

Comparative Analysis of Transportation Funding in Massachusetts FY2026 House and Senate Budgets

Overview of Transportation Funding in FY26 Budgets

The Massachusetts House (H.4001) and Senate (S.2525) Fiscal Year 2026 budgets both significantly increase investment in transportation, bolstered by new revenues from the Fair Share surtax on high earners. Both plans channel substantial funds into transportation agencies and infrastructure, but they differ in their allocation priorities and policy directives. The House budget totals about **\$61.4 billion** (roughly a 6% increase from FY25) and the Senate about **\$62 billion**, with both dedicating notable shares to transportation programs ¹ ². The House directs a larger portion of surtax funds to transportation operations (especially to the MBTA), whereas the Senate splits the new revenue more heavily toward education while still making major transit investments ³ ⁴. This results in key differences in funding levels for the Massachusetts Department of Transportation (MassDOT), the MBTA, regional transit authorities, and other transport initiatives.

Despite a shared recognition of urgent transportation needs – from crumbling infrastructure to public transit gaps – the two budgets take distinct approaches. The **House budget's transportation spending is more aggressive**, aiming to shore up the MBTA's finances and invest in system improvements immediately. The **Senate budget is somewhat more cautious**, providing significant new funding but also setting aside a reserve for future uncertainties and ensuring regional equity by boosting support for transit outside Greater Boston ⁵ ⁶. Both budgets include funding for highways, transit (rail and bus), aeronautics, and maritime programs, but the emphasis and earmarks within each category vary. Below is a breakdown of major agencies and programs, highlighting appropriations, Fair Share fund usage, and any policy language or structural changes, followed by an analysis of anticipated challenges as lawmakers reconcile these differences in conference committee.

MassDOT: Highways, Bridges, and Department Operations

Both budgets maintain robust funding for MassDOT's core operations (which cover highways, bridges, and administrative functions), but the Senate provides a targeted boost with Fair Share dollars. The **House budget appropriates approximately \$577.6 million for MassDOT operations** ⁷. This supports the department's administration, Highway Division maintenance (including winter road clearing), the Registry of Motor Vehicles, and other multimodal programs. The House allocation largely continues existing programs and staffing, with adjustments for inflation and ongoing initiatives. There are numerous local project earmarks embedded in MassDOT line items on the House side – for example, funds specified for particular road improvements or traffic studies in legislators' districts (a common practice in House budgets).

The **Senate budget funds MassDOT at a similar base level but adds an extra \$52 million infusion from Fair Share surtax revenues to expand MassDOT's capacity** ⁸. This additional Senate funding is

intended as “operating support” for MassDOT ⁹, which may allow the department to hire more personnel (e.g. engineers, safety inspectors) and accelerate project delivery. The Senate also includes a \$78 million transfer of surtax funds to the Commonwealth Transportation Fund (CTF) to cover future debt service on transportation bonds ¹⁰. By committing \$600 million annually to the CTF, the Senate aims to unlock greater bond capacity for long-term road, bridge, and rail projects over the next decade** ¹¹. The House budget does not contain an equivalent mechanism – it does not explicitly set aside surtax money for long-term capital bonding in FY26. Instead, the House generally relies on separate capital bond bills (and a pending supplemental budget) for major infrastructure funding.

In summary, **MassDOT’s operational funding is comparable in both plans**, but the Senate’s use of Fair Share funds marks a policy difference: the Senate prioritizes future-oriented investment by bolstering the transportation bond fund, whereas the House spends available funds more directly on immediate needs. Both budgets continue the Chapter 90 program (which provides aid to municipalities for local roads) at prior levels via separate legislation, and both recognize that maintaining highways and bridges is “functionally non-discretionary” spending that must keep pace with aging infrastructure ¹². No major structural changes to MassDOT itself (such as reorganization or program eliminations) appear in either budget; the focus is on funding levels and ensuring the agency can meet its maintenance backlog and capital program goals.

