

J00B01
State Highway Administration
Maryland Department of Transportation

Executive Summary

The State Highway Administration (SHA) is responsible for building and maintaining Maryland's numbered highways and bridges outside Baltimore City. This includes operation of traffic and roadway monitoring and management, incident management, traveler information, and snow removal.

Operating Budget Data

(\$ in Thousands)

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$280,240	\$278,349	\$289,795	\$11,446	4.1%
Adjustments	0	595	2,141	1,547	
Adjusted Special Fund	\$280,240	\$278,944	\$291,937	\$12,993	4.7%
 Federal Fund	 14,326	 15,415	 17,959	 2,544	 16.5%
Adjustments	0	29	121	92	
Adjusted Federal Fund	\$14,326	\$15,444	\$18,079	\$2,636	17.1%
 Adjusted Grand Total	 \$294,566	 \$294,388	 \$310,016	 \$15,628	 5.3%

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

- Nearly 36% of the increase in the fiscal 2020 allowance relates to personnel expenses that include funding for a general salary increase and full-year funding for the fiscal 2019 general salary increase that took effect halfway through the fiscal year.

Note: Numbers may not sum to total due to rounding.

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PAYGO Capital Budget Data

(\$ in Thousands)

	Fiscal 2018	Fiscal 2019		Fiscal 2020
	<u>Actual</u>	<u>Legislative</u>	<u>Working</u>	<u>Allowance</u>
Special	\$880,580	\$755,885	\$842,835	\$742,752
Federal	\$554,411	\$690,531	\$651,214	\$690,136
Subtotal	\$1,434,991	\$1,446,417	\$1,494,049	\$1,432,888
State Aid (Special Funds)	\$175,405	\$178,133	\$178,133	\$255,932
Total	\$1,610,396	\$1,624,549	\$1,672,182	\$1,688,820

- Funding for the SHA State capital program decreases by \$61.2 million in fiscal 2020.
- Fiscal 2020 State aid mandated capital grant funding provides an increase to local governments of \$17.5 million over the combined amount that they received through the Highway User Revenues formula and discretionary capital grants in fiscal 2019. Due to legislation passed during the 2018 session, local governments are to receive capital grants equivalent to 13.5% of the Gasoline and Motor Vehicle Account (GMVRA) revenues in fiscal 2020 through 2024. Prior to this increase, the total local share equated to 9.6% of GMVRA revenues.

Operating and PAYGO Personnel Data

	<u>FY 18 Actual</u>	<u>FY 19 Working</u>	<u>FY 20 Allowance</u>	<u>FY 19-20 Change</u>
Regular Operating Budget Positions	1,420.50	1,420.50	1,420.50	0.00
Regular PAYGO Budget Positions	<u>1,541.00</u>	<u>1,539.00</u>	<u>1,541.00</u>	<u>2.00</u>
Total Regular Positions	2,961.50	2,959.50	2,961.50	2.00
Operating Budget FTEs	12.19	39.00	35.45	-3.55
PAYGO Budget FTEs	<u>25.28</u>	<u>49.00</u>	<u>52.55</u>	<u>3.55</u>
Total FTEs	37.47	88.00	88.00	0.00
Total Personnel	2,998.97	3,047.50	3,049.50	2.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	194.20	7.38%
Positions and Percentage Vacant as of 1/1/19	306.00	10.34%

- The number of operating positions remains unchanged between the fiscal 2019 working appropriation and the fiscal 2020 allowance. Capital positions increase by 2 in the allowance due to transfers from other units of the department. One of the transferred positions is for the public-private partnership office, and the other goes to the audit function.
- The 10.34% vacancy rate as of January 1, 2019, is higher than the budgeted turnover rate of 7.38%. This means that SHA has the capacity within its budget to support the hiring of an additional 112 positions.

Key Observations

- SHA's fiscal 2020 budget ignores the stated intent of the General Assembly by discontinuing the practice of increasing funding for the winter maintenance and snow removal budget by \$5 million per year until the budgeted amount reflects the five-year average of actual snow removal expenditures.

Operating Budget Recommended Actions

1. Add language stating the intent of the General Assembly that the snow removal budget be increased until the budgeted amount reflects the five-year average of actual expenditures.

PAYGO Budget Recommended Actions

1. Restrict funding to be used only for snow removal activities.
2. Restrict State aid funding for Deer Park in Garrett County until it has submitted the required audit reports and the Uniform Financial Reports.

Updates

- In response to requests in the 2018 *Joint Chairmen's Report*, SHA provided a report on the feasibility of establishing a business retention program for businesses affected by road construction projects and a report on the use of contractor labor for mowing and snow removal activities.

