

FY26 Operating Budget Proposal

February 26, 2025



Table of Contents

- 3. FY26 H.1 Operating Budget
- 5. FY26 Commonwealth Transportation Funds
- 6. FY26 Fair Share Funding

FY26 H.1 Operating Budget

3

The Governor's House 1 Budget, filed on January 22, 2025, includes recommendations from the Transportation Funding Task Force to:

- Stabilize statewide public transportation and increase Chapter 90 funding
- Leverage Fair Share in the Commonwealth Transportation Fund (CTF) to expand borrowing capacity
- Prioritize state of good repair and resilience, including bridges, pavement, and culverts
- Maintain stable funding for RTAs and support innovative micro-transit and last mile providers
- Invest in MassDOT operations and workforce

FY26 H.1 Operating Budget

4

The House 1 budget builds on last year's historic investments, recommending \$617 million for MassDOT operations to stabilize statewide transportation.

Notably, House 1 proposes:

- \$617 million for MassDOT operations which includes increasing the snow and ice allocation to \$80 million which better reflects the 5-year average spending level
- \$204 million to sustain RTA funding levels, with \$110 million from Fair Share resources to meet service needs
- \$125 million for MassDOT Contract Assistance
- \$11 million to fund the Merit Rating Board
- Dedicated funding to increase staffing levels for MassDOT operations and strengthen the capital program, ensuring long-term improvements and increased efficiency

FY26 Commonwealth Transportation Funds (CTF)

5

\$ in millions	FY24 GAA	FY25 GAA*	FY26 H.1**	H.1 vs FY25 GAA Variance \$/%	
Non-Toll					
Operations	523.9	538.6	617.6	79.0	15%
Non-Snow & Ice	437.0	503.6	537.6	34.0	7%
Snow & Ice	86.9	35.0	80.0	45.0	129%
Regional Transit Authorities	94.0	94.0	204.0	110.0	117%
Merit Rating Board	11.7	11.7	11.7	0.0	0%
Total Non-Toll	629.6	644.3	833.3	189.0	29%
MassDOT Contract Assistance (Toll)	125.0	125.0	125.0	0.0	0%

*FY25 includes \$60M for operations from Fair Share funding

**FY26 includes \$55M for operations and \$110M for RTAs from Fair Share funding

FY26 Fair Share Funding

6

House 1 dedicates \$765 million of Fair Share funds to transportation. In FY25, the Healey-Driscoll Administration and Legislature expanded transportation investments by dedicating Fair Share revenues to the CTF, increasing borrowing capacity for public transportation needs. The FY26 proposal boosts this to unlock \$5 billion in capital for transportation over 10 years, funding:

- \$1.5 billion over five years for Ch. 90, increasing the annual program from \$200 million to \$300 million (including additional support for rural roads)
- \$1.5 billion for road and bridge lifecycle asset management program to address pavement and bridge conditions
- \$615 million for the Allston multi-modal project
- \$200 million for culverts and small bridges statewide
- \$185 million for safety and congestion hotspots

FY26 Fair Share Funding

7

The FY26 budget is complimented by a supplemental budget using \$1.3 billion in FY24 surplus Fair Share revenues, with \$857.5 million allocated to Transportation. Across these two pieces of legislation, the Governor's proposal achieves a nearly 50/50 split in Fair Share funding between Education and Transportation. The FY24 Fair Share surplus funds in the supplemental budget support additional transportation investments, including:

- \$25 million for RTA workforce initiatives (CDL cost assistance, trainings, etc.)
- \$25 million for Winter Resilience Assistance Program
- \$17.5 million for MassDOT workforce and project delivery staff
- \$10 million for Microtransit and Last Mile Innovation Grants

FY26 Fair Share Funding

8

\$ in millions	FY24 GAA	FY25 GAA	FY26 H.1*	FY25 Fair Share Supp
CTF Debt Service	0.0	63.0	100.0	0.0
MassDOT	265.0	215.0	165.0	77.5
Federal Matching Funds	25.0	0.0	0.0	0.0
Highway Bridge Preservation	50.0	0.0	0.0	0.0
MassDOT Service Investments	0.0	60.0	55.0	17.5
MicroTransit and Last Mile Innovation Grants	0.0	0.0	0.0	10.0
Regional Transit Funding and Grants	90.0	110.0	110.0	25.0
Supplemental C90/Rural Road Aid	100.0	45.0	0.0	0.0
Winter Resilience Assistance Program (WRAP)	0.0	0.0	0.0	25.0
MBTA	211.5	260.5	500.0	780.0
Academy Program	0.0	10.0	0.0	0.0
Capital Investments	180.8	60.0	0.0	0.0
FTA Findings Workforce and Safety Reserve	20.0	36.0	0.0	0.0
Low-income fares	5.0	20.0	0.0	0.0
Operating Subsidy/Supports	0.0	127.0	500.0	780.0
Water Transportation	5.7	7.5	0.0	0.0
TOTAL	476.5	538.5	765.0	857.5

*Funds represented in CTF

*MBTA Funds may be used for previous Fair Share programs, including but not limited to MBTA Academy, Income-Eligible Reduced Fares, and Water Transportation.

Thank You