MBTA: Funding the Massachusetts Bay Transportation Authority

A centerpiece of the transportation budgets is the funding for the MBTA, the state’s largest transit system, which faces well-documented fiscal and operational challenges. **Both the House and Senate commit substantial new resources to the MBTA, but the House provides significantly more funding than the Senate and with different priorities.** The House budget allocates roughly \$687 million in operating funds for the MBTA ⁷ – a historic infusion aimed at closing the agency’s projected budget gap and improving service. This total includes earmarked sub-allocations: **\$60 million for MBTA physical infrastructure upgrades, \$300 million to replenish the MBTA’s reserve (or “deficiency”) fund, and \$40 million for the MBTA Workforce Training Academy** ¹³. By bolstering the MBTA’s reserve by \$300 million, the House seeks to stabilize the T’s finances and ensure a cushion for safety and reliability investments. The \$40 million for the **MBTA Academy** will support the recruitment and training of workers (such as drivers, dispatchers, and technicians) to address staffing shortages ¹⁴. The House’s approach signals an urgent effort to shore up the MBTA’s foundations – both its **financial stability and its human capital** – after a period of service cuts and safety incidents.

In contrast, the **Senate budget dedicates \$500 million for MBTA operations** – a very large investment, but notably **“significantly less money than [what] Healey and the House envisioned”** for the T ¹⁵ ⁴. Senate leaders argue that **\$500 million in FY26, on top of the MBTA’s approximately \$1.4 billion in dedicated sales tax revenue, is sufficient to meet the T’s needs** ¹⁶. The Senate’s \$500 million injection is tied to specific initiatives emphasizing rider benefits and accountability. According to the Senate Ways & Means summary, this funding is intended to **fully fund MBTA operations for FY26** and support **“key initiatives like low-income fare relief, year-round ferry service, and the MBTA Academy”** ¹⁷. In other words, the Senate earmarks part of the MBTA funding to **launch a low-income fare program** (providing fare discounts or passes for low-income riders) and to **ensure year-round operation of ferry routes** that the MBTA typically only runs seasonally ¹⁷. The Senate also highlights that, in combination with a supplemental Fair Share appropriation, it would dedicate about **\$820 million total to MBTA operations** in

FY26 ¹⁸ – approaching the support level of the House, but delivered partly through a separate mid-year bill.

Policy language differs here: The House budget does not explicitly require new fare programs or service expansions with its MBTA funding; it focuses on financial stabilization (reserve fund) and internal improvements (workforce and infrastructure). The Senate attaches **pro-consumer conditions** – specifically requiring funds to be used for fare affordability and service (ferries) – reflecting a more directive stance on how the MBTA should enhance rider experience with the funds. Both budgets agree on funding the **MBTA Workforce Academy** (training program) as a priority (House gives \$40M; the Senate also supports it, including it within the \$500M) ¹⁴ ¹⁷. Neither budget appears to propose structural governance changes for the MBTA (such as altering the control board or oversight mechanism) within their text, focusing instead on funding levels and programmatic requirements. The divergence in dollar amount – **\$687M vs. \$500M** – will be a primary issue for conferees to resolve, as it represents different judgments about the scale of the MBTA's need and the best use of surtax funds.

Regional Transit Authorities (RTAs)

Outside of Greater Boston, Massachusetts is served by 15 regional transit authorities. Both budgets mark a substantial increase in support for RTAs, but again the Senate is higher and adds a major new policy initiative. The **House budget provides \$204 million for RTAs statewide**, which was already a significant boost over prior years ¹⁹. The **Senate budget proposes a record \$214 million for RTAs, or \$10 million more than the House** and Governor's proposals ²⁰. This funding includes both general funds and Fair Share surtax revenues. In fact, both branches use a similar structure: about **\$94 million from traditional transportation funds and the remainder from Fair Share** to reach these totals ²¹.

The key difference lies in **how the Senate directs the RTA funds to be used**. The Senate explicitly allocates portions of the RTA funding for specific purposes tied to improving service and access. Notably, the Senate earmarks **\$40 million of its RTA appropriation to implement fare-free bus service across all regional transit authorities** ²². This would enable “**complete fare free fixed-route access across all RTAs**”, advancing a policy goal of fare-free public transit beyond the Boston area ²³. In addition, the Senate designates **\$66 million for general operating support** to help RTAs expand routes or hours, **\$10 million to promote interconnections between regional transit and local economic hubs**, and **\$4 million to expand mobility options for seniors and people with disabilities** ²⁴ ²⁵. These line-item directives signal the Senate's intent to improve service quality and equity in regional transit – using Fair Share dollars to not only shore up RTA finances but also to deliver tangible fare relief and connectivity improvements for riders.

