

# Introduction to the MBTA Capital Investment Plan (CIP)

MBTA Board of Directors  
February 2025



# What is the Capital Investment Plan (CIP)?

The CIP contains all MBTA capital projects over the next five years. Capital projects help us maintain, acquire, renew, construct or improve capital assets.

Every year, as per our legislative mandate, we update the CIP. This allows the T to allocate new funding both new and ongoing projects.

The CIP is a short-term, financially constrained investment plan. It accounts for the T's available sources and committed uses over the next five years.



## CIP step-by-step process

- Identify capital needs
- Evaluate and score project requests
- Determine funds available
- Prioritize projects for funding
- Sequence investments
- Release CIP annual update

# CIP Funding Sources | Historical Overview

## State



### Bonds

- General obligation bonds and special obligation/revenue bonds
  - Programs supported by special obligation bonds include the Rail Enhancement Program (REP), the Rail Reliability Program (RRP), and the Station Accessibility and Resilience Program (STAR)

### Commonwealth Match Fund

- Supports pursuit of federal funding

### Fair Share Funding

- State revenue designated for specific categories of transit investments

### FTA Directive Response Funding

- Funding to support the MBTA's response to the FTA Safety Management Inspection

## MBTA



### Bonds

- Taxable, tax-exempt, and sustainability bonds

### Loans

- Build America Bureau (BAB) loans through TIFIA and RRIF

### Operating Budget Transfer

- Funds transferred from MBTA's operating budget to the capital program

### Capital Maintenance Fund (CMF)

- Authority's fund to be used at the discretion of the CFO

## Federal



### FTA Formula funds

- Urbanized Area Program (Section 5307)
- State of Good Repair (Section 5337)
- Buses and Bus Facilities (Section 5339)

### Discretionary funds

- Competitive processes run by federal agencies. Funds included in the CIP after award.

