positive co-benefits
- Long-term funding solution for sustainable operating budgets



The Task Force recognizes that the broader policy environment is in a period of uncertainty and change. The state's approach to moving from stabilization to enhancement to transformation will depend on state, federal, and local partnerships and other critical factors.

In the interim, the Commonwealth can and should make progress on immediate needs, using available resources and Fair Share revenue.

Stabilize

The Task Force recommends immediate action to address urgent needs to stabilize the transportation system in Massachusetts, including the following:

- Deploy additional Fair Share revenues to stabilize public transportation operations
- Leverage additional Fair Share revenues for borrowing, using the CTF credit, to access more capital
- Maximize the use of Fair Share and other available transportation revenues with efficient and effective governance
- Aggressively pursue federal funding for transportation
- Support innovation through grants and collaboration between transportation providers, municipalities, employers, institutions, the business community, and community organizations

The Task Force recognizes that some additional measures may require legislation and policy deliberations and recommends an approach that optimizes Fair Share revenue to stabilize public transportation operations, including the MBTA, MassDOT, RTAs and microtransit. Demonstrating the ability to responsibly deploy new Fair Share revenue to solve existing challenges rebuilds public trust and confidence in the state's transportation infrastructure as a priority of greatest importance, allowing policy makers to move forward with future enhancements of our transportation infrastructure.

Fair Share Amendment

In November 2022, Massachusetts voters passed the Fair Share Amendment, which imposed a 4% surtax on personal income above \$1 million. Fair Share revenue is dedicated to education and transportation uses. Fair Share revenue was first collected in 2023.

In Fiscal Year 2024 – the first full fiscal year of Fair Share collections – the state collected \$2.46 billion, significantly exceeding the \$1 billion benchmark for Fair Share revenues included in the state budget. The consensus tax revenue benchmark for Fair Share revenue in FY25 is \$1.3 billion.

Although Fair Share remains a new revenue source, Massachusetts expects to see similar collection trends in future years, which will allow the state to leverage this new revenue source for critical transportation investments.

The Task Force believes that Fair Share will be a significant source of new revenue, which can help to stabilize transportation funding in the near term.

The Task Force encourages MassDOT, the MBTA, RTAs, and state leadership to consider the following measures in the near term to strengthen fiscal management, transparency, and accountability at transportation agencies while the stabilizing investments above being deployed:



- Adopt policies to embrace accountability, transparency, and fiscal stability
- Encourage efficiency and effectiveness steps including fee collection and recovery, where applicable
- Review user fees, transit pass fees, advertising, and other revenue generating activities on a regular basis, including considerations of technology capabilities and needs, inflation, peer agency comparisons, affordability, and equity
- Avoid practices that reduce financial stability and budget certainty
- Balance affordability with meaningful user-based cost sharing

Summary of Recommendations:

- Dedicate half of Fair Share revenue to transportation uses over time
- Direct Fair Share revenue to transparent and clear initiatives
- Use Fair Share to stabilize public transportation infrastructure statewide
- Enhance fiscal management, accountability, and transparency of all transportation investments

Invest in MassDOT

MassDOT Operations

MassDOT has operating budget needs that affect its capacity to coordinate, provide technical assistance, and maximize the capital pipeline.



Operating funds at MassDOT can be invested in talent and workforce development, technology upgrades, lifecycle asset maintenance, capital project delivery capacity, and strategic implementation of climate and resiliency initiatives, consistent with the *Beyond Mobility Plan*.

Using Fair Share and other available revenues, MassDOT will be in a position to accelerate the deployment of federal funds, support local and regional infrastructure and transit partnerships, and effectively utilize CTF financing capacity through capital planning, engineering, design and project delivery across passenger rail, highway, bicycle, pedestrian, freight and other modes. MassDOT will continue to work on its *Strategic Business Plan* to ensure that the agency is poised to make these operational advancements as efficiently as possible.

Finally, the Task Force recognizes that federal support for transportation is a key element of MassDOT's funding needs and recommends that Massachusetts work with other states, labor, and related advocates to support federal investment in transportation infrastructure.

MassDOT Capital

MassDOT's FY25-FY29 Capital Investment Plan, funded separately from agency operations, totals nearly \$16.7 billion across more than 1,700 projects. These projects are funded primarily from GO bonds, CTF bonds and federal funds. Although extensive, these investments fall short



of reaching the level of asset conditions, including for bridges, pavement and culverts, that MassDOT would achieve in its optimal plan.

In addition, MassDOT has committed a significant amount of future capital capacity for megaprojects including the Allston I-90 multimodal project, replacement of the Cape Cod Bridges, and deployment of EV infrastructure statewide, as well as other significant and regionally important infrastructure repair and replacement projects across the state.

The Task Force identified significant immediate and future needs for the MassDOT capital investment plan and supports initiatives in the state budget to dedicate Fair Share revenues to expand CTF financing capacity, unlock excess Fair Share and interest earnings on the state's Stabilization Fund, aggressively pursue federal funding, tap into third party contributions, and strengthen other funding partnerships to continue progress on these projects at state, federal, and local levels. The Task Force recommends continued efforts to maximize these funding approaches to boost capital investment for key transportation infrastructure.

Based on extensive review, the Task Force identified particular needs for MassDOT to further prioritize for investment:

- **Local Roadways:** Increase state investment in local infrastructure and make other program changes to better partner with cities and towns in the management of local transportation assets, including rural communities with needs exceeding the available \$200 million per year Chapter 90 program investment.
- **Easing Congestion:** Provide time savings benefits to commuters, improve commercial efficiency, and reduce environmental impacts in the form of air quality and emissions reductions while reducing travel times and uncertainty due to traffic.
- **Safety Hotspots:** Investments in critical safety junctures will allow MassDOT to flexibly fund critical improvements to intersections, bicycle, and pedestrian infrastructure, rail crossings, and other transportation-oriented safety concerns across the state, including particular needs identified in environmental justice communities.
- **Lifecycle Asset Management:** Prioritize investments that address bridge and pavement quality before it declines into poor condition. Where already in poor condition, facilitate construction repairs to return to satisfactory condition. Such improvements will save the Commonwealth money over the lifetime of the assets and support safer and smoother roadway travel. Enhanced capital investment should target the state's bridge conditions and pavement quality to reduce the backlog to below 10% of inventory in poor condition, with needs of \$500 million per year for bridge investments and \$50 million per year for pavement improvements above currently programmed capital spending to reach those thresholds.
- **Statewide Culvert and Small Bridge Strategy:** Establish resilient design standards and best practices and deploy innovative climate, contracting, ecological, and infrastructure solutions to upgrade culvert and small bridges to withstand the challenges of climate change.
- **Large and Regionally Significant Projects:** Adequately fund and carry out major capital projects that will enhance and transform Massachusetts' infrastructure after years of delay. To reach the construction stage, the pipeline of projects requires aggressive and continued progress on federal funding, innovative partnerships, and creative solutions.



Using Fair Share revenue to leverage additional capacity in the CTF bonding program and GANs to finance federally funded infrastructure improvements, MassDOT should consider additional investments, including the following targeted investment recommendations above.

Summary of Recommendations:

- Invest Fair Share revenue in MassDOT operations and workforce
- Improve safety and ease congestion
- Prioritize state of good repair and resilience needs for bridges, pavement, and culverts

Stabilize Transit Providers

The Task Force recognizes that the MBTA, RTAs and microtransit are systemically important to mobility, opportunity, economic growth, workforce and jobs, decarbonization of the transportation sector, education, health and quality of life in Massachusetts, with impacts that reverberate in the Commonwealth and beyond. As a result, the Task Force recommends urgent action to stabilize public transit operations for these critical systems.

MBTA Operations

The MBTA's budget projections reveal recurring and growing structural operating deficits for the foreseeable future. Projected shortfalls are in the range of \$700 million - \$900 million per year, according to recent MBTA analyses. In previous years, the MBTA relied on one-time measures, state and federal stopgap funding, and MBTA reserves to avoid personnel and service cuts. Such dependencies are not sustainable and jeopardize the MBTA's ability to sustain adequate service levels into the future.

Future MBTA revenue projections assumed constrained revenues, due to the slower growth of the statewide sales tax relative to the growth of MBTA's overall expenses. MBTA's own-source revenues have also shown slow growth relative to expenses, with a fare recovery ratio below 20%. Expense projections assumed the continuation of MBTA workforce hiring and retention initiatives, leading to higher growth in operating costs.

The Task Force identifies the continuing structural operating deficits at the MBTA as a source of instability and risk for the state's transportation. As a result, the Task Force sees stabilizing the MBTA's operating budget as a high priority.

Consequently, the Task Force recommends bold action in the near term to stabilize the MBTA's operating budget, including but not limited to the following:

- Deploy Fair Share revenue to replenish reserves at the MBTA
- Rationalize the state's permanent subsidy to the MBTA to establish a stable foundation and predictable expectations for both state and MBTA
- Supplement state operating support for the MBTA using Fair Share
- Reduce debt and adopt debt management and debt affordability policies
- Continue state support for low-income fares
- Avoid other new policies that further destabilize fiscal condition

As complementary measures, the Task Force recommends that MBTA consider transparency, efficiency and effectiveness measures that preserve safety, reliability, and build upon recent



gains. This should assist the MBTA in restoring trust with oversight agencies and the public. Stabilizing the MBTA's operating budget will allow the MBTA to make reasonable long-term plans for addressing resilience, state of good repair, safety, reliability, rightsizing of workforce, all while shoring up resources for capital projects.

The Task Force does not recommend major workforce reductions or major service cuts by the MBTA and encourages reasonable and ongoing adjustments to bring expenses and revenues into better alignment. This approach should support MBTA's recent progress to restore trust and ridership with a focus on reliability and safety. MBTA's fare policy should continue to encourage riders to return while also maintaining healthy, sustainable user-based structure for stability.

MBTA Capital Investments

MBTA's FY25-FY29 Capital Investment Plan contains \$9.6 billion in total spend. In addition, the state supplements MBTA capital funding with CTF funding through the Rail Enhancement Program. This level of investment, while sizable, is considered inadequate to fund the significant backlog of capital needs at the MBTA. According to the MBTA's 2023 CNAI analysis found that approximately 65% of the MBTA's assets were out of SGR as of July 1, 2021, totaling a SGR Index of \$24.5 billion. Of the nine functional asset classes included in the CNAI, Facilities (\$6.4 billion), Structures (\$5.3 billion), and Power (\$5.1 billion) had a high degree of assets beyond SGR, reflecting significant need in each of these classes, before accounting for modernization and resilience upgrades.

The successful Track Improvement Program to eliminate slow zones is an example of an approach that combines bold vision with serious focus on challenges that have long been overlooked at MBTA. This can serve as a model for future investments that will put MBTA on track to better overall condition. MBTA should maintain and extend the accomplishments of the TIP by prioritizing investments in core reliability and safety, routine maintenance, systems upgrades, and repairs to modernize and preserve functionality. These steps can and should include complementary efforts in procurement, maintenance and capital delivery, workforce skills and training, and cooperation with regulatory and permitting agencies to reduce the time and expense needed for maintenance and construction projects while maintaining high standards.

The availability of safe and reliable transit options for Eastern Massachusetts is vitally important to the state's economy, jobs, housing, health and well-being, and overall quality of life. MBTA's capital investments should reach these objectives throughout the entire service area, including via commuter rail and bus service. Investments should include those that enable mode shifts away from passenger vehicles to ease congestion and reduce emissions, facilitate transit-oriented development to alleviate the housing crisis, and improve competitiveness.

The Task Force recommends an approach that incorporates and includes climate resilience needs and SGR upgrades to integrate resilience and critical system needs to improve the MBTA system for all users with a long-term view that considers climate change and resilience needs in all aspects of planning. The Task Force also recognizes MBTA's attractive offering for riders while playing an instrumental role in decarbonization policy.

The state also has the opportunity to address MBTA capital investment needs through a targeted expansion of the CTF credit using dedicated Fair Share revenue. In the state's FY25 budget, Fair Share added new CTF borrowing capacity, opening up more upfront capital. The



Task Force recommends building upon this strategy to support additional capacity in the CTF by using Fair Share revenue to add reliability towards funding the capital investment plan. The MBTA sees particular urgency for enhanced investments in maintenance facilities and power systems due to the direct impact on service.

Finally, the Task Force recognizes that federal support for transit is a key element of MBTA's funding needs and recommends that MBTA work with other transit systems, states and cities to support increased federal investment in transit systems.

RTAs (Regional Transit Authorities)

RTA operations and capital programs are funded by federal formula and discretionary programs, state funding, local funds, and fares and ancillary operating revenues. RTA ridership and operating revenue were both significantly disrupted by the COVID-19 pandemic and remain in the recovery phase. The decision by some RTAs to operate fare-free, relying entirely on public funds to support operating budgets, further reduced revenues in a period of growing expenses driven by inflationary pressures. Simultaneously, fare-free policies offer affordable mobility options to attract riders and meet their needs.

In the last two fiscal years, Fair Share revenue has been used by RTAs to drive innovation and promote equity, as well as filling gaps in funding needs in a post-COVID period. Revenue availability to RTAs should be maintained at a sustainable and predictable level to enable the ability for RTAs to engage with their communities, riders, employees, and other stakeholders in a planning process that extends longer than one fiscal year, allowing agencies to map a long-term budget and service strategy.

The Task Force recommends utilizing Fair Share revenue to provide predictable and stable funding support for RTAs including operational enhancements, expanded service hours and days, route expansions, and resiliency needs. RTAs should continue to prioritize state and federal formula funding for capital maintenance and support for programmed and service needs.

The availability of safe and reliable transit options for the people of Massachusetts is vitally important to the state's economy, jobs, housing, health and well-being, and overall quality of life. Investments in RTAs help to achieve these objectives throughout their service areas across the state. MassDOT and the RTAs should convene to identify opportunities to work together in regional groups, along with the MBTA, other locally based providers of transportation services, and local communities to meet service and funding needs. RTA investments should include those that enable mode shifts from passenger vehicles to ease congestion on roadways where possible, facilitate housing development near RTA service, and improve access and opportunity.

The Task Force also recognizes that RTAs and mass transit providers must offer an attractive option for riders, promoting ridership growth. As more travelers take shared transportation, progress towards decarbonization goals is achieved. The Task Force recommends an approach that incorporates and includes climate resilience needs and SGR upgrades to integrate resilience, reliability, passenger experience, accessibility, equity, and critical system needs to improve transit service and opportunity for all users with a long-term view that considers climate change and resilience in all aspects of planning. This includes electrification of fleets, maintenance facilities, and other facilities – a transformation that is already taking place with promising results due to the leadership of several RTAs.



The Task Force encourages further collaboration and innovation, led by RTAs and MassDOT, to identify areas of high need and consistent patterns of mobility demand that are not served either within or across RTA territories, including routes to health care hubs, employment centers, cultural and recreational destinations, and other regionally important areas.

The Governor and Legislature can support these efforts with pilots and other programs to expand the ability to enter into public-private partnerships and unique delivery opportunities as they emerge and develop.

The Task Force considers a balanced approach to reduced fares and fare-free service, as appropriate for individual RTAs. Such policies promote affordability and accessibility, while being coupled with investments in service and routes that serve the needs of riders.

Finally, the Task Force recognizes that ongoing federal support for transit is a key element of funding needs and recommends that the Massachusetts RTAs work with other regional and local transit systems and providers to seek additional federal investment.

Microtransit and Other Mobility Options

The Task Force recognizes the vital importance of microtransit for individuals in communities around the state. The availability of safe and reliable mobility options for the people of Massachusetts is integral to the state's economy, jobs, housing, health and well-being, and overall quality of life. This is also true for individuals and families that live, work, or travel outside of existing RTA and MBTA service areas but seek the access, affordability, and mobility provided by these services. These services should not be placed into competition with, but can be complementary to, other public transportation options available to the people of Massachusetts. The Task Force recommends that MassDOT, microtransit operators, and other mobility providers continue to collaborate.

Microtransit, last mile, and other innovative mobility offerings are instrumental in enabling service to a wider range of passengers and meeting community requests and demands. The Task Force recommends continued support for innovative and flexible programming to enable mobility options and choices, including a need for routes that cross distinct RTA territories and meet community needs for access to jobs, health care, and affordable housing. The Task Force encourages the state to maintain grants that encourage microtransit, demand-response, community based, and last mile service. These creative solutions offer mobility opportunities to their users that would otherwise require a personal vehicle for the same trip.

MassDOT, RTAs, microtransit providers, and local governments can work together with educational and health care institutions, employers, and other partners to bring new mobility opportunities to the public in affordable, sustainable, and creative ways.

Summary of Recommendations:

- Use Fair Share revenue to stabilize public transit operations statewide
- Maintain predictable and stable funding investments in RTAs, microtransit, and other mobility providers to enhance connectivity



Partner with Municipalities

Municipalities

The state's 351 municipalities oversee 90% of all public roads within the state (more than 30,000 miles), 46% of all bridges within the state (more than 3,700), approximately 75% of culverts, as well as sidewalks, paths, fleets, school transportation, and other local infrastructure. Municipalities' ability to raise revenues are limited due to the majority of revenues being generated through property taxes constrained by the provisions of Proposition 2 ½.

Massachusetts municipalities also receive federal and state transportation aid in the form of grants and formula funding. MassDOT and the state at-large play a role in supporting local governments and regional organizations in planning, executing, and funding transportation that benefits users across the state.

The Task Force recognizes that Fair Share revenue presents an opportunity to increase statewide investment in local roads, sidewalks, and transportation infrastructure through an increase to the Chapter 90 program and an extension of authorization beyond the typical one-year cycle, which does not allow local governments to engage in long term capital planning. Such investments will help to stabilize and enhance transportation infrastructure at a local level, where it is highly impactful to residents' daily lives, while improving key indicators tracked by MassDOT and federal authorities – safety and pavement quality.

Municipalities also receive additional state funding from MassDOT through various competitive grant programs, which could be reviewed by MassDOT to enhance their effectiveness, reach, and ease of access and usability by local partners. Regional planning agencies and resources within MassDOT for technical assistance, planning, and grant opportunities are additional ways to strengthen the partnership with municipalities and improve capacity to deliver meaningful infrastructure projects at the local level. The Task Force recognizes that there are ongoing and emerging needs for safety improvements and measures to ease traffic congestion, including intersections, pedestrian and bicycle infrastructure, rail crossings, and other sites throughout the Commonwealth, and encourages collaboration among state and local governments and residents to identify these conditions for improvement to make a material difference in the lives of residents.

The Task Force also acknowledges that transportation needs and available resources differ for each local community. Some communities may only be partially served by transit, and some not at all. Rural communities may be affected by additional burdens and disadvantages for transportation funding, as some local option revenues such as TNC fees, hotel/meals taxes, and a broad commercial tax base may be limited. The primary mechanism for MassDOT to provide financial assistance to cities and towns for transportation-related projects is the Chapter 90 program, which is apportioned annually to municipalities based on a formula that considers three factors: road mileage, population, and employment. The Task Force noted that revenue and funding opportunities for rural and less populated communities should be reviewed by MassDOT for further action.

The Task Force reviewed certain locally and regionally specific transportation challenges, including the Cape Cod region, which is connected to the rest of the state by two federally-owned bridges, as well as the Greater Boston, Cambridge, and Worcester area, where the Allston I-90 project promises to transform highway and intercity rail access. The Task Force



recognizes the exceptional efforts of the Healey-Driscoll Administration in securing a \$993 million discretionary federal Bridge Investment Program award and a \$372 million Multimodal Project Discretionary Grant Program award toward MassDOT's replacement of Cape Cod Bridges and \$345 million in federal Reconnecting Communities and Neighborhoods grant awards for replacement of the Allston Viaduct and for the cities of Haverhill, Lynn, Everett, Cambridge and Chelsea. The Task Force recommends continued efforts to pursue federal discretionary funding given the profound impact such awards have on project funding.

While these megaprojects are extraordinarily large and challenging, each region and community has distinct needs. In addition to maintaining extensive local infrastructure, municipalities have operating challenges to maintain and repair roadways, treat sidewalks and roads for weather conditions, transport school students, guide the movement of water through culverts, and meet safety and mobility needs.

As climate change yields more frequent storm surges and intense precipitation events, as well as heat and other challenges, municipalities are also faced with need to invest in resilience and electrification. Culverts represent a particularly pressing challenge for municipalities, with approximately 17,000 locally-owned culverts throughout the state. Obsolete and undersized culverts can be vulnerable to storm-related infrastructure damage. To fund the growing culvert maintenance need at the local level, municipalities have identified opportunities for greater support to evaluate, upgrade and improve locally owned culvert infrastructure.

The Governor and Legislature are encouraged to leverage Fair Share for urgent and longer-term needs, with attention to the particular concerns of each region and the issues facing different communities. Fair Share can most effectively be used to support various local transportation needs by buffering the Chapter 90 program, other statewide grant and funding programs, safety and resiliency efforts, and regional school transportation. MassDOT and Regional Planning Agencies can support municipal needs with both funding and technical assistance to deliver capital projects efficiently and effectively.

Summary of Recommendations:

- Use Fair Share revenue to increase funding for Chapter 90 program
- Create a strategy for culvert and small bridge infrastructure resilience
- Review revenue and funding opportunities for local governments

Leverage Fair Share

The Task Force identifies an immediate need to leverage Fair Share and maximize its impact to improve the transportation system in Massachusetts transparently and quickly.

In FY24, Fair Share generated \$2.46 billion. Based on the FY25 Fair Share budget allocation of \$1.3 billion, a 50% dedication to transportation would have a substantial impact on transportation funding. The Task Force considered opportunities to improve transparency and effectiveness of Fair Share on transportation, with the preferred approach being an even split with education.

The state is constrained in what it can borrow for transportation purposes using traditional GO bonds and CTF bonds. Fair Share revenues represent an opportunity to revitalize and extend



the borrowing capacity of the CTF, allowing for improved debt service coverage that increases the CTF's capacity to borrow for transportation.

The Task Force recommends dedicating a substantial portion of Fair Share revenue to the CTF, following the model supported by the Governor and Legislature in the FY25 budget. A portion of Fair Share revenues and other CTF revenues in the fund will be used to pay debt service on future CTF bonds, so that the state can maximize its borrowing capacity for modernization, state of good repair and resiliency investments. Funds above those required for debt service would remain available for operating budget stabilization and other transportation purposes.

The Task Force recommends that the Executive Office for Administration and Finance work with the Office of State Treasurer and Receiver-General to utilize Fair Share and the CTF credit in the most advantageous way to the Commonwealth to maintain a highly rated, flexible financing structure for capital needs.

Summary of Recommendations:

- Dedicate Fair Share to CTF to expand CTF borrowing capacity
- Work with Treasurer to maintain CTF as a highly rated, flexible financing structure
- Use CTF to stabilize existing funding for transportation infrastructure

Secure Federal Funding for Transportation

Massachusetts operates with a focused strategy of pursuing every available dollar of federal funding. The Task Force recommends the following actions to approach federal funding:

- Continue to pursue federal discretionary funding opportunities
- Work with other states and regional organizations to support reauthorization of federal transportation funding
- Streamline permitting and procurement policies that may enhance the effectiveness of grant opportunities and outcomes at the state and local levels
- Partner with local cities and towns, tribes, labor, the business community, and other stakeholders to optimize the impact of federal opportunities for Massachusetts

In 2024, Governor Healey signed legislation that unlocked liquidity from interest earned on the Commonwealth's Stabilization Fund to create a pool of \$750 million in state matching funds for the pursuit of federal funds across all sectors. The legislation also provides for debt reduction and debt defeasance. These goals are important for the Commonwealth's ability to pursue all avenues of federal funding while promoting long-term stability and sustainability of investments.

Summary of Recommendations:

- Continue to aggressively pursue federal funds
- Deploy the recently enacted state matching funds pool to compete for federal funding and reduce transportation debt
- Work with other states and cities to advocate for federal reauthorization, including support for transit, rail, highway, and other transportation priorities



Enhance

The Task Force recommends additional actions to enhance and extend investments at the state and local level. The Task Force recognizes that some of these measures may be actionable along a timeline that requires additional implementation, review, and consideration to balance significant priorities, all the while resulting in enhancements to transportation infrastructure.

The Legislature and Governor must work cooperatively to review and update the state's existing revenue policies and legislation, many of which have not been updated in a decade or more. Due to significant changes in commuting patterns, technology, and the effects of adverse weather effects, current revenue policies and legislation are out of date and out of step with current needs.

The present moment provides an opportunity to align the state's existing revenue sources with peer states and other comparable jurisdictions. Some of the revenue source benchmarks illustrated Massachusetts' low rates compared to peers, particularly for sources that have not been reviewed or updated in many years. Members debated a litany of potential revenue sources and considered ways to prioritize or deprioritize future adjustments, with one outcome being the need to right-size existing revenues. In general, revenue sources should be reviewed regularly to consider changing needs, conditions, technologies, usage patterns, and incentives. Sources of current state-level revenues used to fund transportation include, but are not limited to:

- Gas Tax
- Registry Fees
- Sales Tax
- Motor Vehicle Sales Tax
- Fares, Tolls, TNC Fees, and other point-of-use charges
- Fair Share (began in FY24)

The Task Force also recognizes the importance of equity and affordability and recommends considering mitigations like low-income fares, toll discounts, and other discounts when implementing new policy. Benchmarking against mitigation strategies in other states was conducted to compare to Massachusetts' policies.

The Task Force emphasized the importance of enabling mode shifts toward cleaner transportation choices around the state. The Task Force also noted the importance of decarbonization considerations to inform future pricing and policy initiatives. The Task Force reviewed policies, which are used in some other states, that would apply additional registry fees to EVs. Many members expressed caution that such policies might reduce incentives for electrification and EV adoption. Similarly, the Task Force reviewed but felt similar hesitancy around policies that would apply additional fees or costs to EV charging. In particular, the Task Force pointed to data in the Massachusetts Vehicle Census, illustrating that of the more than 5 million vehicles in the state's active vehicle count, 93.7% are internal combustion engine (ICE) vehicles, while the remainder are hybrid, plug-in hybrid, electric, or fuel cell vehicles. The Task Force recommends that the state continue to review existing policies that encourage and support EV adoption, including tax credits and other incentives, to confirm that they are efficient and aligned with desired policy outcomes.



The state’s transportation agencies must continue to build trust with the public, demonstrating fiscal discipline and operational excellence to deliver the most optimal service. Infrastructure investments must be efficient, timely and perform within expected parameters.

The Task Force recommends that the state continue to evaluate opportunities to improve procurement processes, enhance contract delivery capabilities and explore innovative partnerships that maximize the value of all transportation investments.

