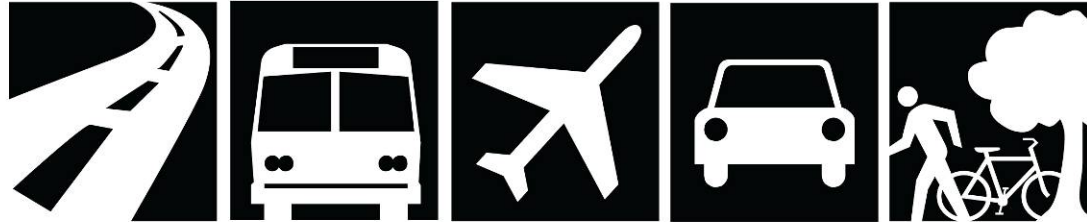


*Moving Massachusetts Forward.*  
**massDOT**



Massachusetts Department of Transportation

# Operating and Capital Budget

June 2010

*Moving Massachusetts Forward.*  
**massDOT**

# SFY 2011 Operating Budget

---

- **The FY11 MassDOT operating budget allocates funding to each division of the department.**
- **In developing the fiscal year 2011 budget, spending growth was assumed for a limited number of programs in the budget.**
- **These included enhancements to branch operations at the RMV and contributions for the department's employee health care costs.**
- **The FY11 recommendations reflects a modest 2.5% decrease overall from FY10 spending levels due to lower debt service costs.**
- **The budget reinvests savings derived from debt restructuring and other initiatives for the assumption of fringe benefit costs, pay go capital, and program enhancements.**



---

# SFY 2011 Operating Budget

# SFY 2011 Operating Budget By Division

	Highway	Registry	Transit	Aeronautics	Office of Planning and Programming	TOTAL
<b>REVENUES ( Sources of Funds)</b>						
<b>Operating Revenue</b>						
I-90 Toll Revenue ( Restricted)	\$284,195,000	\$0	\$0	\$0	\$0	\$284,195,000
Tobin Toll Revenue (Restricted)	\$29,163,675	\$0	\$0	\$0	\$0	\$29,163,675
I-90 Non Toll Revenue( Restricted)	\$46,551,707	\$0	\$0	\$0	\$0	\$46,551,707
Department Revenue (Non restricted)	\$13,363,811	\$0	\$0	\$0	\$0	\$13,363,811
Subtotal: Operating Revenue	\$373,274,193	\$0	\$0	\$0	\$0	\$373,274,193
<b>Commonwealth Fund Transfer</b>						
Operating Transfer ( Unrestricted)	\$87,584,398	\$58,923,932	\$44,235,055	\$468,063	\$8,915,308	\$200,126,756
Contract Assistance Pledged to MHS ( Restricted)	\$100,000,000	\$0	\$0	\$0	\$0	\$100,000,000
Contract Assistance for Central Artery O&M( Restricted)	\$25,000,000	\$0	\$0	\$0	\$0	\$25,000,000
Subtotal: Commonwealth Fund Transfer	\$212,584,398	\$58,923,932	\$44,235,055	\$468,063	\$8,915,308	\$325,126,756
						\$0
<b>TOTAL REVENUES</b>	<b>\$585,858,591</b>	<b>\$58,923,932</b>	<b>\$44,235,055</b>	<b>\$468,063</b>	<b>\$8,915,308</b>	<b>\$698,400,949</b>
<b>EXPENDITURES ( Uses of Funds)</b>						
<b>Operating Expenditures</b>						
Employee Payroll	\$117,526,373	\$29,724,903	\$0	\$285,628	\$4,376,314	\$151,913,218
Fringe Benefit Cost	\$43,297,951	\$10,507,437	\$0	\$95,963	\$1,521,217	\$55,422,568
Indirect Cost Charges	\$1,070,942	\$208,588	\$0	\$2,085	\$31,960	\$1,313,575
Contract Assistance	\$2,500,000	\$0	\$44,235,055	\$0	\$0	\$46,735,055
Snow and Ice Removal Contracts & Materials	\$57,500,000	\$0	\$0	\$0	\$0	\$57,500,000
Rent and Utilities	\$23,134,312	\$4,761,021	\$0	\$500	\$515,716	\$28,411,549
Highway Maintenance	\$9,607,416	\$0	\$0	\$0	\$0	\$9,607,416
Consultant/Contract Services	\$11,356,625	\$2,288,410	\$0	\$0	\$277,702	\$13,922,737
Registry Card Production Supplies	\$0	\$6,393,906	\$0	\$0	\$0	\$6,393,906
Fuel for Vehicles	\$3,492,000	\$0	\$0	\$2,500	\$0	\$3,494,500
Facility, Fleet and Equipment Maintenance	\$8,126,503	\$640,364	\$0	\$29,220	\$0	\$8,796,087
Information Technology	\$4,200,639	\$0	\$0	\$0	\$2,132,200	\$6,332,839
Other Operating Expenses	\$32,914,615	\$4,399,303	\$0	\$52,167	\$60,199	\$37,426,284
Unallocated Reserve	\$7,366,042	\$0	\$0	\$0	\$0	\$7,366,042
Subtotal Operating Expenditures	\$322,093,418	\$58,923,932	\$44,235,055	\$468,063	\$8,915,308	\$434,635,776
<b>Debt Service</b>						
Principal and Interest Net of Interest Earnings	\$155,211,468	\$0	\$0	\$0	\$0	\$155,211,468
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$477,304,886</b>	<b>\$58,923,932</b>	<b>\$44,235,055</b>	<b>\$468,063</b>	<b>\$8,915,308</b>	<b>\$589,847,244</b>
Balance Available for Capital "PAYGO" - MHS/WT/Tobin	\$108,553,705	\$0	\$0	\$0	\$0	\$108,553,705
<b>TOTAL EXPENDITURES</b>	<b>\$585,858,591</b>	<b>\$58,923,932</b>	<b>\$44,235,055</b>	<b>\$468,063</b>	<b>\$8,915,308</b>	<b>\$698,400,949</b>

