ATTACHMENT G

December 11, 2020

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Section 93 of House Bill No. 5164, “An Act Making Appropriations for the Fiscal Year 2021 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

Section 93 sets forth the Fiscal Year 2021 (“FY21”) funding distribution for the Commonwealth’s regional transit authorities (“RTAs”). The section retains my House 2 Revised base distribution recommendation at $87 million and retains the existing amount and structure that distributes performance grants based on Memorandums of Understanding executed between the RTAs and the Massachusetts Department of Transportation; however, it also adds an additional $3.5 million to be allocated by a new funding formula that is not consistent with my recommendations.

Additionally, the RTAs received approximately $213 million as part of the CARES Act, in addition to the $87 million in State Contract Assistance (“SCA”) that the RTAs received in FY20, as well as the $70 million in existing Federal Fiscal Year 2020 federal distributions from the Urbanized/Rural Area formulas. As a result, all 15 RTAs are expected to end FY21 with significant cash reserves.

As a result, I am recommending changes that eliminate the amount to be distributed through the proposed funding formula to be consistent with my previous recommendations. I am also proposing to extend the reporting date for a report on RTA performance and progress until December 31, 2021 to ensure that the full FY21 data can be collected from the RTAs.

For these reasons, I recommend that Section 93 be amended by striking out the section and inserting in place thereof the following section:-

SECTION 93. Notwithstanding any special or general law to the contrary, for fiscal year 2021, of the $90,500,000 transferred in item 1595-6370 of section 2E, $87,000,000 shall be considered operating assistance and distributed to regional transit authorities based on fiscal year 2020 distributions, in accordance with the fiscal year 2020 bilateral memorandum of understanding between each regional transit authority and the Massachusetts Department of Transportation provided, however, that each regional transit authority shall receive operating assistance from this item of not less than the amount received in fiscal year 2020. The operating assistance amount shall be spent to advance the goals and targets in the fiscal year 2020 bilateral memorandum of understanding between each regional transit authority and the department.

Of the amount to be distributed under item 1595-6370 of section 2E, $3,500,000 shall be distributed as performance grants to regional transit authorities. The performance grants shall be distributed to regional transit authorities that best demonstrate compliance with, or a commitment to, the service decisions, quality of service and environmental sustainability recommendations from the report of the task force on regional transit authority performance and funding established pursuant to section 72 of chapter 154 of the acts of 2018. The department may require each regional transit authority to provide data on ridership, customer service and satisfaction, asset management and financial performance, including farebox recovery, and shall compile any collected data into a report on the performance of regional transit authorities and each authority's progress toward meeting the performance metrics established in the memorandum of understanding. The report shall be filed with the clerks of the senate and house of representatives, the senate and house committees on ways and means and the joint committee on transportation not later than December 31, 2021.

Respectfully submitted,

Charles D. Baker

Governor