

Transportation Finance 2007 - 2011

Progress since 2007

- Implementation of Transportation Reform Legislation (2009)
 - Most TFC Reform recommendations completely or partially implemented
 - Cost Savings achieved - \$120 - \$125/Year = \$2B+
 - Improved coordination, planning and control
- Accelerated Capital Program
 - Reduced # of structurally deficient bridges from 543 to 454 – 16%
 - Improved procurement practices encourage innovation
 - Increased spending on statewide road program
- New Funding sources
 - Federal: Temporary ARRA (stimulus) Funds
 - State: Additional sales tax funds dedicated
Chapter 90 monies increased to local communities

Improved Asset Management Planning – Better Data/Worse News

- MBTA's State of Good Repair backlog:
increased from \$3B to \$4.5B
- Road and bridge Gap = \$11.3B? 14.40B?
– “up” from \$10.5B?
- Condition of 55,000 local roadway miles = ?

System Preservation Needs Unmet

- MBTA

- Red line and orange line cars - \$1B
- 6 bridges Identified in CIP - \$165M

- Highway

- Boston MPO – I-93/I-95 interchanges (2) \$500M
- Pioneer Valley MPO - \$13 - \$15M/year = amount of anticipated project resources - I-91 viaduct rebuild alone estimated to cost \$350M

High Proportion of Annual Spending goes to Debt Service

- 74% of Commonwealth Trust Fund revenue goes to Debt
- \$145M of MassDOT's annual operating budget – salaries, rent, grass cutting – is paid for by debt
- 45% of the combined MassDOT/MBTA annual operating budgets goes to debt

Lessons Learned

- DOT Structure improved, but system can't be sustained through reorganization
- No reason to believe that additional cost saving actions exist to make meaningful progress
- No evidence that current needs aren't real, are shrinking or will shrink on their own

The Present Course

- Growing debt service – No finance plan in place to diminish
- Less dollars available:
 - Fewer projects advanced
 - Bigger backlog
 - More expensive projects
- Worsening conditions:
 - Increased drive times
 - Greater cost to maintain private vehicles
 - Transit service disruptions

Transportation Finance

2011

Still an
Unsustainable
System