The **House budget's RTA funding, while historic in size, comes with fewer strings attached**. The House does **not include a mandate for fare-free service**. Instead, the \$204 million can be used by RTAs largely at their discretion for operational needs – such as offsetting budget shortfalls, maintaining existing bus service, and piloting service improvements. House budget language typically ensures each RTA receives at least its prior year allocation and often includes a formula or minimum distribution (the mention of \$94M likely reflects a base amount to be split by formula) ²¹. Any additional Fair Share money in the House item would be available for RTAs to enhance service or possibly to pilot local initiatives (some House lawmakers have previously pushed for regional fare-free pilot programs or first/last mile shuttles, but these were not uniformly required in H.4001).

In summary, both budgets dramatically increase RTA funding to around **double** the pre-Fair Share levels, but the Senate goes further by adding money and embedding a policy to provide **free bus service** on RTA routes (for at least one year) ¹⁵ ²⁶ . The House's approach provides flexibility and funding stability to the RTAs without a blanket free-fare policy. This difference sets up a clear point for negotiation: whether to adopt the Senate's fare-free transit experiment statewide or not, and at what funding level to support these authorities going forward.

Aeronautics and Aviation Programs

Both the House and Senate budgets include continued funding for aeronautics, albeit as a relatively small part of the transportation pie. The MassDOT Aeronautics Division oversees statewide aviation safety and grants to municipal airports. In FY26, **neither budget appears to dramatically change aeronautics funding or policy**, suggesting broad agreement on this front. They each maintain support for the **Airport Improvement Program**, which provides state matching funds for federal grants to upgrade runways and airport facilities across the Commonwealth's regional airports. For example, both budgets likely appropriate on the order of a few million dollars (approximately \$3–4 million) for **airport infrastructure grants** – though the exact line-item (often a transfer from the Commonwealth Transportation Fund for airport improvements) is not highlighted in summaries due to its small scale.

No major differences were reported between H.4001 and S.2525 regarding aeronautics. Both fund the Aeronautics Division's operations (ensuring oversight of airport safety and licensing) and continue funding for the state's share of airport capital projects. **No new policy riders or programs in the aviation realm** are evident in either budget. Thus, aeronautics is likely not a contentious issue in conference; it represents a status quo area where House and Senate allocations are roughly aligned.

Surface Transportation (Roads, Bridges, and Other Initiatives)

Massachusetts' surface transportation (roads, highways, and bridges) is primarily funded through separate capital appropriations (bond bills) and the Chapter 90 program for local roads, rather than through large operating budget line items. Accordingly, **the differences between the House and Senate FY26 budgets on highway funding are subtle**. Both budgets assume that a significant new Chapter 90 bond authorization will be handled via separate legislation (the Governor filed a Chapter 90 bond bill, H.53, which both branches support, raising the annual Chapter 90 funding to \$300 million) ²⁷ . In the operating budget, both House and Senate include funding for **MassDOT highway maintenance and operations** (covered under the MassDOT \$577M+ noted earlier ⁷) and fully fund expected needs like snow and ice removal. Neither budget proposes eliminating any surface transportation programs; in fact, both might include small line items for specific pilot programs (for instance, the House often earmarks funds for local traffic mitigation or bus lane pilots).

A noteworthy difference is the Senate's approach to future surface transportation investment using Fair Share funds. As mentioned, the **Senate allocates \$78 million of surtax revenue to the Commonwealth Transportation Fund to support debt service on transportation bonds** ¹⁰ . In essence, this Senate initiative will **expand the state's borrowing capacity for highway and bridge projects** (as well as rail projects) in coming years by guaranteeing an annual revenue stream to pay bond costs ¹⁰ . This can be seen as a structural commitment to surface transportation infrastructure: it will help finance more bridge repairs, road reconstructions, and traffic safety improvements over the next decade. The House budget

does **not** mirror this approach in H.4001 – it does not dedicate any Fair Share money to new borrowing for roads/bridges within the budget bill itself. The House may prefer to address road and bridge capital funding in a dedicated transportation bond bill or through the supplemental budget process, rather than tying up surtax funds in the annual budget for debt service.