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Budget Analysis

Program Description

The State Highway Administration (SHA) is responsible for over 5,200 miles of interstate, primary and secondary roads, and over 2,500 bridges. SHA employees plan, design, build, and maintain these roads and bridges to safety and performance standards, while paying attention to social, ecological, and economic concerns.

SHA employs personnel in seven engineering districts throughout the State and at its Baltimore City headquarters. Each district encompasses a number of adjacent counties, with a district office serving as its headquarters. There is at least one maintenance facility in each county. The districts are responsible for the management of highway and bridge construction contracts and maintenance functions, such as pavement repairs, bridge repairs, snow removal, roadside management, equipment maintenance, and traffic engineering operations.

SHA attempts to manage traffic and congestion through the Coordinated Highways Action Response Team (CHART) program. CHART provides information about traffic conditions and clears incidents on major roadways.

The highway safety program funds the Motor Carrier Division. The Motor Carrier Division manages the State's enforcement of truck weight and age limits by inspecting drivers, trucks, and cargo as well as auditing carriers.

The administration shares the key goals identified by the Maryland Department of Transportation (MDOT):

- ensuring a safe, secure, and resilient transportation system;
- maintaining a high standard and modernizing Maryland's multimodal transportation system;
- improving the quality and efficiency of the transportation system to enhance the customer experience;
- providing better transportation choices and connections;
- facilitating economic opportunity and reducing congestion in Maryland through strategic system expansion;

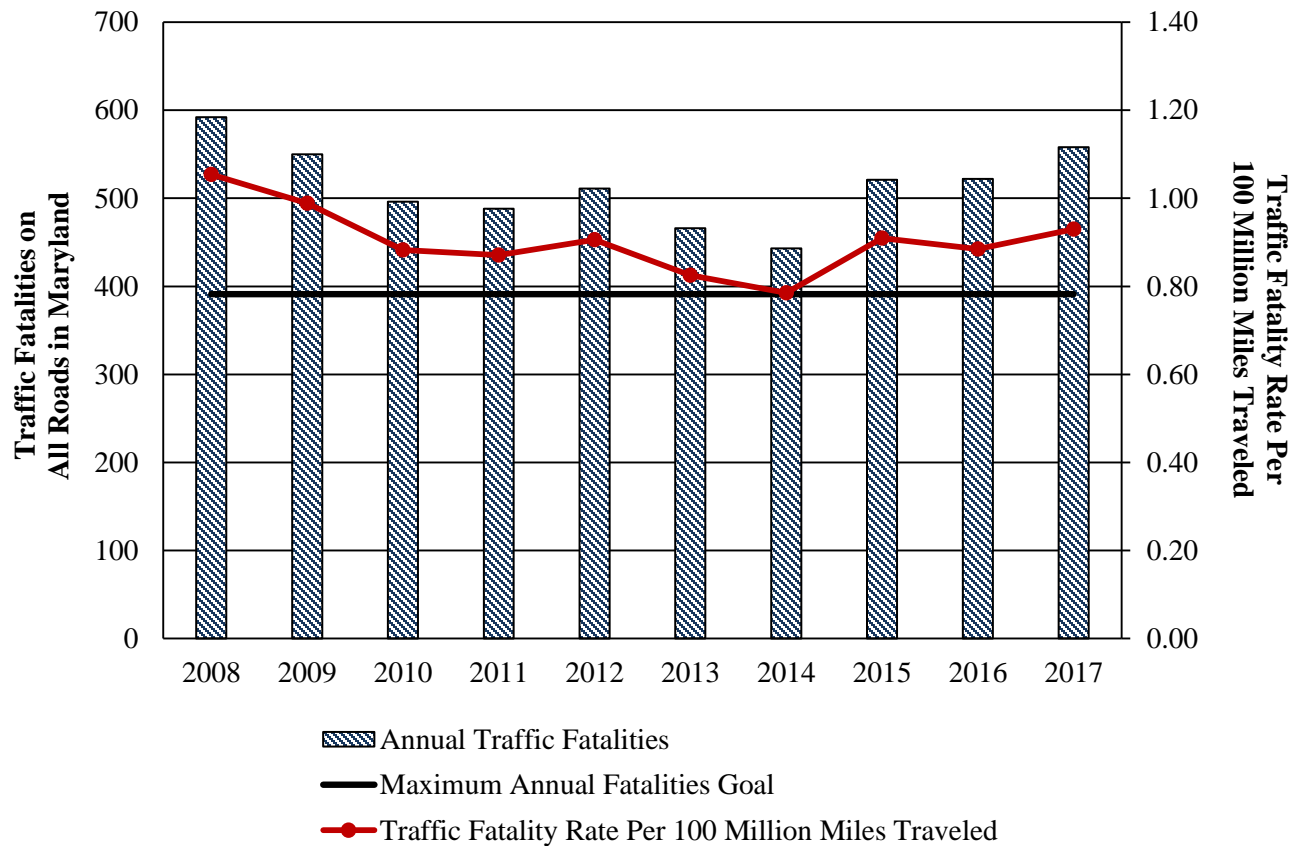
- ensuring environmental protection and sensitivity; and
- promoting fiscal responsibility.