Rationalize Existing Resources

Massachusetts policymakers should consider right-sizing a suite of user-based fees and rationalizing existing resources to align with peer states and other comparable jurisdictions, including but not limited to the following:

- TNC Fees (including sales tax on TNC trips)
- Gas Tax and other fuel taxes
- Registry Fees
- Delivery and parking fees (for example, sales tax on commercial parking)
- Fares and other rider/user charges
- Stored-value or technology-based fees (E-ZPass transponders, transit fare passes, etc.)
- Tax exemptions
- Other emerging and appropriate funding sources

The Task Force recommends a thorough review and rationalization of existing resources as a routine part of good management, to be done with considerations of competitiveness, affordability, equity, and climate.

The state should also contemplate new strategies that might help modernize the transportation revenue structure using emerging trends, including but not limited to the following examples from other jurisdictions:

- Retail delivery fees and surcharges
- Transportation service fees and surcharges
- Bus Lane Enforcement and Traffic Camera Enforcement¹

Each of these sources was identified by members as having co-benefits with other key policy areas, especially safety, affordability, and climate impacts. Together, they form an opportunity to enhance Massachusetts’ transportation funding system.

Summary of Recommendations:

- Rationalize and right-size existing user-based fees to align with peer states
- Assess new strategies to modernize transportation revenue structure using emerging trends
- Review and realign policies to encourage and support EV adoption

¹ In December 2024, Legislature approved “An Act relative to bus lane enforcement” and “An Act concerning the safety of school children embarking and disembarking school buses,” allowing public transit agencies and school districts, respectively, to use bus-mounted cameras to record parking and traffic infractions in bus lanes and around stopped school buses.



Unlock Local and Regional Options

Massachusetts policymakers should contemplate new strategies that empower municipalities to unlock local and regional revenue sources for infrastructure investment, including but not limited to:

- Regional Ballot Initiatives
- Retail Delivery Fees (local option)
- Parking Fees or Surcharges (local option)
- Other emerging and appropriate policies

The Task Force notes that not all local communities are the same and hence might find different opportunities suitable for their needs. Each community must be empowered to make locally appropriate and thoughtful choices to enhance jurisdictional transportation infrastructure.

Massachusetts differs from many of its peer states because it does not generally rely on county-based governmental organizations to address regional transportation planning. Massachusetts can and should leverage its crucial Regional Planning Agencies, local and regional governments, and other organizations, allowing like-minded and similarly-impacted communities to cooperate to solve regional problems.

Summary of Recommendations:

- Empower municipalities to unlock local and regional revenue sources
- Empower local and regional planning bodies to coalesce around transportation solutions

Equity in Pricing

Massachusetts policymakers should continue to assess and implement a phased approach to establishing a more equitable roadway pricing system that enables mobility choice, eases congestion, supports other Commonwealth policy goals. Successful roadway pricing should contribute substantial additional revenue to enhance transportation infrastructure across the state.

Summary of Recommendations:

- Phased approach to roadway pricing
- Easing congestion and saving time for commuters, businesses and drivers
- Encouraging cleaner transportation choices and mode shifts with reliable alternatives
- Fairness in pricing for users from different communities and regions

Clean and Resilient Transportation

Climate change is a threat to human wellbeing and the health of the planet, and the effects of climate change are already affecting our transportation infrastructure in the Commonwealth. Massachusetts policymakers should continue to assess and implement the necessary policies to address this urgent threat.



Massachusetts' Clean Energy and Climate Plan (CECP) shows that transportation was responsible for 41.7% of statewide fossil fuel emissions in 2021 and obligates MassDOT and the MBTA to take measures to reduce their emissions impact. These steps include:

- Promoting alternatives to personal vehicle travel
- Decarbonizing vehicle fleets
- Building the necessary infrastructure to support the transition to electric vehicles
- Reducing climate risk of stationary assets, including underground stations and tunnels

The Task Force notes that the threat of climate change is part of the unprecedented context facing Massachusetts policymakers and demands a meaningful response at all levels of government.

Summary of Recommendations:

- Take measures to improve resilience of transportation infrastructure in line with the CECP
- Continue to assess and implement strategies and policies to address climate threat

Transform

Over the longer term, Massachusetts policymakers should continue to assess and implement a phased approach to establishing a more equitable transportation pricing system that aligns with the vision of easing congestion and addressing climate change. These actions could include:

- Assessing current toll prices in comparison to peer states and examining how toll revenue and financing strategies are used (e.g. borrowing against toll revenue)
- Assessing the current tolling network to identify gaps, inequities, and opportunities to rationalize incentives and revenues
- Contemplating variable time of day pricing and congestion pricing models while considering example best practices, the cost of deployment and equity impacts

Massachusetts policymakers may want to assess a differential user-based approach to pricing that incorporates VMT as a methodology, either at the point-of-use or on a regular basis using technology solutions. Benchmarking and peer analysis, as well as case studies, will continue to guide and inform the direction of these deliberations and developments.

Summary of Recommendations:

- Continue to assess and implement a phased approach to establishing a more equitable roadway pricing system
- Assess sustainable funding options, including those that use best practices and ideas from peer states
- Consider the impacts of any transportation funding change on all policy area



Long-term Implications

This report is replete with essential numbers and statistics, but the story behind Massachusetts' transportation infrastructure – a story of how our transportation infrastructure, a public good, is vital for everyone and everything.

The Task Force's vision for modern, well-funded transportation infrastructure – a vision that grew from months of input from Task Force members and their constituencies; prior reports, analyses, and publicly available data; and industry leaders – resulted in this report, with a vision that moves from stabilizing to enhancing to transforming transportation infrastructure.

Changes to the way that the Commonwealth funds its transportation infrastructure are essential to building the future of mobility for many reasons, including:

- **Climate change** poses an unprecedented threat to our planet and is linked to transportation. We are at a critical juncture to improve the resilience of transportation assets: switching from internal combustion vehicles to electric vehicles, electrifying transit fleets and installing electric vehicle charging infrastructure.
- **Housing** shortage in Massachusetts is linked to transportation. While the Administration has advanced major policies to fund housing expansion and address this crisis, a shortage of housing persists, particularly housing accessible by public transportation.
- **Congestion** on the state's roadway and transit network is frustrating for all who experience it. Unreliable commute conditions can undermine travelers' confidence and reduce the state's attractiveness to companies.
- **Workers and employers** alike find themselves frustrated by lengthy commutes and lost time due to congestion and transit issues. Students find themselves on school buses, stuck in traffic. Visitors deal with delays and receive negative perceptions of the Commonwealth. Economic growth, jobs, commerce, opportunity, education, and transportation are deeply interconnected.
- In addition, transportation is a social determinant of **health**; transportation directly impacts the ability of residents to access healthcare and the associated emissions affect overall health and wellbeing.



2.3 Next Steps

Working to stabilize, enhance and transform the state's transportation system is imperative to ensure the state's economic competitiveness and quality of life for residents. Transportation is the connective tissue that keeps our economy thriving, opens opportunities for employment and education, brings us together, and provides the crucial link to all kinds of services. School buses carrying children must travel on safe roads to school every day, trains take us to work, buses bring us to medical appointments and shopping, electric vehicle charging stations power our vehicles, and walkways and bike paths provide healthy ways to get around.

The Task Force recognizes that achieving these objectives is a long-term endeavor but urges the Governor and legislature to act with urgency, not only to move toward the vision reflected in the Task Force's recommendations to stabilize the system in the short-term but, just as importantly, to put in place and maintain the capacity to do the analysis and planning work needed enhance and transform the system over coming years and decades.

Meeting the immediate needs of our state's public transportation agencies and local governments should start with funding proposals in the budget and accompanying legislation to deploy capital, operating, and Fair Share funding in the most strategic and efficient way. This should include allocation of excess Fair Share revenue collected in previous fiscal years and innovative procurements that allow dollars to go further and reduce administrative burdens on local communities.

An approach that utilizes Fair Share includes dedication of Fair Share revenues through the CTF, enabling those funds to expand borrowing capacity for critical infrastructure, stabilize public transportation agencies, and provide significant new Chapter 90 funding to cities and towns. However, it is far from an approach that only utilizes Fair Share. As detailed in the Task Force's recommendations, a litany of funding sources was and will continue to be evaluated to shape the future of transportation in the Commonwealth.

Transportation funding is never complete – this work remains a collaborative effort across generations to build and maintain the infrastructure that serves as the backbone of the state's economy and every resident's mobility. Rebuilding trust in the transportation system by meeting immediate needs and stabilizing system finances is a good start. The Governor, Legislature, local leadership, and other key stakeholders are encouraged to continue to collaborate and review and update the state's existing revenue policies and legislation and consider new approaches for the future. Ongoing discussions must include riders, users, labor, and community representatives, with the aim of building consensus for revenue policies and transportation pricing reform that support the best system possible.

This report is a transfer of research and knowledge from the Task Force to other key groups: the voters who will shape transportation funding in Massachusetts for years to come, the public transportation agencies and labor that deliver the service, and government policymakers that guide the ultimate outcomes. Members of the Task Force have made significant contributions to the entire process and the impact will continue into the upcoming legislative session and beyond.

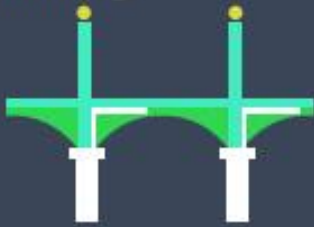


2.4 Acknowledgements

The Task Force would like to acknowledge and thank all transportation partners – providers, lawmakers, labor, riders and beyond – for their important roles in the massive, complicated, critical system that is transportation. Their perspectives and experience were fundamental to this process and never went unnoticed. Additionally, the Task Force would like to thank the expert guests, community stakeholders, and staff members that contributed during meetings and to the development of this report. Together, the future of transportation funding in Massachusetts can be realized.

ANALYSIS

Transportation
Funding



Task
Force





3. ANALYSIS

3.1 Scope of Current System

MassDOT

Overview of MassDOT

The Massachusetts Department of Transportation (MassDOT) was created as a unified transportation agency in 2009 through “An Act Modernizing the Transportation Systems of the Commonwealth of Massachusetts,” with the goal of overseeing and maintaining the Commonwealth’s infrastructure. Today, MassDOT is comprised of several modal divisions, including:

- **Highway Division**, which has jurisdiction over nearly 10,000 roadway miles in the Commonwealth and supports municipalities with maintenance
- **Rail and Transit Division**, which manages freight, passenger, and seasonal rail lines and coordinates activities with the Commonwealth’s 15 Regional Transit Authorities (RTAs)
- **Registry of Motor Vehicles (RMV)**, which maintains approximately 5.3 million vehicle registrations and licenses over six million drivers
- **Aeronautics Division**, which maintains and oversees 35 public use airports

MassDOT is integral to the state's economic vitality and quality of life. By maintaining and improving infrastructure, MassDOT ensures that residents and visitors in every region of Massachusetts have access to safe, efficient, and reliable transportation options. This is crucial for several reasons:

1. **Economic Growth and Development:** MassDOT's efforts in maintaining highways, bridges, and public transit facilitate the smooth movement of goods and people, essential for the state's

economy. Efficient transportation attracts business, supports local industries, and creates jobs, thereby driving economic growth.

2. **Safety and Reliability:** Ensuring the safety of the Commonwealth’s transportation is a top priority for MassDOT. Regular maintenance and timely upgrades of roads, bridges, and transit systems help prevent accidents and reduce travel disruptions. This commitment to safety protects the well-being of all users, from daily commuters to long-haul truck drivers.
3. **Climate and Sustainability:** MassDOT's initiatives to promote public transit, cycling, and walking contribute to reducing Massachusetts’ carbon footprint by providing alternatives to single-occupancy vehicles. Further, MassDOT invests in vehicle charging infrastructure and fleet electrification to accelerate the transition to electric vehicles. By investing in sustainable transportation options and promoting sustainable transportation for residents, MassDOT helps mitigate the environmental impact of transportation, consistent with Massachusetts’ climate leadership.
4. **Quality of Life:** Reliable and efficient transportation enhances the quality of life for Massachusetts residents. Reduced congestion, improved public transit services, and well-maintained roads mean shorter commute times, more efficient access to essential



services, and stronger connectivity across communities and throughout the New England region. Transportation also impacts the health of residents – less congestion and fewer vehicle miles traveled reduces air pollution which disproportionately harms environmental justice communities. Active transportation alternatives promote physical mobility and better health outcomes.

- 5. Resilience and Preparedness:** MassDOT plays a critical role in preparing for and responding to emergencies and severe weather events. The agency's proactive measures, including resilience projects and emergency response plans, ensure that the transportation network remains operational during extreme weather events, particularly as they become more frequent. The design of infrastructure also has the capacity to exacerbate or mitigate flood risk. In particular, culverts that are undersized for current and future precipitation events can flood adjacent lands and property, washing away and leading to structural failure of roads, railways, and other infrastructure, particularly in coastal and low-lying areas.

Scope of Assets and Operations

MassDOT owns and operates 9,526 lane miles of public roads in Massachusetts, the majority of which are National Highway System roads (7,369 lane miles). MassDOT owns all 3,204 lane miles of Interstate within its boundary. There are 76,829 total lane miles in the state. Smaller public roads — which represent the majority of lane miles — are operated by the surrounding jurisdiction.

Figure 7: MassDOT Districts



A large part of MassDOT's role in maintaining roadways is pavement. Well-maintained pavement reduces vehicle operating costs and is less costly in the long term.

To support local municipalities with the necessary upkeep of roadways, MassDOT's Highway Division has administered the Municipal Pavement Program since 2021, funding improvements to municipally owned state numbered routes. \$100 million has been allocated since the program's inception, with another \$99 million expected to be spent by 2029.

MassDOT's FY25-29 Capital Improvement Plan includes \$463 million for Interstate pavement and \$570 million for non-Interstate pavement to bring MassDOT closer to its goals.



MassDOT's goals for pavement maintenance, as defined by the National Highway System (NHS), include:

- >95% of **Interstate** pavement in “good” condition
- <1% of **Interstate** pavement in “poor” condition
- >75% of **non-Interstate** pavement in “good” condition
- <5% of **non-Interstate** pavement in “poor” condition

Compared to the 2023 status of MassDOT-owned pavement:

- 91% of **Interstate** pavement in “good” condition
- 1% of **Interstate** pavement in “poor” condition
- 70% of **non-Interstate** pavement in “good” condition
- 13% of **non-Interstate** pavement in “poor” condition

Additionally, MassDOT operates and maintains over 4,000 bridges and tunnels. Notable bridges include Calvin Coolidge Memorial Bridge, Davit Memorial Bridge, Tobin Bridge, Bunker Hill Bridge, Longfellow Bridge, and Anderson Bridge. Notable tunnels include Ted Williams Tunnel, Sumner Tunnel, Callahan Tunnel, and O'Neill Tunnel.

Bridges that form part of the NHS are evaluated by the system on “good”, “fair”, or “poor” condition. Massachusetts’ bridge inventory is the oldest in the nation and ranks third lowest nationally for NHS bridge condition. MassDOT’s \$3 billion Accelerated Bridge Program has successfully reduced the percentage of bridge area in “poor” condition from 17.5% to 12.1%. However, because 12.1% of Massachusetts’ bridges by surface area fall in “poor” condition — higher than the NHS threshold of maximum 10% in “poor” condition — Massachusetts is

subject to a restriction that directs federal funds to bridge maintenance.

Massachusetts is committed to bolstering the condition of its bridges and is investing \$5.5 billion in its Bridge Program over FYs 2025 through 2029 (across all funding sources). This level of investment is supported by the Highway Infrastructure Program funding available under BIL and funding from grant anticipation notes (GAN) and special obligation bond funding from the Next Generation Bridge program.

MassDOT’s Highway Division also administers the Municipal Small Bridge Program, which provides funding to municipalities for the replacement, preservation and rehabilitation of municipally owned small bridges. To be eligible for funding, bridges must be on a local public way and must have a recorded span between 10 and 20 feet. Since program inception in 2016, \$82.1 million has been awarded to municipalities through 217 grants, with \$75 million more in anticipated spend through 2029. Notably, MassDOT is currently unable to fund an average of \$5 million worth of grant applications annually due to budget constraints, equal to approximately 10 unfunded small bridge projects per year.

Adjacent to the Municipal Small Bridge Program is the Culvert Replacement Municipal Assistance Grant Program administered by the Division of Ecological Restoration (DER), which provides financial assistance to municipalities for the replacement, repair, and maintenance of culverts. Culverts — critical infrastructure components that funnel water beneath roads, rail, or the ground in general — represent one of the most pressing infrastructure needs in the Commonwealth. As extreme weather events become more frequent, the demands placed on the state’s culverts increase, with potential to overwhelm flow capacity. The program



offers state grant funding to cover project costs and improve resilience to climate change, particularly for undersized or deteriorating assets in need of replacement.

MassDOT is advancing a project to replace the Rourke Bridge in Lowell, a critical transportation link currently that carries about 27,000 vehicles per day over the Merrimack River. The project will replace a temporary structure that was erected in 1983.

Photo 1: Rourke Bridge



MassDOT's Rail and Transit Division maintains state-owned railway track, oversees freight and passenger rail programs, and seeks to increase transportation options outside of the Boston area. MassDOT strives to improve mobility across the Commonwealth by assisting, funding, and overseeing service provided by the Commonwealth's 15 RTAs, local governments, nonprofits and private carriers. MassDOT also performs the critical role of administering and granting state funding to these organizations.

Freight rail — though only carrying a small percentage of freight that moves through the Commonwealth — provides a critical and efficient method to move specific industry goods over longer distances. Massachusetts' robust freight rail network serves as the link between most of the New England region and the remainder of the

United States. Operation of the statewide freight rail network is divided among 13 private operators. MassDOT provides oversight and funding to support the freight rail system.

In 2023, MassDOT released its Massachusetts Freight Plan that recommended:

- Upgrading freight rail lines to allow heavier railcars
- Improving safety at road-rail grade crossings
- Reducing the quantity of grade crossings
- Improving and preserving freight connections to/from Boston waterfront freight facilities

MassDOT's FY25-29 [Capital Improvement Plan \(CIP\)](#) includes \$441 million planned for improvements to the state-owned rail network, including direct support for freight rail.

The Rail and Transit Division has prioritized West-East Rail with the intention of expanding MassDOT's Compass Rail program. Compass Rail — passenger rail for the Commonwealth — is Massachusetts' vision for intercity passenger rail. This vision includes existing north-south services along the Knowledge Corridor in Western Mass as well as proposed West-East Rail services, including the Inland Route from Boston to New Haven, CT via Springfield and the Boston and Albany Corridor.

- West-East Rail is progressing with several planned and ongoing projects, including Early Actions for the Inland Route project, which will fund track improvements between Springfield and Worcester, is beginning design in fiscal year 2025. The corridor capacity realized through this project will enable two daily round trips between Boston and New Haven through Worcester and Springfield to begin in 2029-2030. This project is



funded with a \$108 million federal CRISI grant.

- Springfield Area Track Reconfiguration Project is ongoing with a \$1.75 million federal CRISI grant for preliminary engineering and environmental review. MassDOT has recently been awarded an additional \$36.8 million to complete final design for the project.
- MassDOT is scoping a Boston and Albany Corridor Service Development Plan (SDP) using a \$500,000 grant from the Federal Railroad Administration's Corridor ID program with an SDP to follow.
- Palmer Station Planning and Design.
- First and Front Street Grade Crossing Elimination in West Springfield.
- Pittsfield Area Track Capacity Project.

MassDOT also oversees the Complete Streets Program that encourages communities to incorporate complete streets – streets with pedestrian and cyclist infrastructure, green space, and transit capacity – into their regular planning practices. The program has awarded over \$100 million in local planning and construction grants since 2016 and is funded with another \$75 million through FY 2029.

MassDOT's Shared Streets and Spaces Program funds quick-build projects that support public health, safe mobility, and renewed commerce. The program originated during the COVID-19 pandemic to facilitate creative use of public spaces and was continued due to popularity. Types of projects eligible for funding include sidewalks, paths, bicycle facilities, bus lanes and stops, traffic calming measures, and outdoor programming equipment. \$56.5 million has been awarded in local construction grants since 2020 with \$32.5 million in planned spending through FY29.

MBTA

The MBTA is one of the largest transit agencies in the United States. The system covers 177 cities and towns with a diverse population that relies on the MBTA for daily commuting, recreational travel, and trips to and from essential services. The MBTA operates an extensive network that includes heavy and light rail, bus, commuter rail, ferry, and paratransit services with the following characteristics:

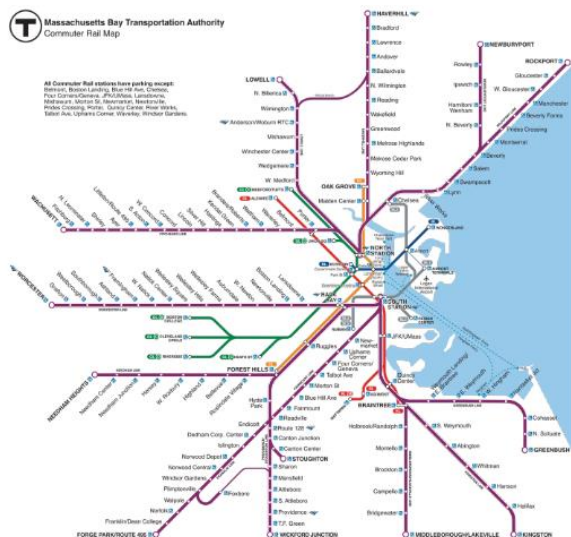
- Bus system operates more than 150 bus routes.
- Silver Line BRT operates five routes in Boston and Chelsea.
- Rapid transit rail system covers 128 miles of track between three heavy rail lines and two light rail lines.
- Commuter rail system includes over 700 track miles across 14 lines, all of which terminate in Boston, supporting service to many Gateway Cities and Providence, Rhode Island.
- Ferry system provides service to coastal ports in eastern Massachusetts.
- Paratransit service (The RIDE) available to passengers in 58 cities and towns in the Greater Boston area.

Figure 8: MBTA Rapid Transit/Key Bus Routes Map





Figure 9: Commuter Rail Map

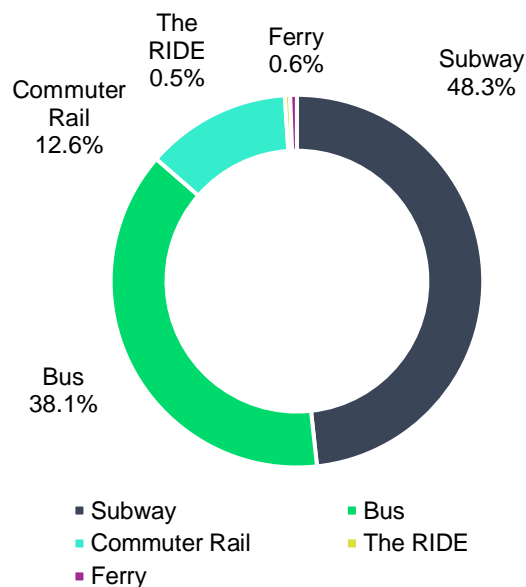


Like other American transit agencies, MBTA's ridership and fare revenue have not recovered to pre-pandemic levels. As of 2024, ridership is at approximately 70% of pre-pandemic numbers and fare revenue is approximately 60% of pre-pandemic levels. Combined with significant growth in the MBTA's expenses and service expansions, new programs, the need to expand its workforce in response to FTA directives, and inflation, the MBTA is experiencing recurring structural operating budget deficits. The MBTA projects annual operating budget deficits, as well as a significant deferred maintenance backlog. The MBTA has made progress in hiring and improving safety, but continues to struggle with fiscal stability, maintaining adequate reserves, and balancing capital investment in core infrastructure and planned modernization with operating budget needs.

MBTA by the numbers

In October 2024, the MBTA had average weekday ridership of 875,642, a 10.4% increase from the prior year. The breakdown of trips by mode is:

Figure 10: MBTA Average Weekday Ridership, October 2024



RTAs

RTAs provide essential public transportation services in Massachusetts, often focusing on areas outside the greater Boston region. RTAs offer fixed-route service (280 bus routes), demand-response service, paratransit, and/or microtransit, depending on the agency and community needs, and may function as the only viable non-personal vehicle option in the region.

15 RTAs serve 281 cities and towns across the Commonwealth. The RTAs are:

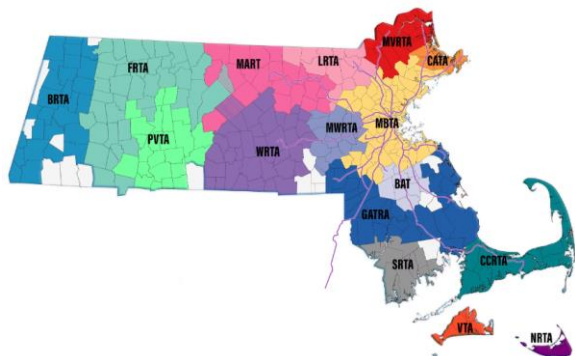
- Berkshire Regional Transportation Authority (BRTA)
- Brockton Area Transit (BAT)
- Cape Ann Transportation Authority (CATA)



- Cape Cod Regional Transit Authority (CCRTA)
- Franklin Regional Transit Authority (FRTA)
- Greater Attleboro-Taunton Regional Transit Authority (GATRA)
- Lowell Regional Transit Authority (LRTA)
- Martha's Vineyard Transit Authority (VTA)
- Merrimack Valley Regional Transportation Authority (MeVa)
- MetroWest Regional Transit Authority (MWRTA)
- Montachusett Regional Transit Authority (MART)
- Nantucket Regional Transit Authority (NRTA)
- Pioneer Valley Transit Authority (PVTA)
- Southeastern Regional Transit Authority (SRTA)
- Worcester Regional Transit Authority (WRTA)

At the end of 2023, the RTAs owned a total of 1,921 vehicles of which 1,317 were buses, 600 were vans, and four were cars.

Figure 11: Massachusetts RTAs



The funding for Massachusetts' RTAs comes from a mix of sources, with the state providing approximately 40%, local communities contributing about 30%, and the remainder coming from federal funds. In FY24, on average, RTAs funded 5% of their operating budgets from fare revenues. During the pandemic, certain RTAs piloted fare-free service, with FRTA, WRTA, and MeVa having continued to offer year-round, fare-free service since then.

Data from PVTA on-board surveys from 2022 and 2024 shows that:

- 57% of its riders are people of color
- 57% of its riders are low income
- 81% of its riders do not have access to a car
- 30% of trips are for work
- 32% of trips are for education
- 24% of trips are for shopping
- 10% of trips are for medical appointments

Results are averages from data collected from on-board surveys conducted for the PVTA Northern Tier in 2022 and the PVTA Southern Tier in 2024.