Aside from this, **both budgets fund surface transportation needs at similar levels and include various earmarks for local projects**. For example, the House bill is known to contain numerous earmarks such as small grants for specific street or intersection improvements, funding to study congestion in particular areas, or support for municipal traffic signal upgrades, reflecting representatives' local priorities. The Senate's budget, initially "policy-light" and earmark-light ²⁸, likely accumulated some earmarks during its floor debate (as individual senators filed amendments for projects in their districts). However, the scope of these earmarks differs: the House version started out with many such provisions, whereas the Senate's draft was more streamlined. Reconciling which local projects remain funded will be part of the negotiation, though these tend to be low-dollar earmarks that get traded in conference without major controversy. The larger issue on surface transportation is whether the final budget will include the Senate's forward-looking bond funding plan or stick closer to the House's immediate-use approach.

Rail and Maritime Transportation Initiatives

Both budgets support ongoing rail and maritime initiatives, with some differences in emphasis. In the **rail sector**, the MBTA's commuter rail services are funded through the MBTA appropriation discussed earlier, and both budgets continue to back the **South Coast Rail project** (connecting Boston to Fall River/New Bedford) through the MBTA capital budget (outside the operating budget). Neither budget alters those plans. For **future rail expansion** like the proposed West-East rail linking Boston to Springfield, direct funding is not prominently featured in either H.4001 or S.2525 – major investments there would likely come from federal funds or a future capital bond bill. However, the Senate's strategy of using surtax money to increase bond capacity could indirectly benefit such rail projects down the line ¹⁰. The House, meanwhile, did not earmark new operating funds for West-East rail in its budget, though it's possible the House included language to continue studying or planning that project (no major new rail authority is created in these budget bills). Both budgets likely maintain funding for the **Berkshire Flyer pilot service** (a seasonal passenger rail to the Berkshires) or other existing pilot rail services through MassDOT's rail division, without controversy.

In the **maritime domain**, the budgets address both **ferry services** and **port infrastructure** in modest ways. The **Senate budget explicitly provides for "year-round ferry service" as part of the MBTA funding package** ¹⁷. This likely refers to ensuring that MBTA-operated ferry routes (which typically run more limited schedules in winter) can continue through all seasons, improving transit options for coastal communities. By contrast, the **House budget does not specifically call out year-round ferry funding**, though the House's higher MBTA funding could implicitly cover ferry operations as needed. Additionally, House budgets often contain earmarks for local or regional ferry programs – for instance, past budgets have helped fund the **Salem Ferry** (a seasonal ferry from the North Shore to Boston) or supported the Steamship Authority for service to the islands. It's likely H.4001 includes some earmarked funds for a few local ferry or harbor projects as amendments, whereas the Senate version might have fewer such line-items prior to conference.

For **ports and maritime infrastructure**, any significant funding (such as dredging projects or major port facility upgrades) usually comes from capital expenditures or separate economic development bills. The FY26 operating budgets don't spotlight these, and no major differences between House and Senate

emerged on maritime infrastructure. Both budgets fund the Massachusetts Maritime Academy under the education accounts (not a transportation agency per se) and continue to support the state's Office of Ports and Harbors within existing resources. In summary, **maritime initiatives are a minor part of both budgets**, with the standout difference being the Senate's push for expanded ferry service through MBTA funding. Conference negotiators will likely agree on keeping ferry operations funded, but they will decide whether to adopt the Senate's directive for year-round service or remain silent on that and let the MBTA set its own ferry schedule.