Performance Analysis: Managing for Results

1. Safety and Security

One objective of the SHA safety and security goal is to reduce the annual number of traffic-related fatalities to 391 or fewer by the end of calendar 2020. **Exhibit 1** shows the number of traffic fatalities, the maximum fatalities goal, and the traffic fatality rate by calendar year for calendar 2008 through 2017. From calendar 2008 to 2014, there was a downward trend in both the annual number of fatalities and the fatality rate. Since 2014, however, the trend in both measures has been upward. The 558 fatalities, in fiscal 2017, was an increase of 36 over the prior year and well in excess of the maximum fatalities goal. The increased number of vehicle miles travelled has been cited as a contributing factor in the increased number of fatalities; however, the fatality rate is also trending upward and increased from 0.88 fatalities per 100 million miles traveled to 0.93 per 100 million miles traveled. **SHA should brief the committees on the strategies that it is currently employing or plans to implement to address the upward trend in both the number and rate of traffic-related fatalities.**

Exhibit 1
Traffic Fatalities and Fatality Rates
Calendar 2008-2017

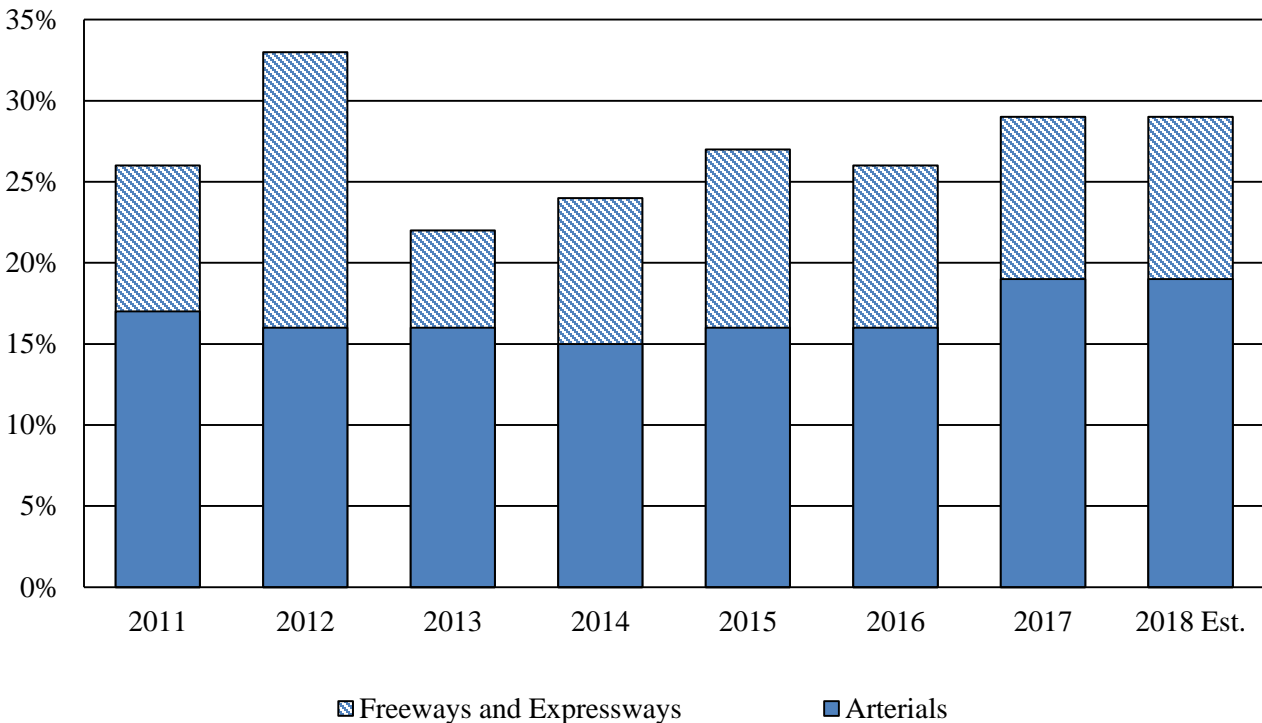


Source: Maryland Department of Transportation; Department of Legislative Services

2. Congestion

In recent years, the Washington, DC and Baltimore metropolitan regions have been rated as having some of the highest levels of roadway congestion in the country. **Exhibit 2** shows the percent of vehicle miles traveled in congested conditions during the evening peak hour on Maryland's freeways, expressways, and arterial roads. Both measures were higher in 2017 than in the prior year. For arterial roads, congestion was higher in 2017 than any previous year going back to 2011. For freeways and expressways, congestion was the second highest in 2017 during this period and the highest level in the past five years. Congestion levels are projected to remain at the 2017 levels in 2018.