## Other

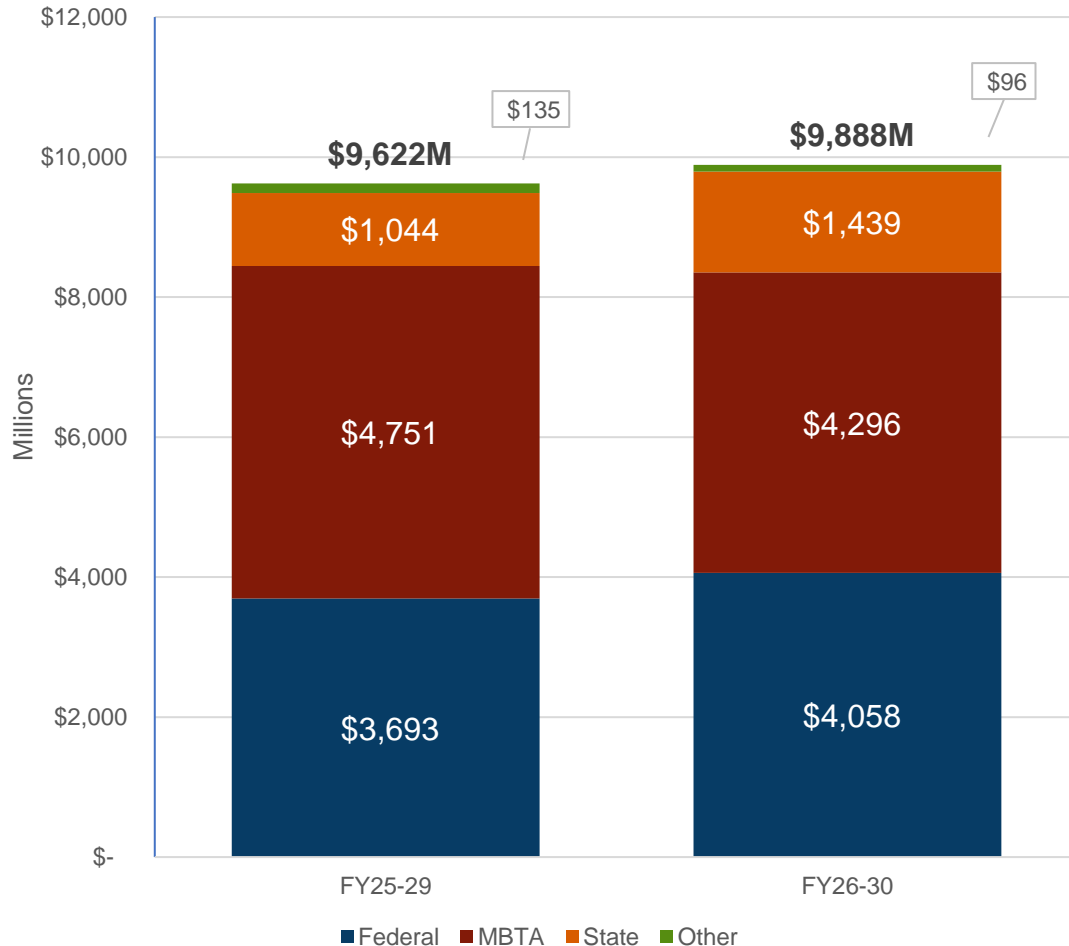


**Reimbursables:** Outside funds through partnerships and formal agreements



# FY26-30 CIP Funding Sources | Initial Estimate

Sources Programmed/Available



## Source Highlights:

The overall level of available sources is expected to slightly increase when compared to the FY25-29 CIP. This is due to several factors:

- **Federal** funds increased significantly in FY26 in large part due to additional discretionary grant awards such as the North Station Draw 1 MEGA Grant (\$472M). FTA Formula Funding assumptions remain level beyond FY26 to account for uncertainty in Federal funding levels once the Bipartisan Infrastructure Law (BIL) expires.
- **MBTA** sources decreased significantly compared to FY25-29 programmed sources due to the spend-down of previously-issued bond funds in FY25 exceeding the issuance of new bond funds in FY26, as well as the draw-down of RRIF and TIFIA loan funds for Positive Train Control (PTC) and Fiber Resiliency.
- **State** funds increased significantly thanks to a substantial injection of \$601M in new RRP and STAR funding and an additional \$60M in Fair Share funding added for FY25. State source estimates are based on currently programmed funding only and do not assume future allocations.

Source	FY25-29	FY26-30
Federal	38%	41%
MBTA	49%	43%
State	11%	15%
Other	1%	1%



# Funding Sources | Federal Discretionary Grants

Since the passage of the BIL, the MBTA has been successful in 22 grant applications – **winning more than \$830M** in discretionary funding.

The MBTA continues to aggressively pursue funding opportunities to help close the capital funding gap and to supplement traditional formula funding by (1) proactively identifying grant opportunities, (2) identify a pipeline of competitive projects, and (3) develop strong applications.

The MBTA strives to pursue funding for projects that align with the MBTA's stated goals, strategic mission, and the 5-year CIP which is the MBTA's statement of priorities for capital investments.



Summary of Federal Grant Submissions FY22-25					
	Amount Awarded	Awards Received	Unsuccessful Applications	Submitted Applications	Submitted / Pending
FY22	\$9.8M	4	2	14	
FY23	\$199.7M	7	12	17	
FY24	\$90.1M	3	9	14	
FY25	\$535.1M	8	4	7	3
<b>Total:</b>	<b>\$834.7M</b>	<b>22</b>	<b>27</b>	<b>52</b>	<b>3</b>

## Notable Awards

### Structures

- \$472M\* awarded to support the replacement of Draw One Bridge
- MBTA's largest discretionary grant award to date

### Bus Electrification

- \$156M (\$40M\* in FFY25) for the purchase of battery-electric buses

### System Accessibility and Passenger Facilities

- \$66.6M Symphony Station Accessibility Improvements Project
- \$67.6M\* Accessibility Improvements for Green Line B & C Branches

### System Safety

- \$2M\* improve access and safety to JFK/UMass Station
- \$22.4M to directly support MBTA security programs
- \$4M\* to develop a Rail Crossing Elimination Master Plan
- \$2.1M\* to demonstrate collision avoidance technology on buses

# Federal Funding | Drawdowns & Obligations

Federal funds are considered obligated once the MBTA enters into a grant agreement with the awarding federal agency. After the MBTA obligates Federal discretionary grant awards, the MBTA requests and receives payment from federal partners through a variety of mechanisms.

Federal Drawdowns		
<b>Federal Transit Administration (FTA)<sup>1</sup></b> <ul style="list-style-type: none"><li>Majority of drawdowns are 80% Federal / 20% local match</li><li>MBTA submits weekly and monthly drawdown requests to FTA</li></ul> <p><sup>1</sup> Includes FHWA funds flexed to FTA</p>	<b>Federal Railroad Administration (FRA)</b> <ul style="list-style-type: none"><li>Majority of drawdowns are 50% Federal / 50% local match</li><li>MBTA submits monthly drawdown requests to FRA</li></ul>	<b>Department of Homeland Security (DHS)</b> <ul style="list-style-type: none"><li>100% of drawdowns are Federal</li><li>MBTA submits quarterly drawdown requests to DHS</li></ul>