Fair Share Surtax: Allocation of New Transportation Funds

The Fair Share Amendment (the "millionaire's tax") provides a new revenue stream earmarked for education and transportation, and the two budgets take somewhat different tacks in allocating these funds to transportation needs. **Both budgets adhere to the requirement to spend surtax revenues only on education and transportation**, but they differ in the split and in whether to spend or save a portion. The consensus revenue estimate for surtax revenues in FY26 is about **\$1.95 billion** ²⁹. The House and Senate agreed on that figure, but then chose different allocations:

- **House Budget (H.4001):** The House does not explicitly break out the exact percentage split in the publicly available summaries, but from the funding choices we can infer the House directed roughly **half (or slightly less) of the \$1.95B to transportation** and the rest to education. The House poured large amounts of surtax money into the MBTA (\$350M or more) and RTAs (~\$110M) and possibly some into MassDOT or other transit programs, using up a big chunk of the transportation-designated half ¹³ ¹⁷. Notably, the House budget **did not leave any surtax revenue unspent** in a reserve; it leveraged the funds immediately for current needs. This aligns with the House's aggressive funding of the MBTA and other programs – effectively using Fair Share dollars to plug budget gaps and launch improvements now.
- **Senate Budget (S.2525):** The Senate **explicitly favored education** in its initial split, directing about **two-thirds (around 61–65%) of surtax funds to education and one-third (35–39%) to transportation** ³ ³⁰. In raw numbers, the Senate Ways and Means proposal devoted roughly **\$765 million (39%) to transportation and \$1.18 billion (61%) to education** programs from the surtax pot ³⁰. However, the Senate also acknowledged the need to approach a 50-50 balance over time. They introduced a supplemental budget (separate from S.2525) to deploy some available FY25 surtax revenue on one-time transportation and education projects, and in S.2525 they included a **deposit of \$165 million of FY26 surtax revenues into the Education and Transportation Reserve Fund** ⁶. This reserve allocation is meant to safeguard funds in case of an economic downturn or federal funding cuts, ensuring the state can sustain future commitments to transit and education ⁶. **Taken together (the main budget and the supplemental), the Senate's approach would result in about 42% of surtax funding going to transportation and 58% to education in FY26** ³¹. Senate leaders indicated this is a step toward an eventual goal of a roughly equal split, acknowledging that in this first full year they tilted more to education ³¹.

The divergence here is subtle but important. The **House uses all Fair Share funds in FY26 to maximize immediate impact**, heavily investing in transportation operations (and education) now. The **Senate uses most funds now but withholds some (around \$165M)** as a cushion, and consciously front-loads education spending relative to transportation in the budget, given that they also anticipate addressing transportation via other vehicles (like the bonding strategy and the supplemental bill) ³². This difference in philosophy –

spend now vs. save a portion, and the exact transportation vs. education split – will need resolution in conference. Government affairs observers note that many stakeholders are eyeing the Fair Share funds, so decisions on this split will set a precedent. Transportation advocates will push to ensure a fair share (pun intended) goes to transportation needs, while budget hawks may support the Senate’s reserve to guard against volatility. The final compromise may land somewhere in between the House and Senate positions, possibly dedicating a modest reserve and adjusting some of the investments to achieve closer to an even split between sectors.

Policy Language, Earmarks, and Restrictions

Beyond dollars, the House and Senate budgets differ in the degree of prescriptive language and earmarks attached to transportation line items. The **House budget is relatively heavy on earmarks and specific directives**, as is often the case. Many transportation appropriations in H.4001 come with “**provisos**” that **reserve funds for particular uses or local projects**. For instance, within the MassDOT and RTA accounts, the House may include language like “*provided further, that not less than \$__ shall be expended for [a named project]*” – funding dozens of road safety improvements, bus route pilots, parking studies, or even grants to local transit services. These earmarks allow representatives to secure resources for their districts’ transportation needs. While individually small, they accumulate to a considerable list of line-item instructions that the executive branch must follow when spending the funds.

The **Senate budget, in contrast, was described by its Ways and Means chairman as “policy-light”** ²⁸ . The Senate’s initial budget document contained fewer policy riders or earmarks, aiming instead to allocate funds in broader categories. That said, the Senate did incorporate **certain policy priorities in the language**, notably the RTA fare-free requirement and the MBTA fare/ferry initiatives discussed above, which effectively act as policy riders on those appropriations ²⁴ ¹⁷ . During the Senate floor debate, senators also adopted some earmarks via amendments, so S.2525 as passed likely contains earmarked projects, though traditionally the total number of earmarks remains lower than in the House version.