Exhibit 2
Percent of Vehicle Miles Traveled in Congested Conditions during the
Evening Peak Hour
Calendar 2011-2018 Est.

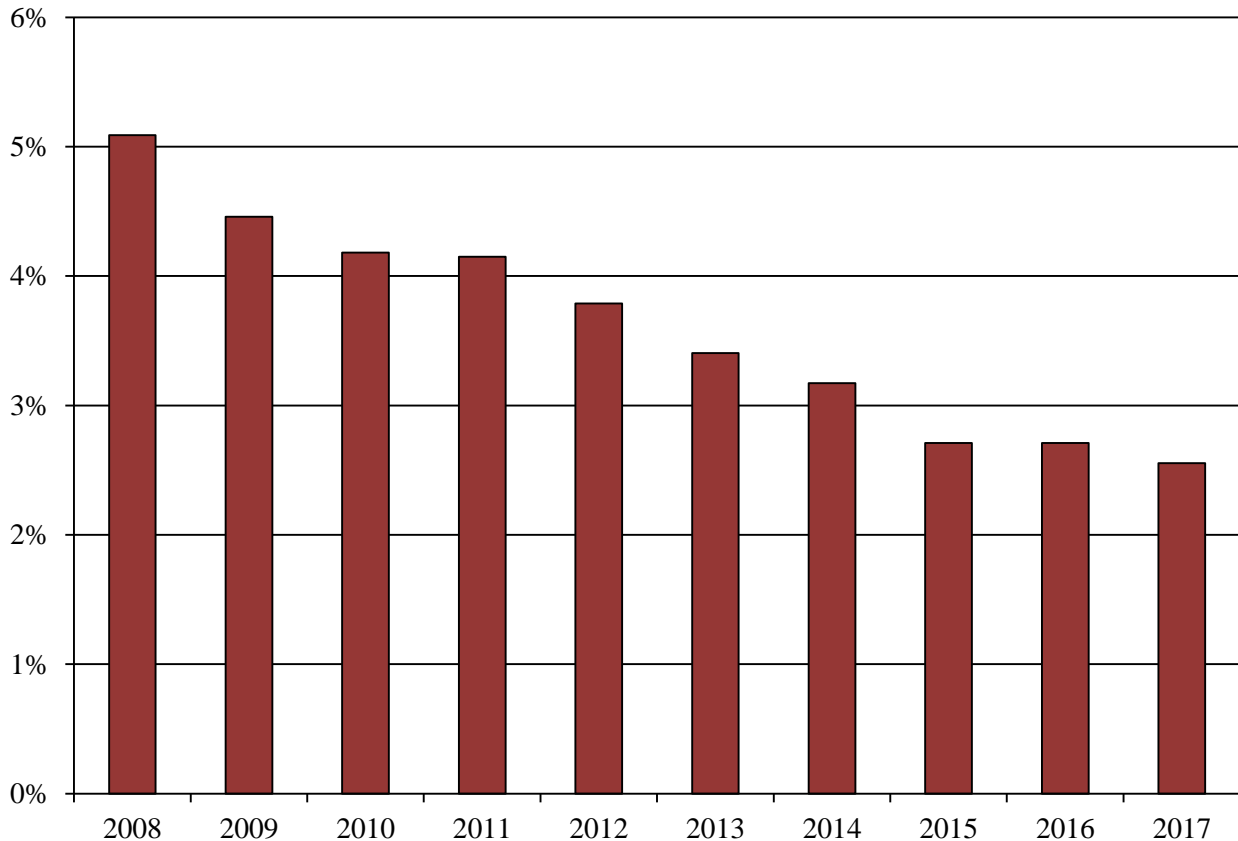


Source: Maryland Department of Transportation; Department of Legislative Services

3. System Preservation and Maintenance – Structurally Deficient Bridges

One objective under the SHA goal of system preservation and maintenance is to “maintain all bridges along the State Highway Network, including those identified as weight restricted and structurally deficient, so that there is no adverse effect on their safe use by emergency vehicles, school buses, and vehicles serving the economy of an area.” **Exhibit 3** shows a steady decline in the percent of structurally deficient bridges from calendar 2008 to 2017. The percent of structurally deficient bridges decreased from 2.7% in calendar 2016 to 2.6% in calendar 2017.