# CIP Funding Sources | Risks and Opportunities

## Risks

- The Bipartisan Infrastructure Law (BIL) expires on September 30, 2026; Federal funding levels for both formula funding and discretionary grants will be dependent on Congress' passage of a new surface transportation authorization act
- The impact of current and future Executive and Congressional actions on transportation remain uncertain
- Currently, the MBTA has 128 federally-funded projects with \$1.23B in planned federal drawdowns of executed grants

## Opportunities

- The Commonwealth's commitment of recurring funding to the Commonwealth Transportation Fund (CTF) has unlocked borrowing capacity to support \$1.25B worth of projects at the MBTA and MassDOT over the next five years
- The Healey administration has included substantial additional funding for MBTA capital projects in their FY26 budget proposal and accompanying supplemental budget

# MBTA Investments and Additional CTF Funds

- The Commonwealth, with the support of Governor Healey and the Legislature, has dedicated significant recurring funding to the Commonwealth Transportation Fund (CTF) to support increased borrowing for transportation projects.
- The first funding transfer, approved by the MBTA Board in October, provided **\$601M to the MBTA** to initiate **Rail Reliability Program (RRP)** and **Station Accessibility and Resilience (STAR)**
  - \$80M in RRP funding will support projects under the MBTA's Power Master Plan (PMP) as part of FY26-30 CIP.
  - The remaining \$521M in RRP and STAR funding has primarily been allocated to urgent FY25 needs and is not included in the \$1B available to allocate through the FY26-30 CIP.
- Additionally, Governor Healey released a historic plan to **invest \$8 billion in transportation** over the next **10 years**, including substantial funding for MBTA capital projects and operations. This plan will be filed as part of the Governor's FY26 budget proposal and accompanying FY25 supplemental budget.

## Projects receiving RRP and STAR funding

### Rail Reliability Program (RRP)

- CY24 Track Improvement Program
- CY25 Annual Programmed Maintenance
- Procurement of bi-level Commuter Rail coaches
- Procurement of Red and Orange Line Vehicles



Track work between Alewife & Porter during Red Line surge

### Station Accessibility and Resilience (STAR)

- Accessibility upgrades at Green Line surface stations
- Symphony Station improvements



A rendering of the new outbound Symphony station entrances



# Fair Share Funding | FY25

The MBTA received \$60M in FY25 Fair Share Funding:

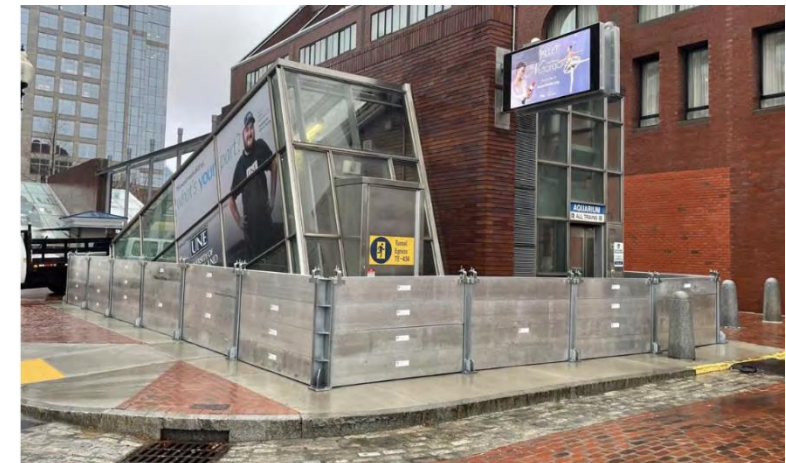
- \$10M for climate resilience
- \$50M for physical infrastructure improvements

The MBTA is proposing to distribute the \$60M as follows:

- \$10M for climate resilience towards a project to **upgrade pump rooms** on the Blue Line
- \$15M for a program to **construct new bus amenities and shelters** across the system
- \$10M for priority **traction power substation upgrades** increasing capacity at Ashmont
- \$10M for projects to **repair structure assets** and improve **employee safety**
- \$15M for vital **roof replacements** at MBTA maintenance facilities