# FY 2011 Consolidated Operating Budget

**FY 2011 Budget**

## REVENUES (Sources of Funds)

### Operating Revenue

I-90 Toll Revenue ( Restricted)	\$284,195,000
Tobin Toll Revenue (Restricted)	\$29,163,675
I-90 Non Toll Revenue( Restricted)	\$46,551,707
Department Revenue (Non restricted)	\$13,363,811
<b>Subtotal: Operating Revenue</b>	<b>\$373,274,193</b>

### Commonwealth Fund Transfer

Operating Transfer ( Unrestricted)	\$200,126,756
Contract Assistance Pledged to MHS ( Restricted)	\$100,000,000
Contract Assistance for Central Artery O&M( Restricted)	\$25,000,000
<b>Subtotal: Commonwealth Fund Transfer</b>	<b>\$325,126,756</b>

**TOTAL REVENUES** **\$698,400,949**

## EXPENDITURES ( Uses of Funds)

### Operating Expenditures

Employee Payroll	\$151,913,218
Fringe Benefits Cost	\$55,422,569
Indirect Cost	\$1,313,575
Contract Assistance	\$46,735,055
Snow and Ice Removal Contracts & Materials	\$57,500,000
Other Operating Expenses	\$37,426,254
Rent and Utilities	\$28,411,549
Highway Maintenance	\$9,607,416
Consultant/Contract Services	\$13,922,766
Registry Card Production Supplies	\$6,393,906
Fuel for Vehicles	\$3,494,500
Facility, Fleet and Equipment Maintenance	\$8,796,087
Information Technology	\$6,332,839
Unallocated Reserve	\$7,366,042
<b>Subtotal Operating Expenditures</b>	<b>\$434,635,776</b>

### Debt Service - Toll Revenue Bonds

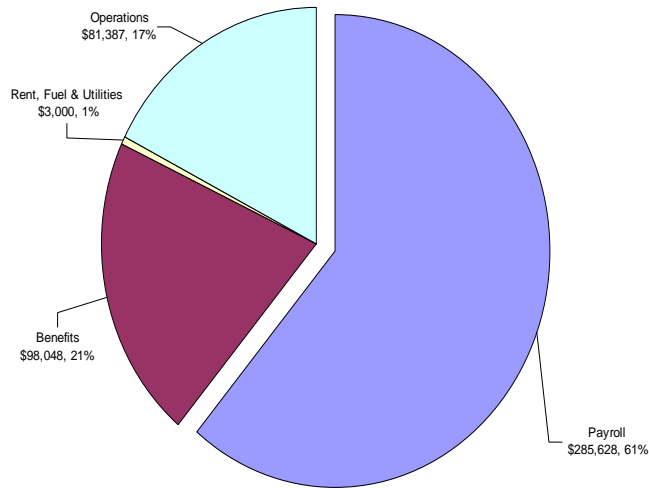
Principal and Interest Net of Interest Earnings	\$155,211,468
---	---------------

**TOTAL OPERATING EXPENDITURES** **\$589,847,244**

**Balance Available for Capital 'PAYGO" - MHS/WT/Tobin** **\$108,553,705**

**TOTAL EXPENDITURES** **\$698,400,949**

# Aeronautics Division - \$468,063

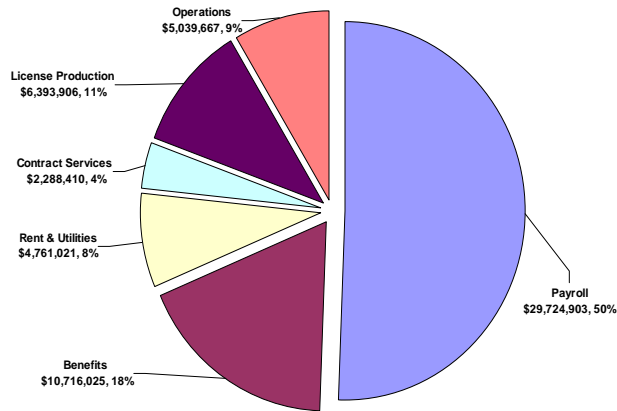


- The fiscal year 2011 budget of \$468,063 represents a 7% increase over the current year budget, due to the assumption of fringe benefit costs.