Exhibit 3
Percent of Bridges Rated as Structurally Deficient in the
State Highway Network
Calendar 2008-2017

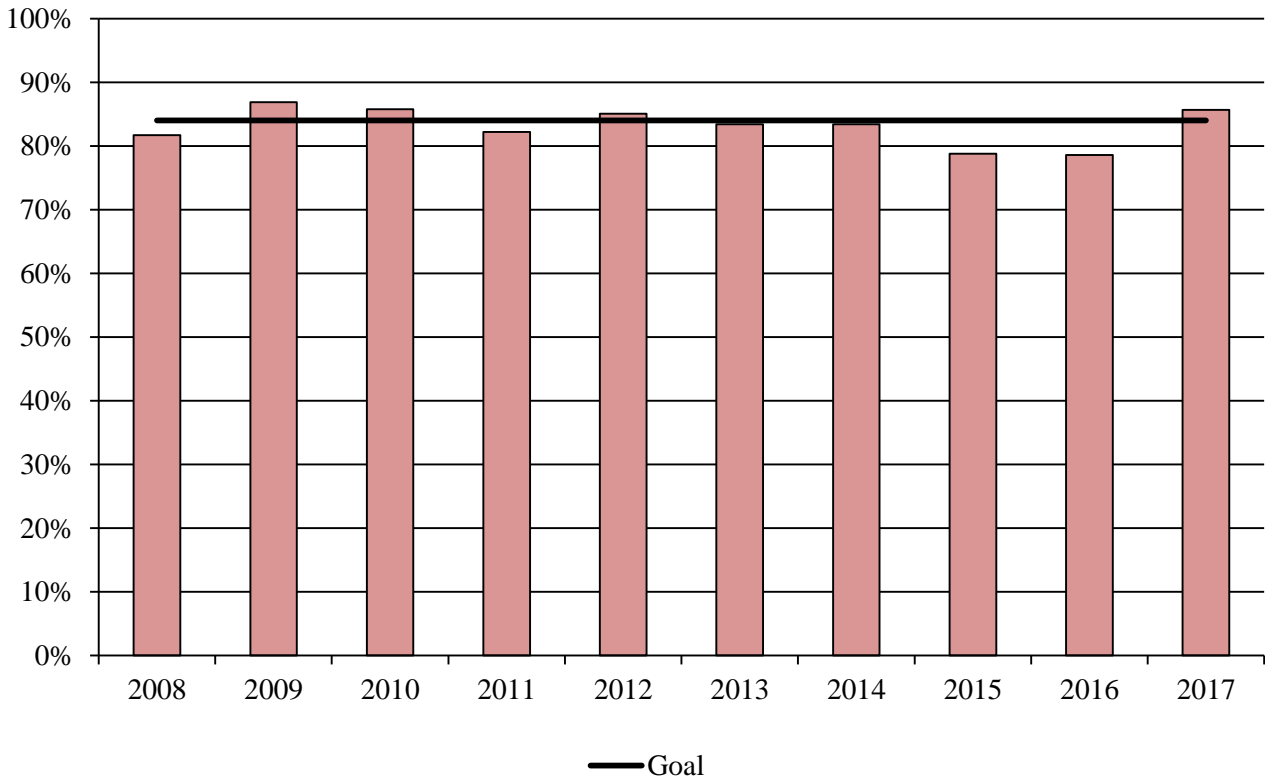


Source: U.S. Department of Transportation, Federal Highway Administration; Department of Legislative Services

4. System Preservation and Maintenance – Highway Maintenance Condition

Another objective of the system preservation and maintenance goal is to improve and maintain 84% of the highway network in an overall preferred maintenance condition. As shown in **Exhibit 4**, SHA has met this goal four times since calendar 2008 and most recently in 2017, the most recent year for which data is available.

