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# **FY2021-2025 CIP update**

# **Joint Boards presentation**

February 10, 2020

**The 2021-2025 CIP is the fifth year of the combined MassDOT/MBTA 5-year capital plan**

- **CIP Schedule**
- **CIP Programs and Sizes**
  - 2019 Transportation Bond Bill
  - Program and Size Considerations
  - Discussion and guidance
- **MassDOT and MBTA Sources update**
  - Preliminary sources and assumptions
- **Next Steps**

# Proposed Board engagement

	CPC	Joint Board
October		
November		
December	CIP timeline, CIP update milestone overview, status of sources (12/11/19)	
January		
February	Status of FY 2021-2025 programs and investments / preliminary sources (2/5/20)	Status of FY 2021-2025 programs and investments / preliminary sources (2/10/20)
March	Proposed programs, sizes and comparison to 2020-2024 programs; sources and uses; preliminary fiscal constraint	
April	Project readiness update; initial project lists and project changes from 2020-2024 CIP; final draft sources and uses	Project readiness update; initial project lists and project changes from 2020-2024 CIP; final draft sources and uses
May	Draft CIP update / vote to release for public comment	
June	Final CIP update / vote to approve	



# 2021-2025 Programs and Investments

- Key investment requests include:
  - Requests related to investment levels to achieve established targets (federal and/or state policy) for asset conditions
    - Examples: Highway Bridge program (and proposed new funding\*), Highway Non-Interstate Pavement program, Municipal Pavement program\*, Aeronautics Airport Pavement program
  - New programs to implement recommended policy initiatives that address asset condition, traffic congestion, climate change mitigation, etc.
    - Examples include: *proposed* Local Bottleneck Reduction\* program, *proposed* Transit Infrastructure Partnership\* program, proposed Municipal Pavement\* program, Drone Programs for Aeronautics\*, RTA fleet procurement program
  - Adjustments to programs in design and development that reflect progress and early action construction-related activities
    - Examples: Allston Multi-Modal program, Cape Cod Bridges approaches

\*Authorization contingent on passage of the Transportation Bond Bill (TBB) filed in July 2019 and currently under consideration by the Legislature

# Programs and Sizes - MassDOT

- Aeronautics
  - Funding to bring pavement condition at public use airports to long term average PCI of 75
  - Capital improvements to improve safety and asset conditions at public use airports
  - Development of IT infrastructure and systems to support operation of new Drone Programs (aerial surveillance systems)
- Highway
  - Program size/funding being adjusted to address Transportation Asset Management Plans (TAMP) targets for non-interstate pavement and bridges including new Grant Anticipation Note (GANs)\*
  - Program size/funding to continue to address Metropolitan Highway System (MHS) Triennial findings – bridges and tunnels
  - 2021-2025 CIP assumes Municipal Bridge and Complete Streets programs are reauthorized
  - Preparing for launch of *new* Municipal Pavement and Local Bottleneck Reduction programs\*
- Rail & Transit
  - Funding for Facility and Vehicle Maintenance to address RTA identified needs
  - Funding for Facility and System Modernization program to address RTA fleet procurement needs (fleet inventory assessment) and the RTAs' Transit Asset Management (TAM) targets
  - No additional funding needed for Rail investments

\* Included in 2019 TBB; pending approval of legislation and authorization

## Programs and Sizes - MBTA

- Program sizes are being adjusted to reflect impact of capital acceleration initiative and major policy commitments, including:
  - Safety Panel Recommendations
  - Power Reliability and Resiliency Study
  - Green Line Transformation
  - Red Line/Orange Line headways
  - Fare Transformation
  - Bus Transformation
  - Rail Transformation/Rail Vision
- Federal sources reflect award of \$41.2 million in new Federal Railroad Administration (FRA) grant funds to MassDOT for the implementation of the Tower 1 Early Action Project
  - State match for the grant was included in the 2020-2024 CIP
- State sources include \$276M in additional REP funding for expedited procurement of bi-level commuter rail coaches
- Initial funding to launch the *new* Transit Infrastructure Partnership program\*