MBTA bus approaching bus stop with shelter



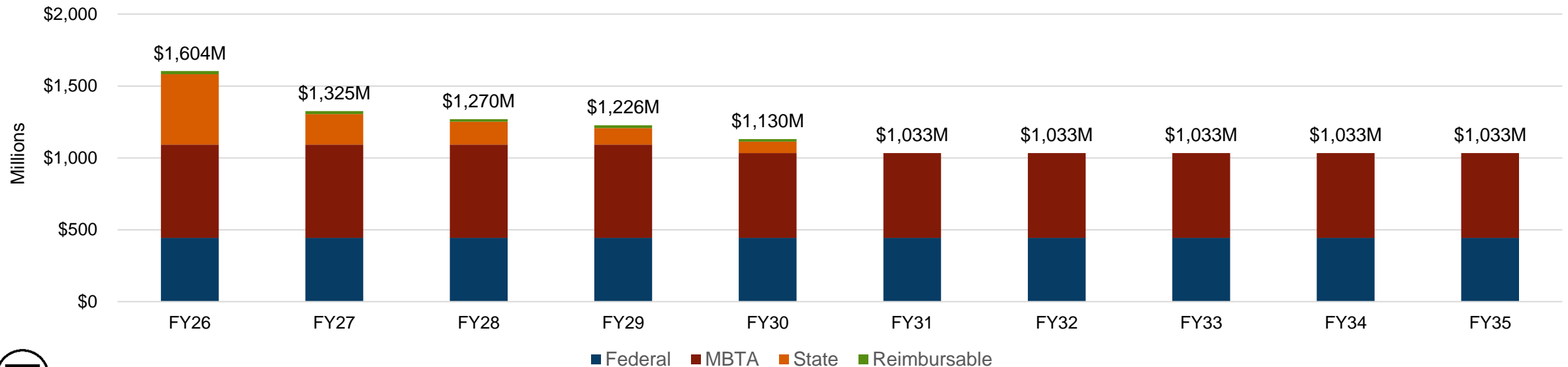
Blue Line Aquarium Station with flood planks deployed



# Declining Capital Sources for SGR | 10 Year Outlook

- Current out-year source assumptions reflect a downward trend driven by an absence of state funds (as existing sources, which are tied to specific projects, continue to be drawn down), and a relatively flat level of MBTA revenue bond issuance (assumes \$650M annually from FY25-FY29, and \$590M beyond FY29, which accounts for the removal of the annual \$60M annual operating budget transfer in the FY25-29 CIP).
- Compared to previous 5-year windows, available State sources will increase substantially in the FY26-30 CIP thanks to an injection of \$601M in new RRP and STAR funding and an additional \$60M in Fair Share funding added in FY25. State source estimates are based on currently programmed or available funding only and do not assume future injections.
- The chart below represents the year in which sources become available to support reliability and modernization efforts, not necessarily the year in which funding will be spent.

MBTA Sources When Available: FY26 to FY35



# Preparing the CIP



# FY26-30 CIP | New Funding Requests

## CIP Process

### ***Funding Request Evaluation Process***

#### **1. Initial Submission**

Needs were identified by MBTA staff. A total of 254 project requests were submitted, representing \$13,507M in new funding needs.

