



21st-Century Transportation: Regional Transit Authorities and the FY21 Massachusetts State Budget

Protect the Regional Transit Authorities to Promote a Strong Statewide Recovery: Fund Line Item 1595-6370 in the FY21 budget at \$94 million.

Massachusetts needs a strong public transportation system statewide. Public transit outside of Greater Boston is essential for equity, mobility, and economic opportunity. It reduces congestion and protects our climate, air quality, and health and encourages strong and vibrant communities. This was true before the COVID-19 crisis hit the Commonwealth and it will remain true after the crisis is over.

Regional Transit Authorities (RTAs) provide lifelines for their riders — including essential workers who have relied on RTA service throughout the pandemic. The RTAs are also critical to building a more equitable Commonwealth because they serve a disproportionate number of people with very low incomes.

Despite years of challenging budgets, RTAs have continued to provide essential services to communities throughout the Commonwealth. With recent expanded service hours, innovative pilots, partnerships with educational and business institutions, and the adoption of new technologies, like electric buses, the past two years have demonstrated that RTAs are on their way to becoming mobility managers in their regions. They can provide greener, cleaner, and more equitable statewide transportation networks.

Without sufficient state funding of \$94 million, much of the progress over the past two years may be reversed.

But that work is in jeopardy. COVID-19 has impacted all facets of our state's economy, and the RTAs are no different. Without sufficient state funding of \$94 million, much of the progress over the past two years may be reversed.



Regional Transit provides essential service all across Massachusetts, and to these Worcester RTA riders complying with the face mask mandate during the COVID-19 pandemic. Photo credit: Adam Thielker/Riders' Action Council

Funding progress since 2015

In a typical budget year, while the RTAs receive funding from several sources, on average, approximately 36 percent of their operating budget comes from state funding.¹ The rest is made up through local assessments, fare revenue, advertising revenue and other funds. None are as significant a source as state funding.

Between 2015 and 2018, state funding levels were unpredictable, and RTAs were often level-funded, or even received less than the previous year. In those years, many RTAs were forced to cut service and mothball new initiatives — an economically inefficient practice. But, in the past two years when the authorities received steady increases in state funding, they began to turn a corner.

In January 2020, recognizing the importance of the RTAs and the progress made over the last two years, Gov. Baker proposed another modest state funding increase in his fiscal year 2021 budget.²

	State Contract Assistance	Remediation Funding	MassDOT Discretionary Funds	Total
FY 2015	\$80M	0	0	\$80M
FY 2016	\$82M	0	0	\$82M
FY 2017	\$82M	0	0	\$82M
FY 2018	\$80.4M	0	0	\$80.4M
FY 2019	\$82M	\$2M	\$4M	\$88M
FY 2020	\$87M	0	\$3.5M	\$90.5M
FY 2021 <i>(Gov. Baker's proposed budget)</i>	\$90.5M	0	\$3.5M	\$94M

¹ Federal Transit Administration, "Transit Agency Profiles," <https://www.transit.dot.gov/ntd/transit-agency-profiles>.

² An Act Making Appropriations for FY 2021, H.2, <https://malegislature.gov/Budget/FY2021/GovernorsBudget>.

COVID-19 and the CARES Act

The situation as of September 2020 is very different from what anyone thought it would be in January. The state has been hit hard by COVID-19. Since March, the focus has rightly been on the health and economic impacts of the pandemic. For the RTAs, COVID-19 has resulted in drastically reduced ridership — and fare revenue — at the same time as costs have increased due to changes necessitated by the pandemic. The reduced revenue and increased costs can be expected to continue throughout the next year, at the very least. The charts that follow illustrate the increased costs and lost fare revenue of one of the fifteen RTAs (the Pioneer Valley Regional Transit Authority) over the course of *just a few months*.



Pioneer Valley Transit Authority COVID-19 Costs Through April 30, 2020

Springfield Valley Transit area fixed route costs <i>(not including fare losses)</i>	\$878,414.00	
Paratransit costs <i>(not including fare losses)</i>	\$89,889.00	
Personal Protective Equipment, supplies, equipment	\$74,445.30	
Advertising loss contracts in process	\$34,827.00	
UMass fixed route costs <i>(not including fare losses)</i>	\$30,811.00	
Advertising loss signed contracts canceled	\$29,259.00	
School billing contract adjustments	\$20,222.00	
Total	\$1,157,867.30	

Pioneer Valley Transit Authority Budgeted vs. Actual Fare Revenue During COVID-19 Through June 30, 2020

MARCH 2020 BUDGETED: \$537,947



ACTUAL: \$317,911

APRIL 2020 BUDGETED: \$537,947



ACTUAL: \$142,719

MAY 2020 BUDGETED: \$759,131



ACTUAL: \$36,361

JUNE 2020 BUDGETED: \$314,916



ACTUAL: \$764

TOTAL LOSSES DURING FISCAL YEAR 2020: \$5,709,600

May, June and FY20 total numbers are preliminary and not final audited numbers.

In March, the RTAs received a lifeline when the U.S. Congress passed the CARES Act, which included more than \$200 million in emergency funding for the RTAs.³ The authorities are spending this additional one-time allocation of federal funding to make up for lost fare revenue, purchase personal protective equipment for employees and masks for riders, and to help balance their budgets through fiscal year 2022 to maintain stable service. For example, PVTA has already had to spend nearly \$2,000,000 of its CARES Act funding.

But this level of safe service is only possible if the Commonwealth maintains state contract assistance. CARES Act funding should not be a replacement for regular funding through the state budget.

PVTA expenses allocated to the CARES Act, FY20

COVID Relief for Operations	\$1,609,783	
COVID Relief for Revenue Loss	\$651,628	
COVID Relief for PPEs/Supplies	\$230,971	

Outlook for FY21 and beyond

When we emerge from the COVID-19 crisis, we cannot afford to fall back on the transportation status quo in Massachusetts, with air pollution, climate-damaging emissions, gridlock, and inequitable access to opportunity. Instead, the legislature must allocate sufficient funding for the RTAs to provide a safe and reliable level of service that improves air quality and economic opportunity.

³ Report from the Rail and Transit Administrator, presented to the MassDOT Board on April 13, 2020, https://www.mass.gov/files/documents/2020/04/14/dot-brd_05_CARES_Act_041320.pdf.

For the RTAs to thrive and play a substantial role in building a cleaner, greener, and more equitable statewide transportation network, they need sufficient state investment totaling \$94 million. Fare revenue will continue to be depressed while ridership slowly increases as riders feel safe taking transit. Local governments are also facing significant budget challenges as they recover from the COVID-19 crisis and are unlikely to be in a position to increase RTA contributions. Although the CARES Act provided the RTAs with a one-time funding boost, typical federal funding is formula-based and unlikely to provide significant additional relief, which makes state funding crucial.

The Legislature should appropriate \$94 million in base state contract assistance to RTAs.

In the FY21 budget, the RTAs (Line Item 1595-6370) should be funded at \$94 million (the total amount from the governor's proposed budget). To allow for maximum flexibility in the wake of COVID-19, this amount should be in base state contract assistance, with none held back as discretionary funding.

The RTAs are a critical lifeline for transit around the state. In the coming months, this coalition expects to share more on how the RTAs can serve communities from Pittsfield to Provincetown.



The Berkshire Regional Transit Authority provides a vital role in connecting Western Massachusetts. The BRTA's Pittsfield hub is the Joseph Scelsi Intermodal Transportation Center.

Source: Berkshire Regional Transit Authority by David Wilson, licensed under Creative Commons