

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 543 (Delegate Reznik, *et al.*)
Environment and Transportation

State Highway Administration - Watkins Mill Road Interchange Project

This emergency bill expresses the intent of the General Assembly that the State Highway Administration (SHA) promptly undertake all steps necessary to complete the Watkins Mill Road Interchange Project in accordance with the *Consolidated Transportation Program (CTP) for Fiscal 2015 through 2020*. The bill also requires the Governor to appropriate the funds necessary in fiscal 2018 through 2020 to complete the project. The appropriations must be made in accordance with the CTP for fiscal 2015 through 2020, and the project must be constructed and commence operations by June 30, 2020. By December 1 of each year until the completion of the project, SHA must submit a status report to specified committees of the General Assembly.

Fiscal Summary

State Effect: SHA's current plan for a full interchange at Watkins Mill Road likely meets the bill's requirement that the project be completed in accordance with the CTP for FY 2015 through 2020; thus, Transportation Trust Fund (TTF) expenditures are likely not affected. To the extent that the current plan does not meet the bill's requirement, TTF expenditures may increase significantly from FY 2017 through 2020. In either case, revenues are not affected.

Local Effect: None. SHA's current plan likely meets the bill's requirement that the Watkins Mill Road Interchange Project be completed in the manner specified by the CTP for FY 2015 through 2020.

Small Business Effect: None.

Analysis

Bill Summary: The report that must be submitted by SHA each year until the project is complete must include (1) an update on the progress of the project; (2) any revised fiscal estimate of the total cost of the project and a statement that describes the reasons for any cost savings or increases; (3) a description of any changes to the project; (4) planned expenditures by year, categorized in a specified manner; (5) funding sources by year, categorized in a specified manner; and (6) any other relevant information.

Current Law/Background: SHA is responsible for more than 5,200 miles or approximately 16,800 lane miles of road, 2,500 bridges, 3,500 small stream crossing structures, and 80 miles of sound barriers in the State. It also has responsibility for planning, designing, constructing, and maintaining these roads and bridges to safety and performance standards while considering sociological, ecological, and economic concerns.

The CTP is the Maryland Department of Transportation's (MDOT) six-year schedule and budget for the construction, development, and evaluation of transportation capital projects; the CTP must be revised annually to reflect updated information and changing priorities. It contains a list of current and anticipated major and minor capital projects for the fiscal year in which it is issued and for the next five fiscal years, including (1) an expanded description of major capital projects; (2) a detailed breakdown of the costs of a project with project expenditures to date, expected expenditures for the current fiscal year, projected annual expenditures for the next five years, and total project costs; and (3) MDOT's estimates of the source (*i.e.*, federal funds, special funds, etc.) and amount of revenues required to fund the project.

The CTP for fiscal 2015 through 2020 included funding for a full interchange at Watkins Mill Road at I-270 in Montgomery County. As shown in **Exhibit 1**, the total estimated cost of the Watkins Mill Road Interchange Project was \$159.4 million in the CTP for fiscal 2015 through 2020 (including amounts spent in fiscal 2014). In the CTP for fiscal 2016 through 2021, the scope of the project was reduced to a partial interchange, the start of construction was delayed by one year, and the total estimated cost of the project was reduced to \$129.5 million.

Even though construction was delayed until fiscal 2018 in the CTP for fiscal 2017 through 2022, MDOT advises that it has returned the scope of the project to be a full interchange. The cost of the project (\$129.7 million) is about \$29.5 million less than it was in the CTP for fiscal 2015 through 2020; MDOT advises that this is because some of the right-of-way needed for the project was donated to SHA by a developer, which reduced planned expenditures for right-of-way acquisition.

Exhibit 1
Watkins Mill Road Interchange Project
Consolidated Transportation Program 2015-2020
(\$ in Millions)

	Spent Through <u>FY 2014</u>	Current Year <u>FY 2015</u>	Budget Year <u>FY 2016</u>	Planned for <u>FY 2017</u>
Planning	\$1.2	\$0	\$0	\$0
Engineering	2.7	1.0	1.6	0
Right-of-way	0.0	0.3	17.0	15.7
Construction	0	0	9.0	28.1
Total	\$3.9	\$1.3	\$27.6	\$43.8

	Planned for <u>FY 2018</u>	Planned for <u>FY 2019</u>	Planned for <u>FY 2020</u>	Total Estimated <u>Project Cost</u>
Planning	\$0	\$0	\$0	\$1.2
Engineering	0	7.6	0	5.3
Right-of-way	6.8	2.0	0	39.8
Construction	34.4	41.7	0	113.2
Total	\$41.2	\$41.7	\$0	\$159.4

Note: Totals may not sum due to rounding.
Source: Maryland Department of Transportation

The interchange at Watkins Mill Road is expected to provide new access points to I-270 and additional east-west access for all roadway users while reducing congestion on existing nearby interchange ramps and parallel roadways.

State Expenditures: MDOT advises that its current plan for the Watkins Mill Road interchange likely meets the bill's requirement that the project be completed as specified in the CTP for fiscal 2015 through 2020 because the scope of the project has been expanded to be a full interchange. The project is scheduled to begin the construction phase in fiscal 2018. Construction is anticipated to be completed in fiscal 2020. To the extent that the current project does not meet the bill's requirements, TTF expenditures for SHA increase significantly. SHA can complete the required annual report using existing resources.

Additional Information

Prior Introductions: HB 1562 of 2016, a similar bill, received a hearing in the House Environment and Transportation Committee, but no further action was taken.

Cross File: None.

Information Source(s): Department of Budget and Management; Maryland Department of Transportation; Department of Legislative Services

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mm/mcr

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