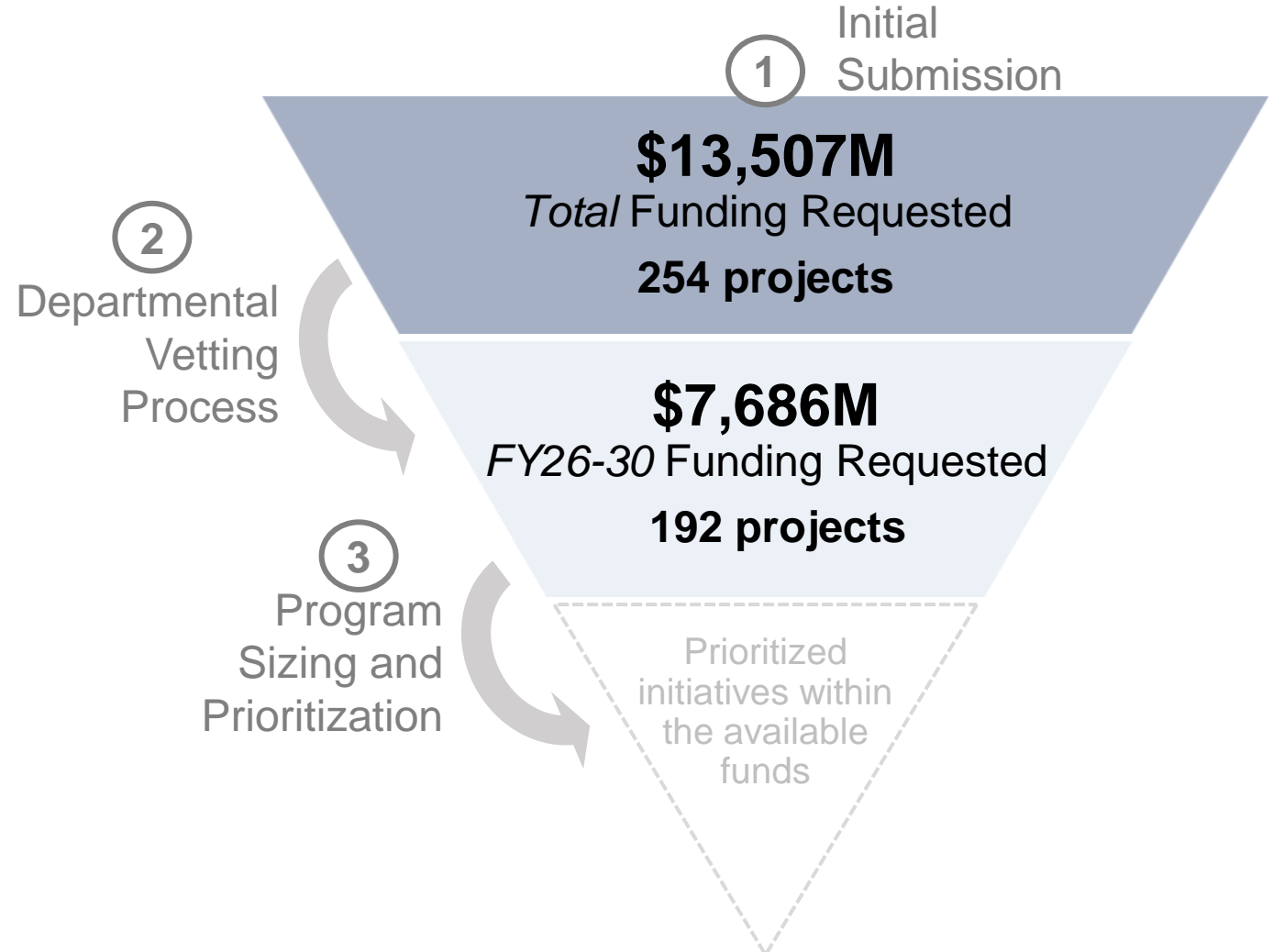
#### **2. Departmental Review**

Each request was reviewed by departmental leadership process to assess project feasibility, urgency, and alignment with MBTA priorities.

After review, 192 projects advanced, requesting \$7,686M in new funding for FY26-30 (\$4,522M for existing projects, \$3,165M for new initiatives).

#### **3. Program Sizing and Prioritization**

The remaining projects will be prioritized by MBTA leadership based on scoring results and an evaluation of the projects' criticality, cost, and readiness for implementation.

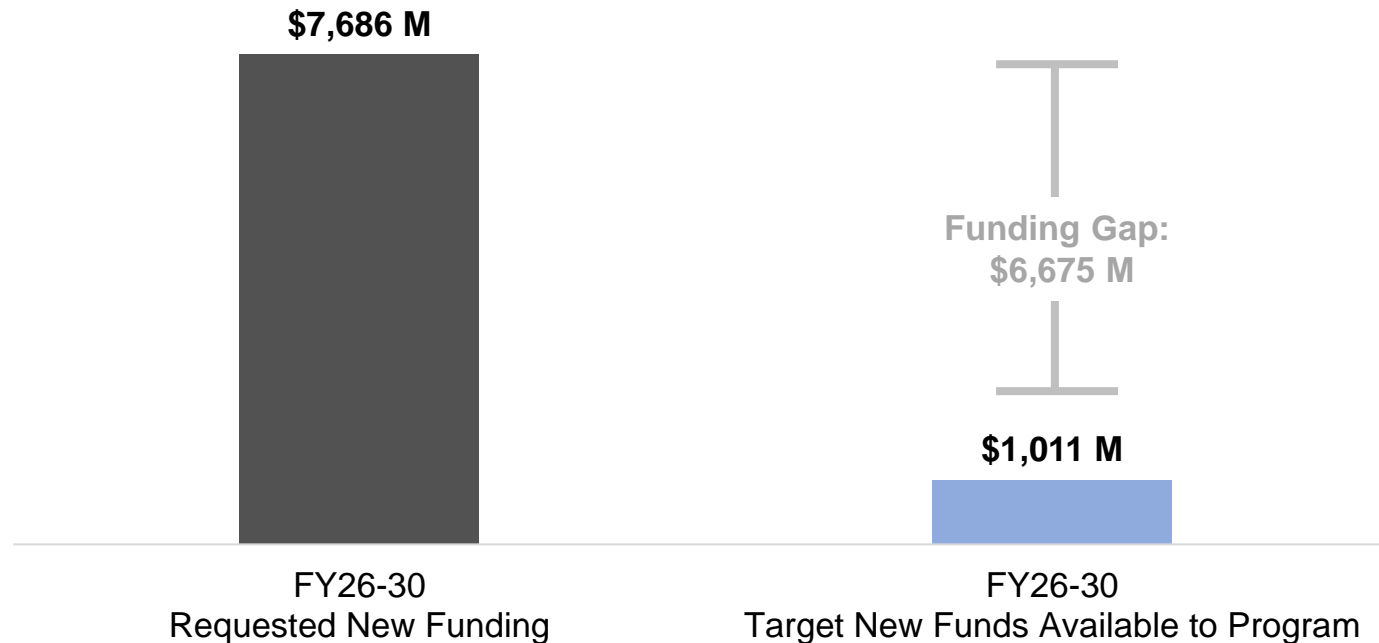


# FY26-30 CIP | New Funding Requests

## Funding requests vs Funding Availability

### *Funding Availability and Gap*

- Based on an analysis of funding source availability, only **\$1,011M in new funding is available** to program to new and existing projects, far below the amount requested.
- Only **13% of the requested funding** is available to allocate to projects.