- **In FY11, the Aeronautics Division will:**

1. Establish a goal and work with airport operators to ensure all primary runways at system airports will be classified in “good” pavement condition.
2. Assist airports in development of Storm Water Pollution Prevention Plans compliance program.
3. Coordinate efforts with the Department of Environmental Protection to establish recycling programs at all airports.
4. Initiate an outreach program with the Department of Environmental Protection and Natural Heritage and Endangered Species Program to discuss airport construction projects with potential environmental concerns.
5. Identify funding for and begin a Statewide Economic Impact Report for the 38 public use-general aviation airports in the Commonwealth.

# Registry Division - \$58.9 Million



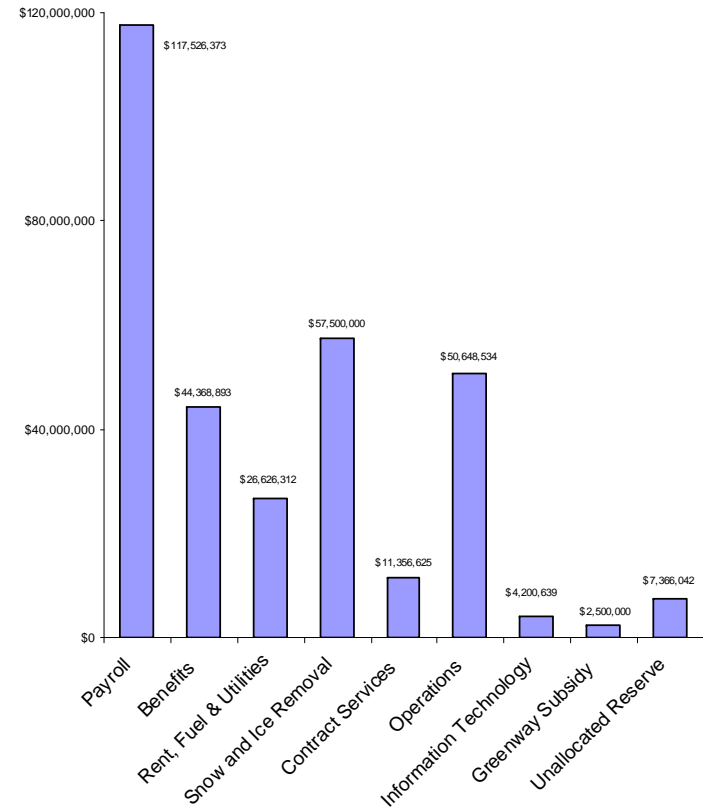
- The fiscal year 2011 budget of \$58.9 million represents an 11% increase over the current year budget, due to the assumption of fringe benefit costs as well as the addition of 42 Customer Service Representatives.

- **In FY11, the RMV will:**

1. Improve and reduce customer service wait times in the branches and Call Center, particularly through the hiring of 42 new Customer Service Representatives.
2. Introduce self-serve kiosks at RMV Branches and other locations.
3. Improve website for user friendliness, ease of access and ability of the public to access online services.
4. Continue Junior Operator Committee to increase education and improve teen driver safety.
5. Partner with MassDOT Highway and Planning Divisions to use RMV data to improve transportation safety.
6. Expand use of third party providers as an alternative to branch offices and website for transactions.
7. Open new Falmouth and Southbridge Branches.

# Highway Division - \$322.0 Million

- There is a 4.5% increase in the Highway Division budget due to the assumption of fringe benefit costs, additional funding for the Inmate Litter Program and unallocated reserves.
- The budget of \$322 million includes \$58 million for snow and ice removal operations on MassDOT roads. Funding for snow and ice removal is historically underfunded and we have relied upon supplemental funds from the Commonwealth in prior fiscal years if we exceed the budget. The five year average of spending for snow and ice removal (not including overtime) is \$76.2 million with FY 10 expenditures of \$65.7 million. The Highway Division is actively pursuing options to reduce costs for snow and ice removal.
- With this \$322 million in funding, the Division proposes to:
  1. Reestablish statewide approach to managing highway safety, in cooperation with regional planning agencies.
  2. Launch a Management-Union Employee Safety Committee to address MassDOT Highway safety issues.
  3. Set and communicate the following safety standards:
    1. Zero fatalities
    2. 20% reduction in injuries
    3. 20% reduction in lost work time due to injuries
  4. Build in life-cycle costs into current and future capital projects, and propose budget allocations consistent with life-cycle maintenance needs.
  5. Update Design Guide to include current sustainability and GreenDOT emissions and pollution reduction targets.
  6. Improve customer service by providing mandatory training in “Courteous Service” for all staff direct communication with the public.