Exhibit 4
Percent of Highway Network in Overall Preferred Maintenance Condition
Calendar 2008-2017



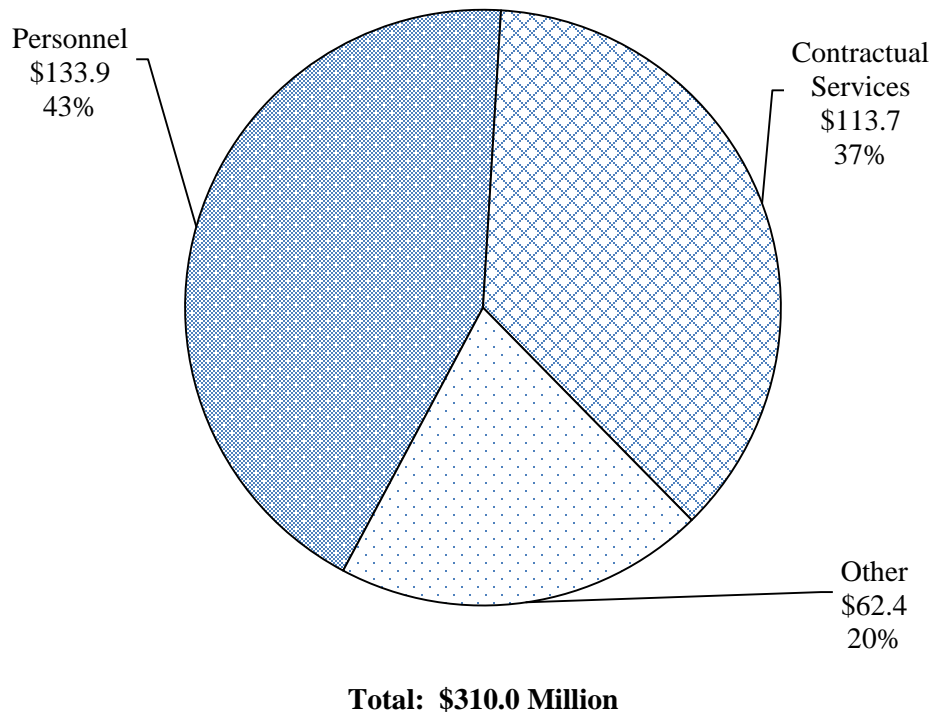
Source: Maryland Department of Transportation; Department of Legislative Services

Fiscal 2020 Allowance

Overview of Agency Spending

As shown in **Exhibit 5**, SHA delivers its operations and maintenance program with a close to equal reliance on SHA personnel (including contractual full-time equivalents) and contractual services.

Exhibit 5
State Highway Administration Operating Budget by Category
Fiscal 2020
(\$ in Millions)



Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 6**, the fiscal 2020 allowance for SHA increases by \$15.6 million over the current year working appropriation. Personnel expenses increase by \$5.6 million, largely due to the general salary increase in fiscal 2020 and full-year budgeting of the general salary increase in fiscal 2019. The increase in employee and retiree health is an artifact of a change in methodology for budgeting positions between the operating and capital portions of SHA's budget that is fully implemented in fiscal 2020. Going forward, this and other personnel expense changes should be more in line with personnel changes throughout the budget. A major portion of the increases in spending for operations is related to increased engineering services to reflect both the three-year actual expenditure levels as well as an enhancement to support issuance of highway access permits within 21 days or sooner.

Exhibit 6
Proposed Budget
MDOT – State Highway Administration
(\$ in Thousands)

How Much It Grows:	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Total</u>
Fiscal 2018 Actual	\$280,240	\$14,326	\$294,566
Fiscal 2019 Working Appropriation	278,944	15,444	294,388
Fiscal 2020 Allowance	<u>291,937</u>	<u>18,079</u>	<u>310,016</u>
Fiscal 2019-2020 Amount Change	\$12,993	\$2,636	\$15,628
Fiscal 2019-2020 Percent Change	4.7%	17.1%	5.3%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance.....	\$2,704
General salary increase.....	2,110
Annualize 2% general salary increase effective January 1, 2019.....	1,024
Workers' compensation premium assessment.....	870
Reclassifications and hiring above base	403
\$500 bonus not continued into fiscal 2020.....	-471
Turnover adjustments	-928
Other fringe benefit adjustments	-89

Operations

Roadside vegetation control	2,677
Coordinated Highway Action Response Team equipment maintenance and enhancements	2,399
Engineering contractual services – three-year average of actual expenditures	1,806
Building or road repairs and maintenance – lower than 2018 actual	1,212
Engineering contractual services enhancement to support issuance of access permits within 21 days or less.....	1,200
Major information technology system enhancements	644
Road maintenance materials and supplies.....	207
Replacement equipment – increase in replacement of two-way radios.....	175
Vehicle gas and oil – 5.4% above working appropriation, less than 2018 actual	140
Janitorial service – lower than 2018 actual	106
Other motor vehicle charges – three-year average of actual expenditures.....	102
Rent	74

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Where It Goes:

Vehicle insurance	52
Utilities – fuel oil and fuel miscellaneous	25
Energy conservation loan repayment	18
Conferences and training lower than 2018 actual	18
Reduced postage.....	-14
Office and housekeeping supplies	-23
Utilities – natural gas, propane, and electricity	-47
Vehicle maintenance and repair	-51
Reduced contractual clerical and secretarial support	-116
Additional equipment – additional radio purchases not carried into fiscal 2020	-139
Routine travel	-161
Reduced use of 3.5 contractual full-time equivalents	-232
Reduced telephone and cell phone usage	-261
Other changes	194
Total	\$15,628

MDOT: Maryland Department of Transportation

Note: Numbers may not sum to total due to rounding.

