Massachusetts Bay Transportation Authority

FY27-31 CIP Development Approach and CTF Funding

Capital Program Planning

October 2025

Presentation Summary and Purpose

Presentation Summary

- Provide an overview of the development process for the FY27-31 CIP
- Communicate funding exposures and risks that are likely to impact the FY27-31 CIP
- Review previous allocations of Commonwealth Transportation Fund (CTF) funding to the MBTA and discuss proposed $850M in new CTF funding and related projects
- Request vote to authorize the MBTA to execute a contract to accept the $850M in new funding from MassDOT

What is the Capital Investment Plan?

CIP step-by-step process

1. Identify capital needs
2. Evaluate project requests
3. Determine funds available
4. Prioritize projects for funding
5. Sequence investments
6. Release CIP annual update

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.

Future Funding Availability

Major Commitments and Major Constraints

For the next three years, much of our capital funding will be dominated by commitments to North Station Draw 1, the procurement of Green Line Type 10 vehicles, and the local match requirement for a possible Core Capacity CIG grant.

Existing North Station Draw 1 Bridge, built in 1931

Green Line Core Capacity Funding Timeline

- The MBTA must fully fund our proposed 50% local match for the CIG Core Capacity grant (estimated $1.9B) by Spring 2028; this limits the availability of funding for other needs in the next two CIPs
- The local match can be satisfied through a combination of Federal Formula funds, MBTA borrowing, and State funding
- We have programmed approx. 30% of the match to date

Project Cost and Funding Risks

- Inflation and tariff-related impacts on existing project budgets
- Unobligated FFY26 MEGA funding for North Station Draw 1; if we are unable to obligate this funding, we would need to divert funding from other projects to keep this critical project on track.
- Including $189M for NSD1, we currently have unobligated Federal discretionary grant awards totaling more than $231M

Federal Funding Uncertainty

- The Bipartisan Infrastructure Law (BIL) expires on September 30, 2026; we currently assume level funding post-FFY26
- Future formula and discretionary funding levels are dependent on Congress' passage of a new surface transportation authorization act; changes would impact out-year funding availability.

FY27-31 CIP Development Approach

A Change in Approach to CIP Development

Our existing commitments to major projects will limit new funding availability in the upcoming CIP. At the same time, recently completed and upcoming planning efforts are helping to define our long-term priorities.

- Historically, the MBTA has held an open call for projects at the beginning of each fiscal year, asking individuals from across the organization to submit all their known capital needs for funding.
- However, with clear service priorities outlined in *Full T Ahead*, and the ongoing efforts of the *Program for Mass Transportation* to set out a long-term vision for the MBTA, we are changing our approach to collecting funding requests.

This year's call for projects is limited to requests which:

- Address cost exposures on existing projects to bring those projects to completion, OR
- Requests that provide additional funding for critical state of good repair programs

Funding Risks and Exposures Remain Fluid

- MBTA staff worked over the Summer to identify major funding exposures and risks
- Funding requests are being reviewed by staff to determine the highest-priority funding needs
- Greater clarity on funding availability is expected in late Autumn/early Winter
- Estimate of available funding will inform final project decisions

CTF Investments

Background: CTF Funding and the MBTA

The Massachusetts state budget's primary source of transportation spending comes from funds collected through the Commonwealth Transportation Fund (CTF).

CTF-funded Initiatives in the MBTA Capital Investment Plan:

Funds from CTF have been used to fund MBTA capital projects via the issuance of bonds under the Rail Enhancement Program (REP), and the Rail Reliability Program (RRP).

Rail Enhancement Program (REP)

Major initiatives funded include:

- Green Line Extension
- South Coast Rail
- RL/OL Improvements and Vehicles
- Commuter Rail Bi-level Coaches

Many REP-funded projects have already been completed or are winding down.

Received $601M in CTF funding in FY25

Rail Reliability Program (RRP)

Major initiatives funded include the Track Improvement Program (TIP), Fleet Replacement, and station accessibility and resilience improvements.

MBTA Capital Funding from CTF

Transportation-related revenues deposited in CTF

↓

Bonds are issued by Commonwealth, CTF is used for debt-service payments

↓

Bond proceeds are used to fund MBTA capital projects

New CTF Investments


Green Line train passes over Lechmere Viaduct

The FY26 MassDOT budget authorizes the transfer of **$850M** in CTF bonding capacity to the MBTA.

Additional CTF Funding will allow the MBTA to make transformative investments that would otherwise not be possible given current funding and time constraints.

Proposed CTF investments in the Rail Reliability Program:

$850M for maintenance facilities, layover track, power, modernization, and resilience. Includes funding for the following initiatives:

- Arborway Bus Maintenance Facility
- Widett Regional Rail Layover Facility
- Green Line Infrastructure Investments
- Locomotive Procurement

Arborway Maintenance Facility

Additional CTF funding will enable the MBTA to deliver a new Battery Electric Bus (BEB) Maintenance Facility at Arborway in alignment with our Bus Facility Modernization Program goals.