## Rail & Transit Division - \$44.2 Million

---

- **Division is responsible for the development, preservation and improvement of adequate, safe and convenient rail and bus systems in the Commonwealth.**
- **The FY11 operating budget is operating assistance of \$44.2 million to the 15 statewide RTAs.**
- **Outside of the MBTA service area, these 15-independent authorities, governed by local advisory boards, provide bus and Para-transit services to millions of Commonwealth residents and visitors.**
- **In addition to the \$44.2 million to be allocated by MassDOT, the Commonwealth will contribute an additional \$15 million dollars to the RTAs.**
- **The \$59 million in funding to the RTAs may reimburse up to 75% of the net operating cost of service delivered in the previous fiscal year.**

---

# SFY 2011 to SFY 2015 Capital Budget



# Capital Budget Process

---

- **MassDOT capital plan covers a five year period**
- **Final approval from Administration and Finance is normally received in July/August**
- **Debt service for the capital program is paid from the Commonwealth Transportation Fund**
- **The Patrick /Murray Administration publishes a debt affordability analysis each year to ensure transportation spending , as well as, the entire Commonwealth capital plan is in balance**
- **The capital plan is published on the Commonwealth's website and is published in all bond Offering Statements**

# Sources & Uses of Funds - 5 year Capital Plan

## SFY 2011 to SFY 2015

	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015	Total
<b>Uses:</b>						
Aeronautics Division	19,718,522	15,996,056	9,307,231	9,386,065	5,883,049	60,290,922
Rail & Transit Division	206,576,364	297,612,564	207,419,587	188,000,000	170,625,000	1,070,233,515
Highway Division	1,650,993,786	1,748,413,654	1,876,209,018	1,725,019,169	1,617,569,907	8,618,205,533
Office of Planning & Programming	72,087,822	74,135,310	75,784,854	76,718,931	77,689,331	376,416,248
Central Artery Tunnel	71,000,000	100,000,000	29,000,000	0	0	200,000,000
<b>Total Uses</b>	<b>2,020,376,494</b>	<b>2,236,157,584</b>	<b>2,197,720,690</b>	<b>1,999,124,165</b>	<b>1,871,767,287</b>	<b>10,325,146,219</b>
<b>Sources:</b>						
GO Debt	759,099,123	845,723,329	768,542,131	771,416,610	766,913,923	3,911,695,115
Special Obligation Debt	266,083,319	492,964,575	604,857,305	491,559,650	352,240,840	2,207,705,689
FHWA Reimbursement	799,554,052	682,469,680	680,321,254	621,147,905	637,612,524	3,421,105,415
FTA Reimbursement	99,640,000	100,000,000	100,000,000	100,000,000	100,000,000	499,640,000
Transportation Infrastructure Fund	96,000,000	115,000,000	44,000,000	15,000,000	15,000,000	285,000,000
<b>Total Sources</b>	<b>2,020,376,494</b>	<b>2,236,157,584</b>	<b>2,197,720,690</b>	<b>1,999,124,165</b>	<b>1,871,767,287</b>	<b>10,325,146,219</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