# FY26-30 CIP Scorecard | Reliability and Modernization Projects

Scoring criteria and sub-criteria have remained consistent with the FY25-29 CIP Scoring update, which placed a holistic emphasis on Safety and Service Reliability and ensured alignment with the Strategic Goals of the MBTA.

Criteria <sup>1</sup>	Description	Sub-criteria	Scoring Weights
<b>State of Good Repair, Safety, and Security</b>	The extent to which the project contributes to a State of Good Repair; alignment with asset management goals; addressing documented or identified safety issues and hazards; and addressing security vulnerabilities and risks	<b>State of Good Repair Criteria (25%)</b> <ul style="list-style-type: none"> <li>Asset Condition (5 points)</li> <li>Safety Criticality (5 points)</li> </ul> <b>Safety and Security Criteria (15%)</b> <ul style="list-style-type: none"> <li>Impact on System Safety (7 points)</li> <li>Impact on System Security (3 points)</li> </ul>	<b>40%</b>
<b>Service</b>	The extent to which the project contributes to improved service reliability, decreases headways, and improves customer experience and ridership as per the MBTA's Service Delivery Policy	<ul style="list-style-type: none"> <li>Operations and Maintenance (2 points)</li> <li>Impact on Ridership (2 points)</li> <li>Service Criticality (2 points)</li> <li>Impact on Service Reliability (2 points)</li> </ul>	<b>20%</b>
<b>Sustainability and Resilience</b>	The extent to which the project supports sustainability and climate mitigation, adaptation, and resilience, improves air quality and reduces greenhouse gases, and results in a reduction of pollution	<ul style="list-style-type: none"> <li>Climate Vulnerability (4 points)</li> <li>Severe Weather Resiliency (2 points)</li> <li>Air Quality and GHG Reduction (2 points)</li> <li>Reduce Pollution and/or Natural Resource Consumption (2 points)</li> </ul>	<b>15%</b>
<b>Equity</b>	The extent to which the project equitably distributes economic, social, and health benefits to residents and removes barriers to accessibility through the MBTA system	<ul style="list-style-type: none"> <li>Benefits to Ridership Equity (4 points)</li> <li>Benefits to Justice 40 Disadvantaged Communities (2 points)</li> <li>Benefits to Accessibility (2 points)</li> <li>Benefits to EJ and Title VI Communities (2 points)</li> </ul>	<b>15%</b>
<b>Economic Vitality</b>	The extent to which the project supports abundant housing and job growth in the Commonwealth	<ul style="list-style-type: none"> <li>Impact on Communities with Transit-Supportive Land Use (5 points)</li> <li>Impact on Housing Choice Communities (5 points)</li> </ul>	<b>5%</b>
<b>Financial Sustainability</b>	The extent to which the project impacts operating costs and revenues and maximizes the return on the public's investment	<ul style="list-style-type: none"> <li>Impact on Operating Costs (5 points)</li> <li>Impact on Operating Revenues (5 points)</li> </ul>	<b>5%</b>



<sup>1</sup> Criteria and scoring weights listed are for Reliability/Modernization projects in all CIP Programs outside of Tech and Innovation, which is scored separately and in conjunction with the IT Governance Committee. Expansion projects are scored using separate scoring weights.

# Choose Transit: Full Ahead

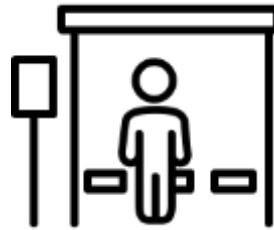
*People moving people. Delivering meaningful results.*



Robust,  
Reliable,  
all-day,  
frequent  
service.



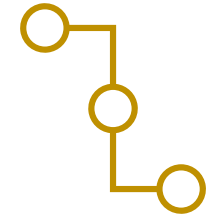
Timely and  
appropriate  
maintenance  
with less rider  
impact.



Accessible,  
safe,  
modernized,  
multimodal  
system.



Real-time  
information and  
communication.



A transit network  
that serves the  
changing needs of  
today and builds for  
the future.