Each RTA operates independently and is charged with developing its own budget. Unlike the MBTA, RTAs rely on state funding calculated during the annual budget process, which are variable year-to-year, making it difficult for RTAs to plan and budget into the long term. Recent funding from pandemic-era federal relief programs, as well as the use of Fair Share revenue in FY24 and FY25, have allowed for recent changes to service. Some RTAs have used additional funding to adjust area coverage, frequency of service, hours of operation, and by expanding to weekends. Other RTAs have reduced or eliminated fares. RTAs reported a 21% increase in aggregate ridership for June 2024 (2.3 million rides) over June 2023 (1.9 million rides). These trends are consistent with preliminary FY25 data.

Each RTA serves a unique community with its own needs, geography, and users, many of whom rely on the RTA for travel to and from essential services. Not all communities are served by an RTA and not all served communities are fully blanketed with coverage. By offering various types of service, RTAs provide critical transportation



access to residents across the Commonwealth with limited alternative travel options.

Microtransit and Other Transportation Providers

Microtransit and other small transportation providers serve as another essential link in the complex Massachusetts transportation network. These offerings — generally included in the definition of public transit but with reach beyond traditional public transit service providers and areas — address unique transportation needs, especially in rural and underserved areas of the state.

The Quaboag Connector is an example of a successful microtransit service in Massachusetts. Operating out of the Quaboag Valley, a primarily rural region, the Connector provides demand-response transportation to residents across a 10-town service area in Central and Western Massachusetts. The service is particularly significant for seniors, people with disabilities, and veterans, offering rides for medical appointments, employment, and other essential trips. In addition to connecting the general public with services and opportunities, the Connector partners with other key organizations within the region to provide dedicated transportation services for certain purposes and populations, such as free rides for veterans, the Baystate Convenient Care Van, and the Senior Van program. In calendar year 2023, Quaboag Connector passengers took over 12,000 rides.

The Executive Office of Health and Human Services (EOHHS) provides another transit link in Massachusetts for consumers of EOHHS agencies through the Human Services Transportation Office (HST). HST coordinates transportation for six EOHHS agencies — MassHealth, Department of Developmental Services, Department of

Public Health (Early Intervention), MassAbility, Massachusetts Commission for the Blind, and Department of Mental Health. Non-emergency medical transportation is provided as Demand Response transportation for MassHealth members, receiving MassHealth covered services. Transportation to Day Habilitation, Club House, Early Intervention and other programs is provided as Program Based transportation on regularly set schedules and routes. HST coordinates transportation through a Brokerage model with two RTAs — MART and GATRA — who contract with over 300 transportation vendors to provide specialized transportation for individuals accessing healthcare, social services, and other essential human services.

In FY24, HST Brokers provided over 4.4 million Demand Response trips to over 79,000 eligible MassHealth members receiving MassHealth-covered services, and over 3.1 million Program Based trips to over 11,000 consumers of EOHHS agencies. The total cost of the HST was approximately \$300 million in FY24. Like the Quaboag Connector, HST removes the transportation variable from the healthcare access equation, allowing EOHHS consumers the ability to access healthcare and social support programs.

There are many other providers of transportation services throughout the Commonwealth including aging/senior vans and school transportation which rely on the broader transportation network and are impacted by the level and types of investment that are made in the network.



Municipalities

Individual municipalities retain considerable responsibility for transportation infrastructure within their boundaries. The Commonwealth's 351 municipalities oversee 90% of all public roads within the state (more than 30,000 miles), 46% of all bridges within the state (more than 3,700), approximately 75% of culverts, as well as sidewalks, paths, fleets, school transportation, and other local infrastructure. Despite their large needs, municipalities remain limited in their ability to generate sufficient revenue to address all transportation challenges. Property taxes provide the majority of local revenues and communities are prohibited from raising tax rates beyond 2.5% in any given year due to Proposition 2.5. Property taxes are accompanied by vehicle excise taxes, optional hotel and meals taxes, and other miscellaneous fees (including half of Transportation Network Company (TNC) fees) not consistent across all municipalities. Municipalities also receive federal and state aid in the form of grants and formula funding.

The primary mechanism for MassDOT to provide financial assistance to cities and towns for transportation-related projects is the Chapter 90 reimbursement program. Chapter 90 funds are apportioned to municipalities based on a formula that considers three factors: road mileage, population, and employment within the jurisdiction. Funds can be deployed on a wide range of transportation projects and expenditures that create or extend the life of local capital facilities. Eligible investments can include construction, equipment, consultant services, and other expenses deemed qualified by MassDOT.

Example projects include:

- Roadway resurfacing and reconstruction
- Sidewalk and pedestrian infrastructure improvements
- Bridge repairs and replacements
- Traffic signal installation and upgrades
- Drainage system improvements
- Roadway safety enhancements

The Chapter 90 program is a state-local partnership. Municipalities submit project requests to MassDOT for review, and upon MassDOT's approval, projects are authorized to proceed. After completion, cities and towns request reimbursement. MassDOT reviews expenditures to ensure compliance with the program.

Unlike other state capital programs, which are approved on a multiyear basis, the state legislature chooses to approve the Chapter 90 program annually, typically in the late spring. Chapter 90 funds are traditionally distributed to all 351 Massachusetts municipalities in the Commonwealth using a formula based on local road mileage, municipal population, and employment. Recent innovations have included additional formula funding that accounts for rural factors including population and population density. Additional funding has been included in FY24 and FY25 state budgets to supplement Chapter 90 formula funds from Fair Share revenue.

Municipalities also receive additional state funding from MassDOT through the following grant programs:

- Municipal Small Bridge
- Municipal Pavement Program
- Complete Streets
- Shared Streets and Spaces
- Local Bottleneck Reduction
- Safe Routes to Schools
- MassTrails (co-programmed with DCR)
- Programs offered by MassDOT's Rail and Transit Division, such as the



Community Transit Grant Program and the Helping Hand Mini Grant program

All these programs are competitive, and awards are discretionary.

Of the ~25,000 culverts in Massachusetts:

- ~6,000 are owned by MassDOT and ~440 additional are owned and classified as small bridge culverts
- ~1,000 are owned by municipalities and classified as small bridge culverts
- The remaining ~17,500 culverts are largely owned by municipalities
- Other state agencies and private landowners own several hundred

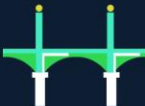
Culverts represent a pressing challenge for municipalities. There are an estimated 25,000 culverts statewide, of which MassDOT owns roughly 6,000. The remainder largely fall under the control of municipalities. Obsolete and undersized drainage and stream-crossing culverts are increasingly recognized as vulnerable to storm-related infrastructure damage, particularly as climate change yields more frequent storm surges and intense precipitation events. DER estimates that at least half of small bridges and culverts are undersized, deteriorating, or poorly constructed and need to be replaced. To fund the growing culvert maintenance need at the local level, municipalities have identified opportunities for greater support to evaluate, upgrade and improve locally owned culvert infrastructure. Such opportunities will shorten timelines for culvert repairs and lower the barriers to funding for smaller municipalities, which may not have the staff to carry out grant applications.

Photo 2: Culvert Pre-Reconstruction in Williamstown



Photo 3: Culvert Post-Reconstruction in Williamstown





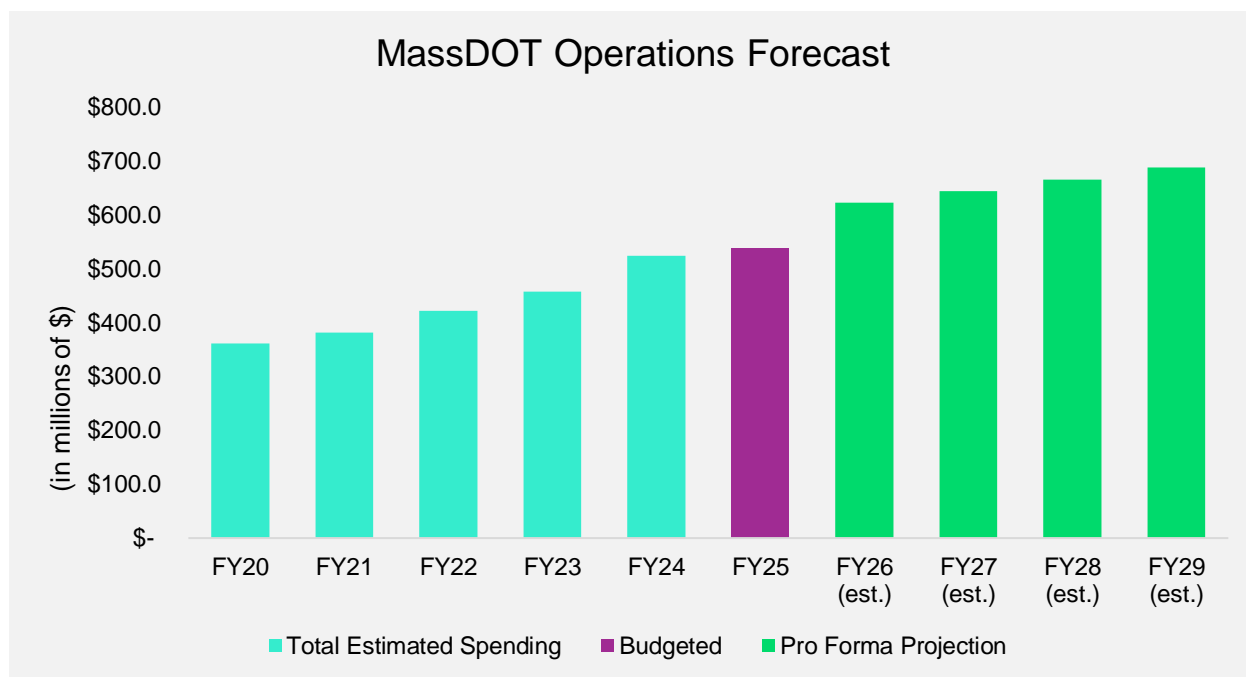
3.2 Current Revenue Sources and Uses

Pro Forma – MassDOT

Operations

Of MassDOT’s \$973 million FY24 operating budget, 54% of funds were allocated to MassDOT operations (\$524 million). Remaining portions were allocated to the MBTA and RTAs, as well as toward Turnpike Authority debt. In FY25, the total operating budget is expected to grow to \$1,133 million primarily due to an influx of Fair Share revenue to be spent on supplemental local road aid; safety, sustainability, and service improvements; and expanded mobility options for disadvantaged populations. \$539 million is dedicated to MassDOT operations in FY25. The below chart provides funding for operations in past years and a future forecast of funding for operations.

Figure 12: MassDOT Operations Forecast



MassDOT’s operating budget priorities include targeted improvements in customer service, safety, workforce and operation of MassDOT infrastructure assets and vehicles. In recent years, MassDOT has applied modest operating budget expansions to the following key programs and initiatives:

- Investments at the RMV to manage wait times and improve customer service for complex transactions
- Expanded internship program to improve the talent pipeline for careers in transportation
- Salary increases for Civil Engineers to ensure MassDOT is a competitive employer and able to implement federally funded projects under BIL
- Responsibly fund snow and ice clearance costs; due to climate change, even years with a milder winter are punctuated by severe and dangerous storm activity



- Budgeted increases for payroll costs, collective bargaining agreements and various other administrative increases

Future operating investments at MassDOT are likely to continue to emphasize customer service, safety, talent and workforce development, as well as strategic implementation of climate and resiliency initiatives, technology, and deployment of federal funds through effective capital planning, engineering, design and project management. Investments made will be consistent with MassDOT's strategic planning process.

Capital

On the capital projects side, MassDOT's investment priorities reflect the Commonwealth's broad goals for transportation investment: reliability, modernization and expansion.

- **Reliability** centers around maintaining and improving the overall condition of infrastructure to support safety, reliability and resiliency.
- **Modernization** prioritizes investments that modernize infrastructure to improve safety and accessibility and accommodate growth.
- **Expansion** favors investments oriented around expanding diverse transportation options for communities statewide.

MassDOT's FY25-FY29 Capital Investment Plan, funded separately from agency operations, totals nearly \$16.7 billion across more than 1,700 projects. The plan contains more than 50 unique investment programs and allocates nearly \$1.4 billion to municipalities. The assets receiving the largest investments by total spend are:

- Bridges: \$5,491 million
- Roadway Reconstruction: \$2,144 million
- Chapter 90 Municipal Funding Program: \$1,025 million
- Cape Cod Bridges: \$772 million
- Tunnels: \$478 million
- Non-Interstate Pavement: \$569 million
- Interstate Pavement: \$463 million
- Roadway Improvements: \$368 million
- Intersection Improvements: \$328 million
- Shared-Use Path / Bike-Ped: \$326 million

MassDOT's FY25-29 Capital Investment Plan is funded by federal funds, state bonds, MassDOT-generated operating funds, and other funding sources. Nearly all **federal funds (\$7.0 billion)** come from the U.S. Department of Transportation and its agencies, including federal formula programs and competitive awards. **State bonds (\$7.5 billion)** via the general obligation bond cap and special obligation bond proceeds generate liquid funding. **Operating funds (\$1.5 billion)** from tolls on Metropolitan Highway System, Tobin Bridge and Western Turnpike generate pay-go revenue for the host asset. **Other funds (\$0.7 billion)** come from municipal contributions, reimbursable and third-party funds, and other Commonwealth funding sources.



Pro Forma – MBTA

Operations

The MBTA FY25 Operating Budget was adopted by the MBTA Board in June 2024. Total revenue increased by 10% over FY24, driven by slight increases in sales tax and local assessment revenue, \$127 million in additional state assistance, \$160 million in federal preventative maintenance funds, and \$45 million worth of state funding for MBTA's low-income fare program.

Over the same period, operating expenses increased by 11%, largely driven by collective bargaining increases, increased hiring needed to address safety goals, expansion of operations, and inflation impacting the cost of materials. Operating expenses exceeded revenues in FY24 and a transfer from the MBTA deficiency fund was used to balance the budget.

Changes in ridership and commuter behavior have reduced MBTA's fare revenue yield. Pre-pandemic, the MBTA generated nearly half of its fare revenue from monthly passes, but purchases of these passes have returned more slowly than purchases of stored value and single day tickets. Weekday trips have steadily recovered on commuter rail and bus, yet subway and light rail continue to experience slower recovery. As the MBTA continues to seek growth in ridership and farebox recovery, continued progress in the agency's Track Improvement Program — focused on service and safety across the subway system — aims to bring more riders back.

Looking ahead, the MBTA projects operating deficits from FY26 to FY29. A compounding funding gap jeopardizes the current level of service; once reserves have been emptied, a new solution to solving the gap will be required.

MBTA's operating projections for the next five years are shown below. Revenue projections assume constrained revenues over the period, as well as no additional state or federal assistance. Expense projections assume a continuation of successful hiring initiatives that boost hiring and retention.

Note: FY26-FY29 values are projected and subject to change.

Table 3: MBTA Operating Budget Forecast (January 25, 2024)

(\$ in millions)	FY25	FY26 (est.)	FY27 (est.)	FY28 (est.)	FY29 (est.)
Operating Revenue	\$483.0	\$498.8	\$520.5	\$537.5	\$541.3
Non-operating Revenue	\$2,231.0	\$1,910.1	\$1,954.8	\$2,000.7	\$2,047.8
Total Revenue	\$2,714.0	\$2,408.9	\$2,475.3	\$2,538.2	\$2,589.1
Fare Recovery	16%	17%	17%	17%	17%
Total Expenses	\$3,021.0	\$3,105.1	\$3,215.3	\$3,320.1	\$3,452.1
Reserves	\$307.0	-	-	-	-
Net Surplus/(Deficit)	\$0.0	(\$696.2)	(\$740.0)	(\$781.9)	(\$863.0)

Capital

MBTA's FY25-FY29 CIP considers \$9.6 billion in total spend, with key investments in structure improvements, vehicles, track improvements, maintenance and station improvements, and bus and commuter rail modernization. As reported in the MBTA's [Capital Needs Assessment and](#)



Inventory, the MBTA's backlog of state of good repair needs far outpaces the investments, but the CIP annually prioritizes the greatest needs and strategic investments.

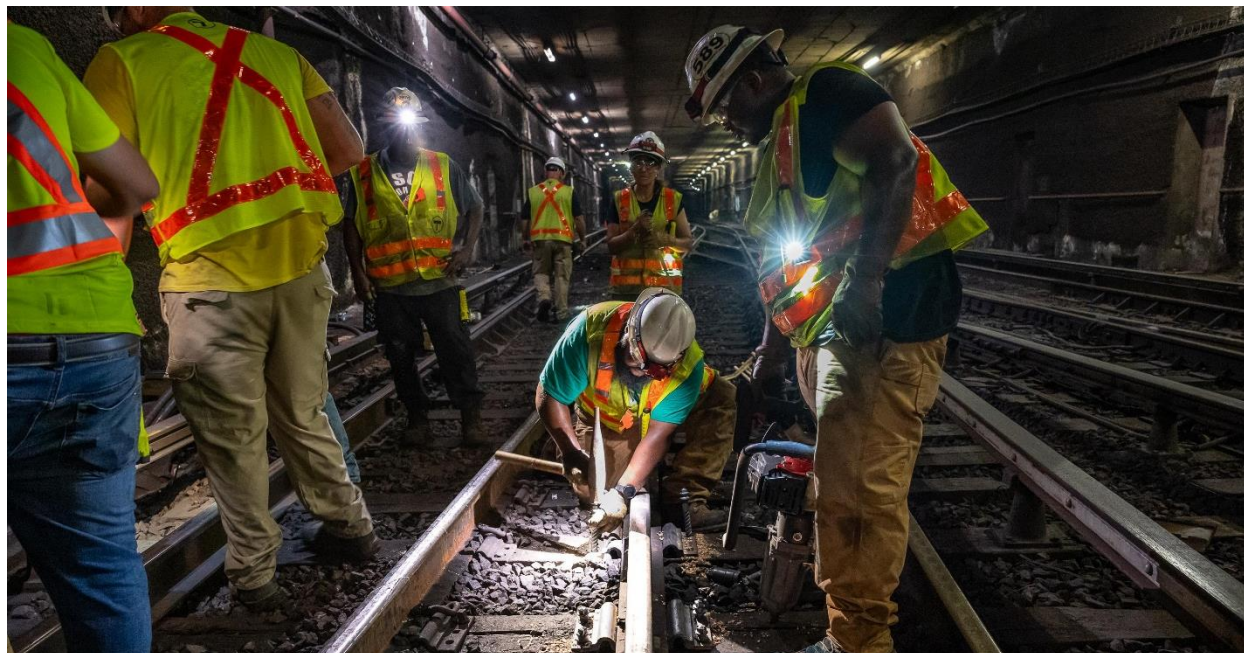
- **Structure improvements** to fix urgent structural needs and life-extending bridge rehabilitation and repairs are prioritized by asset condition and criticality.
- **Track improvements** focus on vital track, signal and power upgrades, right-of-way access improvements, and measures to promote climate resiliency and infrastructure redundancy.
- **Station improvements** that ensure safe and accessible stations will expand the MBTA's reach to riders.
- **Bus modernization and electrification** efforts, including Bus Network Redesign, Bus Transit Priority and ongoing conversation of the bus fleet to zero emissions technology.
- **Commuter rail modernization** efforts in stations, track, signals and expansions, including advancing work to decarbonize the Commuter rail system, beginning with the Fairmount Line, to ensure greater efficiency and effectiveness.

In line with the targeted investments, the shares of programmed spend by primary mode are:

- Rapid Transit: \$3,498 million
- Commuter Rail: \$2,163 million
- Systemwide: \$1,893 million
- Bus / Silver Line: \$1,234 million
- Multimodal: \$723 million
- Paratransit: \$58 million
- Ferry: \$53 million

Taken holistically, the CIP advances MBTA's strategic investment objectives of safety, investment and modernization, improving the MBTA for all riders.

Photo 4: MBTA Track Reconstruction





Pro Forma – RTAs

RTA operations and capital programs are both funded by federal formula and discretionary programs, state funding, local funds, and fares and ancillary operating revenues.

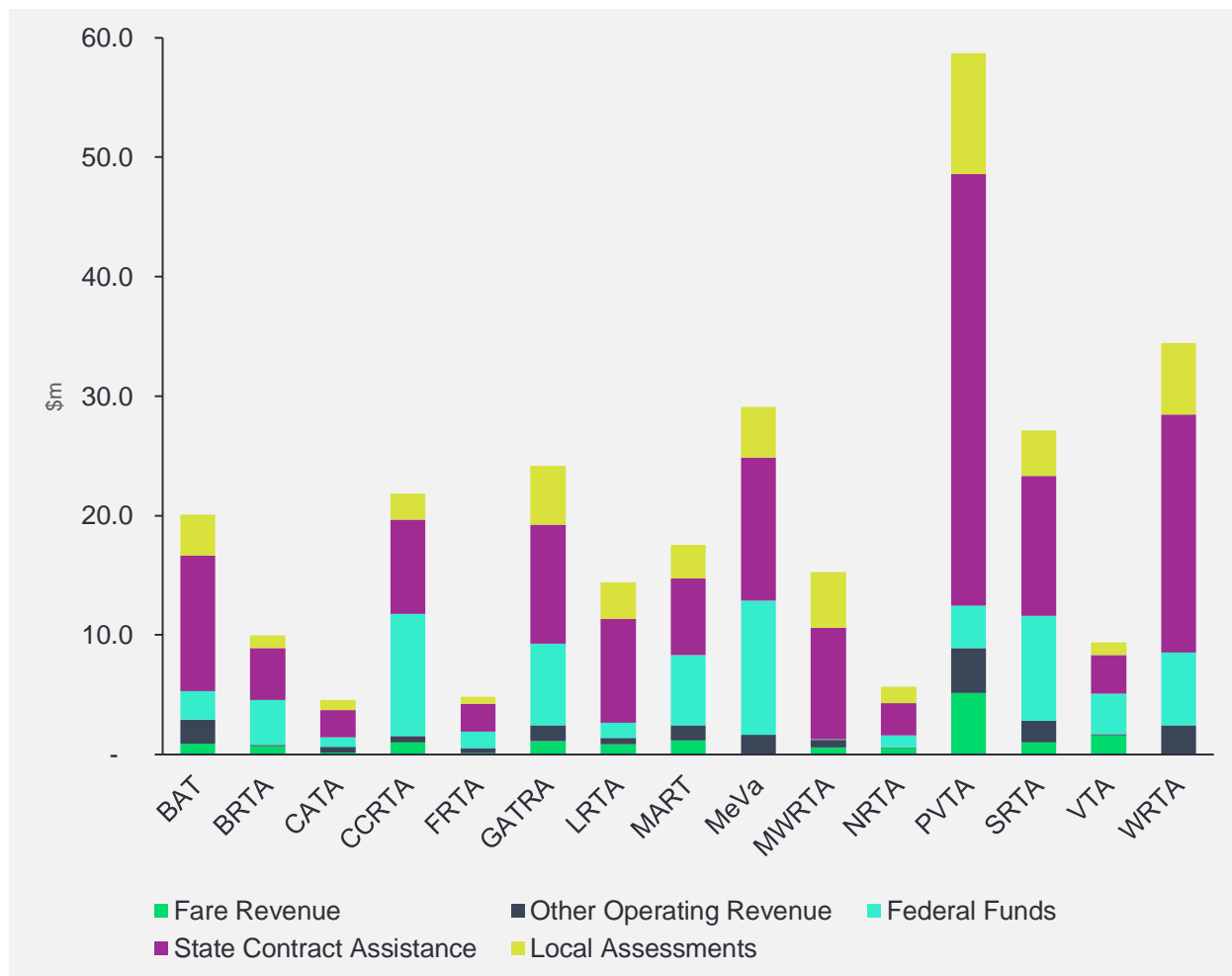
RTA ridership and operating revenue were both significantly disrupted by the COVID-19 pandemic. In FY19, RTAs averaged 16.0% farebox recovery for fixed route and 10.2% for demand response service, compared to 7.73% and 7.50%, respectively, in FY23. Further contributing to lower farebox recovery was the decision by some RTAs to operate fare free, relying entirely on subsidies for portions of their offerings. Simultaneously, operating expenses have swelled due to rising fuel and labor costs, resulting in a growing funding gap.

Capital Dollars for Operating Costs

- Some RTAs use up to 75% of federal capital grants (Section 5307) for operations, reducing available funds for capital needs.
- This reliance on one-time COVID relief funds and federal capital grants to cover operating costs is unsustainable in the long term.

The FY24 operating revenue sources for all Massachusetts RTAs are shown below. All budgets are balanced for the fiscal year.

Figure 13: RTA Operating Revenue Sources





In the last two fiscal years, Fair Share revenue has been used by RTAs to drive innovation and promote equity. The FY24 state budget included \$90 million for a supplemental RTA reserve and \$5 million for fare equity programs at RTAs. In FY25, \$56 million is allocated to operational enhancements, expanded service hours, weekend service, and route expansions; \$15 million for fare equity programs; and \$4 million for expanded mobility grants to increase ridership. These contributions are instrumental in enabling RTAs to serve a wider range of passengers and meet community requests and demands.

RTAs' rolling stock fleets and facilities are generally in a state of good repair, with a few exceptions. Continued capital funding on all levels will be necessary to improve maintenance and storage facilities, install charging infrastructure and electrify fleets, in line with the Commonwealth's climate goals.

Photo 5: RTA Vehicles



Federal Funds

Federal funding represents a complicated, but instrumental, piece of the full transportation funding puzzle. Each U.S. state receives “apportioned funds” — funds that are sized according to variables within each state — and may apply for “discretionary funds” — grants available that are disbursed to states and transit agencies on a discretionary basis. In recent years, other types of federal funds have been made available via innovative federal financing techniques and transportation-related tax credits.

Massachusetts has a focused strategy of pursuing every available dollar of federal funding opportunities, and in 2024, Governor Healey signed legislation that unlocked the interest earned on the Commonwealth's Rainy Day Fund to be spent on the pursuit of federal funds.

The Commonwealth should consider broadening the scope of the newly created fund by adding a permanent, pay-as-you-go program that extends beyond the sunset of this legislation in December 2026. Creating a permanent pay-as-you-go program not only addresses

Federal Grant Matching Funds

On September 24, 2024, Governor Healey signed into law Chapter 214 of the Acts of 2024, legislation that unlocks up to \$750 million over three years for Massachusetts to aggressively pursue federal funding opportunities, including programs authorized by the Bipartisan Infrastructure Law, the Inflation Reduction Act, and the CHIPS and Science Act. The Act created a Commonwealth Federal Matching and Debt Reduction Fund that leverages interest earnings on the state's Stabilization Fund to create a pool of \$750 million in state matching funds for the pursuit of federal funds across all sectors.



critical capital needs and investments but also effectively promotes debt reduction and debt relief. A continuation of the program would further ensure sustainability by reducing the debt needs for key capital projects, thereby creating financial flexibility for the various entities responsible for meeting the Commonwealth’s transportation needs. Pay-as-you-go capital also allows for flexible spending on infrastructure through prioritizing and adapting to immediate needs without being tied to rigid repayment schedules.

