
MassDOT/MBTA Capital Investment Plan (CIP) Joint MassDOT/FMCB Boards

February 22, 2021

Overview

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Capital Investment Plan (CIP) Development Overview

- Continued impacts and challenges due to COVID
- Consistent with state capital planning guidance
 - Follow the strategy of the FY 21 maintenance CIP: level-funding for existing programs, continuing multi-year projects that have already begun, and hold most new major projects
 - Emphasis on maintenance and modernization of existing assets
- Revenue uncertainties
 - Tolls and other transportation revenues continue to trend lower than pre-COVID levels (difficult to project recovery timeframes)
 - Future of telework post-COVID and impacts on the transportation system
- Federal and State funding
 - Federal:
 - Surface transportation authorization (FAST Act) was extended for one year
 - State:
 - Transportation Bond Bill (TBB) signed by the Governor on January 15, 2021
 - Funding for new programs in TBB to be coordinated with the Executive Office for Administration and Finance (ANF)



Overview of CIP Calendar

December	<ul style="list-style-type: none"> • Initial program development & sizing review begins • Number of programs and program definitions (purpose and need) are reviewed • Financial guidance (FHWA, FTA)
January	<ul style="list-style-type: none"> • Finalize CIP programs changes • Project scoring initiated • Develop preliminary estimate of sources • Federal OA /targets (MARPA) distributed to MPOs & Highway Division
February	<ul style="list-style-type: none"> • MassDOT Divisions and MBTA conduct "Readiness Days" • Public & Stakeholder engagement (Phase 1) • Finalize programs and sizes • Draft of sources & uses
March	<ul style="list-style-type: none"> • Fiscal constraints analysis • Lockdown CIP program sizes/draft project lists • MPOs preferred projects selected • Assess proposed programs within context of fiscal constraint • Initial drafting of CIP document
April	<ul style="list-style-type: none"> • Sources & uses QA/QC • Final fiscal constraint analysis • Draft TIPs released for 21 day public comment period
May	<ul style="list-style-type: none"> • Boards approve the Draft CIP • Draft CIP and STIP released for public comment • Public & Stakeholder engagement (Phase 2) • TIPs are endorsed
June	<ul style="list-style-type: none"> • Boards approve the final CIP • STIP is endorsed after public comment period • Final STIP sent to FHWA, FTA, DEP and EPA



Proposed Board Engagement

	Capital Program Committee	Joint Boards
December	CIP discussion postponed until January	
January	CIP development approach / strategic framework / timeline / milestones / public engagement	Strategic framework / public engagement
February	Status of CIP programs / changes / preliminary sources assumptions	Status of CIP programs / changes / preliminary sources assumptions
March	Final discussion on programs, sizes / prior CIP comparisons and initial fiscal constraint analysis	
April	Final draft sources and uses; initial project lists and project changes from 2021 CIP	Final draft sources and uses; initial project lists and project changes from 2021 CIP
May	Draft CIP update including any updates to sources & uses / Joint Boards vote to release for public comment	
June	Final CIP update / public outreach analysis / equity analysis / Joint Boards vote to approve CIP	

Transportation Bond Bill Overview

On January 15, 2021 Governor Baker signed a new transportation bond bill (TBB). The bill builds on a foundation laid out over the past several years and continues to accelerate investments in modernizing our transportation system in order to meet the needs of residents, businesses, and cities and towns statewide

An Act to Authorize and Accelerate Transportation Investment

- **\$16.0 billion authorization in capital funding**
 - MassDOT & Local Roads and Bridges
 - Regional Transit Authorities
 - MBTA Capital Investment
 - Municipal Partnership Programs
 - And more ...
- Proposes new tools for managing regional and local traffic congestion



CIP Programs and Investments -

- Key programs include:
 - Programs and investments to achieve established targets (federal and/or state policy, including 2020 Tracker targets) for asset conditions
 - Examples: Highway Bridge program (and new grant anticipation notes (GANs) funding), Highway - Interstate and Non-Interstate Pavement program, Tunnels, MBTA - Revenue Vehicles, Track, Signals, and Power, Facilities, Rail – Track and ROW, Aeronautics – Airport Pavement, among others
 - New programs to implement recommended policy initiatives that address asset condition, traffic congestion, climate change mitigation, etc.
 - Examples include; *new* Local Bottleneck Reduction program, *new* Transit Infrastructure Partnership program, *new* Municipal Pavement program, *Drone Program* for Aeronautics



CIP Funding Sources for MassDOT: Assumptions

- **Federal Funds**
 - Current surface transportation authorization (“FAST Act”) expired on September 30, 2020
 - CIP sources reflect a one-year extension of the FAST Act and assume FAST Act funding levels continue. CIP incorporates an annual growth rate of 2.1% in FHWA apportionments from FFY 2021 extension; obligation authority assumed at 91% of FHWA apportionments
 - New HIP funding – approximately \$50 million to be considered for 2022-2026 STIP
 - Federal Coronavirus Response and Relief Supplemental Appropriations Act funding – approximately \$150.8 million
 - CIP sources assume Congress will reauthorize funding for FHWA and FTA
- **Pay-Go Capital Funds (Tolls)**
 - Preliminary estimates of funds available after projected operating revenues and expenses
 - May need to be adjusted during the development of the final operating budget for FY 2022
 - Pay-go estimates based on revised projections of toll traffic and revenues and assume a mid-range scenario related to traffic rebound and current Commonwealth plans for COVID vaccine roll out
- **Bond Cap Funds**
 - Bond cap sources based on preliminary estimates provided by ANF



CIP Funding Sources for MBTA: Assumptions

- **Federal Funds**
 - CIP sources reflect a one-year extension of the FAST Act, and assume Congress will take action to reauthorize transit formula programs and replenish Highway Trust Fund
 - Reflects actual FFY21 Federal apportionments, with a 1.7% annual increase in formula funding and assumes split between MBTA and other recipients is the same as prior years
- **State Funds**
 - Reflects current ISAs for GLX, RL/OL, SCR and similar programs. Annual amounts match anticipated spending.
 - Assumptions reflect continued annual deposit of \$60M of bond cap per year
- **MBTA Bonds**
 - Assumes substantial revenue bond issuance, in addition to existing MBTA debt, to support the capital program
 - Market variables (interest rates, credit spreads, etc.) will impact the cost of new debt
- **Lockbox**
 - No longer shows reinvestment of \$90 million of contract assistance into capital annually



- **Next steps**

- Discussions with Secretary and individual Divisions to review programs, sizes and requests for additional funds (within reasonable financial constraint)
- Submit programs and estimated spending to Executive Office for Administration and Finance
- Iterate based on available/confirmed sources
- Project readiness and spending analysis
- April Board meeting
 - Discuss program sizes, project readiness, initial project list, updated sources and fiscal constraint analysis
 - Update on stakeholder engagement