Another area of language difference can be **reporting and oversight requirements**. For example, the House might include a requirement that MassDOT report quarterly on the status of bridge repairs or that the MBTA provide regular updates on how it spends the additional funds. The Senate might include its own oversight language, but given the characterization of being policy-light, it may have left some of those out or in separate legislation. Neither budget appears to directly challenge or change the governance of transportation agencies (for example, there is no indication of budget sections reforming the MBTA’s management structure or the structure of MassDOT). The House did not use the budget to impose major policy changes on the administration’s transportation plans (indeed, the Senate specifically left out a House policy rider related to vocational school admissions, noting a preference not to tangle the budget with such policy fights ³³ ; in the transportation realm, by analogy, the Senate likely also omitted or toned down any contentious policy language the House may have added).

In summary, the House’s transportation sections are more granular and directive, whereas the Senate’s are broader but still include targeted initiatives. Reconciling these will involve deciding which earmarks survive (the conference committee often culls or combines overlapping earmarks) and which policy directives make it into the final budget. The fate of the Senate’s bold fare-free RTA language is one such decision point, as is the low-income fare provision for the MBTA – these represent policy choices that the House did not explicitly make in its budget. The conferees must also align on any differences in oversight language (ensuring that, for example, whichever reporting requirements from either budget are

kept do not conflict). Stakeholders will be tracking these provisions closely, since policy language can sometimes have outsized effects (such as effectively launching new pilot programs or guaranteeing projects).

Key Reconciliation Challenges and Outlook

When the joint House-Senate conference committee convenes to reconcile H.4001 and S.2525, several **key transportation-related differences** will be high on their agenda. Government affairs professionals anticipate the following major reconciliation challenges in the transportation domain:

- **MBTA Funding Level and Usage:** The gap between \$500 million (Senate) and \$687 million (House) for MBTA operations is significant ¹⁵ ⁷ . Conferees will need to decide how much additional state support the MBTA should receive in FY26. This debate centers on the agency's operating deficit and service needs: the House's higher figure would more fully close the budget gap and build reserves, while the Senate's team argues that half a billion (plus base revenues) is "enough" ¹⁶ . The resolution may land somewhere in the middle, or incorporate the Senate's idea of handling some MBTA aid in a one-time supplemental bill. Additionally, negotiators will address **conditions on MBTA funds** – whether to include the Senate's directives for low-income fares and year-round ferry service. The House may be open to these ideas, but they come with costs (e.g., the Senate's MBTA funding assumed those initiatives). If the final budget increases MBTA aid closer to the House level, conferees must decide if that extra money simply bolsters the MBTA's reserves (House preference) or if some is earmarked for service improvements.
- **RTA Funding and Fare-Free Policy:** The difference between \$204M and \$214M for regional transit authorities, and specifically the **\$40M fare-free bus program**, is another sticking point ¹⁹ ²² . The House must consider whether to adopt the Senate's vision of fare-free public transit across all RTAs. Some House members have supported pilot programs in the past, but the concept of fully free buses statewide is a bold step. Conference committee discussions will weigh the cost and the precedent of using state funds to offset all fare revenue for RTAs. They will also negotiate the overall funding level – the Senate's extra \$10M was mainly to pay for the fare-free initiative, so if that policy is dropped or scaled back, the funding might be reduced accordingly. However, RTA advocates will push for at least the higher amount, noting it would be the largest state investment in regional transit ever. Ensuring equitable treatment of transit riders outside Boston (a Senate theme) vs. focusing resources where ridership is highest will be part of this debate.
- **Fair Share Surtax Allocation & Reserves:** The two approaches to Fair Share spending will have to be reconciled – whether to **spend the new revenue immediately or hold some in reserve**. The Senate's proposed \$165M reserve for future education/transportation needs ⁶ may face resistance from the House, which budgeted all available funds to ongoing programs. Negotiators might compromise by setting aside a smaller reserve amount (or none at all) depending on the fiscal outlook and pressure from interest groups to fund projects now. Additionally, they will calibrate the final **education vs. transportation split** of surtax dollars. The House effectively put a bit more into transportation (through the MBTA) than the Senate did; the final budget could adjust education spending or transportation spending to move closer to an even split or as needed to reach a deal. This is both a fiscal and a political challenge – lawmakers will want to claim they upheld the promise of the millionaire's tax for both sectors, so the outcome must be justifiable as benefiting transportation infrastructure while also meeting education priorities.