MBTA Bus Facility Modernization Program Goals

- Modernize bus maintenance facilities to accommodate zero-emissions buses and improve workforce conditions to enable reliable service
- Accommodate an increase in fleet size in support of the MTBA's Bus Network Redesign to meet the needs of growing ridership

Impact of CTF Funding for Arborway

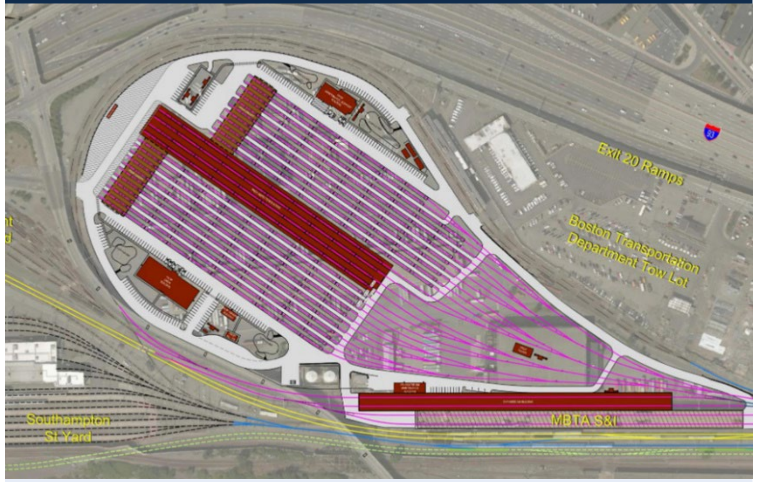
- Replacement of existing temporary structures which comprise Arborway Garage with a new, permanent facility that achieves modernization goals
- Allows for the storage and maintenance of 200 new BEBs, which are urgently needed to accommodate the retirement of Arborway's compressed natural gas (CNG) bus fleet by 2029-2031
- Ensures that future fleet procurement decisions are not limited by our inability to accommodate different vehicle types

One of the MBTA's pre-production battery-electric buses, with its distinctive lightning bolt design, in front of the new Quincy Bus Maintenance Facility under construction.

Additional Proposed CTF Investments

Additional CTF funding will also enable the MBTA to deliver a new Regional Rail layover facility at Widett Circle, prepare Green Line infrastructure for new Type 10 vehicles and future capacity needs, and replace our oldest Commuter Rail locomotives.

Widett Regional Rail Layover Facility – Phase 1



Concept for layover facility at Widett Circle

Design and construction of 6-track electrified layover facility to support storage and operation of Fairmount Line BEMUs. Work also includes site preparation and elevation. Funding is needed now to deliver decarbonized service by 2028.

Green Line Infrastructure Investments

Interior of a Type 10 vehicle mock-up at Govt. Center

Funding is needed for improvements to Green Line facilities, signals, power, and track infrastructure to receive pilot Type 10 vehicles by 2026. Work will help improve Green Line reliability and could enable future capacity improvements.

Commuter Rail Locomotives

Commuter Rail locomotive at Mansfield Station

RRP funds will support a portion the cost of new Commuter Rail locomotives to replace our oldest vehicles, addressing imminent risk of locomotive shortage and ensuring continued service reliability.

Significant Remaining Risks and Exposures

While additional CTF funding will allow the MBTA to make transformative investments that would otherwise not be possible, there remain significant risks and exposures in the capital program.

The 2021 Capital Needs Assessment and Inventory (CNAI) analysis found that approx. 65% of the MBTA's assets were out of a State of Good Repair as of July 1, 2021, totaling to an SGR Index of $24.5B.

Commuter Rail Locomotives

F40 Commuter Rail Locomotive

A significant proportion of our Commuter Rail locomotives will need to be replaced in the near future, threatening service reliability if procurements are delayed.

Bus Facilities and Battery Electric Buses (BEBs)

Rendering, Quincy Bus Maintenance Facility

Additional funding is needed to fully address the bus facility SGR backlog and complete Bus Facility Modernization to support BEBs and fleet expansion.

Power and Signals SGR

Signals work on the D Branch

Additional funding is needed to address the SGR backlog and modernization needs of our power and signals infrastructure.

Inflation and Tariff Exposures

Legacy vehicle transiting Longfellow Bridge

Tariff impacts could directly impact ongoing vehicle procurements and indirectly escalate other costs as we compete with other buyers in a constrained market.

Board Vote

To authorize the General Manager, or his designee, to approve and execute a contract with the Massachusetts Department of Transportation ("MassDOT") to invest $850 million in Commonwealth Transportation Fund ("CTF")-funded bond capacity to support investments in MBTA maintenance facilities, layover track, power, infrastructure modernization, and resilience, and to execute any necessary or ancillary documents in the name of and on behalf of the Massachusetts Bay Transportation Authority to effectuate the agreement.