With a transitioning federal landscape, there is potential for transportation financing reauthorizations and a reorientation of national transportation goals on the horizon. TFTF acknowledges such potential changes, especially with respect to their impact on reshaping federal funding opportunities. Affected agencies including MassDOT, MBTA and RTAs have been instrumental in tracking federal funding pipelines to better position the state to proactively align priorities, leverage opportunities, and identify financing strategies while adapting to an evolving and uncertain federal landscape.

Over the of each year, MassDOT develops its State Transportation Improvement Plan (STIP) and CIP. The STIP contains all federal funding available for surface transportation projects (though the total need for funding is significantly larger than the amount of available funding) and the CIP contains Commonwealth-provided matches to the amount of federal funding included in the STIP. During STIP development, MassDOT coordinates closely with the 13 Metropolitan Planning Organizations (MPOs) in Massachusetts, each of which develops its own regional Transportation Improvement Program (TIP). All 13 TIPs combine to form the STIP.

Federal Formula Funds

The STIP is developed according to a rigid process. Initial funding amounts are driven by formula-based apportionments, established by BIL. In FFY24, Massachusetts received \$837.1 million in BIL apportionment. Taking those apportionments, a percentage obligation — called the Base Obligation Authority (BOA) — is applied. The BOA is annually reestablished by Congress, typically near 90%. Finally, there is a one-time opportunity for redistribution that must be specifically requested by MassDOT. MassDOT’s standard practice for this redistribution exercise is to build in an additional \$50 million beyond the BOA limit each year, but the final amount received varies each federal fiscal year based on the available apportionment balances and coordination with MassDOT’s federal partners. Taken together, these steps form the basis for federal formula funding.

Table 4: Federal Formula Funding Apportionments, Actual and Estimated per FFY

	Actual	Estimated ²				
	FFY24	FFY25	FFY26	FFY27	FFY28	FFY29
Apportionment	\$837.1m	\$853.9m	\$870.9m	\$888.4m	\$906.1m	\$924.3m
Apportionment Growth %	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BOA	\$726.6m	\$768.5m	\$783.8m	\$799.5m	\$815.5m	\$831.8m
% BOA of Apportionment	86.80%	90.00%	90.00%	90.00%	90.00%	90.00%

² Future estimates of federal funding apportionments assume reauthorization of IIJA and BIL.



The total annual apportionment is a sum of nine “core formula” funding sources, as established by the Federal Highway Administration (FHWA). Actual FY24 Massachusetts apportionments are shown below.

Table 5: Federal Formula Funding Apportionments by Core Program, FFY24

Core Formula Funding Source	Actual FFY24 Apportionment
National Highway Performance Program	\$431.8m
Surface Transportation Block Grant Program	\$210.1m
Highway Safety Improvement Program	\$46.4m
Railway-Highway Crossings Program	\$2.5m
Congestion Mitigation / Air Quality Improvement Program	\$71.8m
Metropolitan Planning	\$12.4m
National Highway Freight Program	\$22.0m
Carbon Reduction Program	\$18.7m
PROTECT Program	\$21.4m
Total Massachusetts Apportionment	\$837.1m

Historical apportionments by core funding source are shown below and illustrate an increase in total Massachusetts apportionment over the last five years.

Table 6: Historical Federal Formula Funding Apportionments by Core Program, FFY20-FFY24

Core Formula Funding Source	FFY20	FFY21	FFY22	FFY23	FFY24
National Highway Performance Program	\$352.6m	\$350.3m	\$415.1m	\$423.4m	\$431.8m
Surface Transportation Block Grant Program	\$177.4m	\$176.3m	\$201.9m	\$206.0m	\$210.1m
Highway Safety Improvement Program	\$35.9m	\$35.6m	\$44.4m	\$48.1m	\$46.4m
Railway-Highway Crossings Program	\$2.7m	\$2.7m	\$2.6m	\$2.5m	\$2.5m
Congestion Mitigation / Air Quality Improvement Program	\$68.0m	\$67.6m	\$69.1m	\$68.0m	\$71.8m
Metropolitan Planning	\$9.7m	\$9.6m	\$11.9m	\$12.1m	\$12.4m
National Highway Freight Program	\$22.8m	\$22.7m	\$21.1m	\$21.5m	\$22.0m
Carbon Reduction Program	<i>programs established by BIL in 2021</i>		\$18.0m	\$18.4m	\$18.7m
PROTECT Program			\$20.5m	\$20.5m	\$21.4m
Total Massachusetts Apportionment	\$669.1m	\$664.9m	\$804.6m	\$820.7m	\$837.1m



In each year, the total apportionment receives a match from a non-federal source, such as state funds, and is allocated to transportation programs and obligations. The FY24 allocations are shown below.

Table 7: Federal Formula Funding Allocations within Massachusetts

Funding Movement	Actual FFY24 Funding
Total Massachusetts Apportionment	\$837.1m
BOA (86.8% of Apportionment)	\$726.6m
Redistribution Received	\$171.2m
Total Federal Funding Available	\$897.8m
Non-federal Matching Funds*	\$224.5m
Total Federal + State Funding Allocation	\$1,122.3.0m

Funding Movement	FFY24 Program Targets
Planning Activities, Work Orders, Special Programs	\$238.7m
Regional MPO Allocations	\$304.1m
Highway – Reliability, Modernization, Expansion	\$538.4m

*Non-federal match amount assumes an 80% federal / 20% state match split, but exact amount may differ due to slight variations in match share for specific programs.

**Numbers may not sum perfectly due to differences in the year of allocation and year of expenditure.

Federal funding for transit exists separately within the STIP. As the largest transit agency, MBTA represents more than 60% of the federal transit aid disbursed to Massachusetts. However, RTAs receive an even larger proportion of federal assistance given their lack of a statewide funding source.



Table 8: Federal Formula Funding Allocations for Transit Agencies

MBTA – FY25 Funding in STIP	Federal Funds	Non-Federal Funds	Total Funds
MBTA	\$725.8m	\$119.6m	\$845.4m
RTAs – FY25 Funding in STIP	Federal Funds	Non-Federal Funds	Total Funds
Berkshire Regional Transportation Authority (BRTA)	\$3.8m	\$2.9m	\$6.7m
Brockton Area Transit (BAT)	\$15.9m	\$9.6m	\$25.5m
Cape Ann Transportation Authority (CATA)	\$3.4m	\$4.3m	\$7.7m
Cape Cod Regional Transit Authority (CCRTA)	\$139.7m	\$22.1m	\$161.9m
Franklin Regional Transit Authority (FRTA)	\$5.7m	\$2.4m	\$8.0m
Greater Attleboro-Taunton Regional Transit Authority (GATRA)	\$26.2m	\$10.9m	\$37.2m
Lowell Regional Transit Authority (LRTA)	\$40.2m	\$10.5m	\$50.7m
Martha's Vineyard Transit Authority (VTA)	\$9.7m	\$9.9m	\$19.6m
Merrimack Valley Regional Transportation Authority (MVRTA)	\$16.7m	\$9.6m	\$26.3m
MetroWest Regional Transit Authority (MWRTA)	\$15.7m	\$3.6m	\$19.3m
Montachusett Regional Transit Authority (MART)	\$8.7m	\$5.1m	\$13.8m
Nantucket Regional Transit Authority (NRTA)	\$2.4m	\$7.9m	\$10.3m
Pioneer Valley Transit Authority (PVRTA)	\$74.7m	\$51.1m	\$125.8m
Southeastern Regional Transit Authority (SRTA)	\$38.5m	\$17.5m	\$56.0m
Worcester Regional Transit Authority (WRTA)	\$41.9m	\$6.1m	\$48.0m
MassDOT (RTD)	\$24.8m	\$24.4m	\$49.3m
Total (RTAs)	\$468.1m	\$198.0m	\$666.1m
All Transit Agencies	Federal Funds	Non-Federal Funds	Total Funds
Total (MBTA and RTAs)	\$1,194.0m	\$317.5m	\$1,511.5m

*Non-federal match amount assumes an 80% federal / 20% state match split, but exact amount may differ due to slight variations in match share for specific programs.

**Numbers may not sum perfectly due to differences in the year of allocation and year of expenditure.



Federal Discretionary Grants

MassDOT

Massachusetts vigorously pursues discretionary federal funding — non-guaranteed funding available to all states that can be “won” with a compelling case. The Commonwealth has deployed a three-pronged strategy to maximize the amount of discretionary funds awarded.

- Aggressively apply for discretionary federal funding (for transportation and other sectors)
- Compete to win by allocating resources (including funds and staff) to enhance the chance of winning
- Leverage the recently created FFIO to coordinate across agencies and collaborate with local, regional, and federal partners

In the last three years, Massachusetts has been awarded several discretionary grants, with some examples below.

\$345 million in Reconnecting Communities and Neighborhoods grant awards. \$335 million awarded for replacement of the Allston Viaduct and to create new and improved access to expanded waterfront parks and open spaces and additional awards for the cities of Haverhill, Lynn, Everett, Cambridge and Chelsea.

\$993 million Bridge Investment Program award. Funding awarded toward MassDOT’s replacement of the Cape Cod Bridges, in addition to \$700 million worth of existing federal funding for the project.

\$372 million Multimodal Project Discretionary Grant Program award. Separately awarded to MassDOT for the Cape Cod Bridges replacement project.

\$175 million Consolidated Rail Infrastructure and Safety Improvements Program award. Individual awards include a \$37 million award to MassDOT to advance West-East Rail in 2024, a \$108 million award received in 2023, and \$30 million to other Massachusetts entities.

\$22 million Rebuilding American Infrastructure with Sustainability and Equity Grant award. MBTA received the award for construction of a two-lane separated busway along Lower Broadway in Everett and Alford Street in Boston. The project will reduce harmful emissions in Everett and introduce a safer, more reliable connection to the Orange Line, as well as lay the groundwork for a Silver Line expansion.

A full list of federal discretionary grants recently awarded to MassDOT is available in Appendix G.

MBTA and RTAs

In addition to federal formula funding for transit agencies, the MBTA and RTAs also compete for federal discretionary grants earmarked for transit.

The MBTA pursues federal funding by following four key steps:

- **The Need.** The investment required to maintain MBTA’s extensive capital asset portfolio in a state of good repair, as well as to modernize the system. Needs continue to exceed available funding, creating a capital funding gap.



- **The Opportunity.** The BIL created and funds new discretionary grant programs related to transportation and infrastructure. It also substantially increases overall funding available for existing discretionary grant programs.
- **The Mission.** MBTA's grants team aggressively pursues eligible discretionary funding opportunities within BIL and other federal channels to help close the capital funding gap and supplement traditional formula funding.
- **The Strategy.** MBTA's grants team proactively identifies discretionary grant opportunities, identifies competitive projects for these opportunities, and develops and submits strong grant applications in partnership with project teams. Discretionary grant programs are highly competitive.

The MBTA has received over \$800 million in discretionary federal grant awards since the passage of BIL. Example awards include:

\$472 million National Infrastructure Project Assistance (Mega) Program award. The MBTA

received the full award for the North Station Draw Bridge, a project that will allow for more train capacity, faster and more reliable rides, and increased safety on MBTA commuter rail and Amtrak trains.

\$116 million Low- or No-Emission Program award. The MBTA, combined with the New York City MTA, was awarded the grant for procurement of battery-electric buses, the largest award of its type in the nation.

\$66 million All Stations Accessibility Program award. Awarded for the Symphony Green Line station.

\$67 million All Stations Accessibility Program award. Awarded for accessibility upgrades across the entirety of the Green Line.

\$22 million Rebuilding American Infrastructure with Sustainability and Equity Grant award. The project will construct a two-lane separated busway along Lower Broadway in Everett and Alford Street in Boston to reduce harmful emissions and introduce a safer, more reliable connection to the Orange Line.

A full list of federal discretionary grants recently awarded to the MBTA is available in Appendix G.

The MBTA continues to apply for federal grants that address accessibility, equity and climate priorities. Recent grant applications have been submitted to the Federal Transit Administration (FTA), Federal Railroad Administration (FRA), United States Department of Transportation (USDOT), and Federal Emergency Management Agency (FEMA).



3.3 Debt

The Commonwealth has issued a range of debt to support investment in transportation infrastructure. The following table shows the par outstanding as of March 31, 2024, and the debt service amounts budgeted for FY25.

Table 9: Summary of Commonwealth Transportation Debt

	Program	Par Outstanding ³	FY25 Budgeted
CTF	Transportation – General Obligations (GO) ⁴	\$13,283.8m	\$1,095.0m
	Contract Assistance – MBTA	Ongoing ⁵	\$160.0m
	Contract Assistance – CA/T	\$2,150.0m	\$125.0m
	Rail Enhancement Program	\$2,416.3m	\$280.7m ⁶
	Accelerated Bridge Program	\$1,519.9m	
	Total CTF	>\$19,370.0m	\$1,660.7m
MTTF/ Other	Federal Grant Anticipation Notes	\$439.3m	\$122.2m
	Former Turnpike Debt (MHS)	\$1,135.1m	\$145.5m
	Total MTTF	\$1,574.4m	\$267.7m
MBTA	General Transportation System	\$88.0m	\$14.8m
	Senior Sales Tax	\$2,619.5m	\$315.0m
	Subordinate Sales Tax	\$1,272.0m	\$94.0m
	Assessment	\$540.5m	\$69.0m
	RRIF	\$699.5m	\$48.6m
	Other	\$120.0m	\$(-.1m)
		Total MBTA	\$5,339.5m

Constraints on General Obligation (GO) Bonds

The Commonwealth is constrained in what it can borrow for transportation purposes.

General Obligation Bonds are secured by the full faith and credit of the Commonwealth and are rated Aa1 (stable) / AA+ (Stable).

Statutory Debt Limits:

- Legislative bond authorization required (rarely constraining factor)
- Direct debt capped at 105% of prior year limit (doesn't include CTF)
- FY21 Limit: \$26.5 billion

³ Amounts in millions. Data is reported as of March 31, 2024. Unaudited. Totals may not sum due to rounding.

⁴ Estimated. Transportation share of general obligation debt outstanding is approximately 48%.

⁵ Contract Assistance is accounted for as debt service and debt service amount is provided in statute.

⁶ Rail Enhancement and Accelerated Bridge Program bonds were issued together, and annual debt service is consolidated



- FY22 Limit: \$27.8 billion
- FY23 Limit: \$29.2 billion
- FY24 Limit: \$30.7 billion
- FY25 Limit: \$32.2 billion

Administrative Limits:

- Annual Debt Service Payments <8% of budgeted revenues
- FY21 Limit: \$4.4 billion
- FY22 Limit: \$4.8 billion
- FY23 Limit: \$4.9 billion
- FY24 Limit: \$4.9 billion

Debt Affordability Committee Limit:

- Annual growth in the bond cap \leq \$125 million, based on annual Debt Affordability Committee process (\$212 million one-year exception in FY25)

Commonwealth Transportation Fund (CTF) Bonds

Special Obligation Bonds are secured with a pledge of receipts credited to the Commonwealth Transportation Fund (gas tax receipts and Registry of Motor Vehicle fees) and are rated Aa1 (stable) / AAA (stable).

The FY25 Massachusetts budget expanded the borrowing capacity of the CTF. The budget unlocked an additional \$1.1 billion in borrowing capacity over the next five years. This increased capacity is essential for addressing the transportation infrastructure needs of the MBTA and road and bridge projects across the state.

This initiative followed the successful models of the Accelerated Bridge Program and the Rail Enhancement Program, which have also used the CTF to invest in key MBTA and bridge projects. The FY25 budget significantly increased the borrowing capacity of the CTF by dedicating a portion of Fair Share revenue to the CTF, thereby enabling more extensive transportation infrastructure improvements. Without the FY25 budget provisions, the CTF would have only approximately \$740 million in remaining capacity for bonds, which were already planned for MBTA expenditures.

The CTF has an additional bonds test of 4.0x maximum annual debt service, meaning the revenue into the fund needs to be four times the maximum amount of annual debt service to issue more debt. Given this constraint, to increase the CTF debt capacity, the only solution is to increase CTF revenue. The FY25 budget achieved this by incorporating a \$250 million per year stream of Fair Share revenue into the CTF, thereby enhancing its purchasing power. By increasing and diversifying the CTF, the proposal not only expands the borrowing capacity but also strengthens the financial stability of the CTF. This strategic move is vital for supporting the state's long-term infrastructure goals and ensuring that critical transportation projects receive the necessary funding. It is also a strategic use of Fair Share revenue that allow a dedicated portion to be deployed for priority transportation investments over a long period.



4. IMPACTS

4.1 Economic Impacts

Transportation connects individuals with jobs. A robust transportation network is required to facilitate Massachusetts’ economy and ensure that the state remains a preferred destination for residents, visitors and companies alike. Furthermore, transportation is an economic driver in and of itself — transit agencies’ largest expense category is the workforce required to operate the system and MassDOT and the MBTA employ over 15,000 people in Massachusetts. Without effective transportation, Massachusetts’ economy cannot function.

The future of the Commonwealth’s economy depends on reliable, effective and resilient transportation, all of which require more long-term funding.

The [2023 Massachusetts Economic Development Plan](#) outlined three priority areas to preserve the Commonwealth as a top destination for individuals and businesses: Fundamentals, Talent, and Sectors. All three areas require robust transportation infrastructure.

<p style="text-align: center;">Investing in the <u>fundamentals</u> to enable economic growth</p> <p style="text-align: center;">Addressing housing and transportation challenges</p> <p style="text-align: center;">Investing in infrastructure and competitiveness</p>	<p style="text-align: center;">Retaining and attracting the world’s best <u>talent</u> across all backgrounds</p> <p style="text-align: center;">Serving as the global talent magnet</p> <p style="text-align: center;">Telling Massachusetts’ story</p>	<p style="text-align: center;">Supporting businesses in <u>sectors</u> that power the state’s economy</p> <p style="text-align: center;">Lengthening the lead in established sectors</p> <p style="text-align: center;">Catalyzing new leadership sectors</p>
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The plan notes that strong transportation and infrastructure beget improved workforce mobility, increased business productivity, and enhanced economic attractiveness. It adds that for Massachusetts to remain competitive with peer states, the state must improve upon the transportation status quo by increasing funding and improving reliability.



4.2 Climate Impacts

There is an intrinsic link between transportation and climate. In Massachusetts, transportation accounted for 41.7% of fossil fuel emissions in 2021, comprising the largest category. Between 1990 and 2021, statewide carbon emissions decreased by 28%, although transportation emissions only declined by 13%. The impact of the transportation sector on emissions is stark.

Safe and reliable transit unlocks a healthier and greener Massachusetts. Public transportation has shown to reduce emissions by 50% per mile compared to personal vehicles, while also bringing financial co-benefits to users and the surrounding area. Transit provides an \$11.4 billion benefit to the Boston region specifically. INRIX ranked the Boston metropolitan area the fourth most congested area in the United States, costing drivers 88 hours and \$1,500 in lost time annually. Beyond time savings, the cost of commuting alone can incentivize transit: an individual rider saves more than \$13,000 per year by taking public transportation.

Society also benefits from climate mitigation and resilience. By prioritizing its climate goals, Massachusetts can realize the following social impacts:

- Improved air quality, benefitting public health
- Reduced pedestrian and vehicle fatalities through more transit miles
- Safer shorelines and resilient coastal roads
- Cleaner water and restored habitats

By acting sooner rather than later, the lives of Massachusetts residents, and long-term state of the Commonwealth, will greatly improve.

In 2022, Massachusetts published the Clean Energy and Climate Plan (CECP) — an action plan for climate policy implementation. The plan contains decarbonization obligations for all state departments. The CECP assumes that by 2030, nearly 20% of light-duty vehicles in Massachusetts will be electric. To enable this target and achieve the greenhouse gas emissions sub-limits for the transportation sector, MassDOT and MBTA must:

- Reduce vehicle miles traveled by their fleets
- Electrify and modernize buses per the MBTA Bus Modernization Plan
- Upgrade bus fueling/charging stations
- Modify bus routes/schedules to encourage efficiency
- Promote design and funding of “complete streets” that incentivize multimodal travel
- Build out EV charging network, placing particular emphasis on “fast charging”
- Encourage smart charging
- Electrify MBTA commuter rail lines and ultimately all transit rolling stock

Photo 6: Solar panels at Orient Heights station





To achieve CECP targets for transportation sector emissions, the state must also aggressively pursue related policy advances, including, but not limited to the following:

- Reevaluate zoning to allow for multifamily housing near transit
- Carry out the MBTA Communities Act

Massachusetts is obligated by statute to achieve net zero greenhouse gas emissions by 2050 and cut emissions in half by 2030 compared to 1990. The most significant acceleration of greenhouse gas emissions reductions is from now to 2030, meaning we are in the most challenging time period along the path toward net zero. Significant action is needed to bring decarbonization solutions to scale, including vehicle electrification, deployment of charging infrastructure, managing demand to reduce strain on the electric grid, among other changes.

In 2023 Massachusetts released ResilientMass, the statewide hazard mitigation and climate adaptation plan that defines resilience obligations for both MassDOT and MBTA to complete within five years:

- Tunnel improvements for flood mitigation
- Low-level highway flood measures
- Culvert enlargement

The MBTA Office of Climate Policy and Planning, a recently created office, is presently undergoing a complete climate vulnerability assessment for its assets and will release the findings in 2025.

Photo 7: Washed out road in Leominster, following 10 inches in rain in six hours





4.3 Health, Wellness, and Quality of Life Impacts

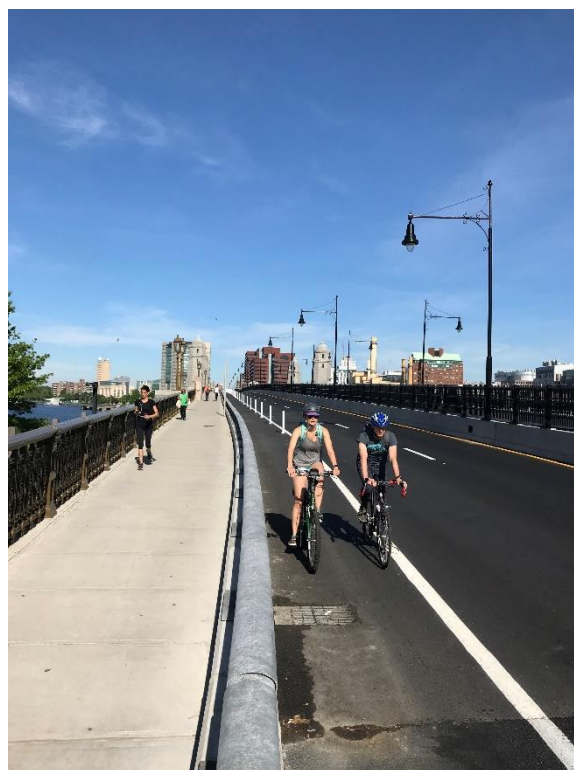
Like climate, community health and wellness are intrinsically tied to transportation. The World Health Organization defines health as the “state of complete physical, mental and social well-being and not merely the absence of disease or infirmity,” emphasizing the well-rounded and multi-faceted nature of health. Several factors affect health: counseling and education, clinical interventions, long-lasting protective interventions, the context around individual healthy decisions, and socioeconomic factors. All are vital in promoting good health and supporting the lives of people.

Infrastructure is not only essential in allowing people to reach medical appointments, but plays a key role in air quality, directly affecting health and quality of life. As Massachusetts vehicles electrify, lower emissions will lead to purer air. The same relationship is true of transportation mode: if commuters mode shift from personal vehicles to shared transit and sustainable transit, air quality, and public health benefits are realized.

Transportation is one of the social determinants of health, and by adequately funding multimodal transportation, the Commonwealth prioritizes the quality of life of its residents.

The connection between modern, shared transportation and the health and well-being of residents is well-documented. By continuing to allocate funds to Complete Streets and Shared Streets and Spaces projects that promote walkability and cyclability, the Commonwealth directly invests in statewide health. Investments are particularly important for historically disinvested communities. The Office of Climate Innovation and Resilience and the Office of Environmental Justice and Equity are working to understand the disparate impact of climate change on health outcomes for environmental justice communities.

Photo 8: Longfellow Bridge



4.4 Local and Regional Impacts

The scope, status, and quality of infrastructure varies by region within the state. Though only 10,000 square miles in size, Massachusetts contains a range of unique geographies, densities, and modes of transport.

Eastern Massachusetts, home to Boston and its large metropolitan area, hosts the MBTA and many of the interstate highways that crisscross the Commonwealth. Because of the density in metropolitan Boston, MBTA and roadway infrastructure is highly trafficked.

Conversely, the western portion of the state features largely rural and exurban development patterns with RTAs and microtransit services providing the primary transit offerings, with some



jurisdictions completely unserved. Unpaved roads, old or crumbling culverts, and lower levels of investment compared to eastern regions represent some of the most pressing needs of the communities in this area.

In between, central Massachusetts contains a range of locales, including cities of various sizes, college towns, and rural areas. Peripheral MBTA commuter rail service reaches the region while RTAs operate out of the larger cities. Residents may commute into Boston or stay within central areas of the state, but all require well-maintained infrastructure for a high quality of life.

All Massachusetts residents have unique transportation needs that align with their surrounding community and typical travel patterns, yet everyone shares the need for well-funded infrastructure that facilitates efficient and reliable travel. Below, a snapshot detailing the specific needs of communities represented by the Task Force can be found – members presented on specific areas of their expertise. The snapshot represents the selection of the communities which were presented during Task Force Meetings is not exhaustive of all areas of the Commonwealth; each community within the state has its own transportation needs and are captured in the recommendations delivered by the Task Force, which apply to the entire state.

Boston

As the capital and most populous city in Massachusetts, Boston receives most of the attention related to transportation and infrastructure. As discussed in detail throughout this report, Boston's infrastructure encompasses a diverse array of systems including the MBTA, roadways and bicycle/pedestrian ways.

One of Boston's most pressing issues is the aging infrastructure of the MBTA. Many subway lines have been in operation for over a century and require significant maintenance and upgrades, just as is the case for other American legacy transit systems. Frequent service disruptions, delays, and breakdowns are common, leading to commuter frustration and decreased confidence in the system. The aging fleet of buses and trains further exacerbates these problems, as older vehicles are more prone to mechanical failures and require more frequent repairs.