\* Included in 2019 TBB; pending approval of legislation and authorization

# Municipal Partnerships / Regranting Programs in the CIP

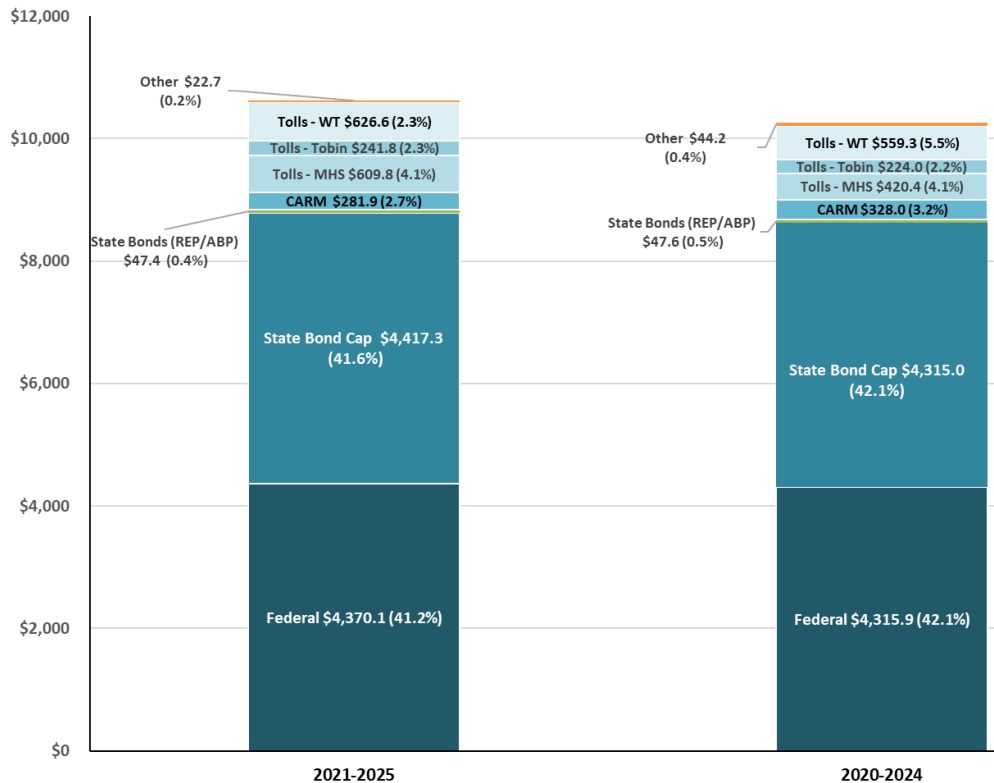
CIP Program	Program Size 2020-2024	Program Size 2021-2025	Increase / (Decrease)	Description
<b>Highway / Complete Streets</b>	\$50.0M	\$50.0M	\$ -	This program rewards communities that demonstrate a commitment to embedding Complete Streets in their policies and practices by providing them with technical assistance and funding. This program improves the condition and accessibility of state owned sidewalks.
<b>Highway / Municipal Bridge</b>	\$50.0M	\$50.0M	\$ -	This program assists municipalities in repairing and replacing town owned bridges with a span length of less than 20 feet.
<b>Highway / Municipal Pavement*</b>		\$100.0M	\$100.0 M	New grant program that assists municipalities in repairing and replacing municipal-owned pavement.
<b>Highway / Local Bottleneck Reduction*</b>		\$50.0 M	\$50.0M	New funding for cities and towns for moderate, cost effective congestion relief (e.g. smart signals)
<b>Rail / Industrial Rail Access Program (IRAP)</b>	\$15.0M	\$15.0M	\$ -	This program makes investments in private sector rail lines to leverage private investment to increase freight rail usage or modernize an active line to increase the utility to customers.
<b>Transit / Mobility Assistance Program (MAP)</b>	\$50.2M	\$50.2M	\$ -	This program purchases vans & related equipment to provide transportation for elderly people and individuals with disabilities of all ages; uses funds from Councils on Aging, RTAs, non-profits and FTA.
<b>Transit / Workforce Transportation Options</b>	\$9.875M	\$9.875M	\$ -	Competitive grant program that uses federal CMAQ funds to leverage private and other non-state funds to improve workforce transportation options.
<b>MBTA / Transit Infrastructure Partnership*</b>		\$50.0M	\$50.0M	New grant program for municipalities to fund transit-supportive infrastructure improvements
	<b>\$174.4M</b>	<b>\$374.4M</b>	<b>\$200.0M</b>	

