FY27 Budget

June 10, 2026

David W. Pottier, Chief Financial Officer

massDOT
Massachusetts Department of Transportation
Leading the Nation in Transportation Excellence

Table of Contents

3. Overview
4. Notable items and assumptions
5. Commonwealth Transportation Funds
6. FY26 Fair Share Supplemental Budget
7. Non-Toll Operating
8. Toll Operating
9. FY27 Chapter 90 Bill
10. Request of the MassDOT Board
12. Appendix

Overview

- The FY27 Transportation funding is supported by three primary budget vehicles:
  - FY27 Budget General Appropriations Act (GAA)
  - FY26 Fair Share Supplemental Budget
  - FY27 Chapter 90 Supplemental Bill
- This presentation outlines the proposed FY27 Operating Budget. It combines the FY27 GAA and the FY26 Fair Share Supplemental Budget. The FY27 GAA is based on the Senate Ways and Means (SWM) proposal for the Commonwealth Transportation Fund (CTF), which represents the lowest funding scenario among the H.2, House, and SWM proposals.

Notable Items and Assumptions

- Assumes a $605 million transfer from the CTF to support MassDOT operating (Core Operations + Snow & Ice), including $220 million in Fair Share revenues, representing a net increase of $46 million over the FY26 GAA.
  - Funds Snow & Ice removal at $45 million, $10M above FY26 levels. While the 5-year average for non-toll snow and ice spending is $107M, DOT will rely on $50M in deficiency spending authority to address shortfalls.
  - $36 million reflecting increased costs of doing business, including collectively bargained cost of living adjustments, fringe and indirect costs, and other non-payroll expenses, largely associated with IT, Security, and rents & leases
- Provides $217.5 million for Regional Transit Authorities (RTAs), including $184.8M in surtax revenue, an $8.5 million increase over the FY26 GAA, to support enhanced service delivery and workforce initiatives.
- Merit Rating Board (MRB) is level-funded at $11.7 million.
- Toll Collection Funding is based on the latest Stantec forecast of $435 million.
- $46 million less in Toll funding is available for capital compared to FY26 due to the lease contract extension and increased expenses.

Commonwealth Transportation Funds

$ in millions	FY26 GAA	FY27 H.2	FY27 House	FY27 SWM	FY27 SWM vs FY26 GAA Variance $/%	
Non-Toll Operations	558.9	645.0	605.1	605.0	46.0	8%
Core Operations	523.9	560.0	560.1	560.0	36.0	7%
Snow & Ice	35.0	85.0	45.0	45.0	10.0	29%
Regional Transit Authorities	209.0	217.5	217.5	217.5	8.5	4%
Merit Rating Board	11.7	11.7	11.7	11.7	0.0	0%
Total Non-Toll	779.6	874.1	834.2	834.1	54.5	7%
MassDOT Contract Assistance (Toll)	125.0	125.0	125.0	125.0	0.0	0%
Total MassDOT	**904.6**	**999.1**	**959.2**	**959.1**	**54.5**	**6%**
MBTA Operating Budget Transfer	**470.2**	**470.0**	**470.2**	**470.0**	**(0.2)**	**0%**

massDOT
Massachusetts Department of Transportation

FY26 Fair Share Supplemental Budget

$ in millions	FY26 Gov't	FY26 House	FY26 Senate	FY26 Conf
MassDOT				
Snow and Ice		50.0		
Municipal Winter Recovery			101.0	101.0
RTA workforce and training initiatives	45.0	25.0	45.0	25.0
Regional transit capital improvements			50.0	10.0
Unpaved Road/Municipalities maintenance and improvements	7.0		7.0	3.8
One Time Transportation Projects		9.1	10.2	19.3
Water Transportation Infrastructue improvements		10.0	10.0	15.0
MicroTransit and Last Mile Grants	15.0		15.0	5.0
MassDOT Service Investments (workforce pipelines)	43.0	30.0		20.0
Sustainable Aviation Fuel Credit	30.0	30.0		
Total MassDOT	140.0	154.1	238.2	199.0
MBTA	644.7	730.0	525.0	580.5
Total Transportation	**784.7**	**884.1**	**763.2**	**779.5**