Congestion is another major challenge affecting Boston residents and commuters; the [2023 INRIX Global Traffic Scorecard](#) ranks Boston as the fourth-most congested urban area in the

United States by number of hours lost to congestion per driver. The region's roadways are often clogged, particularly during peak commuting hours, resulting in longer travel times and increased emissions. High levels of congestion not only affect personal vehicles but also impact the efficiency of bus routes, which often share the same road space. Efforts to alleviate congestion through measures such as dedicated bus lanes and improved traffic management are ongoing and

Photo 9: Boston South Station





require substantial investment and coordination.

Additionally, the region's infrastructure is increasingly vulnerable to the impacts of climate change. Rising sea levels and more frequent extreme weather events pose significant risks to coastal and low-lying areas, where critical bridges and tunnels are located. Flooding and storm surges can disrupt services, damage infrastructure, and necessitate costly repairs. MassDOT and MBTA continue to prioritize resilience measures, but these efforts demand considerable funding and long-term planning.

Beyond Boston, other regions across the Commonwealth feature distinct infrastructure needs, all of which promote effective and efficient movement of people and goods statewide. Addressing these issues is essential for maintaining the Commonwealth's economic competitiveness and quality of life.

495/MetroWest Corridor

Home to roughly 10% of Massachusetts' population and growing, the 495/MetroWest region contains municipalities west of Boston. Several companies — many related to the state's high-performing technology and life sciences sectors — are located in the 495/MetroWest region. Five different RTAs provide service to the area, as well as three MBTA commuter rail lines, but MBTA bus, subway and light rail do not reach the area.

In its vision for the future of transportation in the region, the 495/MetroWest Partnership desires:

- **Enhanced RTA Interconnectivity.** Most RTAs operate under a “Hub and Spoke” model, connecting communities to a central hub or municipality; one cannot take bus or shuttle service from one end of the 495/MetroWest region to another.
- **Expanded First-/Last-Mile Programs and Demand-Response Service.** Fixed route service is less impactful in areas where employers are not clustered, and housing is less dense.
- **Perceptions around Reliability.** Though commuter rail ridership has improved since the introduction of more consistent all-day service schedules, perceptions about a lack of reliability remain. Level boarding platforms to reduce dwell times, improved parking, and continued infrastructure investment to minimize delays will collectively improve access and ridership.
- **Congestion.** While the region is benefitting from the I-495/I-90 interchange improvement project, additional challenges remain at various regional chokepoints including, but not limited to, the interchange at I-90 and Route 30 in Framingham, the I-495 and Route 9 interchange, Route 2 around the West Concord Rotary, Route 1 in Wrentham and Foxborough, and Route 9 at various pinch points.

Cape Cod

Cape Cod has its own diverse infrastructure needs. The region features a sprawling, car-dependent development pattern that is roughly 60 linear miles from end to end. Transportation and infrastructure schedules are designed to support a seasonal economy, with two primary automotive bridges (Bourne and Sagamore), three municipal airports (one with year-round commercial flights), Cape Cod RTA bus service, ferry service, seasonal passenger rail, and the Cape Cod Rail Trail. The two Cape Cod Bridges serve as a “lifeline to the mainland” by connecting people, goods and services to and from Cape Cod. The tourism industry brings



more than five million visitors to Cape Cod per year, supporting 10,000 local businesses, and the Cape is the second-largest statewide tax revenue generator behind Boston. Both bridges are due for full body repairs, and the decision of whether to undergo major rehabilitation or complete closure looms large in determining the costs and consequences on Cape Cod. The Cape & Islands Bridges Coalition outlined several considerations for the bridge projects:

- Funding and a construction timeline for both bridges must be prioritized by the Commonwealth and USACE, and all options must be considered.
- A mitigation plan must be developed for both bridges to minimize disruption.
- The public must be engaged as an informed partner in the mitigation of bridge construction impacts, maintaining open communication with the constructors, the Commonwealth, and USACE.
- Plans must protect and enhance what already exists and demonstrate respect for past traditions of the Cape and Islands.

Currently, the Cape Cod Bridges are federal assets. Following replacement, both are slated to transition to state ownership, representing a change in primary funding source and obligation to operate and maintain.

Separate from the bridge upgrades, the Cape Cod Chamber of Commerce also desires upgrades to Outer Cape Cod low-lying roads to address water quality issues, an extension of the Cape Cod Rail Trail, expansion of commuter rail and ferry service, and abundant climate resilience efforts to protect from sea level rise, erosion, and extreme weather.

Photo 10: Cape Cod Bridge, photo credit Henry Shifrin



Franklin County

Franklin County sits in western Massachusetts and boasts a largely rural population of 72,000 across 725 square miles. Population projections for the County estimate that the region's residents will continue to age beyond state and national averages, resulting in 25% population loss over the next 30 years. If such projections hold, the County will have difficulty providing



essential services to community members and businesses. To prevent dramatic population loss, the County requires more housing, jobs and an expanded multimodal transportation network.

Currently, the region is served by RTA bus service but is highly vehicle dependent. Passenger rail service terminated in the 1980s and public transit has only become more limited in the decades to follow. Despite the reliance on roads, years of underinvestment in local infrastructure have hampered the County's ability to recover. Furthermore, small municipal operations hinder efforts to procure and fund projects; most towns only have one or two individuals leading public works efforts and difficulty retaining workers because of low pay relative to the rest of the Commonwealth.

With these challenges in mind — and the recognition that population loss in the region could result in becoming a drain on the Commonwealth at-large — the Franklin Regional Council of Governments notes that the region would benefit from:

- A robust microtransit system
- Investments in passenger rail that serves the entire Commonwealth
- A review of the Chapter 90 formula funding approach
- An earmarked portion of Fair Share revenue for statewide culvert and dirt road programs
- Establishment of a new funding path that provides less populous regions with an opportunity to move vexing and expensive projects forward effectively
- Statewide assistance with design and construction costs

Many of Massachusetts' other rural communities experience similar challenges, whether in the Berkshires or on the South Coast. Limited access to non-personal vehicle transport modes constrains the ability of individuals to get around, particularly for those with mobility needs.

While rural areas may not contain the majority of the Commonwealth's population, the economic and environmental opportunities that these regions provide for the rest of the state cannot be ignored. Modernized and well-funded infrastructure in these areas is vital to support wellbeing in the entire Commonwealth.

City of Brockton

Residents of the City of Brockton depend on reliable, safe and affordable transportation options to get to and from work. However, considering large numbers of low-income residents call Brockton home, affordability is paramount. Most cities and towns in Brockton and surrounding Plymouth County do not receive any public transportation service, leading workers to depend on personal vehicle travel or unaffordable rideshare trips. Where RTA service is available, night and weekend service is poor. Many of Brockton's residents work non-standard hours, weekends and travel long distances, so expanded RTA schedules are critical.

Improving the safety and reliability of infrastructure in Brockton and similar communities will allow residents to more efficiently and effectively get to work, school, medical appointments, supermarkets and other essential services, enhancing their overall quality of life.



5. VISION AND THEMES

Throughout the duration of the Task Force, members identified themes for the future of infrastructure in Massachusetts, ultimately arriving on a shared vision for which to advance. Increased funding will allow the Commonwealth to work toward this vision by expanding and enhancing statewide transportation infrastructure, prioritizing the following themes along the way.

5.1 Safe and Reliable

Safety and reliability are top values cited by transportation users. Massachusetts strives to develop transportation infrastructure where users can travel without worrying about their wellbeing and are assured of arriving at their destinations on a regular basis.

Safety

MassDOT is committed to the goal of **zero roadway fatalities and serious injuries and a Safe System Approach** (See MassDOT's [Strategic Highway Safety Plan](#) and [Vulnerable Road User Assessment](#))

Massachusetts sets performance targets for **five safety metrics**:

Table 10: MassDOT Safety Metrics and 2026 Targets

Safety Metric	2026 Target ⁷ (five-year rolling average)
Number of fatalities	362
Rate of fatalities per 100 million VMT	0.54
Number of serious injuries	2,603
Rate of serious injuries per 100 million VMT	3.91
Number of non-motorist fatalities and serious injuries	435

MassDOT's [IMPACT Portal](#) contains the data used to prioritize safety projects.

To further implement safety programs, MassDOT plans to invest \$328 million for intersection improvements, \$153 million for systematic safety system upgrades, and \$391 million for shared-use paths and bicycle/pedestrian facilities. These programs come with an emphasis on workforce safety with annual work zone safety training, routine safety inspector visits on worksites, and significant capital investment in fall protection.

Reliability

MassDOT understands the importance of reliable travel for residents and visitors and is prioritizing a number of programs and policies aimed at congestion, bridge repairs, and freight and roadway investments.

⁷ <https://www.mass.gov/doc/2023-annual-performance-report/download>



Traditional reliability metrics include:

- **Planning Time Index:** A ratio that measures how reliable travel conditions are and how long a traveler should plan to arrive on time.
- **Congestion:** The congested vehicle-miles of travel divided by total vehicle-miles of travel.
- **On-Time Performance (Transit):** Percentage of the time that transit vehicles adhere to schedules.

5.2 Sustainable

Predictable Revenue Sources

To maintain and ultimately expand its infrastructure, Massachusetts needs additional recurring and predictable sources of revenue. These revenue sources are crucial for funding short-term capital needs, either through direct spending or for raising debt against the cash flows. More importantly, revenue is needed to support long-term operations, maintenance, and lifecycle costs of existing and future assets.

The ability to deploy the revenue must also be sustainable. There must be a sufficiently filled project pipeline on which to spend the revenue. Workforce must be adequately trained and prepared to handle recurring capital projects. Equipment and materials must be available, and if lacking, must be proactively acquired to minimize delays. These efforts require a full approach to stable and sustainable funding.

Having funding sources that relate to their uses promotes sustainability through functional interconnectivity. In the case of infrastructure projects, having revenue sources that are in some way tied to the transportation or infrastructure asset can result in a more predictable, and thus sustainable, operation. Such arrangements also instill confidence in the public that their dollars are being spent on tangible, relevant projects.

Cost Management

Available funding must be carefully managed to ensure it covers all its intended uses. As part of an intentional cost management strategy, accountability, and diligence must be followed to avoid cost overruns and schedule delays, both of which undermine the public's trust in infrastructure. A sustainable approach to cost management and budgeting, building upon current practices, will foster enhancements to transportation funding and spending for all.

5.3 Resilient and Green

Reducing Greenhouse Gas Emissions, Incentivizing Mode Shift, and Enabling Electrification

Massachusetts is committed to reducing greenhouse gas (GHG) emissions through various measures aimed at promoting sustainable transportation and reducing reliance on single-occupancy vehicles and internal combustion engine-powered transportation. Key strategies include:

- **Electrification of Transit Rolling Stock:** Electrifying bus fleets and commuter rail lines to significantly lower emissions.



- **Building Electric Vehicle (EV) Charging Infrastructure:** Expanding EV charging stations along highways and in urban areas to support the Commonwealth's adoption of EVs including 20% of light vehicles by 2030 and 97% by 2050.
- **Smart Charging Infrastructure:** Implementing smart charging solutions for electric vehicles to optimize energy use and support grid stability.
- **Transit-Oriented Development (TOD):** Promoting the development of housing and commercial spaces near transit hubs to reduce the need for car travel.
- **Public Transit Investments:** Enhancing the quality, reliability, and accessibility of public transit services to make them a more attractive option for commuters.
- **Vehicle Miles Traveled (VMT) Reduction:** Implementing programs and infrastructure that encourage reduced vehicle usage and promote alternative, sustainable transportation modes.

Photo 11: MBTA Electric Vehicles



Comprehensive Vulnerability Assessment and Resilient Planning

To ensure that existing infrastructure can withstand the impacts of climate change, Massachusetts is conducting thorough vulnerability assessments and integrating resilience into planning, design, and construction. Major initiatives include:

- **Climate Vulnerability Assessments:** Conducting detailed assessments of transportation assets, such as tunnels, rail lines and maintenance facilities, to identify and address vulnerabilities to climate impacts like sea level rise and extreme weather events.
- **Resilience Infrastructure Improvements:** Investing in flood mitigation projects, upgrading pump rooms, enhancing flood portals, and enlarging culverts to protect infrastructure from climate-related damages.
- **State of Good Repair (SGR) and Resilience Integration:** Ensuring that ongoing infrastructure repair and modernization efforts also incorporate resilience measures to enhance the longevity and reliability of the transportation network.

5.4 Efficient and Effective

Diversify Revenue Mix

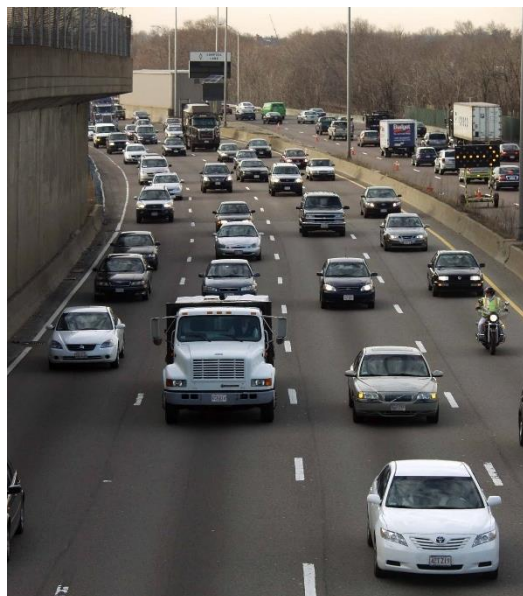
- MassDOT and MBTA are actively pursuing discretionary funding opportunities within the BIL and other federal channels to supplement traditional formula funding.
- MassDOT has secured more than \$2.4 billion in discretionary grant funding since the passage of the BIL, of which over \$1 billion was for the Sagamore Bridge Project and \$335 million was for the Allston I-90 Multimodal Project.
- MBTA has secured over \$800 million in discretionary grant funding since the passage of the BIL.



Improve Performance

- MassDOT uses a data-driven approach, leveraging data and analytics to improve the lives of constituents and guide strategic decisions.
- MBTA's Track Improvement Plan aims to improve system infrastructure, having reduced speed restrictions from 191 in November 2023 to zero today.

Photo 12: I-93



Reduce Congestion

- MassDOT is implementing operational efficiency measures to maintain consistent travel times and seamless connections between travel modes.
- MassDOT targets reliability improvements in areas where congestion contributes to crashes, bottlenecks, poor freight mobility, poor air quality, and poor reliability *rather than solely increasing highway capacity*.
- Ongoing reliability initiatives related to congestion include addressing local and arterial roadway bottlenecks through installing advance traffic control systems, measures that improve vehicular flow and worker safety during construction, and creation of a dedicated Freight Program, which will include roadway and bridge projects to improve the movement of goods.

Improve Organizational Capacity

- In fall 2023, MBTA General Manager Eng streamlined the MBTA's leadership structure to respond effectively to challenges.
- MassDOT and MBTA are focusing on hiring and retention initiatives to leverage new federal funding and improve project delivery.

Responsibly Manage Spending Growth

- MassDOT and MBTA are prioritizing state and federal investments to align with critical asset needs, safety, service, and sustainability goals.
- MBTA has implemented innovative methods to keep large contracts on budget and schedule, such as the South Coast Rail and the Fare Transformation projects.
- MassDOT expects to complete a new comprehensive ADA transition plan by 2025 and is investing \$42 million in accessibility improvements between FY 2025 and FY 2029.

5.5 Multimodal, Accessible, and Interconnected

Statewide and Destination Connectivity

Massachusetts is committed to ensuring that its transportation infrastructure is multimodal, statewide, accessible, and interconnected. The state is focusing on improving connectivity for all



users by enhancing access to critical destinations and ensuring seamless connections between different modes of transport. Key initiatives include:

- Implementing a Transportation Management Association (TMA) Grant Program to reduce single-occupancy vehicle trips and expand mobility.
- Launching the Regional Transit Innovation Grant (RTIG) Program to enhance and expand existing transit services and improve rural connectivity.
- Supporting the Community Transit Grant Program (CTGP) to meet the mobility needs of older adults and individuals with disabilities.
- Advancing the West-East Rail project to improve intercity passenger rail connectivity across the state.

Choice and Travel Experience

Massachusetts is pursuing policies that enhance travel experience and provide more transportation choices for users. Examples include:

- Addressing critical gaps in transportation networks, ensuring safe access for all users
- Supporting projects in the Shared Streets and Spaces Program that invest in public health, safe mobility and renewed commerce
- The MBTA Better Bus Project to improve bus service and connectivity
- Introducing fare gates at key MBTA stations to enhance ticketing and revenue collection

Accessibility and Reducing Barriers to Mobility

Massachusetts is making significant strides in making transportation more accessible and reducing mobility barriers for all users.

The Commonwealth is developing a new comprehensive ADA Transition Plan to improve accessibility across all Commonwealth-owned transportation assets. Along with this, it is allocating funds for station accessibility projects, including urgent repairs and accessibility upgrades along the Green Line.

Another measure to enhance accessibility includes installing freestanding mini-high platforms at inaccessible commuter rail stations.

Photo 13: Bridge plate assistance



5.6 Equitable

It is important that transportation meets the critical needs of disadvantaged groups, underserved and historically marginalized communities, and vulnerable populations.

MassDOT placed equity at the forefront of [Beyond Mobility](#), the Commonwealth's long-range transportation plan published this year, through robust outreach to traditionally underrepresented communities and Action Items informed by data emphasizing the need to invest in Environmental Justice communities.



Beyond Mobility Action Items that contain an equity lens include, but are not limited to, the following:

- **SAI1.1 Bench of safety projects.** MassDOT will coordinate with municipalities on prioritizing current projects and building a bench of future projects to address safety concerns throughout the state and in communities most disproportionately burdened by unsafe conditions.
- **SAI1.4 Tracking crashes through an equity lens.** Consistent with the Strategic Highway Safety Plan (SHSP), MassDOT will continue to track crash data through an equity lens to quantify disparities in crash rates between Environmental Justice communities and others.
- **DCAI1.1 Commute time disparities.** MassDOT will further study where the greatest disparities in commute time are across different demographic groups, and coordinate with transit providers and municipalities to consider service and network changes that reduce these disparities.
- **TEA2.3 Issue briefs for traditionally underrepresented communities.** MassDOT will develop issue briefs that more fully document unique transportation challenges and concerns of traditionally underrepresented demographic groups.
- **TEAI3.3 Inventory of wayfinding gaps.** MassDOT, in coordination with regional planning partners and municipalities, the MBTA, and the RTAs, will develop an inventory of bus stops and transit stations that lack sufficient wayfinding signage and the translation of information into appropriate languages.

MassDOT's [Office of Diversity and Civil Rights \(ODCR\)](#) also ensures nondiscrimination in all MassDOT programs and activities.

Furthermore, MassDOT's annual 5-year CIP includes an analysis of investments per capita in Title VI, environmental justice, and other communities that are historically vulnerable to transportation decision-making (including zero-vehicle households, adults aged 65 and older, and people with disabilities). The CIP equity analysis compares transportation investment per capita in these communities to that of other communities in the Commonwealth to promote greater equity in transportation investment.

5.7 Affordable

To serve its user base, transportation must meet the needs of users within their means, particularly targeted populations such as working families, young people, seniors, individuals with disabilities, and vulnerable populations.

MassDOT

Toll discount programs for MassDOT facilities are available to qualifying drivers. Four different discount programs exist to improve affordability of the Massachusetts Turnpike, as well as certain bridges and tunnels.

- **E-ZPass Users Program:** Drivers using an E-ZPass for toll payment receive an 8-45% discount over the Pay-by-Plate toll rate.
- **Fast Lane Carpool Program:** For vehicles with three or more passengers, drivers can pay a \$100 upfront fee that results in free tolls once the \$100 annual threshold is surpassed.



- **Annual Residents Program:** For residents of certain zip codes in East Boston, South Boston and North End, the toll rate for the Sumner, Callahan and Ted Williams Tunnels is discounted from \$1.25 per trip to \$0.20 per trip.
- **Tobin Memorial Bridge Program:** For residents of certain zip codes in Charlestown and Chelsea, the toll rate for the Tobin Memorial Bridge is discounted from \$1.25 per trip to \$0.15 per trip.

MBTA

On September 4, 2024, MBTA launched its Income-Eligible Reduced Fare Program, which provides riders who are aged 18–64 and have low income with reduced one-way fares of approximately 50% off on all MBTA buses, subway, commuter rail, and paratransit (The RIDE). In the first two weeks, over 5,800 MBTA riders enrolled in income-eligible reduced fares and 17,098 seniors on the RIDE were auto-enrolled the day of program launch. It is currently predicted that 60,000 riders will ultimately benefit from the program, realized over the next five years.

RTAs

During the pandemic, certain RTAs piloted fare-free service, with FRTA, WRTA, and MeVa having continued to offer year-round, fare-free service since then. Other RTAs reduced fares to lower the affordability barrier for riders. RTA ridership grew 21% from June 2023 to June 2024 and increases have continued into FY25, enhanced by free and reduced fares.

5.8 Competitive

Transportation infrastructure must meet the needs of the economy, business community, workers, taxpayers, and residents. Further, transportation and infrastructure has the opportunity to be a differentiator for Massachusetts versus its neighbors and peers.

Through developing and maintaining its transportation infrastructure, Massachusetts strives to position itself as a competitive place for individuals and businesses to call home.

Improved Workforce Mobility

Investments in well-functioning transportation supports the mobility of people – the workforce – in regions across the state. Major people-movers like the MBTA, RTAs, and key MassDOT roadway arteries, support a connected workforce, helping employees reach jobs and businesses access a broader labor pool. As MassDOT continues to build on investments and ensure it has the workforce it needs, it will collaborate with Commonwealth partners to promote transportation that improves workforce mobility.

Increased Business Productivity

Reducing traffic congestion and travel delays directly impacts business operations, enhancing productivity across all industries by minimizing time lost and cost of delays.

Enhanced Economic Attractiveness

A reliable and efficient transportation network enables timely and predictable travel, boosting Massachusetts' appeal to companies, visitors and families.



5.9 Other co-benefits to transportation

Access to Culture and Tourism

Transportation is a cornerstone of the tourism industry in Massachusetts, facilitating the movement of visitors to and from the state's numerous attractions. Efficient transportation networks, including airports, highways, and public transit systems, enable tourists to easily access historical sites, cultural landmarks, and natural beauty spots. This accessibility boosts local economies by increasing visitor spending on accommodations, dining, and entertainment. Additionally, well-connected transportation options enhance the overall tourist experience, encouraging repeat visits and positive word-of-mouth recommendations. In essence, robust transportation infrastructure is vital for sustaining and growing the tourism sector in Massachusetts.

Transportation is crucial for enabling education and skills acquisition in Massachusetts. Reliable public transit systems and safe roadways ensure that students and educators can easily commute to schools, colleges, and universities, regardless of their geographic location. This accessibility promotes educational equity by providing all students with the opportunity to attend high-quality educational institutions. Additionally, transportation facilitates access to extracurricular activities, internships, and vocational training programs, which are essential for comprehensive skill development. By connecting students to educational resources and opportunities, robust transportation networks play a vital role in fostering a well-educated and skilled workforce, ultimately contributing to the state's economic and social prosperity.

Access to Housing

Transportation plays a critical role in the housing market by influencing where people choose to live and their overall quality of life. In Massachusetts, the availability of reliable public transit and well-maintained roadways can make suburban and rural areas more accessible, thereby expanding housing options for residents. Proximity to transportation hubs often increases property values and attracts real estate development, fostering vibrant, mixed-use communities.

Transportation is a key determinant of affordability and opportunity. The average U.S. household spends \$13,000 per year on transportation, which equals 15% of the average household income, making it the second-largest expenditure category after housing. For low-income households, the burden is even greater; those in the lowest income quintile (earning less than \$28,000 per year) spend more than 30% of their income on transportation. Auto-dependence is a significant driver of these costs, with auto ownership constituting 93% of household transportation spending. In contrast, households without a vehicle generally spend only 5% of their income on transportation.

To live without owning a car, households need to find affordable housing in neighborhoods with transit or pedestrian access to essential services and amenities. TOD can help address the housing shortage while reducing auto dependence and household costs. The Executive Office of Housing and Livable Communities (EOHLC) supports TOD through various programs like 40R and MBTA Communities, although many decisions are made by local jurisdictions.

EOHLC and the Division of Capital Asset Management and Maintenance (DCAMM) are working together to implement Executive Order 623, which aims to identify state-owned sites that are underutilized or have more land than needed for their intended use. This initiative involves



reviewing 12,000 state-owned parcels to evaluate their potential for housing development. Initially focused on DCAMM's inventory, the partnership has expanded to include MassDOT to assess additional sites for development.

The MBTA Communities Act, adopted in 2021, requires cities and towns that host MBTA service or abut a municipality that hosts MBTA service to establish a minimum of one district in which multi-family housing is permitted. Where possible, such districts must be within a half mile from public transportation service. The Act aims to address the nexus of transportation and housing.

Access to Healthcare

In Massachusetts, transportation is vital for ensuring access to healthcare services. Reliable transportation options enable patients to attend medical appointments, access emergency services, and receive timely care, which is crucial for maintaining public health. Public transit systems and specialized medical transport services are particularly important for elderly and disabled individuals who may have limited mobility. Additionally, transportation infrastructure supports the efficient distribution of medical supplies and personnel, ensuring that healthcare facilities are well-equipped to serve their communities. Overall, robust transportation networks are indispensable for a well-functioning healthcare system.

“Without the Baystate Van, I would not have been able to go to my prenatal appointments.”

“Needing to go to dialysis is how I first heard about [the Connector]. Without it, I probably only would have made it to one-fourth of the appointments I’ve gone to.”

- Riders of the Quaboag Connector

Community Engagement and Connection

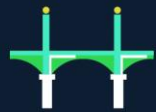
Transportation fosters community engagement by connecting people to social, cultural, and recreational activities. In Massachusetts, accessible and efficient transportation options enable residents to participate in community events, volunteer opportunities, and local governance, thereby strengthening social ties and civic involvement. Public transit systems and pedestrian-friendly infrastructure promote inclusivity by ensuring that all community members, regardless of socioeconomic status, can engage in communal activities. Furthermore, transportation networks facilitate the exchange of ideas and resources, contributing to a vibrant and dynamic community life. In this way, transportation is a key enabler of social cohesion and community development.