*Aligning our resources.*



# Context for the FY26-30 CIP

## Ongoing Initiatives



Advancing **bus electrification** with **Battery Electric Buses (BEBs)**, modernized facilities, and expanded charging infrastructure for a **zero-emissions fleet**.



The **Bus Network Redesign (BNR)**, launched in December 2024, improves **frequency, accessibility, and efficiency**, with further expansions planned through **2029**.



Upgrading **Green Line B and C Branch** stations for full **ADA compliance**. Currently in design, with completion expected in **Winter 2026** for the C Branch and **Winter 2028** for the B Branch.



**Annual Programmed Maintenance (APM) track program**, further enhancing the condition of **rapid transit track improvements** made in 2024.



The **North Station Draw One Bridge Replacement**, now at **75% design**, enhances **safety, capacity, and reliability** with the support of a \$472.3M federal grant.



**Rail Modernization initiatives**, including **Fairmount Line electrification** infrastructure to deliver 20-minute service with Battery Electric (BEMU) trains by **2028** and eliminate train emissions.



Infrastructure and accessibility improvements to the ferry system, including upgrades to the **Hingham Ferry Dock**, supporting expanded **ferry service**.



# Timeline

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- March – Draft CIP brought to Board, launching public comment period
- April – Public Meetings and Public Comment
- May – Final CIP brought to MBTA Board for approval

All materials are posted on MBTA.com

**M.G.L. c. 161A sec. 5 (g)** requires that the MBTA share the adopted CIP with the MBTA Advisory Board by May 15<sup>th</sup>.



# Appendix



# Funding Source | Federal Formula Funding

## Section 5307 – Urbanized Area Formula Grants

### Description

Funds made available for transit capital and operating assistance in urbanized areas with a population of 50,000 or more.

### Eligible Activities

Broad eligibility for transit capital projects. Includes planning, design, and engineering activities, bus and fixed-guideway (rail) capital investments, vehicle investments, track, signals and power.

Because Boston is an urbanized area with a population >200,000, the MBTA is not able to use 5307 funds for operating assistance.

### Annual Apportionment (FFY25 Estimates)

\$191.5M in FFY25

The entire Boston region receives more than this annually as funds are split between the MBTA and other RTA's within the Boston UZA.

### Projects currently programmed on the FFY25-29 TIP

- Elevator Program Multiple Location Design (P0075)
- Green Line Type 10 Light Rail Fleet Replacement (P0369)
- Procurement of Enhanced Electric Hybrid Buses (P0618)
- Quincy Bus Facility Modernization (P0671a)
- Bridge Program Pipeline (P1107)
- Signal Program – Red/Orange Line (P0285)



# Funding Source | Federal Formula Funding

## Section 5337 – State of Good Repair

### Description

Provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair. Additionally, SGR grants are eligible for developing and implementing TAM plans.

### Eligible Activities

SGR projects related to fixed guideway (rail) or bus systems, including rehabilitation or replacement of assets.

Does not fund modernization or expansion activities, although some projects which fall under our “modernization” category are eligible for 5337 funds.

Section 5307 and 5337 Federal Formula funds can be applied to eligible preventative maintenance expenses on the operating budget.

### Annual Apportionment (FFY25 Estimates)

\$235.0M in FFY25

Funds are allocated based on revenue miles and route miles reported to NTD.

### Projects currently programmed on the FFY25-29 TIP

- Bridges – Design (P0009)
- Green Line Central Tunnel Track and Signal (P0591)
- Systemwide SCADA Equipment Upgrade (P1213)
- North Station Draw 1 Bridge Replacement (P0018)
- Fairmount Line Infrastructure for Decarbonized Service (P1315)
- Codman Yard Expansion and Improvements (P0679)



# Funding Source | Federal Formula Funding

## Section 5339 – Bus and Bus Facilities

### Description

Funds to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities

### Eligible Activities

Capital projects to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities.

Includes technological changes or innovations to modify low- or no-emission vehicles or facilities.

### Annual Apportionment (FFY25 Estimates)

\$6.3M in FFY25

### Projects currently programmed on the FFY25-29 TIP

- Hybrid Bus Overhaul (P0911)
- CNG Bus Overhaul (P1154)



# Funding Sources | State Funding

- Historically, the Commonwealth has provided the MBTA funding tied to specific uses, which in most cases are large infrastructure projects like Green Line Extension or South Coast Rail, or to significant agency initiatives such as FTA special directive response.
- The FY26-30 CIP will reflect the following Commonwealth sources:

## Bond Cap/REP/Other Agreements

### Funding Source Description

- State Bond Cap refers to general obligation bonds backed by the Commonwealth's revenues, which currently provide a small amount of funding to the MBTA
- Special obligation bonds also fund MBTA capital expenditures and for other rail improvements in the Commonwealth.
  - Programs supported by special obligation bonds include the Rail Enhancement Program (REP), the Rail Reliability Program (RRP), and the Station Accessibility and Resilience Program (STAR)
- Other Inter-Agency Service Agreement (ISA's) have been established with the Commonwealth to provide funds to support other projects, including projects resulting from state earmarks

### Current Uses

- Major initiatives such as Red Line/Orange Line Infrastructure Improvements at Cabot and Wellington Yards, Red/Orange Line Vehicle Procurements, and accessibility upgrades on the Green Line's B and C branches.