Winter Maintenance and Snow Removal

Budget bill language added to SHA’s fiscal 2010 budget indicated the intent of the General Assembly that SHA increase the amount that it budgets for snow removal expenses by \$5 million each year until the budgeted amount reflects the rolling five-year average of actual snow removal expenditures. Every SHA budget submitted between fiscal 2011 and 2019 complied with this intent; however, the fiscal 2020 allowance for SHA does not. MDOT indicates that, with the budgeted amount having been increased from \$21 million in fiscal 2009 to \$71 million in fiscal 2019, the \$71 million level provides adequate funding for the fluctuations in snow expenditures. It makes this claim despite actual expenditures on snow removal having been less than the \$76 million that it would take to comply with legislative intent only once in the past five years and the five-year average of actual snow removal expenditures currently at \$101.3 million. **Included in the Recommended Actions section of this analysis is budget bill language restating the intent of the General Assembly that MDOT continue to increase the SHA snow removal budget by \$5 million per year until the budgeted amount reflects the rolling five-year average of actual snow removal expenditures and also restricting \$5 million of the SHA capital program to be used only for snow removal expenses.**

PAYGO Capital Program

Program Description

The State System Construction program provides funds for the capital program of SHA. Financing is available from current revenues, federal aid, and bond proceeds for construction and reconstruction projects on the State highway system, program-related planning and research, acquisition of major capital equipment, and all other capital expenditures. Funding is also provided for local capital programs through the State Aid in Lieu of Federal Aid program and various federal grants, including bridge replacement and rehabilitation and the national highway system.

The *Consolidated Transportation Program* (CTP) includes a development and evaluation program (D&E) and a construction program. Generally, projects are first added to the D&E program, at which stage they are evaluated by planners and engineers, and rights-of-way may be purchased. SHA also prepares draft and final environmental impact statements for projects in the D&E program. These studies examine alternatives that include a no-build option and a number of different alignments. Spending on a project while in the D&E program is usually less than 15% of the total project cost. When SHA wants to move a project forward, it is moved into the construction program.

Included in the SHA section of the CTP is State aid to local governments. Beginning in fiscal 2020, State aid is provided in the form of mandated capital grants. For fiscal 2020 to 2024, local governments are to receive grants equivalent to 13.5% of the Gasoline and Motor Vehicle Revenue Account (GMVRA) in the Transportation Trust Fund. After fiscal 2024, local governments will receive grants equivalent to 9.6% of GMVRA.

State Aid – Mandated Capital Grants

Prior to fiscal 2020, local governments shared in a portion of the tax and fee revenues that are deposited into the GMVRA, commonly referred to as Highway User Revenues (HUR). Since fiscal 2009, the local share of HUR had been 9.6% of the GMVRA with MDOT retaining 90.4% of revenues to support its operating and capital budgets. Chapters 330 and 331 of 2018 converted this aid to local governments from a share of GMVRA revenues to mandated capital grants based on a percentage of total GMVRA and also increased the amount that local governments would receive to an amount equivalent to 13.5% of the GMVRA for fiscal 2020 to 2024. This change increased MDOT's bonding capacity, since it now retains all GMVRA revenue.

In recent years, local governments have received discretionary capital grants to supplement the HUR funding. These discretionary grants were provided in lieu of increasing the local share of the GMVRA. These grants totaled \$38.4 million in fiscal 2018 and \$57.9 million in fiscal 2019. Since Chapters 330 and 331 provide for a five-year increase in the amount of funding provided to local governments, discretionary capital funding is not needed over this period.

Exhibit 7 provides a summary of State transportation aid – HUR and discretionary capital grant funding for fiscal 2018 and 2019 and mandated capital grant funding for fiscal 2020. The fiscal 2020

mandated capital grant funding of \$255.9 million is \$17.5 million more than the combined HUR and discretionary capital grant funding that local jurisdictions received in fiscal 2019.