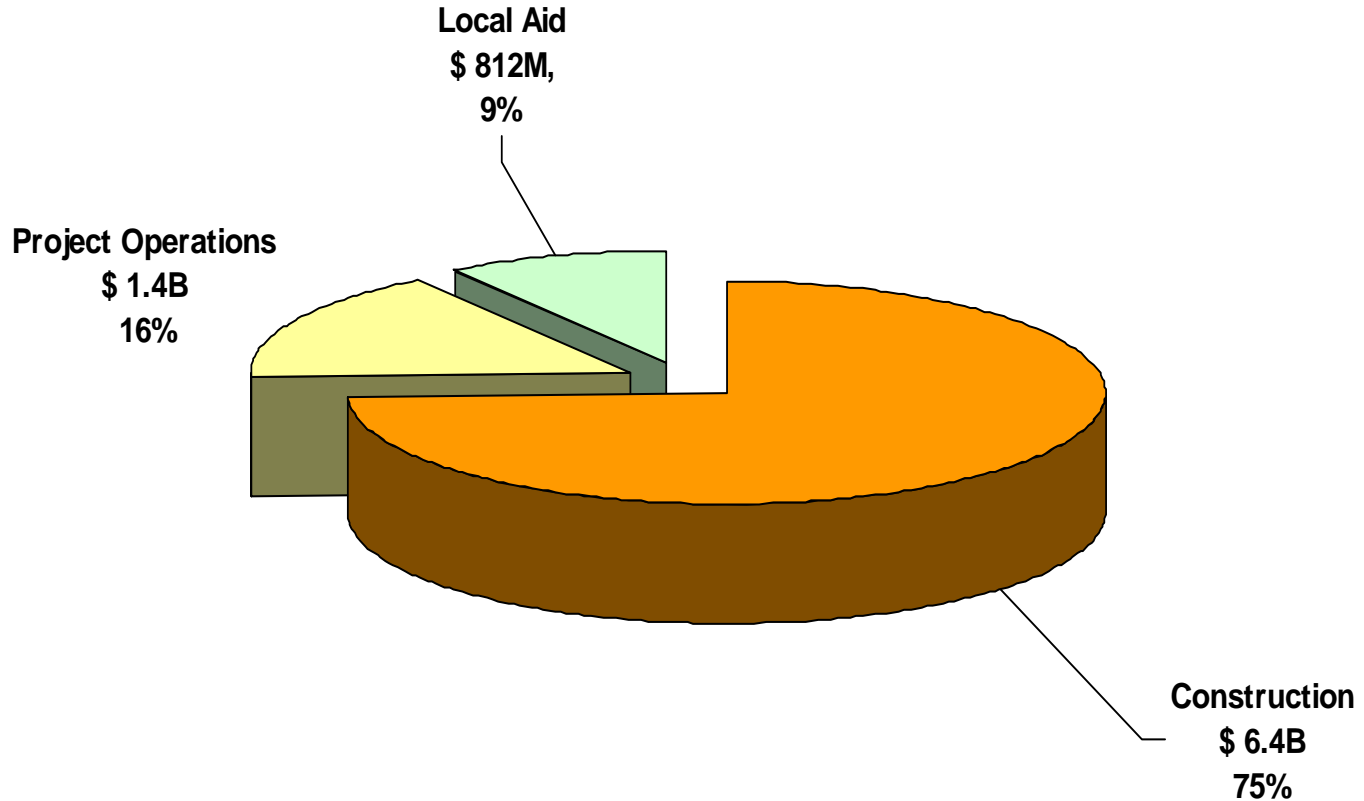
---

# Highway Division 5 Year Capital Plan



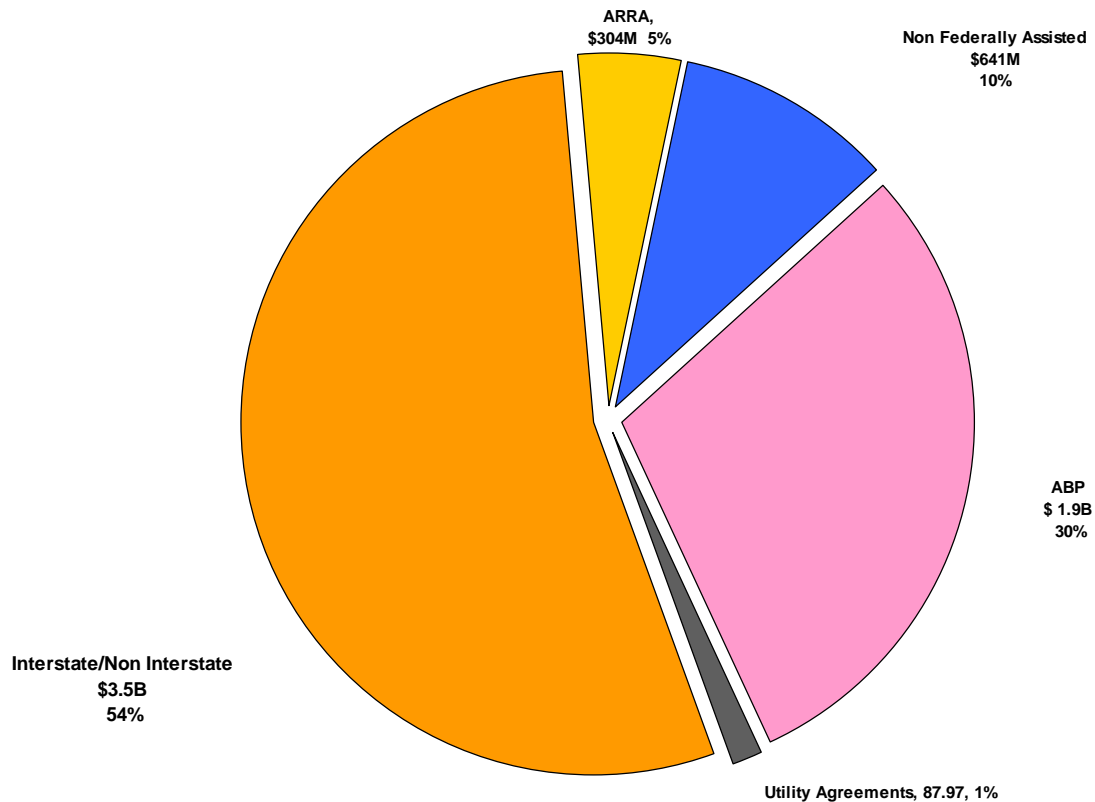
# Highway Division – Five Year Capital Spending Plan

