

# FY27 Budget Proposal

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# Governor's FY27 Budget: Key Highlights

Governor Healey's FY27 Budget proposal advances the administration's transformative \$8 billion plan to upgrade roads, bridges and public transportation across the Commonwealth.

Transportation benefits from three main funding vehicles: FY27 House 2 Budget, FY26 Fair Share Supplemental Filing and the Chapter 90 Supplemental Bill

- Excluding the sales tax transfer, the FY27 House 2 Budget recommends \$1.3 billion in transportation funding, representing a \$94.5 million (8 percent) increase over the FY26 General Appropriations Act (GAA)
- The FY26 Fair Share Supplemental Filing includes a proposed \$784.7 million investment in transportation
- The Chapter 90 Supplemental Bill provides for \$1.2 billion over four years in Chapter 90 authorization for municipalities, as well as \$4.3 billion in new capital authorization and reauthorization of programs to support a wide range of state capital investments.

# House 2 Operating Budget

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The House 2 Budget supports MassDOT operations at \$645 million, representing an \$86 million increase compared to the FY26 GAA

- \$85 million for snow and ice removal, based on the five-year average of actual costs. This reflects a \$50 million increase from the FY26 GAA to maintain safe roadway conditions during winter storms
- \$36 million reflecting increased costs of doing business, including collectively bargained cost-of-living adjustments, fringe benefit cost, and other non-payroll expenses, largely associated with IT, Security, and rents & leases
- Provides \$217.5 million for Regional Transit Authorities (RTAs), an \$8.5 million increase compared to the FY26 GAA, to support enhanced service delivery and workforce initiatives
- Merit Rating Board (MRB) is level-funded at \$11.7 million

# House 2 Operating Budget

| <b>\$ in millions</b>                 | <b>FY25<br/>GAA</b> | <b>FY26<br/>GAA</b> | <b>FY27<br/>H.2</b> | <b>FY27 H.2 vs FY26<br/>GAA</b> |            |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------------------|------------|
| Non-Toll Operations                   | 538.6               | 558.9               | 645.0               | 86.0                            | 15%        |
| Core Operations                       | 503.6               | 523.9               | 560.0               | 36.0                            | 7%         |
| Snow & Ice                            | 35.0                | 35.0                | 85.0                | 50.0                            | 143%       |
| Regional Transit Authorities          | 204.0               | 209.0               | 217.5               | 8.5                             | 4%         |
| Merit Rating Board                    | 11.7                | 11.7                | 11.7                | 0.0                             | 0%         |
| Total Non-Toll                        | 754.3               | 779.6               | 874.1               | 94.5                            | 12%        |
| MassDOT Contract Assistance (Toll)    | 125.0               | 125.0               | 125.0               | 0.0                             | 0%         |
| <b>Total MassDOT</b>                  | <b>879.3</b>        | <b>904.6</b>        | <b>999.1</b>        | <b>94.5</b>                     | <b>10%</b> |
| <b>MBTA Operating Budget Transfer</b> | <b>314.3</b>        | <b>470.2</b>        | <b>470.0</b>        | <b>(0.2)</b>                    | <b>0%</b>  |

# Fair Share Supported Initiatives

\$1.8 Billion in transportation investments in FY27

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## MassDOT – \$545.0 Million

- \$263.2 million for MassDOT Service Investments
  - Funds new capital delivery staff to inspect, engineer, and maintain infrastructure statewide
  - Invests in building a long-term talent pipeline through targeted partnerships with in-state colleges and universities, with a focus on recruiting, training, and retaining civil engineers\$229.8 million in supporting RTAs
- \$30.0 million for the Sustainable Aviation Fuel Credit
- \$15.0 million for Microtransit and Last Mile grants
- \$7.0 million for Unpaved Roads

## MBTA – \$1.1 Billion

- \$993.0 million in support of MBTA operations
- \$121.7 million for Federal Transportation Administration (FTA) reserve

## Other Transportation related initiatives – \$162.0 Million

- \$100.0 million to support the Human Services Transportation Office
- \$62.0 million to support Education Transportation

# FY27 Chapter 90 Bill

The Healey-Driscoll Administration is proposing a four-year \$1.2 billion Chapter 90 authorization which would provide:

- \$300 million annually for 4 years with a \$100 million distributed by 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 Department of Conservation and Recreation (DCR) Assets
- \$200 million for transportation projects to unlock housing development

It also proposes reauthorization of 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

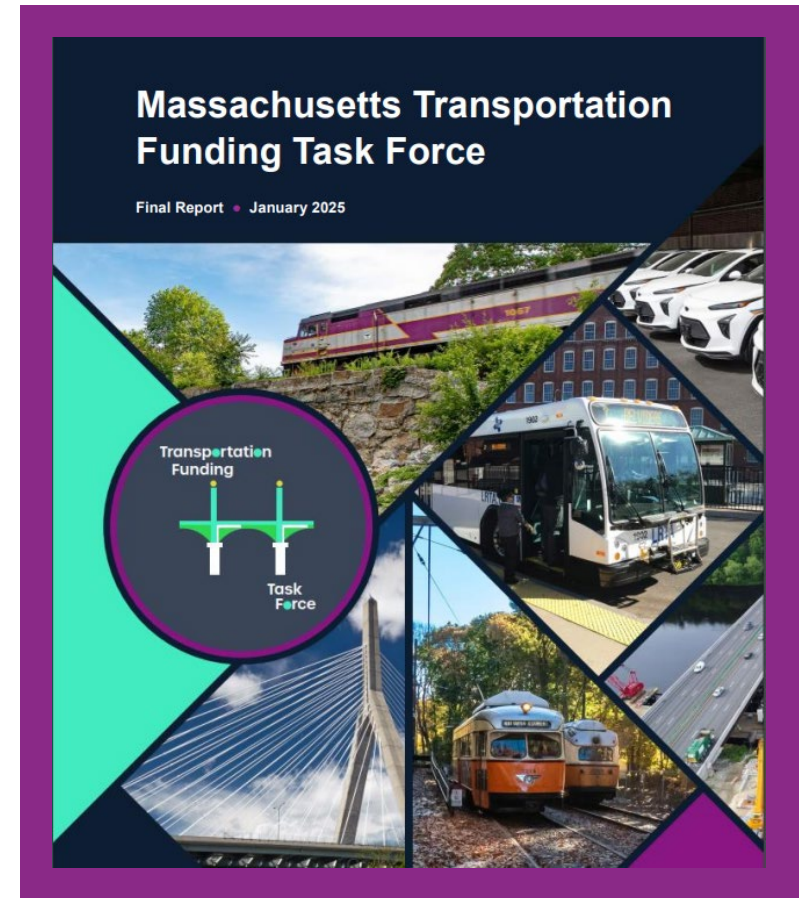
Thank You



# Appendix

# FY26 CTF Expansion Funding

- The FY26 Massachusetts Budget directed \$550 million annually in Fair Share funding to the Commonwealth Transportation Fund (CTF) to expand bonding capacity for capital projects, yielding
  - \$2.5 billion for MassDOT
  - \$1.5 billion for Chapter 90
  - \$850 million for the MBTA
- MassDOT and the MBTA are refining proposals for utilizing this capacity, which will likely be spent out over the next five to 10 years.
  - These proposals will advance administration priorities, building off the work of the Transportation Funding Task Force.



# FY26 MassDOT CTF Funding

- MassDOT’s FY26 CTF funding is allocated among four programs.
- While most funding will be allocated through the upcoming Capital Investment Plan (CIP) process, some programs and projects will begin spending this fiscal year.
- In addition to this funding, the FY26 Chapter 90 Program is funded from CTF bonds instead of bond cap (general obligation bonds) and will be increased from \$200 million to \$300 million.
- Consistent with our standard practice, the upcoming CIP will assume this annual amount for the five years of the CIP.

## MassDOT CTF Program Categories

| Program Category                   | Amount         |
|------------------------------------|----------------|
| Lifecycle Asset Management Program | \$1.5 B        |
| Community Culvert Grant Program    | \$200 M        |
| Safety and Congestion Hotspots     | \$185 M        |
| Allston Multimodal Project         | \$615 M        |
| <b>Total</b>                       | <b>\$2.5 B</b> |