



Reformed. Rebuilt. Renewed.

Senator Steven A. Baddour

Representative Joseph F. Wagner

Senator Stephen M. Brewer

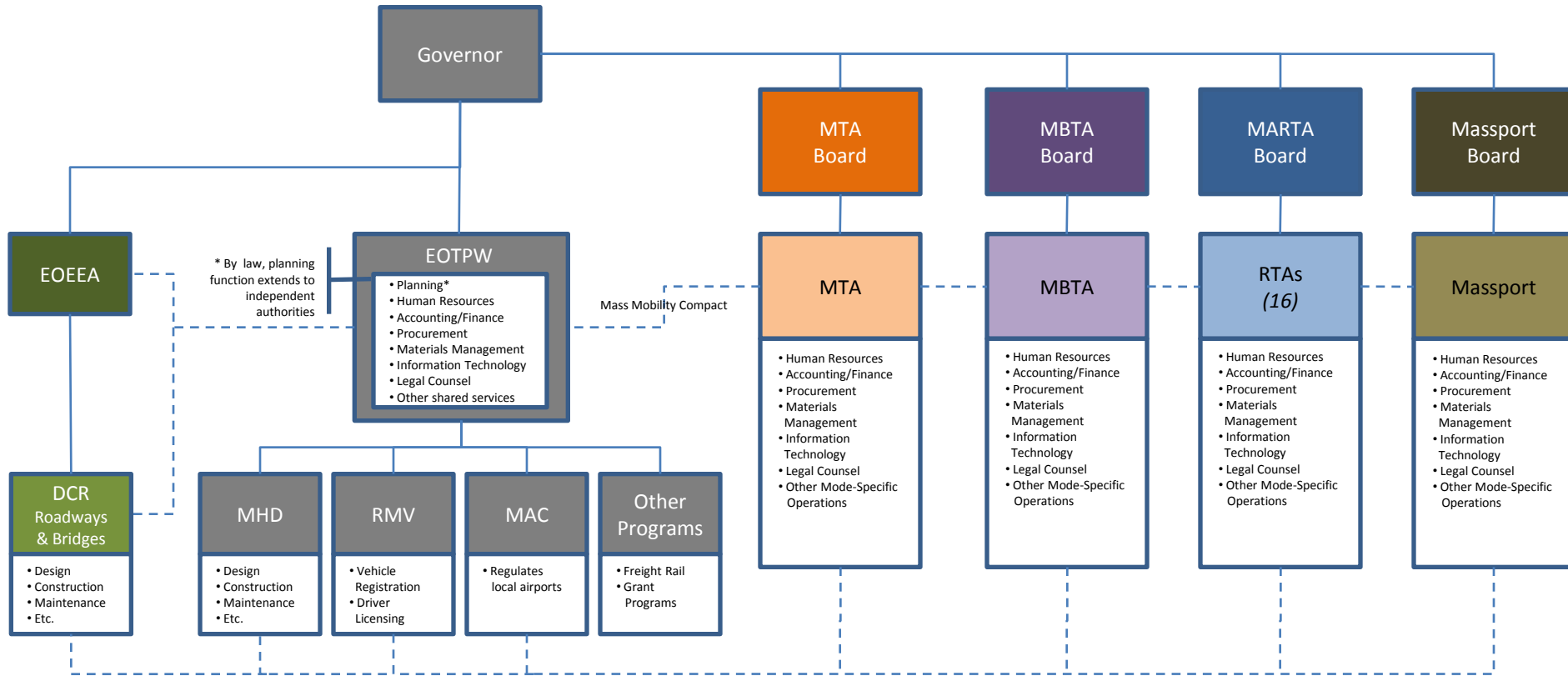
Representative Charles A. Murphy

Senator Robert L. Hedlund

Representative George R. Peterson



Current Transportation Model

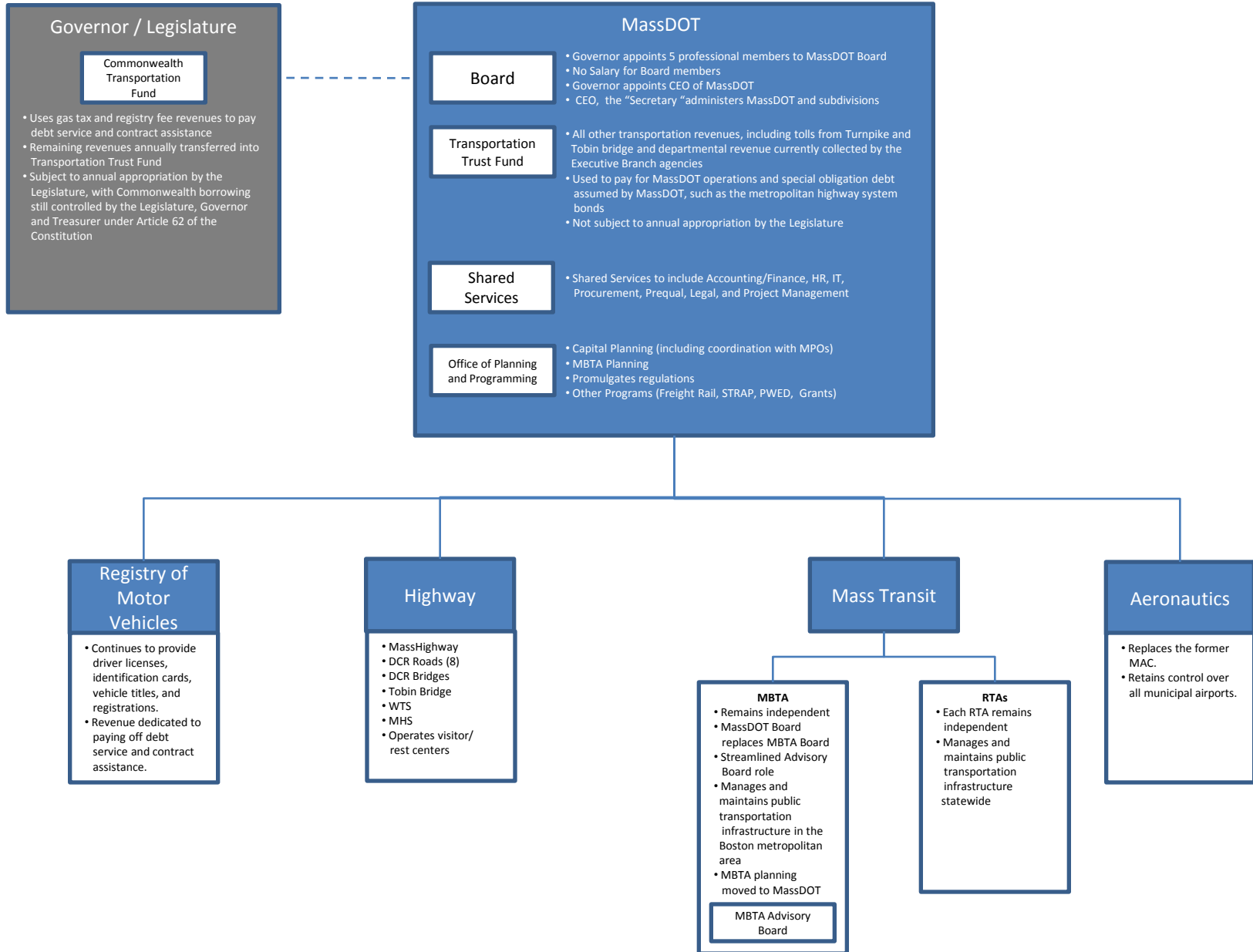




Reformed. Rebuilt. Renewed. Mass. Department of Transportation

- Creates a **single, unified, accountable** Massachusetts Department of Transportation (MassDOT) to **streamline operations, share services and reduce costs.**
- **Streamlines transportation planning** and programming and creates a **more efficient and cost-effective system** by consolidating multiple existing layers of bureaucracy.
- **Consolidates** legal, human resources, IT, and procurement departments **into shared services.**
- Creates an **Office of Performance Measurement** to impose **stringent accountability and performance measurements** on the new Authority.

Massachusetts Department of Transportation





Reformed. Rebuilt. Renewed. MassDOT - Governance

- Governor appoints a **5 member professional board, and designates a board chairman:**
 - Two experts in the field of **Transportation Finance**, two **Transportation Planners**, and one registered **Civil Engineer**.
 - No more than three board members can be from the **same political party**.
 - Each member serves **without compensation**, but can be reimbursed for travel and expenses directly related to board meetings up to \$500.
 - The Chairman **cannot** also **be an employee** of MassDOT.
- The Governor appoints a **Secretary of Transportation** to be the CEO of MassDOT.