**\$ 8.6 Billion**



# Construction by Major Program Type

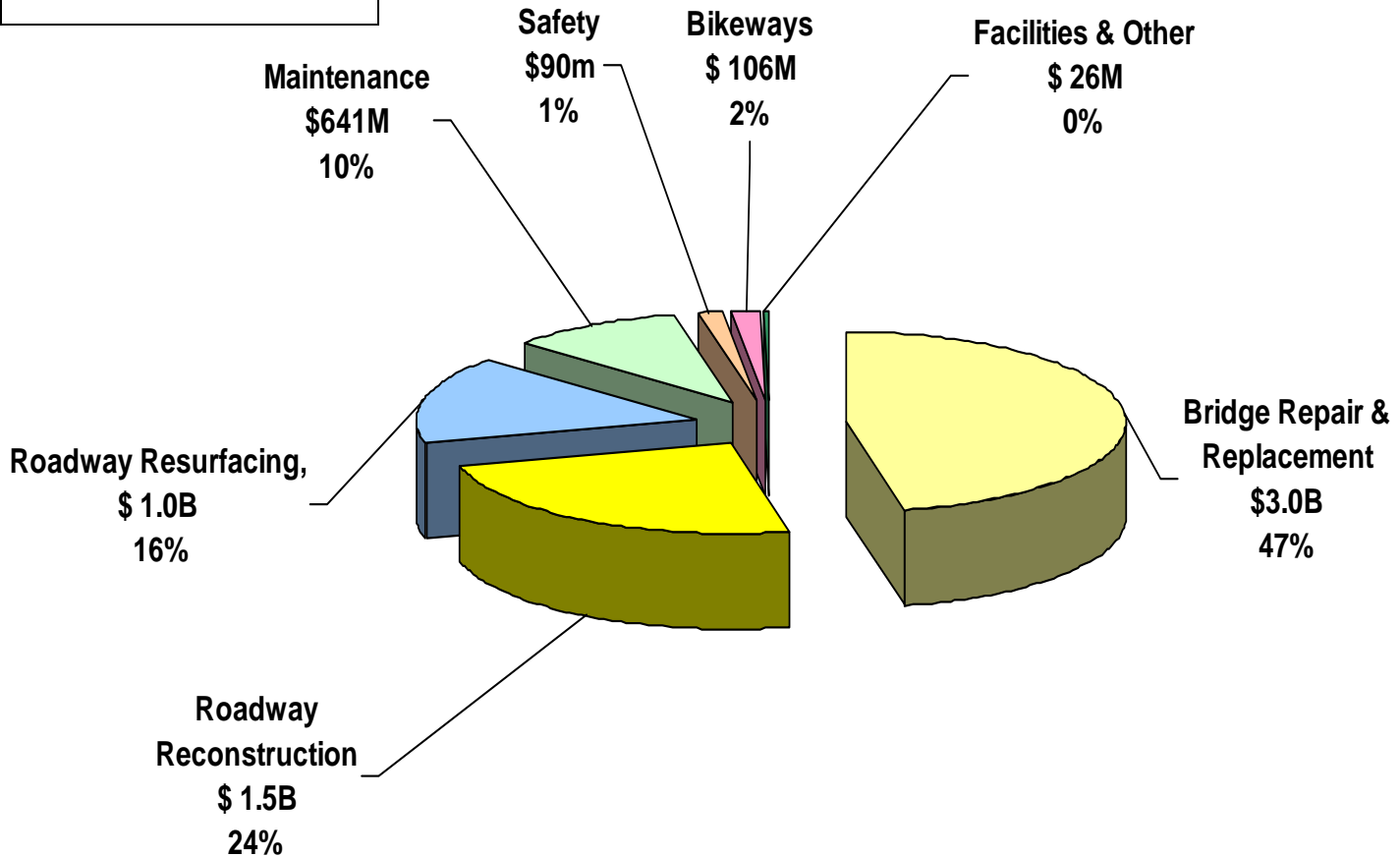
**\$ 6.4 billion**



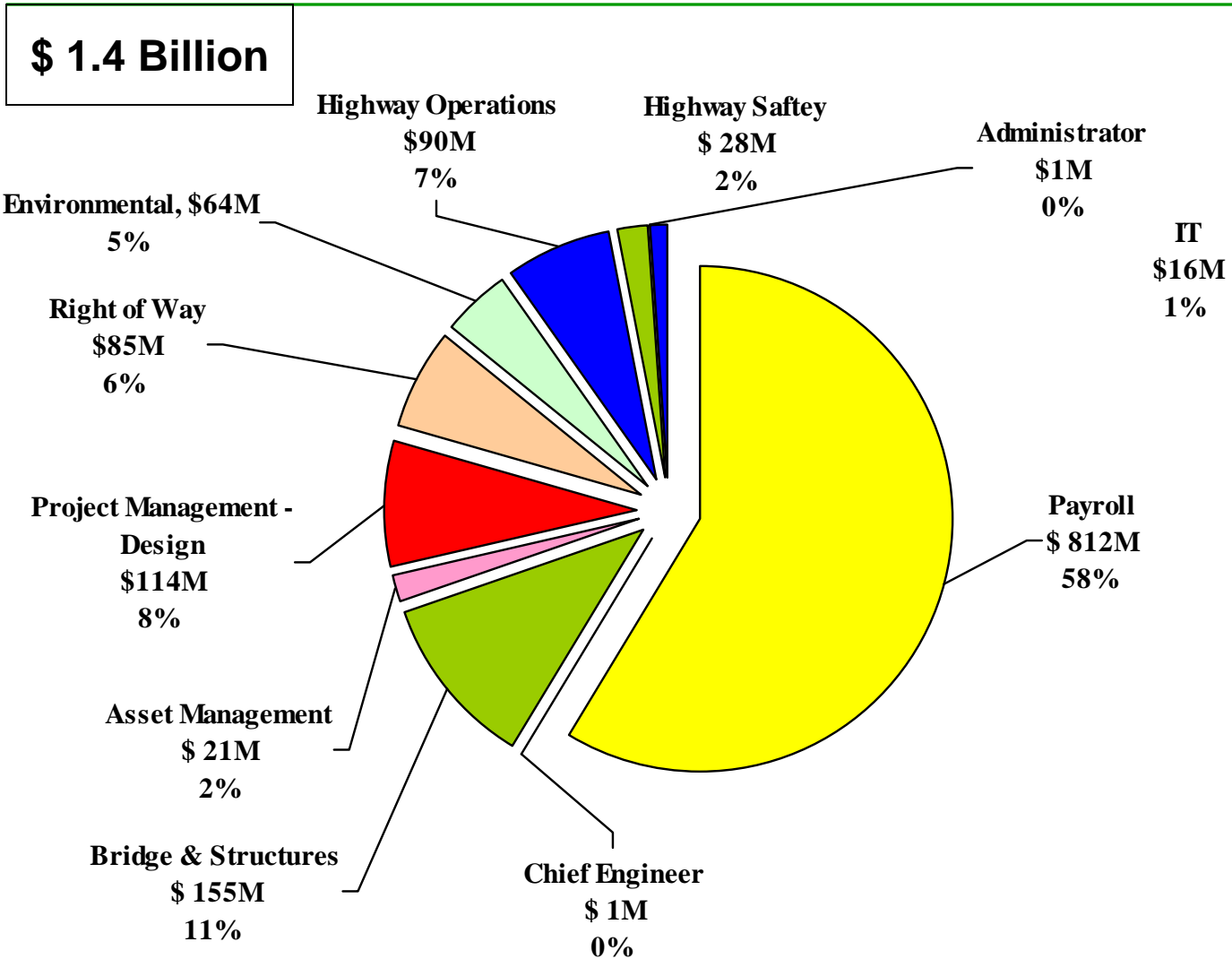
# Construction

## Percentage of Expenditure by Program Type

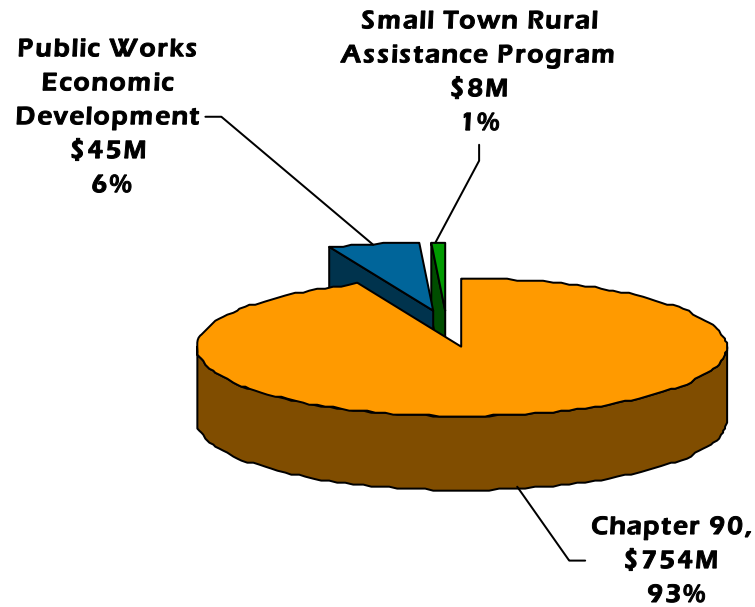
**\$ 6.4 Billion**



# Project Operations – All Programs



# Local Aid Programs



■ Chapter 90 ■ PWED ■ STRAP

## Central Artery/Tunnel

---

- **Total Project Cost - \$ 14.8 Billion**
- **Remaining costs \$ 200 million – primarily for construction claims**



