FACT VERSUS FICTION:
The Truth about the Joint Transportation Finance Plan

FICTION: *The Senate and House plan does not raise enough taxes and will lock the state into more years of chronic underfunding.*
FACT: This claim is simply untrue. The Legislature's plan does not underfund our transportation system – in fact, our plan funds MassDOT's and the MBTA's existing long-term capital plans. The Governor's plan would launch a major expansion of the transportation system without first addressing current unsound fiscal practices. Our plan stops the MBTA from using their operating budget to pay for the debt service on their capital maintenance plan, and moves MassDOT employees off their capital spending plan. This will eliminate the MBTA's chronic deficit and end MassDOT's 20 year practice of paying operating expenses with the state's credit card, at the expense of investing in roads and bridges. This plan also provides for $2.52B in new transportation revenues over 5 years, an amount that allows for substantial new capital investment.

FICTION: *The Senate and House plan will not fund important transportation projects – roads, bridges, and maintenance – that will help our economy and make Massachusetts more competitive.*
FACT: Our proposal is calculated to address critical infrastructure needs without over burdening taxpayers, who are still struggling to meet their financial needs as we slowly exit the recession. We increase funding to transportation by almost the same amount of new cash as the Governor wants in the first year. This will fund next year's transportation budget gap. But it is short-sighted to consider only next year's new spending as an indication of what a multi-year plan accomplishes. The Legislature has introduced a responsible plan for the next 5 years, well after Governor Patrick has left office. In the first year, we allow for a faster transition of operating employees off the state's credit card and for a greater level of debt relief to the RTAs. By FY 2018, this framework will dedicate $681M in new revenues to transportation. These revenues will not only close the operating gap, but provide resources to support a capital plan like the proposed by the Governor. This is a better plan for empowering MassDOT to support important, strategic transportation projects.

FICTION: *The Senate and House plan does not fund the type of system improvements and maintenance that we need and will ask taxpayers to pay more for the same or less services.*
FACT: We are funding more, but taxing less. The 5 year plan proposed by the Legislature will still result in transportation expansion, but over a timeframe that allows us to make smart, short-term and long-term investments. This way, unlike the Governor's plan, consumers will not bear the brunt of immediate investment when most of the investments are not yet shovel-ready. Within three years, MassDOT will have $234M of new capital capacity, plus natural cap growth. In addition, MassDOT has projected $2.5B of natural bond cap growth over the next 10 years, which will address the large funding needs of big projects as they ramp up their construction.

FICTION: *The Senate and House plan will lead to fare hikes.*
FACT: Our proposal does not require any fare or toll increases. Under current law, MassDOT may increase fares at any time to assist with operating the MBTA. The Senate and House plan does not prohibit fare hikes; it only assumed the possibility of increases, identical to those assumed in the Governor's plan. The difference is that we firmly believe there are savings to be achieved *before* considering fare hikes. The Legislature's plan closes MassDOT's operating gap

and empowers them to identify those efficiencies that will avoid forcing riders or drivers to shoulder the cost burden.

FICTION: *The Senate and House proposal taxes the middle class.*
FACT: The Governor's income tax plan would have a greater negative impact on the middle class than the proposal offered by the Legislature. The income tax changes proposed by the Governor would raise the taxes for families with two children under 12 if that family earns more than $50,000 a year. Under the Legislature's plan, the average driver will pay $12-$30 more a year to support transportation improvements and middle class families will experience only 3% of the tax burden the Governor would implement. Under the Governor's plan, the tax burden is greater for low to moderate income families.

FICTION: *MassDOT has a 10 year capital plan currently available and the Legislature's plan is unnecessary.*
FACT: The Administration has yet to produce such a plan per the statutory requirement. The Legislature's plan is available currently and is focused on both short-term and long-term transportation investments.

FICTION: *An increase in the gas tax will make Massachusetts less competitive compared to other Northeast states.*
FACT: Even with the proposed 3 cent gas tax increase, the Massachusetts gas ax will be less than New York, Connecticut, Rhode Island, and Maine. If the gas tax increase recently passed by the New Hampshire House of Representatives goes into effect, Massachusetts will have the lowest gas tax in the region.

FICTION: *The Senate and House plan will require the state to fund the full cost of the $1.3B Green Line extension.*
FACT: Most of the "state of good repair" investments, including the Green Line extension, are included currently in the MBTA's capital budget and the debt service for that budget is included in FY 2014b budget assumptions for both House and Senate. In addition, by moving personnel off of capital more quickly than House 1, this plan will allow for more capital investment in FY 2014 than would the Governor's budget.

FICTION: *The Joint Transportation Finance package jeopardizes non-transportation areas of the state budget.*
FACT: The Governor's plan asks the taxpayer to carry the risk of his vision. While the Legislature agrees that we must address infrastructure improvements and our transportation system's long-term sustainability, we do not ask the taxpayer to take as big of a risk. We have a responsibility to our citizens, particularly in difficult economic times, to ensure that our tax dollars are being used as efficiently as possible. Our transportation agreement reviews vital transportation programs and asks the difficult questions – are we focusing our resources the best we can? And are we providing the highest quality of services to help our citizens achieve a higher quality of life that they can sustain even when times are tough? We approach this issue carefully precisely because we refuse to jeopardize the important services our citizens need. This transportation finance package is not the end; rather, it is the beginning of a new legislative session of priorities. With the debate of this Joint Transportation Finance package, we initiate a conversation that will span a number of issues focused on strengthening our current investments and achieving targeted goals that will help the Commonwealth continue to strengthen an already rebounding economy.