Reformed. Rebuilt. Renewed. MassDOT - Funding Structure

- Reconstitutes the Highway Fund as the **Commonwealth Transportation Fund** and establishes the **Transportation Trust Fund**.
- **COMMONWEALTH TRANSPORTATION FUND**
 - Uses gas tax and registry fee revenues to pay debt service and contract assistance
 - Remaining revenues annually transferred into Transportation Trust Fund
 - Subject to annual appropriation by the Legislature, with Commonwealth borrowing still controlled by the Legislature, Governor and Treasurer under Article 62 of the Constitution
- **TRANSPORTATION TRUST FUND**
 - All other transportation revenues, including tolls from Turnpike and Tobin bridge and departmental revenue currently collected by the Executive Branch agencies
 - Used to pay for MassDOT operations and special obligation debt assumed by MassDOT, such as the metropolitan highway system bonds
 - Managed by MassDOT and is **NOT** subject to annual appropriation by the Legislature



Reformed. Rebuilt. Renewed.

MassDOT - Planning and Programming

- Creates an Office of Planning and Programming within MassDOT to **coordinate transportation planning and financing**, in consultation with the Commonwealth's Secretary of Administration and Finance.
- Office of Planning and Programming is **solely responsible for developing** all transportation plans for all modes of surface transportation: all roads, all bridges, all transit.
- Becomes the **primary interface** between the MPOs and the Federal Government by replacing the Executive Office of Transportation and Public Works.
- **Enhanced fiscal scrutiny** for major capital expansion projects requiring proof that sufficient revenues exist to operate and maintain the project.



Reformed. Rebuilt. Renewed. Highway Division

- The Highway Division will operate and maintain **all roads and bridges** in the Commonwealth:
 - The Massachusetts Turnpike Authority: Western Turnpike System and Metropolitan Highway System
 - Tobin Bridge from Massport
 - DCR Roads (8) and all DCR Bridges
- Requires MassDOT to pay employee salaries out of operating revenues – **no longer** will the Commonwealth **pay transportation employees out of its capital budget.**
- Transitions to a **single Asset Management System** to track road and bridge maintenance needs.



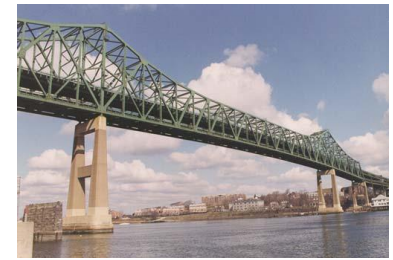
Reformed. Rebuilt. Renewed. Mass. Turnpike Authority



- **Eliminates the Turnpike Authority:**
 - All Turnpike assets and employees will be transferred to MassDOT by **January 1, 2010**.
 - **Big Dig debt** held by the Turnpike becomes debt of the MassDOT.
 - Requires MassDOT to use the **state fiscal year** and the **state's accounting system**, to prevent the lack of transparency that plagued the Turnpike.



Reformed. Rebuilt. Renewed. Tobin Bridge



- Massport remains an **independent authority** focused solely on aviation and port operations.
- Tobin Bridge revenues, operation and maintenance transfers to the MassDOT on **November 1, 2009**.
- The bridge consolidates into the **Metropolitan Highway System** of tunnels and bridges of the Greater Boston region.