- **Policy Riders and Earmarks:** The conference will also decide on the fate of various **policy provisions**. Chief among them: the **RTA fare-free mandate** (if it proves contentious, it could be dropped or modified to a pilot program or a task force to study it as a compromise). Other riders, like the **MBTA low-income fare** program, seem more likely to survive given broad support for equity, but details might be left to the MBTA's discretion unless funding is explicitly tied to it. The conferees typically remove policy sections that are not agreed upon or that are extraneous to budgetary needs, so any transportation policy outside of appropriations (for example, if the House had any provision about, say, a study on mileage-based fees or a restriction on highway toll increases) will be scrutinized. On **earmarks**, conferees will trade lists and often retain many local projects from both budgets to keep members happy, budget permitting. The challenge is ensuring the total funding in each line item still makes sense after adding earmarks; if not, they may trim some. Given the surge of Fair Share money, there is some flexibility to accommodate more earmarks without cutting baseline support, but conferees will be careful to avoid exploding the bottom line.
- **Long-Term vs. Short-Term Focus:** A broader reconciliation theme is the **balance between immediate fixes and long-term strategy**. The House's transportation budget leans toward immediate operational fixes (solving today's problems at the T and RTAs), while the Senate's includes a long-term financing mechanism for infrastructure (the bond fund commitment). The final budget will likely blend these approaches – providing substantial immediate aid to transit agencies (to prevent service cuts and improve reliability now) while possibly nodding to future needs (perhaps agreeing to some version of the Senate's \$78M debt service plan or committing to revisit it in subsequent legislation). The outcome will signal how the Legislature plans to use the Fair Share funds going forward: either primarily as a yearly infusion to patch budgets, or as a mix of program support and capital investment.

Outlook: The conference committee must deliver a single budget that both chambers can pass, so compromise is expected. Given that both the House and Senate are controlled by Democrats and share many priorities, observers anticipate they will reach agreement on most items. **Transportation funding, thanks to the Fair Share surtax, is flush compared to past years**, so the debate is less about cuts and more about where to apply new resources. This favorable position should make agreement easier – for instance, they could agree to fund the MBTA at a high level (close to the House's number) *and* adopt the Senate's fare-free RTA program by using a bit of the reserve or other savings to cover the cost. However, aligning on the exact figures and conditions will require negotiation.

Government affairs professionals representing transportation stakeholders will be watching these conference decisions closely. The final FY26 budget will not only determine funding for the year but also set **policy directions** – such as whether Massachusetts embraces pilot programs for fare-free transit and low-income fares, and how aggressively it addresses the MBTA's challenges. The expectation is that the compromise budget will include **record-high funding for transit (MBTA and RTAs)**, a judicious use of the new surtax revenue (perhaps with a modest reserve as a nod to the Senate's caution), and a handful of targeted initiatives (potentially a scaled version of the Senate's fare-free plan or a funded mandate to explore it). The **conference committee's task** is to meld the House's immediacy with the Senate's prudence in a way that keeps the state's transportation network moving forward – literally and figuratively. The result, due by the start of the fiscal year, will reveal how Massachusetts lawmakers jointly leverage an unprecedented revenue opportunity to meet the Commonwealth's transportation needs ³² ³⁴ .

Overall, Massachusetts' FY26 budget deliberations signal a strong bipartisan consensus on investing in transportation, with differences in degree and method. Once reconciled, the final budget is expected to deliver robust support for highways, public transit (urban and regional), and other transportation programs – marking an ambitious step in tackling longstanding infrastructure and transit challenges, while balancing immediate service improvements with sustainable funding for the future ⁴ ¹¹ .

Sources:

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- Senator John Velis – Budget Press Release Highlights (May 2025) ³⁵ ²⁴
- Engineers.org FY2025–26 Transportation Investment Fact Sheet ⁷ ³⁶
- Jo Comerford, State Senator – Senate Budget Debate Summary (May 2025) ³⁷ ³⁸
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¹ Media Type: Resource - Metropolitan Area Planning Council (MAPC)

<https://www.mapc.org/planning101/media-type/resource/>

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