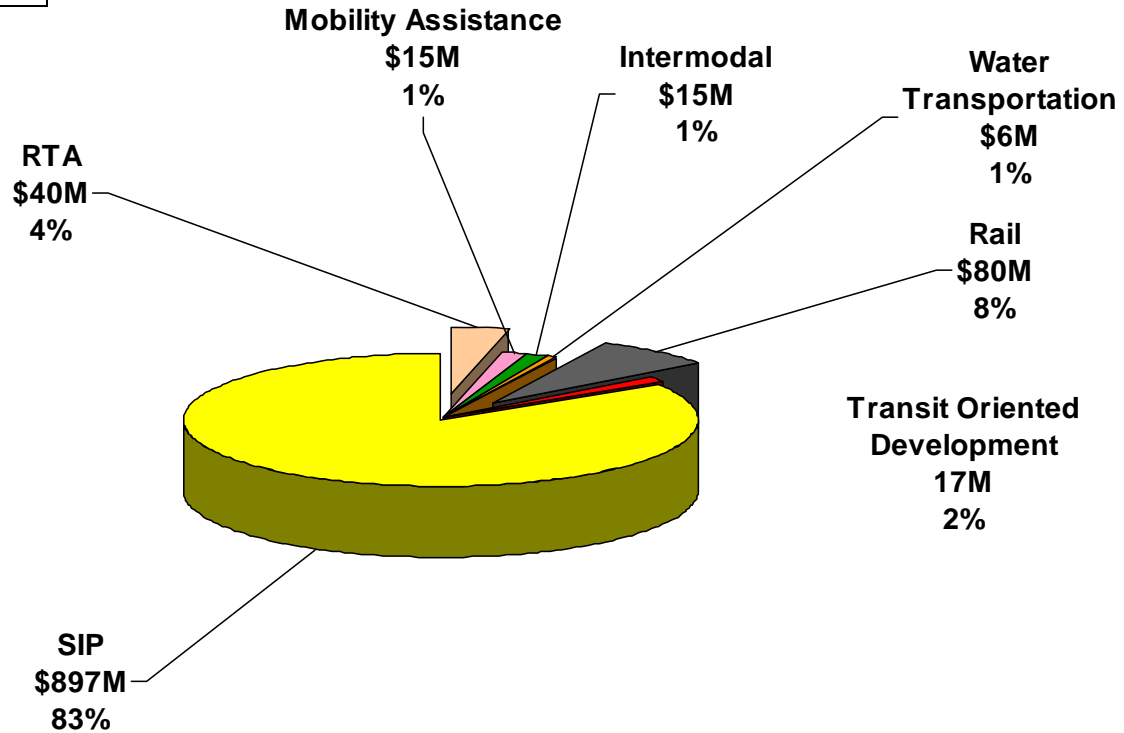


---

# **Rail & Transit Division 5 Year Capital Plan**

# Rail & Transit Division by Major Program

**\$ 1.0B**





---

# **Aeronautics Division 5 Year Capital Plan**

# Aeronautics Division

---

- Massachusetts Statewide Airport System Plan Project (MSASP) for the 37 public-use general aviation airports.
- Aeronautics is funded at \$ 60.3M in the Five Year Plan
- These funds are used to match Federal Aviation Administration (FAA) funding received directly by airports and match locally funded municipal airports (approximately \$ 190M during the period)
- Major Aeronautics projects include the following:
  - Barnstable Airport Terminal - \$ 13M
  - Pittsfield Runway Extension - \$ 12.7M
  - Worcester Runway Extension - \$ 1.0M
  - New Bedford Runway - \$ 6.2M

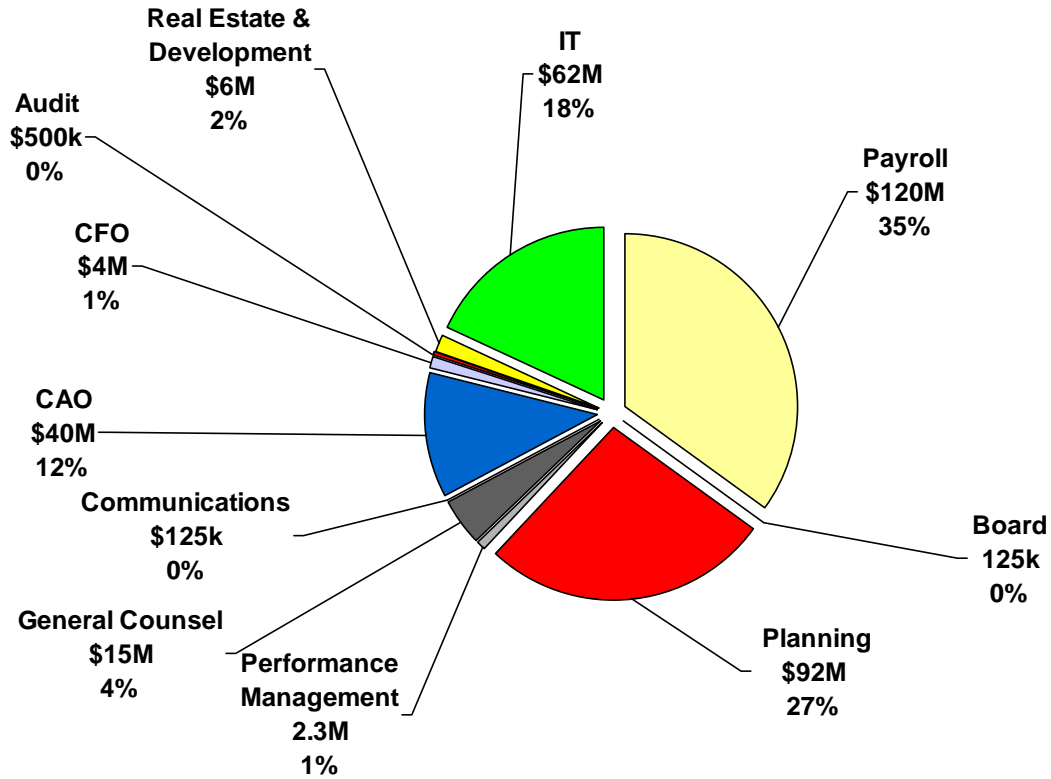
---

# Office of Planning & Programming 5 Year Capital Plan



# Office of Planning & Programming

**\$ 302.1M**



# Questions / Follow - up

---