6. CHALLENGES AND OPPORTUNITIES

6.1 Critical Issues

Massachusetts is home to some of the oldest infrastructure in the country — infrastructure with severe maintenance needs that come at a cost and continues to rise. In addition to infrastructure investment not having kept pace with the state’s needs, several other factors have contributed to the challenges facing Massachusetts’ infrastructure today.

- **Climate change begets expensive emergency repair needs.** Massachusetts experiences more extreme weather events today than ever before, oftentimes wreaking havoc on infrastructure. Severe storms and flooding damage assets of all sizes — tunnels can flood,



power can be lost, municipal culverts can be overwhelmed — all of which serve critical purposes within the Commonwealth and are increasingly at-risk. MassDOT and MBTA incorporate resiliency into new projects and repairs of existing assets, but such actions add costs on to already expensive endeavors. Climate change combined with aging statewide infrastructure results in more frequent and costly repairs, placing demands on current levels of funding.

- **Pavement requirements have become more stringent.** As required by the federal government, Interstate highway pavement must meet rigorous engineering standards and receive constant maintenance, driving up costs. Federal funding has not increased at the same rate, causing MassDOT to dedicate more funding to roadway upkeep.
- **Deferred maintenance costs snowball.** When MassDOT or MBTA defers important capital projects due to a lack of available funds, project needs only worsen. Not only do infrastructure assets deteriorate, but the costs associated with the necessary repairs — not to mention the impact of inflation — swell. This snowball effect causes minor repairs to become major projects.
- **Deferred maintenance impacts reliability.** When projects are deferred, the frequency of trip-altering events increases. MBTA riders are aware of this phenomenon with “slow zones” having plagued the system over the past several years, but with focus to resolve throughout 2024, the MBTA has been able to remove all slow zones across the system. The same holds true for MassDOT’s assets — when a bridge or tunnel has significant deferred maintenance needs, reliability of that route is affected. Such impacts undermine trust in the Commonwealth’s transportation infrastructure.
- **COVID-19 has permanently altered commuting behavior.** Commute patterns have shifted as a result of the COVID-19 pandemic — traditional morning and evening rush hours now span longer periods with flatter peaks, large numbers of employees now commute to the office only some or none of the time, and intercity business travel is less robust given the widespread adoption of teleworking. All these trends impact transportation use, especially transit, given its primary function of bringing commuters into and out of commercial centers. The MBTA remains affected by the pandemic with ridership at roughly 70% and fare revenue at roughly 60% of pre-pandemic figures and RTAs continue to experience ridership lower than pre-pandemic. Despite these trends, transit persists as an essential service, particularly for those in occupations that require in-person attendance and lack other options for commuting.



6.2 Opportunities

Massachusetts has a unique opportunity to make progress on solving many critical issues of its transportation infrastructure by leveraging Fair Share revenue. Beyond allowing for more proactive funding of deferred maintenance projects and state of good repair needs, more revenue for transportation will allow for improvements that fulfill overlapping state goals. For example, increased funding for infrastructure might allow the state to facilitate:

- Reliability and safety improvements
- Stabilizing operating budgets for transit systems (MBTA, RTAs, microtransit)
- Generally improved asset condition including road and bridge investments
- Equity initiatives and affordability programs
- Accessibility improvements
- Sustainability and resiliency improvements
- Facilitating mode shifts to green transportation options, including charging infrastructure to enable electrification
- Transit-oriented development
- Operational efficiency improvements
- Training and workforce investments
- Generally improved asset condition
- Statewide (and regional) economic growth

Many of the above objectives can be achieved simultaneously. At a layer deeper, example outcomes from the objectives include:

- Congestion mitigation
- Shorter and more reliable travel times
- Well-maintained roads and bridges with better lifecycle asset management
- Culvert improvements that are more resilient to climate change
- EV adoption
- Stabilization of transit system finances
- Reliable service for all transit users
- Better transportation choices for all residents
- Bicycle and pedestrian accessibility
- Greater support for local transportation
- Addressing greenhouse gas emissions from transportation sector

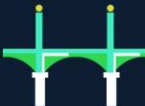
The state is continually examining ways to improve operational efficiency.

Current efforts at MassDOT include initiatives such as the Strategic Business Plan, hiring/staffing changes to leverage new federal funding, and project delivery improvements. For example, between 2018-2021, the highway division undertook improvements in its procurement procedures which resulted in a reduction in the number of days between project advertisement and Notice to Proceed.

Photo 14: Bicycle and pedestrian access in New Bedford



The state's infrastructure — due to a variety of factors, primarily age — requires ongoing investment to improve safety, reliability, efficiency and effectiveness.



7. BENCHMARKING

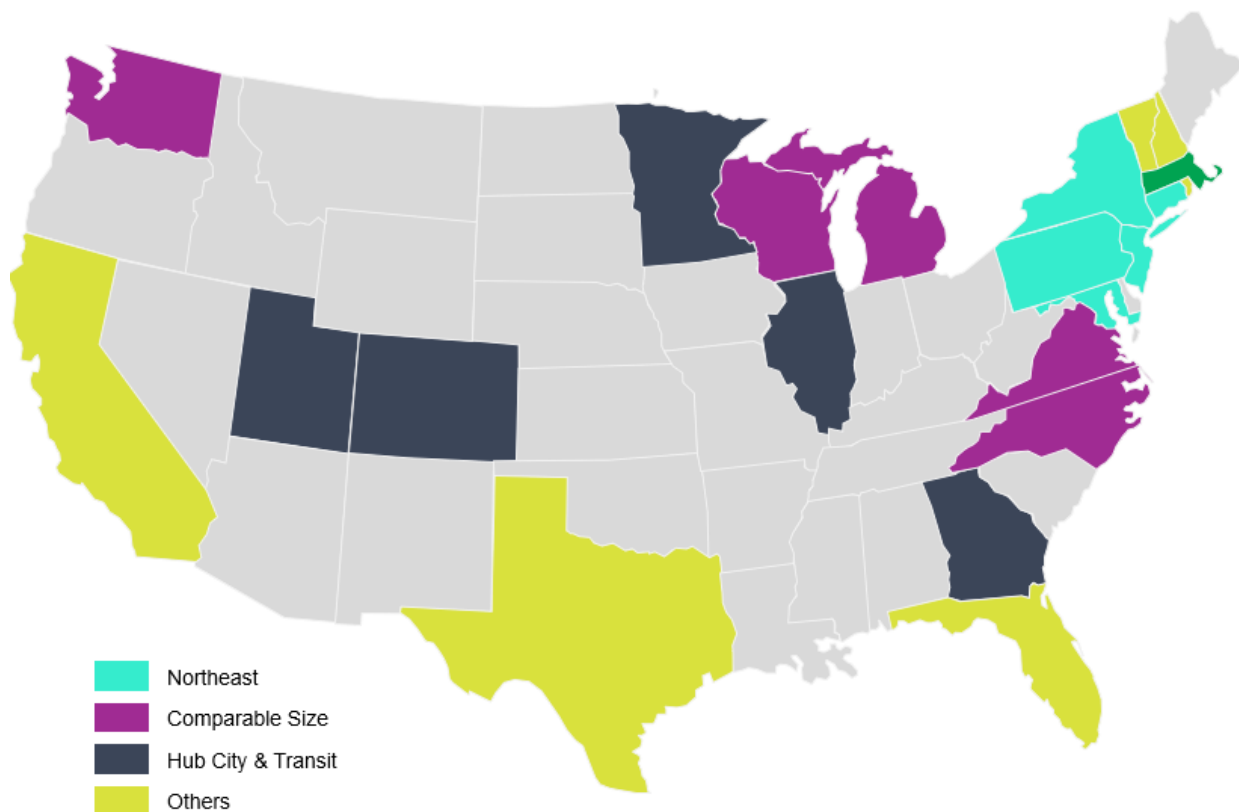
15 states were chosen for benchmarking against Massachusetts, grouped into three categories:

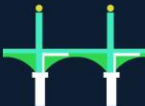
- Northeast: States in New England or the northeastern part of the country with characteristics similar to Massachusetts
- Comparable Size: States with a similar population to Massachusetts
- Hub City & Transit: States with a single hub city and multimodal transit system

Other states, such as the states that border Massachusetts, those that are experiencing significant growth (Texas and Florida) and leading in decarbonization efforts (California) are used as additional comparisons where relevant.

Northeast	Comparable Size	Hub City & Transit	Others
▪ Connecticut	▪ North Carolina	▪ Arizona	▪ California
▪ Maryland	▪ Michigan	▪ Colorado	▪ Florida
▪ New Jersey	▪ Virginia	▪ Georgia	▪ New Hampshire
▪ New York	▪ Washington	▪ Illinois	▪ Rhode Island
▪ Pennsylvania	▪ Wisconsin	▪ Minnesota	▪ Texas
			▪ Vermont

Figure 14: Map of comparable states





7.1 Gas Tax

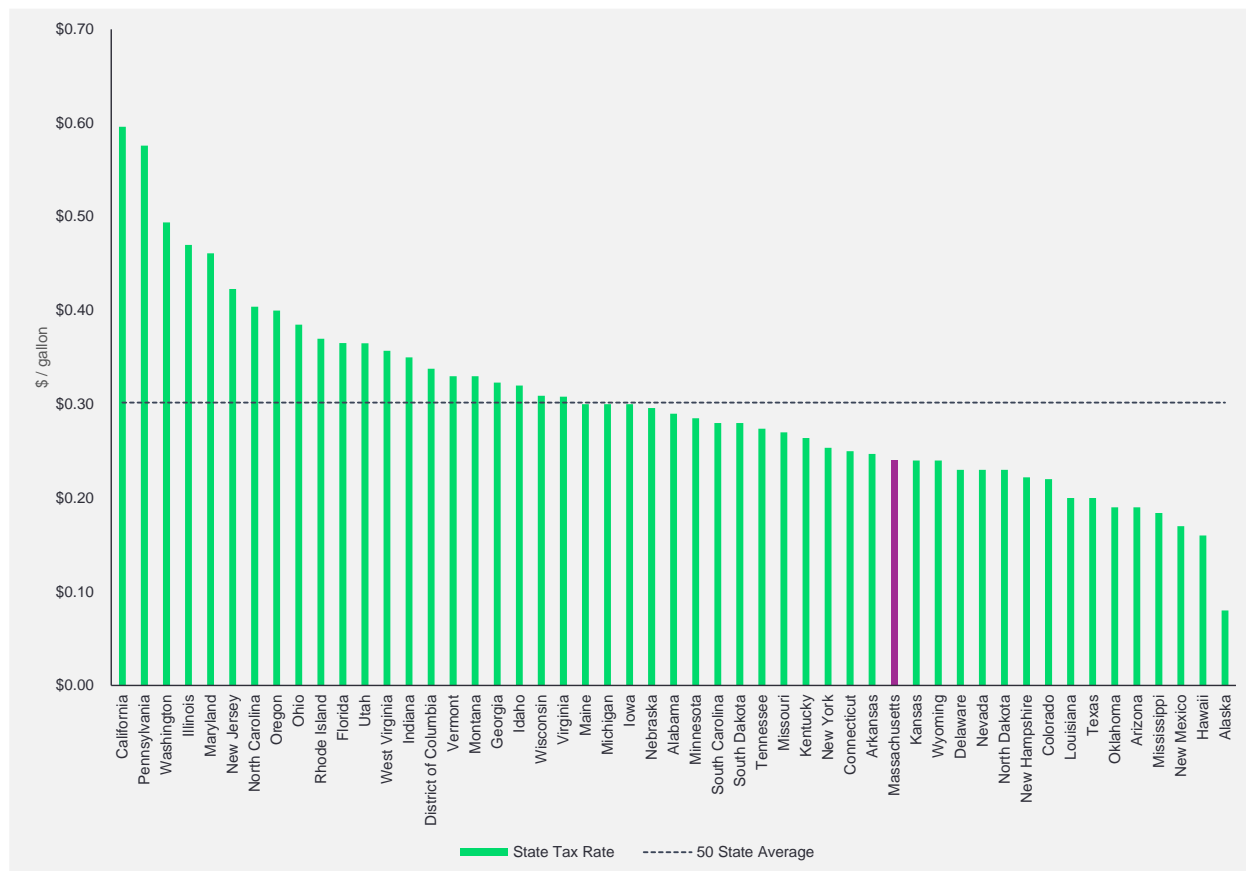
50 State Comparison

The gas tax is one of the primary sources of transportation funding across the US. In addition to the federal gas tax of 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel fuel, each state levies its gas tax.

Massachusetts' levy of 24 cents per gallon holds for gasoline is tied for 36th out of the 50 states, 6 cents below the state average of 30 cents per gallon.

States that index their gas tax to inflation are shown with a dark border.

Figure 15: Summary of gas tax rates in all 50 states (December 2024)



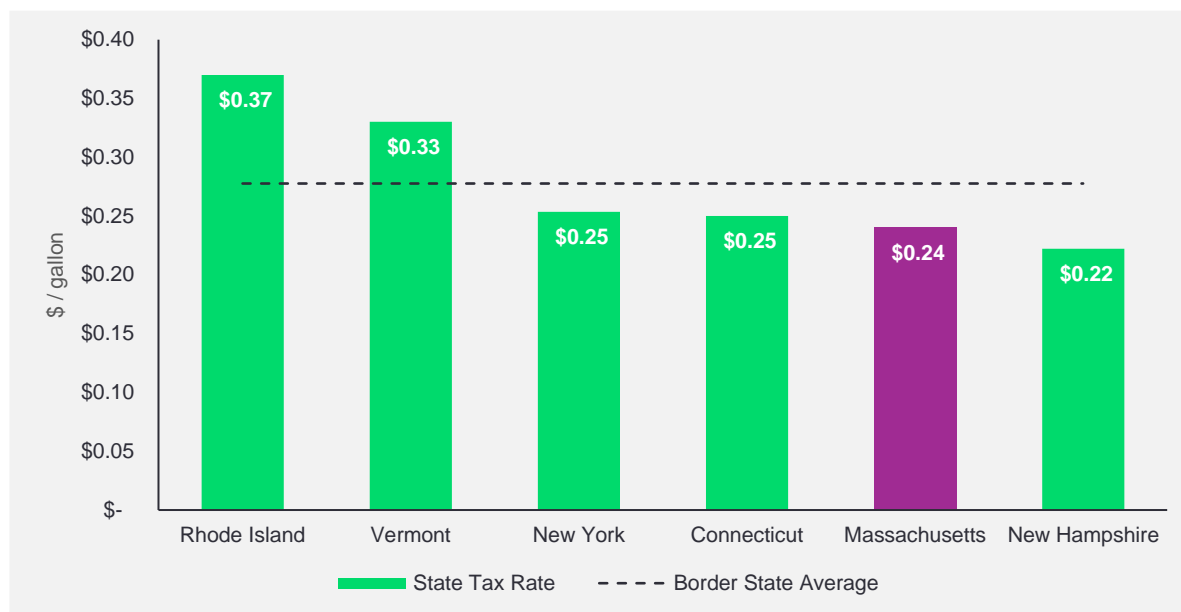


Border State Comparison

Compared to its five border states, Massachusetts' 24 cent gas tax is 4 cents below the border state average rate of 28 cents.

Of the border states, only Rhode Island indexes gas tax to inflation while Vermont's gas tax is sized partially based on the retail price of fuel.

Figure 16: Summary of gas tax rates in border states (December 2024)



Additional Mechanisms to Tax Gasoline

Several US states have implemented mechanisms to tax gasoline beyond a fixed rate.

As previously shown, seven US states index their gas tax directly to inflation indices while other states index to the price of fuel or other metrics.

Below are other example approaches to taxing gasoline beyond the standard gas tax.

Table 11: Alternative approaches to taxing motor fuel

State	Tax	Description
Connecticut	Petroleum Products Tax	8.1% tax on the gross in-state earnings of companies that distribute gas in Connecticut, charged at the wholesale level (not to household consumers).
New York	Sales Tax applied to Gas	8-cent per gallon statewide sales tax applied to purchase of gasoline on top of standard gas tax.
Vermont	Variable Rate Gas Tax	Hybrid-structure gas tax comprised of fixed and variable components; 13-cent per gallon fixed tax plus variable gasoline assessments based on price of gas.



State	Tax	Description
Virginia	Regional Gas Tax for Transit	In certain jurisdictions of Northern Virginia serviced by transit (subway, commuter rail, local buses), a 9.0% sales tax is applied on top of statewide gas taxes; proceeds are allocated to capital transit projects in Northern Virginia.

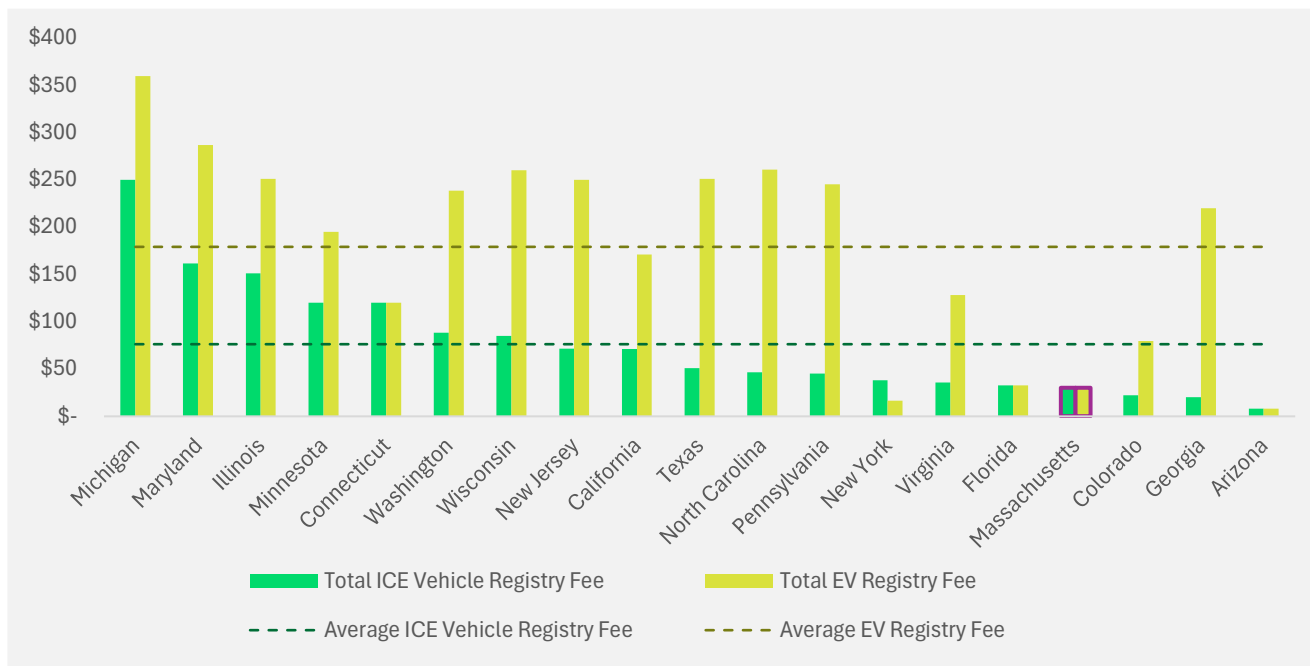
7.2 Registry Fees

Automobile Registry Fees (EV and ICE)

Of the 19 comparable states⁸, Massachusetts ranks 16th in annual internal combustion engine (ICE) vehicle registry fee (\$60 biennially = \$30 per year) and 17th in total EV registry fee (\$30 per year; no separate EV registry fee).

These compare to the average of comparable states of \$76.14 per year (ICE vehicle registry) and \$179.04 per year (EV registry).^{9,10}

Figure 17: Peer state vehicle and EV registry (December 2024)



⁸ Includes comparable Northeast States, Comparable Size States, Hub City & Transit States, as well as California, Florida, and Texas

⁹ Maryland and Pennsylvania passed legislation for separate EV registry fees in 2024, to go into effect in 2025; these fees are included in the EV registry fees shown.

¹⁰ Where vehicle registry fee depends on weight, year, and/or vehicle MSRP, the fee is calculated based on a 4,329 lb. vehicle purchased in 2022 for \$47,077.

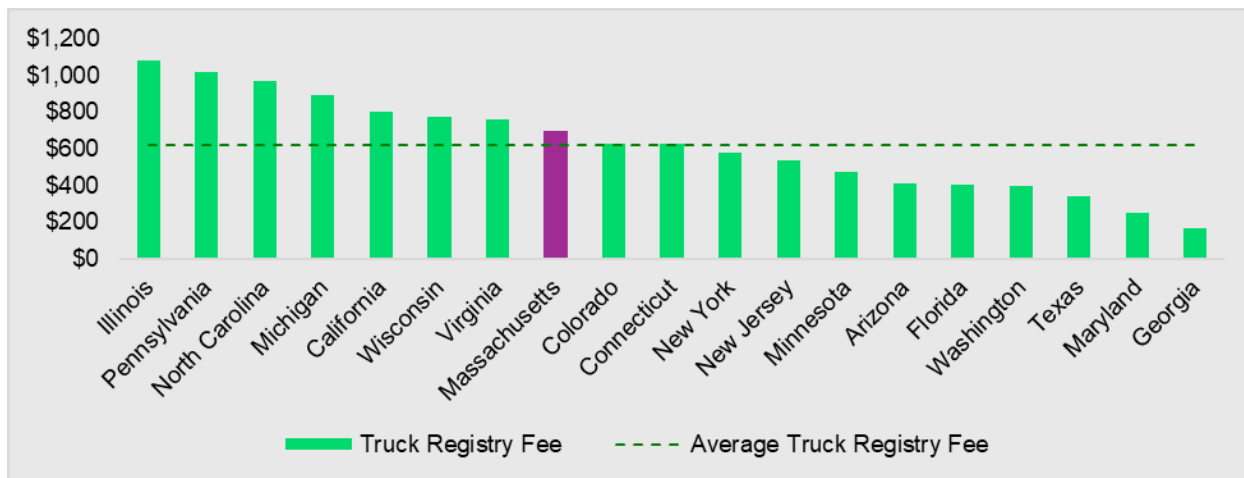


Truck Registry Fees

Of the 19 comparable states¹¹, Massachusetts ranks eighth in annual truck registry fee at \$700 per year.

The average of comparable states is \$642 per year.¹²

Figure 18: Peer state commercial truck registry fees (December 2024)



¹¹ Includes comparable Northeast States, Comparable Size States, Hub City & Transit States, as well as California, Florida, and Texas

¹² Note: Where truck registry fee depends on weight and truck type, the fee is calculated based on a 35,000 lb. commercial semi with trailer.

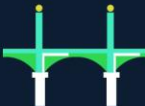


Alternative Registry Fee Approaches

The following table provides examples of peer states that charge a separate EV registry fee, factor weight into their registry fee calculation, or factor age into their registry fee calculation.

Table 12: Summary of different approaches to vehicle registry fees

States with Separate EV Fees		States with Vehicle Weight-based Fees		States with Vehicle Age-based Fees	
State	Fee Structure	State	Fee Structure	State	Fee Structure
New Jersey	\$250 annual fee for EV registration	Colorado	\$12.50 base plus \$0.60 for each additional 100 lbs.	Michigan	Based on assessed value; fee declines as vehicle depreciates
North Carolina	\$214.50 annual fee for EV registration	Maryland	Ranges \$110.50 (<3,500 lbs.) to \$161.50 (>3,700 lbs.)	New Jersey	Vehicles newer than 2 years old are charged \$12.50 extra
Pennsylvania	\$200 annual fee for EV registration	New Jersey	Vehicles over 3,500 lbs. are charged extra \$25	Iowa	Based on assessed value; fee declines as vehicle depreciates
Virginia	\$116.49 annual fee for EV registration	New York	Ranges \$26 to \$69		
Wisconsin	\$175 annual fee for EV registration				



7.3 Toll Revenue Collections

Of 21 comparable states¹³, Massachusetts ranks ninth in state toll revenue receipts with \$400 million of collections in 2022.

Among the selection of states, the average state toll revenue receipts amount in 2022 was \$697 million.¹⁴

Figure 19: Peer state toll revenue receipts (FY 2022)

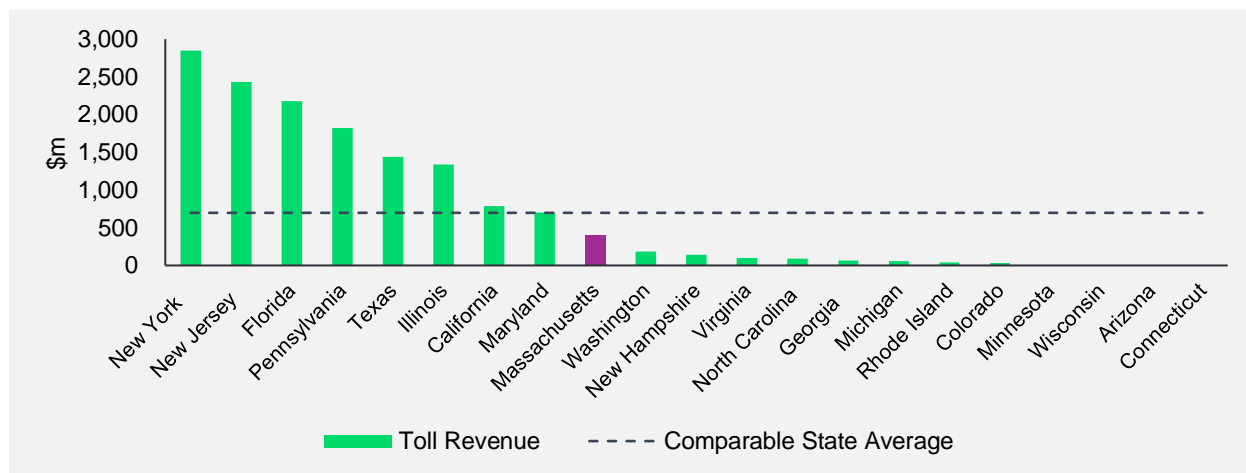


Photo 15: Tobin Memorial Bridge



¹³ Includes comparable Northeast States, Comparable Size States, Hub City & Transit States, as well as California, Florida, Rhode Island, Texas, and New Hampshire

¹⁴ State toll revenues do not include any toll revenues collected by private entities.



7.4 Toll Rate Changes

The primary toll road facility was selected in eight peer states to compare each facility’s most recent toll rate change.

Six of the eight peer facilities updated their toll rates in the last four years.

Tolls on the Tobin Bridge were increased in 2002 and again in 2004. For the Metropolitan Highway System, toll rates were raised in 2002 and again in 2008. Since then, the only change occurred with the transition to All-Electronic Tolling in 2016. Although this transition involved some minor adjustments to toll gantry locations, the total toll cost for vehicles with a Massachusetts E-ZPass traveling the full length of I-90 remained unchanged.