\*Proposed in 2019 TBB; pending approval of legislation and authorization.

# 2021-2025 CIP Estimated Funding Sources for MassDOT

**FY21-25 CIP Funding Sources: Estimated ~\$10.6B available for the next five year plan, compared to \$10.3B in FY20-24 plan**

MassDOT CIP Sources FY21-FY25 vs FY 20-FY24



- **Sources highlights:**
- **Federal funds** continue to be one of the largest funding sources for MassDOT capital
  - Assumes Fast Act funding levels continue through 2025 and reflects anticipated federal reimbursements
- **State Bond Cap** is also one of the largest funding sources and estimates are based on initial guidance from ANF
  - \$72.5 million in bond cap funds for Harbor Dredging (no change in assumptions from prior plan)
- **Accelerated Bridge Program (ABP)** funds
  - No additional spending for prior ABP program
  - Any new GANs funding tied to pending TBB and not yet programmed
- **Rail Enhancement Program (REP)** funds a portion of the Taunton Rt. 24/Rt. 140 project that intersects with SCR
- **Toll** pay-go capital funds based on projected revenues/expenses (tied to operating budget) and available reserves
- **Other** funding sources include local and private (railroads) contributions, and third party reimbursements



# 2021-2025 CIP Funding Sources for MassDOT: Assumptions

- **Federal Funds**

- Current surface transportation authorization (“FAST Act”) expires on September 30, 2020
- CIP sources assume FAST Act funding levels continue and incorporates an annual growth rate of 2.1% in FHWA apportionments; obligation authority assumed at 91% of FHWA apportionments
- CIP sources assume Congress will reauthorize funding for FHWA and FTA

- **Pay-Go Capital Funds**

- Preliminary estimates on funds available after projected operating revenues expenses and may need to be adjusted during the development of the final operating budget for FY 2021
- Toll revenues based on Highway’s toll traffic and revenue actuals and forecasts with projected adjustment for accounts receivable collections

- **Bond Cap Funds**

- Bond cap sources based on preliminary estimates provided by the Executive Office of Administration and Finance and are subject to change pending development and finalization of the Commonwealth’s capital plan for 2021-2025

# 2021-2025 CIP Estimated Funding Sources for MBTA

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FY21-25 CIP Funding Sources (when available)

# 2021-2025 CIP Funding Sources for MBTA: Assumptions

- **Federal Funds**

- Current surface transportation authorization (“FAST Act”) expires on September 30, 2020
- Federal formula funds are assumed to continue at a similar growth rate as prior years; CIP will assume Congressional action to reauthorize and replenish Highway Trust Fund

- **MBTA Bonds**

- Assumes aggressive revenue bond issuance to support the capital program
- Contingent on passage of the Governor’s House 2 Budget which includes additional funding to support debt service
- Market variables (interest rates, credit spreads, etc.) will impact the cost of new debt

- **Pay-Go/Lockbox**

- Assumes continued operating budget discipline to reinvest savings in capital
- Assumes continued State support via \$60 million in bond cap (in lieu of operating assistance)



- **Next steps**

- Discussions with Secretary and individual Divisions to review program sizes and requests for additional funds to achieve overall constraint (bond cap)
- Submit program sizes to Administration and Finance
- Iterate based on available/confirmed sources
- Project readiness and spending analysis
- March CPC and April CPC and April Joint Board meetings
  - Discuss project readiness, initial project list, updated sources and fiscal constraint analysis
  - Update on stakeholder engagement