Reformed. Rebuilt. Renewed. DCR Parkways and Bridges

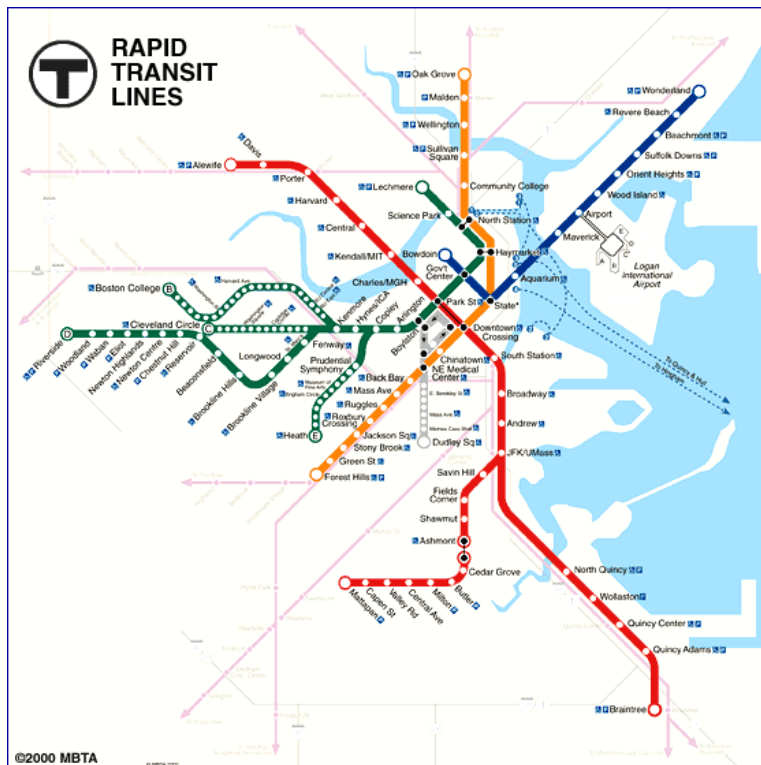


- **Urban DCR Roads** transferred to MassDOT:
 - McGrath Highway, O’Brien Highway, the Carroll Parkway, Middlesex Avenue, William Casey Highway Overpass, Columbia Road, Morton Street, and Gallivan Boulevard.
 - Historic /recreation-oriented parkways remain with DCR.
- **All DCR Bridges** transferred to MassDOT:
 - Bridges currently under design and construction (13) transferred upon completion of an appropriate phase of design or construction, but no later than December 31, 2014.
- **DCR employees** will still **work on** former **DCR assets** within MassDOT.



Reformed. Rebuilt. Renewed. Division of Mass Transit

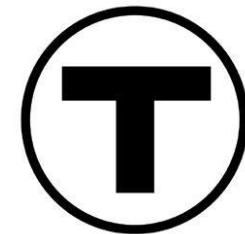
- The Division of Mass Transit will contain:
 - MBTA
 - All the Regional Transit Authorities (RTAs)





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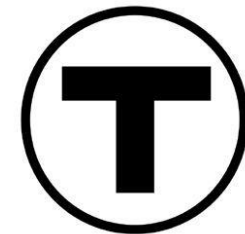
MBTA: Board



- MBTA remains an **independent authority** but is managed by the **5 member MassDOT board** for accountability.
- MBTA Planning transferred to the Office of Planning and Programming of MassDOT for **comprehensive transportation planning and financing**.
- **Streamlined planning** and processes at the MBTA through a reformed Advisory Board.



Reformed. Rebuilt. Renewed. MBTA: Health Care Reform



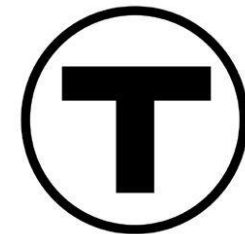
Effective January 1, 2010 (FY2010):

- All active MBTA employees and all retirees are transferred to the Commonwealth's Group Insurance Commission.
- Benefits structure and health care premiums, will be **exactly the same** as all other state employees and state retirees.
- All retired MBTA employees over age 65 will now be **responsible for the monthly Medicare Part B** premium payment and **up to 15%** of any Medicare supplement plan, **identical treatment as other state retirees.**

The total health care savings will amount to close to \$1 Billion over 20 years.



Reformed. Rebuilt. Renewed. MBTA: Pension Reform



Effective July 1, 2009:

- **Eliminates “23 and out”** for future employees of the MBTA.
- Requires those employees to reach **25 years of service** and **55 years of age** to collect retirement benefits.
- **Preserves** separate MBTA retirement fund.



Reformed. Rebuilt. Renewed. Regional Transit Authorities



- **Preserve RTAs'** continued **independence**, while improving central oversight and funding through MassDOT.
- RTA's to be **forward funded** by MassDOT by FY2012.



Reformed. Rebuilt. Renewed. MassDOT: Other Divisions

- **Registry of Motor Vehicles:**
 - Continues to provide driver licenses, identification cards, vehicle titles, and registrations.
 - Revenue dedicated to paying off debt service and contract assistance.
- **Aeronautics Division:**
 - Replaces the former MAC.
 - Retains control over all municipal airports.



Reformed. Rebuilt. Renewed. Additional Reforms...

- **Requires comprehensive study of particulate matter** to determine public health effects of air pollution from the transportation sector.
- Prohibits use of **Owner Controlled Insurance Programs** – lesson learned from the Big Dig.
- Establishes an **internal special audit unit** to root out fraud, waste, and abuse in MassDOT spending.



Reformed. Rebuilt. Renewed. Additional Reforms...

- **Requires forensic accounting** throughout the transition to MassDOT to assure the public that there are **no financial secrets** as we go forward.
- **Reduces** reliance on **outside consultants** and eliminates “revolving door” for transportation employees.
- Establishes rigorous **transparency** and **mandatory reporting** requirements.



Reformed. Rebuilt. Renewed. Additional Reforms...

- Enacts **Tort reform** to reduce costs.
- Reduces **Troop E overtime costs** by requiring **greater oversight** by the Colonel of the State Police.
- Cracks down on the use of **swaptions**, and other problematic financial instruments.