Table 13: Summary of recent peer agency toll rate changes

State and Tolloed Facility	Date of Last Toll Rate Change	Amount of Toll Rate Change
New Jersey Turnpike	2024	3% increase
New York Thruway	2024	5% increase
Pennsylvania Turnpike	2024	5% increase
Ohio Turnpike	2024	6%–8% increase
Florida Turnpike	2023	Increase (index) to CPI
Maine Turnpike	2021	4%–33% increase
Massachusetts Turnpike	2016	Electronic tolling introduced; toll rates adjusted (rate increased for some segments and decreased for others, with rate for traveling full length of I-90 unchanged)
Maryland Turnpike	2015	33% decrease
New Hampshire Turnpike ¹	2007	33%–50% increase



7.5 Transportation Network Company (TNC) Fees

Of the 17 states that impose TNC fees, seven are assessed on a flat fee per ride basis; of those seven, Massachusetts assesses the second-lowest fee at \$0.20 per trip. Other states assess fees as a percentage of gross trip cost or levy state sales tax on the fare. Select cities also impose fees, including New York City, Philadelphia, Chicago, Portland, Seattle and New Orleans.

Table 14: Summary of different approaches to TNC Fees

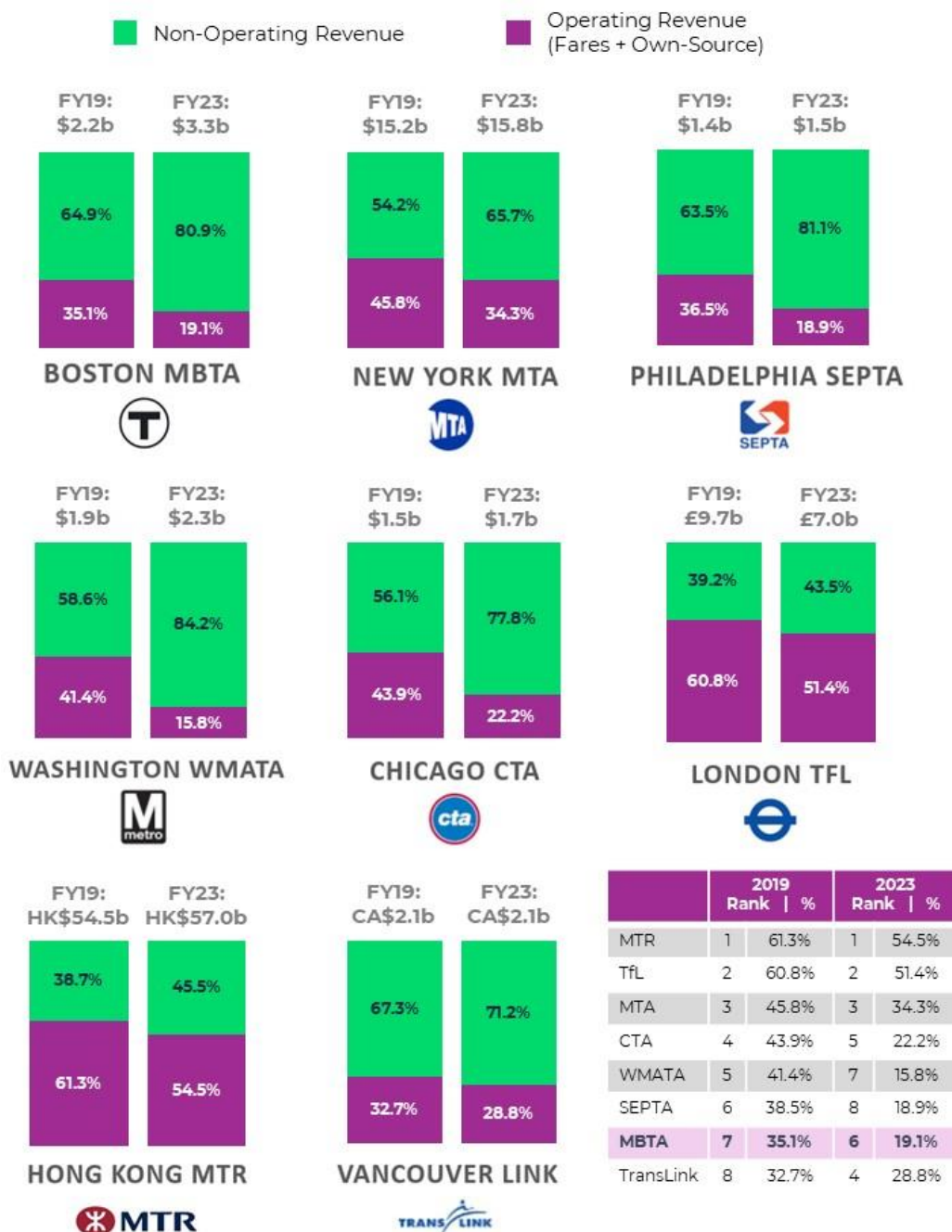
State	Statewide Fee	Use of Proceeds
Alabama	1% of total fare	TNC Regulation / General Use
California	\$0.10 per trip	Disability Services
Colorado	\$0.30 per trip / \$0.15 for zero-emission vehicle trips	Transit and Fleet Electrification
Connecticut	\$0.25 per trip	General Fund
District of Columbia	\$0.25 per trip <i>plus</i> 6% of total fare	TNC Regulation / Transit
Georgia	\$0.50 per trip (exclusive ride) / \$0.25 per trip (shared ride)	Transit
Hawaii	<i>Subject to 4% state sales tax</i>	General Fund
Kentucky	6% of total fare	General Fund
Massachusetts	\$0.20 per trip	Transportation Infrastructure (CTF and origin city)
Nevada	3% of total fare	Highway Fund / General Fund
New Jersey	\$0.50 per trip (exclusive ride) / \$0.25 per trip (shared ride)	General Fund
New York	4% of total fare and <i>subject to 4% state sales tax</i>	Transit / General Fund
North Carolina	1.5% of total fare (exclusive ride) / 1% of total fare (shared ride)	General Fund
Rhode Island	<i>Subject to 7% state sales tax</i>	General Fund
South Carolina	1% of total fare	General Fund
South Dakota	<i>Subject to 4.5% state sales tax</i>	General Fund
Wyoming	<i>Subject to 4% state sales tax</i>	General Fund



7.6 Major Transit Agencies

The MBTA was benchmarked against similarly large transit agencies in other American cities and abroad, underscoring MBTA's difficulty to recover from the COVID-19 pandemic and the decline in ridership's effect on farebox recovery. The decline in operating revenue has contributed to MBTA's funding gap.

Figure 20: Major Transit Agency Funding



APPENDIX

Transportation
Funding



Task
Force



APPENDIX A: NOTICE OF NONDISCRIMINATION RIGHTS AND PROTECTIONS TO BENEFICIARIES

Federal Title VI/Nondiscrimination Protections

The Massachusetts Department of Transportation (MassDOT) operates its programs, services, and activities in compliance with federal nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 (Title VI), the Civil Rights Restoration Act of 1987, and related statutes and regulations. Title VI prohibits discrimination in federally assisted programs and requires that no person in the United States of America shall, on the grounds of race, color or national origin (including limited English proficiency), be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal assistance. Related federal nondiscrimination laws administered by the Federal Highway Administration, the Federal Transit Administration, or both prohibit discrimination on the basis of age, sex, and disability. These protected categories are contemplated within MassDOT's Title VI Programs consistent with federal interpretation and administration. Additionally, MassDOT provides meaningful access to its programs, services, and activities to individuals with limited English proficiency, in compliance with U.S. Department of Transportation policy and guidance on federal Executive Order 13166.

State Nondiscrimination Protections

MassDOT also complies with the Massachusetts Public Accommodation Law, M.G.L. c 272 §§92a, 98, 98a, prohibiting making any distinction, discrimination, or restriction in admission to or treatment in a place of public accommodation based on race, color, religious creed, national origin, sex, sexual orientation, disability, or ancestry. Likewise, MassDOT complies with the Governor's Executive Order 526, Section 4 requiring all programs, activities and services provided, performed, licensed, chartered, funded, regulated or contracted for by the state shall be conducted without unlawful discrimination based on race, color, age, gender, ethnicity, sexual orientation, gender identity or expression, religion, creed, ancestry, national origin, disability, veteran's status (including Vietnam-era veterans) or background.

Complaint Filing

To file a complaint alleging a violation of Title VI or related federal nondiscrimination law, contact the Title VI Specialist (above) within 180 days of the alleged discriminatory conduct. To file a complaint alleging a violation of the state's Public Accommodation Law, contact the Massachusetts Commission Against Discrimination within 300 days of the alleged discriminatory conduct at:

Massachusetts Commission Against Discrimination (MCAD)
One Ashburton Place, 6th Floor
Boston, MA 02109
Phone: 617-994-6000
TTY: 617-994-6196



ADA/504 Notice of Nondiscrimination

The Massachusetts Department of Transportation (MassDOT) does not discriminate on the basis of disability in admission to its programs, services, or activities; in access to them; in treatment of individuals with disabilities; or in any aspect of their operations. MassDOT also does not discriminate on the basis of disability in its hiring or employment practices.

This notice is provided as required by Title II of the Americans with Disabilities Act of 1990 (ADA) and Section 504 of the Rehabilitation Act of 1973. Questions, complaints, or requests for additional information regarding ADA and Section 504 may be forwarded to:

Office of Diversity and Civil Rights
Massachusetts Department of Transportation
10 Park Plaza, 3rd floor
Boston, MA 02116-3969
Phone: 857-368-8580
TTY: 857-368-0603
Fax: 857-368-0602
Email: MASSDOT.CivilRights@state.ma.us
Office hours: 9:00 a.m. to 5:00 p.m.

This notice is available from the Office of Diversity and Civil Rights in large print, on audio tape, and in Braille upon request.

Additional Information

To request additional information regarding Title VI and related federal and state nondiscrimination obligations, please contact:

MassDOT, Title VI Specialist, Office of Diversity and Civil Rights
10 Park Plaza Boston,
MA 02116
857-368-8580
TTY: 857-368-0603
MASSDOT.CivilRights@state.ma.us



APPENDIX B: TRANSLATION

ENGLISH | If this information is needed in another language, please contact the MassDOT Title IV specialist at 857-368-8580.

PORTUGUES | Caso esta informação for necessária en otro idioma, por favor contacte al especialista do MassDOT del Title IV al 857-368-8580.

SPANISH | Si necesita esta información en otro idioma, favor contar o Especialista em Título IV al 857-368-8580.

CHINESE SIMPLIFIED (MAINLAND & SINGAPORE) | 如果需要使用其它语言了解信息，请联系马萨诸塞州交通部 (MassDOT) 《民权法案》第六章专员，电话 857-368-8580.

CHINESE TRADITIONAL (HONG KONG & TAIWAN) | 如果您需要其他語言的訊息，請聯絡馬薩諸塞州交通部 (MassDOT) Title VI 專家，電話 857-368-8580.

RUSSIAN | Если Вам необходима данная информация на любом другом языке, пожалуйста, свяжитесь со специалистом по Титулу VI Департамента Транспорта штата Массачусетс (MassDOT) по тел 857-368-8580.

HAITIAN CREOLE | Si yon moun vle genyen enfòmasyon sa yo nan yon lòt lang, tanpri kontakte Espesyalis MassDOT Title VI la nan nimewo 857-368-8580.

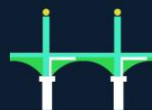
VIETNAMESE | Nếu quý vị cần thông tin này bằng tiếng khác, vui lòng liên hệ Chuyên viên Luật VI của MassDOT theo số điện thoại 857-368-8580.

FRENCH | Si vous avez besoin d'obtenir une copie de la présente dans une autre langue, veuillez contacter le spécialiste du Titre VI de MassDOT en composant le 857-368-8580.

ITALIAN | Se ha bisogno di ricevere queste informazioni in un'altra lingua si prega di contattare lo Specialista MassDOT del Titolo VI al número 857-368-8580.

KHMER | ប្រសិនបើព័ត៌មាននេះត្រូវការជាភាសាផ្សេង សូមទាក់ទងអ្នកឯកទេស MassDOT Title IV តាមលេខ 857-368-8580.

ARABIC | في MassDOT على الرقم 857-368-8580 في الرابع العنوان بأخصائي الاتصال يرجى، أخرى بلغة المعلومات هذه إلى حاجة هناك كانت إذا



APPENDIX C: DEFINITIONS & GLOSSARY

Definitions

Term	Definition
495/MetroWest	36 cities and towns along the 495-corridor served by the 495/MetroWest Partnership
Chapter 90	Chapter 90 is a program authorized through Massachusetts General Laws (M.G.L) Chapter 90, Section 34
Infrastructure	Refers to the physical assets to provide the associated service
Interstate Pavement	Pavement on roads that are part of the National Highway System (NHS) that includes interstate highways
Non-interstate Pavement	Pavement on roads that are part of the National Highway System (NHS) that do not include interstate highways
The RIDE	Paratransit service available to passengers in 58 cities and towns in the Greater Boston Region
Transportation	Refers to the all the aspects necessary to move people and goods around the Commonwealth
Gateway Cities	26 midsize urban centers that anchor regional economies around the state

Glossary

Term	Definition
ADA	Americans with Disabilities Act
BAT	Brockton Area Transit
BIL	Bipartisan Infrastructure Law, also known as the IJA
BOA	Base Obligation Authority
BRT	Bus Rapid Transit
BRTA	Berkshire Regional Transportation Authority
CATA	Cape Ann Transportation Authority
CCRTA	Cape Cod Regional Transit Authority
CECP	Clean Energy and Climate Plan
CHG	Greenhouse Gas
CIP	Capital Investment Plan
CTF	Commonwealth Transportation Fund
CTGP	Community Transit Grant Program
DCAMM	Division of Capital Asset Management and Maintenance
DCR	Department of Conservation & Recreation
DER	Division of Ecological Restoration
DIF	District Improvement Financing
EOHHS	The Executive Office of Health and Human Services
EOHLC	The Executive Office of Housing and Livable Communities
EV	Electric Vehicle
Fair Share	The Fair Share Amendment
FEMA	Federal Emergency Management Agency
FFIO	Federal Funds and Infrastructure Office
FFY	Federal Fiscal Year
FHWA	Federal Highway Administration



Term	Definition
FRA	Federal Railroad Administration
FRTA	Franklin Regional Transit Authority
FTA	Federal Transit Administration
FY	Fiscal Year
GAN	Grant Anticipation Notes
GATRA	Greater Attleboro-Taunton Regional Transit Authority
GO	General Obligation
HOT Lanes	High Occupancy Toll Lanes
HST	Human Services Transportation Office
ICE	Internal Combustion Engine
IIJA	Infrastructure Investment and Jobs Act, also known as the BIL
LRTA	Lowell Regional Transit Authority
MART	Montachusett Regional Transit Authority
MassDOT	Massachusetts Department of Transportation
MBTA	Massachusetts Bay Transportation Authority
MCAD	Massachusetts Commission Against Discrimination
MeVa	Merrimack Valley Regional Transportation Authority
MHS	Metropolitan Highway System
MPO	Metropolitan Planning Organization
MTTF	Massachusetts Transportation Trust Fund
MWRTA	MetroWest Regional Transit Authority
NHS	National Highway System
NRTA	Nantucket Regional Transit Authority
ODCR	Office of Diversity and Civil Rights (ODCR)
PVTA	Pioneer Valley Transit Authority
RMV	Registry of Motor Vehicles
RRIF	Railroad Rehabilitation & Improvement Financing
RTA	Regional Transit Authority
RTIG	Regional Transit Innovation Grant Program
SDP	Service Development Plan
SGR	State of Good Repair
SHSP	Strategic Highway Safety Plan
SRTA	Southeastern Regional Transit Authority
STIP	State Transportation Improvement Plan
TfL	Transport for London
TFTF	Transportation Funding Task Force
TIF	Tax-Increment Financing (TIF)
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TNC	Transportation Network Company
TOD	Transit Oriented Development
ULEX	Ultra Low Emission Zone
USDOT	United States Department of Transportation
VMT	Vehicle Miles Traveled
VTA	Martha's Vineyard Transit Authority
WMATA	Washington Metropolitan Transportation Authority
WRTA	Worcester Regional Transit Authority



APPENDIX D: STAFF AND CONTRIBUTORS

Table 15: Summary of staff and industry contributors

Member	Title	Entity
Staff		
Katherine Antos	Undersecretary	Executive Office of Energy and Environmental Affairs
Rachel Bain	Chief Data Officer and Assistant Secretary of Performance Management and Innovation	Massachusetts Department of Transportation
Matthew Bamonte	Chief Administrative Officer	Massachusetts Department of Transportation
Nick Black	Director of Strategic Initiatives	Office of Climate Innovation and Resilience
Danielle Cerny	Chief of Staff	Administration and Finance
Kaitlyn Connors	Assistant Secretary for Capital	Administration and Finance
Josh Cutler	Undersecretary	Executive Office of Labor and Workforce Development
Richard Davey	Chief Executive Officer	Massachusetts Port Authority
Timothy Depin	Senior Strategy Member	Executive Office of Health and Human Affairs
Samantha Dolabany	Director of Environmental Services	Massachusetts Department of Transportation
Mark Fine	Assistant Secretary for Administration	Administration and Finance
Hannah Frisch	Budget Analyst	Administration and Finance
Anne Gobi	Director of Rural Affairs	Executive Office of Economic Development
Meghan Haggerty	Chief Operating Officer	Massachusetts Department of Transportation
Lynsey Heffernan	Chief of Policy & Strategic Planning	Massachusetts Bay Transportation Authority
Stephanie Knapp	Deputy Chief of External Affairs	Administration and Finance
Derek Krevat	Manager of Municipal Grants Engagement	Massachusetts Department of Transportation
Jennifer Maddox	Deputy Secretary	Executive Office of Housing and Livable Communities
Amelia Marceau	Assistant Budget Director	Administration and Finance
Christina Marin	Director of Investor Relations and Debt Management	Treasury
Chris Marino	Assistant Secretary for Budget	Administration and Finance



Member	Title	Entity
Matthew McLellan	Rappaport Fellow	Administration and Finance
Nikko Mendoza	Chief of Staff	Executive Office of Housing and Livable Communities
David Mohler	Executive Director of the Office of Transportation Planning	Massachusetts Department of Transportation
Jack Moran	Deputy Chief of Performance and Asset Management	Massachusetts Department of Transportation
Hayes Morrison	Undersecretary	Massachusetts Department of Transportation
Matt Murphy	Chief of External Affairs	Administration and Finance
Max Nugiel	Deputy Director of Budget	Massachusetts Bay Transportation Authority
Mary Ann O'Hara	Chief Financial Officer	Massachusetts Bay Transportation Authority
David Pottier	Assistant Secretary & Chief Financial Officer	Massachusetts Department of Transportation
Timothy Reardon	Chief of Research and Data	Executive Office of Housing and Livable Communities
Thomas Schiavone	Deputy Transit Administrator	Massachusetts Department of Transportation
Michelle Scott	Manager of Capital Planning	Massachusetts Department of Transportation
Faisa Sharif	Director of Operations and Policy	Massachusetts Department of Transportation
Ashley Stolba	Undersecretary	Executive Office of Economic Development
Eleanor Sullivan	Budget Analyst	Administration and Finance
Jennifer Sullivan	Undersecretary	Administration and Finance
Contributors		
Jen Healy	Rural Transit Program Manager	Quaboag Valley Community Development Corporation
Evan Horowitz	Director, The Center for State Policy Analysis	Tufts University, Jonathan M. Tisch College of Civic Life
Adrienne Núñez	Legislative Analyst	Massachusetts Municipal Association
Tom Ryan	Senior Advisor on Policy, Government and Community Affairs	A Better City
Jim Tymon	Executive Director	American Association of State Highway and Transportation Officials
Lizzi Weyant	Deputy Executive Director	Metropolitan Area Planning Council



APPENDIX E: CALENDAR OF MEETINGS

Table 16: Summary of Task Force Meetings and Focus Groups

Date	Topic
Primary Meetings	
February 29, 2024	Introduction
March 14, 2024	Fiscal Cliff Case Study
April 3, 2024	Overview of Funding Sources
May 8, 2024	Priorities and Actions
June 5, 2024	Future of Transportation
July 10, 2024	Federal Funding
September 4, 2024	Safe, Reliable and Connected
October 2, 2024	Efficient, Effective and Accessible
November 6, 2024	Climate and Sustainability
January 7, 2025	Recommendations Discussion
Focus Groups	
June 24, 2024	Operations and Capital Modeling
July 23, 2024	Connection and Opportunity
August 28, 2024	Benchmarking and Revenue Options
September 16, 2024	Sustainable Funding
October 28, 2024	Opportunities and Impacts
November 12, 2024	Synthesize and Share
December 4, 2024	Draft Report Part 1 Review and Discussion



APPENDIX F: INDEX OF REFERENCE MATERIAL

The following materials were referenced by the Task Force during the year:

- 2000 – 2025 Chapter 90 Apportionments
- Always Broke – Governing and funding public transportation in and around Boston 1918 – 2024, The MBTA Advisory Board, November 15, 2024
- Beyond Mobility – Final Plan; July 2024
- Boston Region Metropolitan Planning Organization – MBTA Sources of Community Value; June 2024
- Boston Region Metropolitan Planning Organization – MBTA Sources of Community Value - Central Transportation Planning Staff; June 20, 2024
- Executive Order 530 Community, Social Service, and Paratransit Transportation Commission; July 19, 2012
- Letter from The Transit is Essential Coalition
- MassDOT - Draft FY 2025 – 2029 Capital Investment Plan; June 2024
- MassDOT Capital Investment Plan (FY2025–FY2029) Draft Plan and Board Presentation; June 18, 2024
- MassDOT Capital Investment Plan (FY2025-FY2029) – Final version (approved by MassDOT Board of Directors on July 17, 2024)
- MassDOT Collaboration with Regional Transit Authorities
- MassDOT Highway Division Grant Programs
- MassDOT Organizational Structure Summary
- MassDOT Rail & Transit Division – Annual Report on the Regional Transit Authority Performance Management Program; February 9, 2024
- MassDOT Rail & Transit Division – Annual Report on the Regional Transit Authority Performance Management Program
- MBTA Board Presentation – Final FY25-29 CIP; June 11, 2024
- MBTA Board Presentation – FY25 Final Budget; June 6, 2024
- MBTA FY25-29 CIP - Summary of Stations (Passenger Facilities) in the FY25-29 CIP
- Metropolitan Area Planning Council Policy Brief – Commercial Parking Tax Revenue Potential in Boston/Massachusetts; August 2024
- Metropolitan Area Planning Council Policy Brief – Considerations for Ride-hailing Assessments; August 2024
- Metropolitan Area Planning Council Policy Brief – Considerations for Retail Delivery Assessments; August 2024
- Metropolitan Transportation Authority (NYC) – 2022-2026 ridership and revenue impact assessment; July 2022
- North Carolina Future Investment Resources for Sustainable Transportation (NC FIRST) Commission; January 2021
- Pioneer Institute Public Policy Research – Open Letter to the Governor’s Transportation Task Force
- Quaboag Connector – Regional Transit in Massachusetts; May 2024
- Toll Credits (Also Known as Transportation Development Credits) Brief for Federal Transportation Programs



APPENDIX G: SUMMARY OF AWARDED FEDERAL GRANTS

Table 17: Summary of Awarded Federal Grants

Organization	Grant	Award
MassDOT	Bridge Investment Program	\$995.5m
MBTA	National Infrastructure Project Assistance (Mega)	\$472.0m
MassDOT	Multimodal Project Discretionary Grant	\$372.2m
MassDOT	Reconnecting Communities and Neighborhoods	\$345.0m
MBTA/MassDOT	Low- or No-Emissions Bus and Bus Facilities	\$278.7m
MBTA/MassDOT	Consolidated Rail Infrastructure and Safety Improvements	\$175.4m
MBTA	All Stations Accessibility Program	\$134.2m
MassDOT	Airport Terminal Program	\$121.5m
MassDOT	Clean School Bus Program	\$105.5m
MBTA/MassDOT	Rebuilding American Infrastructure with Sustainability and Equity	\$112.6m
MassDOT	Safe Streets and Roads for All	\$79.4m
MassDOT	Port Infrastructure Development	\$58.2m
MassDOT	Congestion Relief Program	\$21.6m
MassDOT	Charging and Fueling Infrastructure Grants: Community Charging	\$18.7m
MBTA/MassDOT	Ferry Programs	\$15.1m
MBTA	Passenger Ferry Grant Program	\$10.9m
MassDOT	Strengthening Mobility and Revolutionizing Transportation Grant Program	\$8.4m
MBTA	Transit Security Grant Program	\$5.4m
MassDOT	PROTECT Grant	\$3.7m
MassDOT	High Priority Program	\$3.5m
MBTA	Advanced Transportation Technologies and Innovative Mobility Deployment	\$3.0m
MassDOT	National Culvert Removal	\$2.0m
MassDOT	Commercial Driver's License Program Implementation	\$1.6m
MBTA	Innovative Finance and Asset Concession Grant Program	\$1.2m
MassDOT	Innovative Coordinated Access and Mobility	\$0.7m
MBTA	Pilot Program for Transit Oriented Development	\$0.6m
MassDOT	Corridor ID Program	\$0.5m
MassDOT	Electric Vehicle Charger Reliability and Accessibility Accelerator	\$0.2m
MBTA	Areas of Persistent Poverty	\$0.1m
MBTA	Operation Lifesaver	<\$0.1m
Total	FY22-FY24 Discretionary Grant Awards	\$3,336.3m



APPENDIX H: DETAILED FY24 REVENUE SOURCES

Commonwealth Trust Fund – FY24 Detailed Revenue Sources

	Program	FY24 Revenue
CTF	Diesel Fuel Excise Tax	\$90.7m
	Gasoline Excise Tax	\$13.7m
	Gasoline License Fee	<\$0.1m
	International Fuel Tax Agreement License Fee	\$0.4m
	Jet Fuel Excise Tax	\$0.9m
	Motor Carrier (88.24)	\$7.0m
	Gas Tax Revenue	\$712.7m
	Driver Vehicle Data/Records Fees	\$21.4m
	Motor Vehicle Inspection Fees	\$0.2m
	Motor Vehicle License Fees ¹	\$113.1m
	Motor Vehicle Registration Fees	\$359.3m
	Motor Vehicle Title Fees	\$93.9m
	Parking Ticket Surcharge on Rental Cars	\$12.6m
	Reducible Load Permits	\$10.8m
	Registry Fees ²	\$26.8m
	RMV Revenue	\$638.1m
	Motor Vehicle Sales Tax	\$791.0m
	Motor Vehicle Sales Tax Revenue	\$791.0m
	Operating Transfers	\$30.7m
	Operating Transfers – Gaming Revenue	\$38.4m
	Transfers	\$69.1m
	Citable Motor Vehicle Inspections Collections	\$3.4m
	Highway Fines	<\$0.1m
	Merit Rating Board Assessments	\$11.7m
	Miscellaneous	<\$0.1m
	Special Motor Vehicle License Fee	<\$0.1m
	Underground Storage Tank Cleanup Fee	\$53.7m
	Miscellaneous	\$68.8m
Total	\$2,279.7m	

¹ Includes all driver license fees listed in the [RMV schedule of fees](#).

