FY27 Budget Update

May 13, 2026

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Budget Vehicles

Status Update

The FY27 Transportation funding is supported by three primary budget vehicles:

- **FY27 House 2 Budget (GAA)**
  - Filed by Governor Healey on January 28; House and Senate Ways & Means have released their version
  - Next Step: Senate Ways & Means floor debate and amendments

- **FY26 Fair Share Supplemental Budget**
  - Passed by both the House and Senate
  - Next Step: Conference Committee

- **FY27 Chapter 90 Supplemental Bill**
  - Passed by the House and sent to the Senate
  - Next Step: Senate Ways & Means

House & Senate Ways & Means

Notable Items

- The House and Senate Ways & Means budgets largely maintain the funding structure proposed in H.2 for transportation, with one notable adjustment to Snow & Ice Funding.
    - $605M for MassDOT operating (Core Operations + Snow & Ice), including $220.2M in surtax dollars; Snow & Ice funded at $45M, below H.2 ($85M), with the expectation of supplemental funding
    - $217.5M for Regional Transit Authorities, consistent with H.2 (includes $184.8M in surtax revenue)
    - $11.7M for the Merit Rating Board, consistent with H.2
    - $470M for the MBTA, fully supported with surtax revenue (no change from H.2)
- House and Senate Ways & Means maintains H.2 funding levels across transportation accounts, with the exception of Snow & Ice, which is funded below the H.2 level, but does represent a $10M increase over FY26 GAA.

Commonwealth Transportation Funds

$ in millions	FY26 GAA	FY27 H.2	FY27 House	FY27 SWM	FY27 House vs H.2 Variance $/%		FY27 SWM vs H.2 Variance $/%	
Non-Toll Operations	558.9	645.0	605.1	605.0	(39.9)	-6%	(40.0)	-6%
Core Operations	523.9	560.0	560.1	560.0	0.1	0%	0.0	0%
Snow & Ice	35.0	85.0	45.0	45.0	(40.0)	-47%	(40.0)	-47%
Regional Transit Authorities	209.0	217.5	217.5	217.5	0.0	0%	0.0	0%
Merit Rating Board	11.7	11.7	11.7	11.7	0.0	0%	0.0	0%
Total Non-Toll	779.6	874.1	834.2	834.1	(39.9)	-5%	(40.0)	-5%
MassDOT Contract Assistance (Toll)	125.0	125.0	125.0	125.0	0.0	0%	0.0	0%
Total MassDOT	**904.6**	**999.1**	**959.2**	**959.1**	**(39.9)**	**-4%**	**(40.0)**	**-4%**
MBTA Operating Budget Transfer	**470.2**	**470.0**	**470.2**	**470.0**	**0.2**	**0%**	**0.0**	**0%**

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FY26 Fair Share Supplemental Budget

$ in millions	FY26 Gov't	FY26 House	FY26 Senate
MassDOT			
MassDOT Service Investments	43.0	30.0	
Micro-Transit and Last Mile Grants	15.0		15.0
Municipalities maintenance and improvements	7.0		7.0
Municipal Winter Recovery			101.0
One-Time Transportation Projects		0.1	0.1
RTA workforce and training initiatives	45.0	25.0	45.0
Regional transit capital improvements			50.0
Water Transportation Infrastructure improvements		10.0	10.0
Snow and Ice		50.0	
Sustainable Aviation Fuel Credit	30.0	30.0	
Total MassDOT	140.0	145.1	228.1
MBTA	644.7	730.0	525.0
Total Transportation	**784.7**	**875.1**	**753.1**

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FY27 Chapter 90 Bill

The Healey-Driscoll Administration originally proposed a four-year $1.2 billon ($300 million/year) Chapter 90 authorization. The House 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 also 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

And 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

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Thank You

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