massDOT
Massachusetts Department of Transportation

Non-Toll Operating

$ in millions	FY26 Budget	General	MRB	MVITF	Federal Grants	FY 27 Proposed Budget	FY27 Proposed vs FY26 Budget
REVENUE:							
Operating Revenue	37.4	32.4	0.0	0.0	0.0	32.4	(5.0)
Commonwealth Transportation Fund	779.6	822.5	11.7	0.0	0.0	834.2	54.6
Federal Grants	35.2	0.0	0.0	0.0	38.4	38.4	3.2
Motor Vehicle Inspection Trust Fund	59.2	0.0	0.0	59.5	0.0	59.5	0.3
Investment Income	5.7	7.6	0.0	0.3	0.0	7.9	2.2
Total Revenue	**917.1**	**862.5**	**11.7**	**59.9**	**38.4**	**972.4**	**55.3**
EXPENDITURES:							
Employee Compensation and Benefits	437.8	455.0	6.2	6.2	1.6	469.0	31.1
Non-Payroll and Other Expenses	435.2	424.4	8.2	11.1	16.7	460.4	25.3
Total Expenditures	**886.9**	**879.4**	**14.4**	**17.3**	**18.4**	**929.4**	**56.4**
Excess (deficit) Revenue over Expenditures	**44.1**	**(16.9)**	**(2.7)**	**42.6**	**20.0**	**43.0**	**(1.1)**
Other Financing Sources/Uses:							
Interfund Transfer In / (Out)	0.0	42.6	0.0	(42.6)	0.0	0.0	0.0
Reserve	21.5	25.7	2.7	0.0	0.0	28.4	6.9
Transfer out to Capital	(65.6)	(51.4)	0.0	0.0	(20.0)	(71.4)	(5.8)
Total Other Financing Sources	**(44.1)**	**16.9**	**2.7**	**(42.6)**	**(20.0)**	**(43.0)**	**1.1**
Net Revenue (Expense)	**0.0**	**(0.0)**	**0.0**	**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**

massDOT
Massachusetts Department of Transportation

Toll Operating

$ in millions	FY 26 Budget	MHS	WT	Tobin	FY27 Proposed Budget	vs FY26 Budget
REVENUE:						
Toll Revenue:						
Operating Revenue	58.5	17.1	24.8	0.1	42.0	(16.5)
Toll Collections	437.9	226.5	162.6	46.2	435.4	(2.5)
Total Toll Revenue	496.4	243.6	187.5	46.3	477.3	(19.0)
Commonwealth Transfers	125.0	125.0	0.0	0.0	125.0	0.0
Investment Income	41.7	21.1	11.5	6.2	38.7	(2.9)
Total Revenue	**663.0**	**389.7**	**198.9**	**52.5**	**641.1**	**(22.0)**
EXPENDITURES:						
Employee Compensation and Benefits	112.0	66.8	49.7	5.6	122.0	10.0
Non-Payroll and Other Expenses	149.3	92.4	60.7	8.6	161.6	12.3
Debt Service	136.7	138.3	0.1	0.0	138.4	1.7
Total Expenditures	**398.1**	**297.5**	**110.5**	**14.1**	**422.0**	**24.0**
Available for Capital	**264.9**	**92.2**	**88.5**	**38.3**	**219.0**	**(45.9)**

massDOT
Massachusetts Department of Transportation

FY27 Chapter 90 Bill

The Healey-Driscoll Administration proposed a four-year $1.2 billon ($300 million/year) Chapter 90 authorization. The Legislature approved $300 million annually for 1 year with $100 million distributed by lane miles and the remaining $200 million from the regular allocation based on population, employment and lane miles.

The bill includes significant support for infrastructure improvements statewide:

- $500 million for MassDOT Lifecycle Asset Management Program,
- $200 million for MBTA Rail Reliability & Modernization
- $200 million for Parkway Resilience Improvement and Safety Modernization (PRISM) Program for DCR Assets
- $200 million for transportation projects to unlock housing development

It also reauthorizes popular programs funded by the 2022 Transportation Bond Bill:

- $2.3B in reauthorized federal aid highway spending
- $800M in reauthorized nonfederal aid highway spending
- $65M in reauthorized municipal pavement program spending
- $12M in reauthorized Shared Streets and spaces program spending

Request of the MassDOT Board of Directors

Staff requests that the Finance and Audit Committee recommend to the MassDOT Board of Directors to approve the FY27 Budget as presented.

Thank You

massDOT
Massachusetts Department of Transportation
Leading the Nation in Transportation Excellence

Appendix

massDOT
Massachusetts Department of Transportation
Leading the Nation in Transportation Excellence

MassDOT's Budget

Funding Sources

MassDOT's budget is divided into Toll and Non-Toll components

Key funding sources for the budget include legislatively approved transfers from the CTF for:

- Operations (including Snow & Ice)
- Regional Transit Authorities (RTA's)
- Merit Rating Board (MRB)

Other revenue sources include:

- Tolls
- Motor Vehicle Inspection Trust Fund (MVITF)
- Federal Grants
- Own source revenues (primarily real estate)