² Includes Non-License/Registration Reinstatement; return payments fee (\$15); court records; accident report, driver manuals, interlock fee; bulk data; National Safety course fees; RMV release fees. Refunds for canceled registrations and other refunds to customers are deducted from this revenue source.



MTTF – FY 2024 Detailed Revenue Sources

	Program	FY24 Revenue
MTTF	Toll Collections – MHS	\$214.7m
	Toll Collections – WT	\$166.1m
	Toll Collections – Tobin	\$47.8m
	Toll Revenue	\$428.6m
	Rental/Lease Income – MHS	\$12.3m
	Rental/Lease Income – WT	\$32.0m
	Departmental – MHS	\$7.0m
	Departmental – WT	\$2.9m
	Departmental – MHS Tobin	\$0.1m
	Other Toll System Income	\$54.4m
	MTTF – Federal Grants	\$19.2m
	Federal Grants	\$19.2m
	Investment Income – MVITF	\$0.5m
	Investment Income – Non-Toll	\$8.1m
	Investment Income – Pledged Toll	\$39.0m
	Investment Income – Unpledged Toll	\$34.7m
	Investment Income	\$82.3m
	Motor Vehicle Inspection Trust Fund	\$59.7m
	Motor Vehicle Inspection Trust Fund	\$59.7m
	Operating – Departmental Income	\$17.7m
	Operating – Rental/Lease Income	\$16.0m
	Operating – Insurance Funds for Lost Vehicles	\$0.1m
	Operating Revenue	\$33.8m
	Operating Transfers	\$25.1m
	Transfers	\$25.1m
	CTF Transfer	\$748.3m
	Total	\$1,451.4m



MBTA – FY 2024 Detailed Revenue Sources

	Program	FY24 Revenue
MBTA	Fares – Bus	\$75.6m
	Fares – Bus Rapid Transit	\$6.7m
	Fares – Subway (Light Rail)	\$52.1m
	Fares – Subway (Heavy Rail)	\$137.0m
	Fares – Commuter Rail	\$133.0m
	Fares – Ferry	\$8.8m
	Fares – Demand Response	\$3.4m
	Fares, all modes	\$416.6m
	Advertising	\$19.0m
	Parking	\$26.7m
	Real Estate	\$25.0m
	Other Operating	\$7.7m
	Own-Source Revenue	\$78.4m
	Dedicated Sales Tax	\$1,403.8m
	Dedicated Sales Tax	\$1,403.8m
	Dedicated Local Assessments	\$188.4m
	Dedicated Local Assessments	\$188.4m
	Safety Directives – Additional Assistance	\$68.1m
	Federal Funds	\$5.1m
	Other Income	\$38.7m
	Nonoperating Revenue	\$111.9m
	CTF Transfer	\$187.0m
	Total	\$2,386.1m



APPENDIX I: CASE STUDIES

Bus Lanes Enforcement

Location	Financial Benefit
Washington, DC	\$10 million+
<p>Description</p> <ul style="list-style-type: none"> The Clear Lanes program is a joint initiative between DDOT and Washington Metropolitan Area Transit Authority (WMATA) to enforce bus lanes and bus zones during operating hours. Metrobuses on select routes are mounted with automated cameras that automatically take videos of violating vehicles and send information directly to DDOT for enforcement. Violators are then assessed a fine of \$100 per violation. 	
<p>Benefits</p> <ul style="list-style-type: none"> This program brings in revenue while simultaneously improving bus travel reliability, safety, and accessibility. 	
<p>Challenges</p> <ul style="list-style-type: none"> Given that the goal of the program is to discourage a certain behavior rather than generating large sums of money, the strategy shouldn't be contemplated as a large revenue generator. The program has significant startup costs – WMATA is funding \$4.6 million for the equipment, installation, and integration, and DDOT is funding \$3.1 million. 	

Source: [Clear Lanes Program](#)

Congestion / Cordon Charge

Location	Use of funds	Financial Benefit
London, England	Bus fleet expansion, road widening, bicycle and pedestrian infrastructure	£222.5 million (\$287 million) net income generated in FY23
<p>Description</p> <ul style="list-style-type: none"> Officially launched in 2003, drivers are currently charged a flat £15 (~\$19.00) a day for driving in the congestion zone covering approximately eight miles on weekdays and parts of the weekend, no matter how often they go in and out of the zone. Transportation for London (TfL) is responsible for the program, which makes use of automatic number-plate recognition cameras. 		
<p>Benefits</p> <ul style="list-style-type: none"> When London instituted road pricing in 2003, it reduced congestion by 30%. Since then, congestion has increased, partly due to the rise of ride-hailing vehicles and delivery trucks. In response, in 2018, the exemption on ride-hailing vehicles was removed. During the first year of London's congestion pricing program, the city saw nitrogen oxide emissions drop by 13.5% and particulate matter in the air diminish by 15.5%. 		



- It is estimated that 10% of vehicle trips converted to walking, cycling and public transport.

Challenges

- Significant overhead costs, as the program requires expensive technology and enforcement. For example, for the 2023 year, TfL reported ~\$170 million in total toll facilities and traffic management costs (compared to \$457 million in gross revenue).

Source: [Transport for London Financial Statements \(2022-2023\)](#)

Infrastructure Concessions

Location	Restrictions on Use of funds	Financial Benefit
Georgia	Funds to be used within the highway corridor	\$4.05 billion

Description

- In Fall 2024, the State Transportation Board of Georgia selected a private partner to design, build, finance, operate, and maintain its State Route (SR) 400 Express Lanes Project.
- The project will add new Express Lanes in both directions along an approximately 16-mile section of SR 400. Like existing Express Lanes in Georgia, the new express lanes will have variable-priced tolls that offer a choice for drivers to bypass congestion and enjoy a reliable trip and improved mobility options.
- In exchange for the right to collect tolls, the private partner has committed to fully financing the construction of the project and making a concession payment to the State and will deliver the project through a combination of financing methods.

Benefits

- The private partner has committed to making a concession payment of \$4.05 billion and a separate payment of \$26 million to MARTA to support build out of Bus Rapid Transit (BRT) on the highway facility.

Challenges

- Significant effort was required to administer the procurement for a private partner.
- GDOT will not control the operations of the express lanes and will not have direct control over how much drivers pay in tolls.

Source: [SR 400 Project](#)



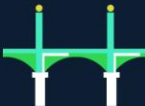
Local Assessments

Location	Restrictions on Use	Financial Benefit
Washington, DC Metropolitan Area	Used to fund Washington Metropolitan Area Transportation Authority (WMATA)	\$1.753 billion in net operating subsidy for FY2025 (\$1.835 billion including contributions to debt service)
<p>Description</p> <ul style="list-style-type: none"> In the Washington, DC metropolitan area, the local metro system (WMATA) is partially funded by contributions from local jurisdictions, including the District of Columbia, Maryland, and Virginia. 		
<p>Benefits</p> <ul style="list-style-type: none"> WMATA offered a flexible funding option for FY25 when a local jurisdiction agreed to contribute above the legislatively restricted three percent annual growth cap. 		
<p>Challenges</p> <ul style="list-style-type: none"> Requires annual consensus from local jurisdictions for any increases that are larger than the legislatively restricted three percent annual growth cap. 		

Source: [WMATA Budget](#)

Payroll Tax

Location	Restrictions on Use	Financial Benefit
Oregon	State transit agencies, TriMet Transit District, or Lane Transit District	Statewide Tax: \$135.5 million in 2024 TriMet Tax: \$485.2 million in 2023 Lane Tax: \$52 million in 2023
<p>Description</p> <ul style="list-style-type: none"> Oregon has a Statewide Transit Tax (passed by the House in 2017), a TriMet Transit Payroll Tax (since 1969), and a Lane Transit Payroll Tax. The Statewide Transit Tax is a 0.1% employee payroll tax charged to all Oregon residents and to non-residents that earn wages in Oregon. The TriMet Transit Payroll Tax is a 0.8137% (rising to 0.8237% in 2025) employer payroll tax charged to all businesses operating within the TriMet service area (metro Portland). The Lane Transit Payroll Tax is a 0.79% (rising to 0.8% in 2025 and thereafter) employer payroll tax charged to all businesses operating within the Lane County service area (metro Eugene). 		
<p>Benefits</p> <ul style="list-style-type: none"> Decreased dependence on fares — instead, TriMet regularly increases revenue by raising the payroll tax rate. A 2024 fare increase of \$0.30 was the first in over a decade. 		



- Stable income source — the Statewide Transit Tax is relatively stable, allowing TriMet to predict the estimated contribution in out-years.

Challenges

- TriMet has been criticized for having high expenses that do not lead to improved service delivery. For example, a tax rate increases between 2005-2014 resulted in an 80% increase in operating revenue, but a 14% decrease in service delivery.
- The Statewide Transit Tax was bundled with other measures as part of a larger transit bill that required over 50 public hearings.

Sources: [Oregon Tax Collections](#), [TriMet Tax Collections](#), [Lane Transit Tax Collections](#)

Property Transaction Tax

Location	Restrictions on Use	Financial Benefit
New York City	Taxes are dedicated to the Metropolitan Transportation Authority, the NYC Transit Authority, and certain paratransit and franchised bus operators	\$286 million in 2023

Description

- An additional tax of 1% is imposed on commercial property transactions in New York City of \$500,000 or higher. Proceeds are used to fund the NYC Transit Authority and certain paratransit and franchised bus operators
- An Additional Base Tax of 0.25% is imposed on residential property transactions in New York City of \$3 million or higher and a Supplemental Tax of 0.25% to 2.9% is imposed on residential property transactions in New York City of \$2 million or higher (rate increases on a sliding scale based on the value of the property transaction). Proceeds are dedicated to the Metropolitan Transportation Authority for various purposes.

Benefits

- Generates additional dedicated revenue for transportation.
- Provides flexibility to the local jurisdiction to impose additional taxes based on its specific needs.

Challenges

- A high transfer tax could discourage some buyers and sellers from entering the market, potentially leading to a slowdown in real estate activity.
- Tax is implemented on the local level, making it difficult to use tax revenues to fund statewide transportation.

Source: [City of New York Real Property Transfer Tax](#)



Ultra Low Emission Zone

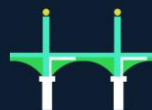
Location	Restrictions on Use	Financial Benefit
London, UK	Non-ULEZ standard vehicles must pay the charge.	£208.6 million (~\$264 million) in FY23
<p>Description</p> <ul style="list-style-type: none"> To help clear London’s air, the Ultra Low Emission Zone (ULEZ) operates 24 hours a day, seven days a week, every day of the year, except Christmas Day. If a vehicle does not meet the ULEZ emissions standards and is not exempt, the driver needs to pay a £12.50 (~\$16) daily charge to drive within the zone. This applies to cars, motorcycles, vans and specialist vehicles (up to and including 3.5 metric tons) and minibuses (up to and including 5 metric tons). Owners of non-UK registered vehicles also need to meet the ULEZ emissions standards or pay the daily charge to drive within the zone. 		
<p>Benefits</p> <ul style="list-style-type: none"> Encourages the use of low-emissions vehicles, which have climate benefits. 		
<p>Challenges</p> <ul style="list-style-type: none"> Requires oversight and enforcement to implement. Significant investment of more than £115m to implement the system. 		

Source: [Transport for London Financial Statements \(2022-2023\)](#)

Vehicle Miles Traveled

Location	Restrictions on Use	Financial Benefit
Oregon	Used to maintain and improve roads and bridges	<\$1 million in 2024
<p>Description</p> <ul style="list-style-type: none"> Drivers have the option to enroll in the OReGO Vehicle Miles Traveled (VMT) program where they pay two cents for every mile they drive. In return for participating in this program, drivers receive a discount on their annual DMV fees. To enroll a vehicle in OReGO, it must be registered in Oregon as a light-duty passenger vehicle. Vehicles may be electric, hybrid, diesel and gas-powered vehicles rated at 20 miles per gallon or better. 		
<p>Benefits</p> <ul style="list-style-type: none"> The program charges drivers based on their actual usage of roadways, thus functioning effectively as a road-user fee. 		
<p>Challenges</p> <ul style="list-style-type: none"> The Program is voluntary, so it is difficult to gauge widespread behavioral change at this point. 		

Source: [OReGO Program](#)



Carbon Tax

Location	Restrictions on Use	Financial Benefit
California	Providers of fuels	Billions of dollars annually
<p>Description</p> <ul style="list-style-type: none"> ▪ The carbon tax functions as a cap-and-trade program that creates an economic incentive for suppliers to invest in cleaner, more efficient energy. ▪ “Allowances” of carbon dioxide equivalent emissions are provided to suppliers that may be traded among suppliers, with a cap established on the total number of allowances in any given year. ▪ Suppliers may “purchase” spare allowances from other suppliers, with the proceeds allocated to California statewide GHG emissions reduction programs. ▪ Each year, fewer allowances are created and the annual cap on allowances declines. ▪ An increasing annual auction reserve price for allowances operates with the goal of ultimately prompting suppliers to pivot to alternative fuels. 		
<p>Benefits</p> <ul style="list-style-type: none"> ▪ The cap-and-trade system effectively creates a market for carbon that disincentivizes greenhouse gas emissions and simultaneously generates revenue. ▪ Annual reductions in the cap facilitates the gradual movement of suppliers away from carbon and toward alternative fuels. ▪ The ability to “buy” carbon does not eliminate the ability for carbon-heavy suppliers to operate; it simply provides a financial penalty. 		
<p>Challenges</p> <ul style="list-style-type: none"> ▪ Complex system that requires oversight and visibility into suppliers’ annual carbon emissions. ▪ Does not directly generate revenue for transportation. 		

Source: [California Air Resources Board](#)

APPENDIX J: REVENUE ANALYSIS

Annual Incremental Revenue	Required Federal / State / Local Action	Equity / Climate Impact
\$ = less than \$100 million	F = expected to require federal action	○ = Negative Impact
\$\$ = \$100m to \$300 million	S = expected to require state action	◐ = Neutral Impact
\$\$\$ = more than \$300 million	L = expected to require local action	● = Positive Impact
Competitiveness Impact	Behavioral Impact	Mitigating Impacts
○ = Negative Impact	○ = Disincentivizes behavior change aligned with policy goal	○ = Negative impacts will be challenging to mitigate
◐ = Neutral Impact	◐ = Neutral impact on behavior	◐ = Neutral impacts
● = Positive Impact	● = Incentivizes behavior change aligned with policy goal	● = Negative impacts can be more easily mitigated

Revenue Source	Description	Used in MA?	Example of potential action	Annual incremental revenue	Required Federal / State / Local Action	Equity Impact	Climate Impact	Competitiveness Impact	Behavioral Impact	Operational Savings	Mitigating Impacts
Advertising Revenue	Generated from advertisements on rolling stock, at stations, on other state-owned property or assets	Yes	Pursue more advertising revenue	\$	S	◐	◐	◐	◐	○	◐
Airport Landing Fees	Fees charged for landing at an airport	Yes	Increase landing fees for aircrafts at Massachusetts airports	\$	S	◐	◐	◐	◐	◐	◐
Air Rights	Income from sale of vertical rights above transportation land use	Yes	Expand air right sales to more locations	\$	S	◐	◐	◐	◐	○	◐
Ballot Initiatives	Specific revenues raised from ballot initiatives in specific jurisdictions for specific projects	Yes	Raise tax in certain jurisdiction to fund a key project	\$-\$\$\$	S, L	◐	◐	◐	◐	◐	◐
			Increase tax rate by 0.5%	\$\$	S	◐	◐	○	◐	◐	◐
Corporate Income Tax	Tax on corporate net income	Yes	Increase tax rate for companies with earnings above threshold	\$\$\$\$	S	◐	◐	○	◐	◐	●
			Propose statewide development linkage fee	\$	S	◐	◐	○	◐	◐	◐
Development Linkage Fee	Fee on new construction for connection to utility grids (currently administered locally)	Yes	Propose statewide development linkage fee	\$	S	◐	◐	○	◐	◐	◐
Enforcement	Fines paid by transit or road violators	Yes	Increase transit fines by 50%	\$	S, L	◐	◐	◐	●	◐	◐
			Increase highway fines by 50%	\$	S, L	◐	◐	◐	●	◐	◐
			Introduce remote camera enforcement for traffic violations	\$	S	◐	◐	◐	●	●	◐



Revenue Source	Description	Used in MA?	Example of potential action	Annual incremental revenue	Required Federal / State / Local Action	Equity Impact	Climate Impact	Competitiveness Impact	Behavioral Impact	Operational Savings	Mitigating Impacts
E-ZPass Transponders	Fees charged to obtain and maintain an E-ZPass transponder	Yes	Introduce a \$15 fee to purchase a transponder	\$	S	○	●	●	●	●	●
			Increase initial balance amount to \$25	\$	S	○	●	●	●	●	●
Fair Share Income Surtax	Tax on income earned above \$1 million	Yes	Dedicate greater portion of proceeds to transportation	\$	S	●	●	○	●	●	●
Fares	Payment for riding transit	Yes	Increase fares by 10%	\$	S, L	○	○	○	○	●	●
Gaming Tax	Tax on winnings from gambling, gaming, online wagering	Yes	Increase tax rate by 5%	\$	S	●	●	●	●	●	●
			Allocate a larger portion of revenues to the CTF	\$	S	●	●	●	●	●	●
Gas Tax	Tax paid by drivers on purchases of diesel fuel or gasoline	Yes	Increase the state diesel fuel excise tax rate by 10 cents per gallon	\$	S	○	●	○	●	●	○
			Increase the state gasoline excise tax rate by 10 cents per gallon	\$	S	○	●	○	●	●	○
			Index the state diesel fuel excise tax / gasoline excise tax to inflation annually	\$	S	○	●	○	●	●	○
General Sales Tax	Tax on purchase of most goods and services	Yes	Increase tax rate from 6.25% to 6.75%	\$\$\$	S	○	●	○	●	●	○
			Remove Sales Tax holiday	\$	S	●	●	○	●	●	○
Hotel Occupancy Tax	Tax on lodging stays	Yes	Increase tax rate by 0.5%	\$	S	○	●	○	○	●	○
Income Tax	Tax on personal net income	Yes	Increase tax rate by 0.1%	\$\$\$	S	●	●	○	○	●	●
Licensing Fees	Fees charged for licenses to sell particular items (e.g., casino, alcohol)	Yes	Increase current licensing fee amounts	\$	S	●	●	●	●	●	●
Local Assessments	Payments by communities in MBTA or RTA service area	Yes	Raise cap on permitted annual increase by 0.5%	\$	S, L	●	●	●	●	●	●
Lottery Funds	Allocate lottery funds to transportation	Yes	Dedicate portion of lottery fund receipts to transportation	\$-\$\$\$	S	●	●	●	●	●	●
Meals Tax	Tax on prepared meals	Yes	Increase tax rate by 0.5%	\$\$	S	○	●	○	○	●	○
Marijuana Excise Tax	Tax on the sale of marijuana	Yes	Increase tax rate by 5% and dedicate to transportation	\$	S	●	●	●	●	●	●



Revenue Source	Description	Used in MA?	Example of potential action	Annual incremental revenue	Required Federal / State / Local Action	Equity Impact	Climate Impact	Competitiveness Impact	Behavioral Impact	Operational Savings	Mitigating Impacts
Miscellaneous CTF Revenues	Miscellaneous revenue sources dedicated to specific transportation items	Yes	Increase Merit Rating Board Assessment rate by 50%	\$	S	○	○	○	○	○	○
			Increase Special License Fee by 50%	\$	S	○	○	○	○	○	○
			Increase Underground Storage Tank (UST) Fee by 50%	\$	S	○	○	○	○	○	○
Parking Revenue	Generated from parking at stations or state-owned property	Yes	Increase parking rates by 10%	\$	S, L	○	○	○	●	○	●
Parking Tax	Tax on commercial private parking	Yes	Introduce a 6.25% tax	\$	S, L	○	●	○	●	○	○
Payroll Tax	Tax paid by employers / employees on employee salaries	Yes	Increase tax by 0.05% and dedicate to transportation	\$\$	S	○	○	○	○	○	●
Property Tax	Tax on property (currently administered locally)	Yes	Increase tax by 0.05%	\$\$\$	L	○	○	○	○	○	○
Property Transaction Tax	Tax on transfer or sale of property	Yes	Increase tax by 1% for transactions over \$2m and dedicate to transportation	\$	S	○	○	○	○	○	○
Real Estate Revenue	Generated from property at stations or state-owned land	Yes	Pursue additional real estate revenue	\$	S	○	○	○	○	○	○
RGGI Funds	Funds received for carbon reduction	Yes	Increase RGGI funds allocation to transportation	\$	S	○	○	○	○	○	○
Registry Fees	Variety of fees charged by Registry of Motor Vehicles; required for legal vehicle operation and other services	Yes	Double Driver Vehicle Data/Records Fee	\$	S	○	○	○	○	○	○
			Double Vehicle Inspection Fee	\$	S	○	○	○	○	○	○
			Double Vehicle Driver's License Fee	\$	S	○	○	○	○	○	○
			Double Vehicle Registration Fee	\$\$	S	○	○	○	○	○	○
			Double Vehicle Title Fee	\$	S	○	○	○	○	○	○
			Double Parking Ticket Surcharge on Rental Cars	\$	S	○	○	○	○	○	○
			Double Cost of Reducible Load Permit	\$	S	○	○	○	○	○	○
			Double Registry Fee	\$	S	○	○	○	○	○	○



Transportation Funding Task Force

Revenue Source	Description	Used in MA?	Example of potential action	Annual incremental revenue	Required Federal / State / Local Action	Equity Impact	Climate Impact	Competitiveness Impact	Behavioral Impact	Operational Savings	Mitigating Impacts
Toll System (auxiliary)	Non-toll revenue generated from tolled facilities	Yes	Pursue additional departmental revenue	\$	S	○	○	○	○	○	○
			Increase rental/lease rates	\$	S	○	○	○	○	○	○
Tolling	Collected for passage on certain highways, bridges, tunnels or other roadways	Yes	Raise toll rates on existing tolling facilities ³ by 50%	\$\$	F, S	○	●	○	●	○	○
			Change current tolling structure to dynamic tolling	\$\$	F, S	○	●	○	●	○	○
			Implement tolling on non-tolled facilities	\$\$-\$	F, S	○	●	○	●	○	○
			Introduce tolling on future bridge reconstructions	\$\$-\$	F, S	○	●	○	●	○	○
TNC Fee	Fees or surcharges for rideshare vehicle use	Yes	Increase the current fee on rideshare trips to \$1.00	\$	S	○	●	○	●	○	○
			Change the current fixed fee to a 6.25% fee	\$	S	○	●	○	●	○	○
Vehicle Excise Fee	Fee on car ownership based on vehicle age and MSRP (currently administered locally)	Yes	Increase rate by \$5 / \$1000 value	\$\$	S, L	○	○	○	○	○	●
Vehicle Lease Tax	Tax paid on lease payments	Yes	Increase tax rate by 0.5%	\$	S	○	○	○	○	○	○
Vehicle Rental Tax	Tax on rental vehicles (currently active in certain jurisdictions only)	Yes	Expand tax statewide	\$	S	○	●	○	●	○	○
Vehicle Sales Tax	Tax on the purchase of a vehicle	Yes	Increase tax rate by 0.5%	\$	S	○	○	○	●	○	○
			Remove rental vehicle sales tax exemption	\$\$	S	○	○	○	○	○	○
			Remove trade-in exemption	\$\$	S	●	○	○	○	○	○
Wireless Tax	Tax on wireless service, such as telephone service, voicemail service, fax services, teleconference service	Yes	Increase tax rate by 0.5%	\$	S	○	○	○	○	○	●
Carbon Tax	Tax imposed on carbon-based fuels	No	Introduce tax on carbon fuel consumption	\$\$-\$	S	○	●	○	●	○	○
Congestion / Cordon Charge	Fee to enter defined area; fee may be variable based on demand	No	Introduce congestion charging zone with \$10 per day fee	\$\$-\$	F, S, L	○	●	○	●	○	●
EV Charging Tax	Tax on amount of electricity used	No	Introduce 6.25% tax at public EV charging stations	\$	\$	○	○	○	○	○	●



Transportation Funding Task Force

Revenue Source	Description	Used in MA?	Example of potential action	Annual incremental revenue	Required Federal / State / Local Action	Equity Impact	Climate Impact	Competitiveness Impact	Behavioral Impact	Operational Savings	Mitigating Impacts
EV Registration Fee	Separate fee for electric vehicle registration	No	Introduce \$200 registration fee	\$	S	●	○	●	○	●	●
Event Ticket Tax	Tax on event tickets	No	Introduce \$1 fee on entertainment events	\$	S	●	●	●	●	●	○
Expedited RMV Fee	Charge for expedited RMV process	No	Introduce \$25 fee	\$	S	○	●	●	●	○	○
Infrastructure Concessions	Agreements with private operators on roads, bridges, tunnels, or other roadways	No	Enter into concession agreements	\$-\$	F, S	●	●	●	●	●	●
Retail Delivery Fee	Fee on any retail delivery	No	Introduce \$0.50 per package fee	\$	S	○	●	●	●	●	○
Tire Tax	Tax on purchase of new tires	No	Introduce \$1 tax per tire	\$	S	○	●	●	●	●	○
Value Capture/Tax-Increment Financing (TIF) / District Improvement Financing (DIF)	Capture rising property values around specific transportation facility and use incremental tax increase to finance debt	No	Implement TIF/DIF near stations	\$	S, L	●	●	●	●	○	●
Variable Road Pricing/High-Occupancy Toll (HOT) Lanes	Variable roadway pricing or tolling based on demand, time of day or number of passengers in vehicle	No	Replace current HOV lanes with HOT lanes	\$	F	●	●	●	●	○	●
			Add HOT lanes to current free lane highways	\$-\$	F	●	○	●	●	○	●
VMT	Fee based on the number of miles traveled by a vehicle	No	Introduce VMT fee	\$-\$-\$	S	●	●	●	●	○	●