## FTA Directive Response Funding

### Funding Source Description

- The Commonwealth has committed to providing the MBTA a total of \$434M to support the Authority's response to the FTA Safety Management Inspection and subsequent special directives.
- This funding is meant to support both operating and capital expenses related to FTA directive response

### Current Uses

- Funding is currently tied to specifically identified scopes of work developed to enact Corrective Action Plans (CAPs)

## Fair Share Funding

### Funding Source Description

- The "Fair Share Amendment" was approved in November 2022 and applies a new 4% surtax on income above \$1M, with revenue specifically dedicated to education and transportation
- The MBTA received a portion of this revenue in both FY24 and FY25 for infrastructure improvements

### Current Uses

- FY24 Fair Share Funding supports projects in the following categories (see slide 24):
  - Bridge Repair, Rehabilitation and Replacement
  - Station Improvements and Accessibility
  - Red-Blue Connector: Advancing to 30% design
  - Commuter Rail System Infrastructure Improvements
  - Track and Signal Improvements on the Rapid Transit Network
- FY25 Fair Share funding will support climate resilience work on the Blue Line along with other infrastructure improvements (see slide 9)



# Fair Share Funding | FY24

- In FY24, the MBTA received \$180.8M in Fair Share funding for physical infrastructure improvements. The table below summarizes the use of these funds to date:

Investment Category	FY24 Funding	Scope
Bridge Repair, Rehabilitation and Replacement	\$50M	<ul style="list-style-type: none"> <li>• \$50.0M for repair and rehabilitation of bridges on Commuter Rail's Fairmount Line</li> </ul>
Station Improvements and Accessibility	\$70M	<ul style="list-style-type: none"> <li>• \$37.6M for Central Square Station Accessibility</li> <li>• \$15.0M for free-standing mini-highs at CR stations</li> <li>• \$10.5M for Ruggles Station Improvements</li> <li>• \$3.5M for Natick Center Station Accessibility Project</li> <li>• \$3.4M for systemwide elevator and escalator replacements</li> </ul>
Red-Blue Connector	\$10.8M	<ul style="list-style-type: none"> <li>• \$10.8M for early design of the Red-Blue Connector</li> </ul>
Commuter Rail System Infrastructure Improvements	\$20M	<ul style="list-style-type: none"> <li>• \$13.5M for track and signal improvements on the Framingham/Worcester Line</li> <li>• \$6.5M for construction of new crossover near Worcester Union Station</li> </ul>
Track and Signal Improvements on the Rapid Transit Network	\$30M	<ul style="list-style-type: none"> <li>• \$30.0M for Track Improvement Program work on the Green and Blue Lines</li> </ul>



# Funding Sources | MBTA Funding

- MBTA-generated sources account for almost half of the five-year CIP, based on FY25-29 CIP programmed amounts, and come from a variety of sources:

## MBTA Bonds/Loans

### MBTA Revenue Bonds

- The MBTA issues its own bonds, secured against guaranteed sales tax revenue, to fund almost half of the five-year CIP
- MBTA bond funding can be used on any *capital* project at the authority's discretion, and can also be used to provide matching funds for federal grants (discretionary or formula funds)
- The FY26-30 CIP assumes an annual issuance of \$650M in MBTA bonds through FY29, which decreases to \$590M in FY30 and beyond.
- Debt service on revenue bonds is paid out of the operating budget – therefore, the higher the level of bond issuance, the greater the impact on the operating budget

### Loans

- The MBTA is eligible to seek and has received loans from the Build America Bureau (through the Railroad Rehabilitation & Improvement Financing (RRIF) and Transportation Infrastructure Finance and Innovation Act (TIFIA) programs) which can have more favorable terms than loans available through the private market
- Loans currently support PTC, ATC, and Fiber Optic Resiliency projects, and may be used to support additional projects in the future

## Capital Maintenance Fund (CMF)

- This is a limited fund held by the authority to be used at the discretion of the CFO
- This fund is generally used only for urgent/emergency needs that arise during the fiscal year
- CMF funding is not allocated during the annual CIP development process, rather it is distributed via in-year CIP changes to address urgent needs