Exhibit 7
State Aid – Highway User Revenues and Capital Grants
Fiscal 2018-2020

	2018	2019	2020
	<u>HUR</u> <u>% of GMVRA</u>	<u>HUR</u> <u>% of GMVRA</u>	<u>Mandated Capital Grants</u> <u>% of GMVRA</u>
MDOT	90.4%	90.4%	n/a
Baltimore City	7.7%	7.7%	8.3%
Counties	1.5%	1.5%	3.2%
Municipalities	0.4%	0.4%	2.0%
Total	100.0%	100.0%	13.5%
HUR			
MDOT	\$1,647,294,684	\$1,700,102,740	\$1,895,789,000
Local Share	174,933,949	180,541,883	0
Total GMVRA	\$1,822,228,633	\$1,880,644,623	\$1,895,789,000
Local Distribution			
Baltimore City	\$140,311,605	\$144,809,636	\$0
Counties	27,333,429	28,209,669	0
Municipalities	7,288,915	7,522,578	0
Total	\$174,933,949	\$180,541,883	\$0
Capital Grants			
Baltimore City	\$5,484,423	\$5,558,937	\$157,350,487
Counties	12,796,987	29,892,204	60,665,248
Municipalities	20,109,551	22,480,289	37,915,780
Total	\$38,390,961	\$57,931,430	\$255,931,515
Combined HUR and Capital Grants			
Baltimore City	\$145,796,028	\$150,368,573	\$157,350,487
Counties	40,130,416	58,101,873	60,665,248
Municipalities	27,398,466	30,002,867	37,915,780
Total	\$213,324,910	\$238,473,313	\$255,931,515

GMVRA: Gasoline and Motor Vehicle Revenue Account

MDOT: Maryland Department of Transportation

HUR: Highway User Revenues

Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

Exhibit 8 provides, by county, the fiscal 2020 allocations for counties, municipalities, and Baltimore City.

Exhibit 8
State Aid – Mandated Capital Grant Allocation
Fiscal 2020

	<u>Counties</u>	<u>Municipalities</u>	<u>Total</u>
Allegany	\$1,035,334	\$1,839,119	\$2,874,453
Anne Arundel	6,488,279	1,611,929	8,100,207
Baltimore	9,003,311	0	9,003,311
Calvert	1,402,019	471,241	1,873,260
Caroline	870,634	699,506	1,570,139
Carroll	2,464,424	2,213,512	4,677,936
Cecil	1,422,471	1,083,148	2,505,619
Charles	2,154,800	624,095	2,778,895
Dorchester	960,585	823,363	1,783,948
Frederick	3,004,792	4,254,780	7,259,572
Garrett	1,160,305	610,970	1,771,275
Harford	3,049,857	1,747,109	4,796,966
Howard	3,543,506	0	3,543,506
Kent	495,673	403,661	899,333
Montgomery	8,218,086	6,112,826	14,330,912
Prince George's	6,660,733	7,821,754	14,482,487
Queen Anne's	1,166,193	302,053	1,468,247
Somerset	617,213	283,526	900,739
St. Mary's	1,737,261	181,162	1,918,422
Talbot	708,341	1,082,090	1,790,431
Washington	1,932,304	2,423,511	4,355,815
Wicomico	1,434,399	2,107,425	3,541,824
Worcester	1,134,728	1,219,003	2,353,732
Subtotal	\$60,665,248	\$37,915,780	\$98,581,028
Baltimore City	\$157,350,487		\$157,350,487
Total	\$218,015,735	\$37,915,780	\$255,931,515

Source: Governor's Fiscal 2020 Budget Books

Fiscal 2019 to 2024 CTP

The fiscal 2019 to 2024 six-year capital program for SHA totals nearly \$7.4 billion, exclusive of State aid to local governments. This is a \$767.6 million decrease from the funding provided in the prior year six-year program. **Exhibit 9** compares the six-year programmed funding levels by category between the current and previous CTPs.

Exhibit 9
State Highway Administration Six-year Capital Program by Category
Fiscal 2018-2023 vs. Fiscal 2019-2024
(\$ in Millions)

<u>Category</u>	<u>2018-2023</u>	<u>2019-2024</u>	<u>Change</u>
Major Projects	\$1,823.8	\$1,441.2	-\$382.6
Safety, Congestion Relief, Community Enhancements	5,364.6	4,908.4	-456.2
Development and Evaluation Program	174.5	210.6	36.1
Other System Preservation	280.9	317.3	36.4
Pass-through Funding to Local Government and Major IT	476.0	474.7	-1.3
Subtotal	\$8,119.8	\$7,352.2	-\$767.6
State Aid – Mandated Capital Grants	\$0.0	\$1,326.3	\$1,326.3
Total as Shown in the Consolidated Transportation Program	\$8,119.8	\$8,678.5	\$558.7

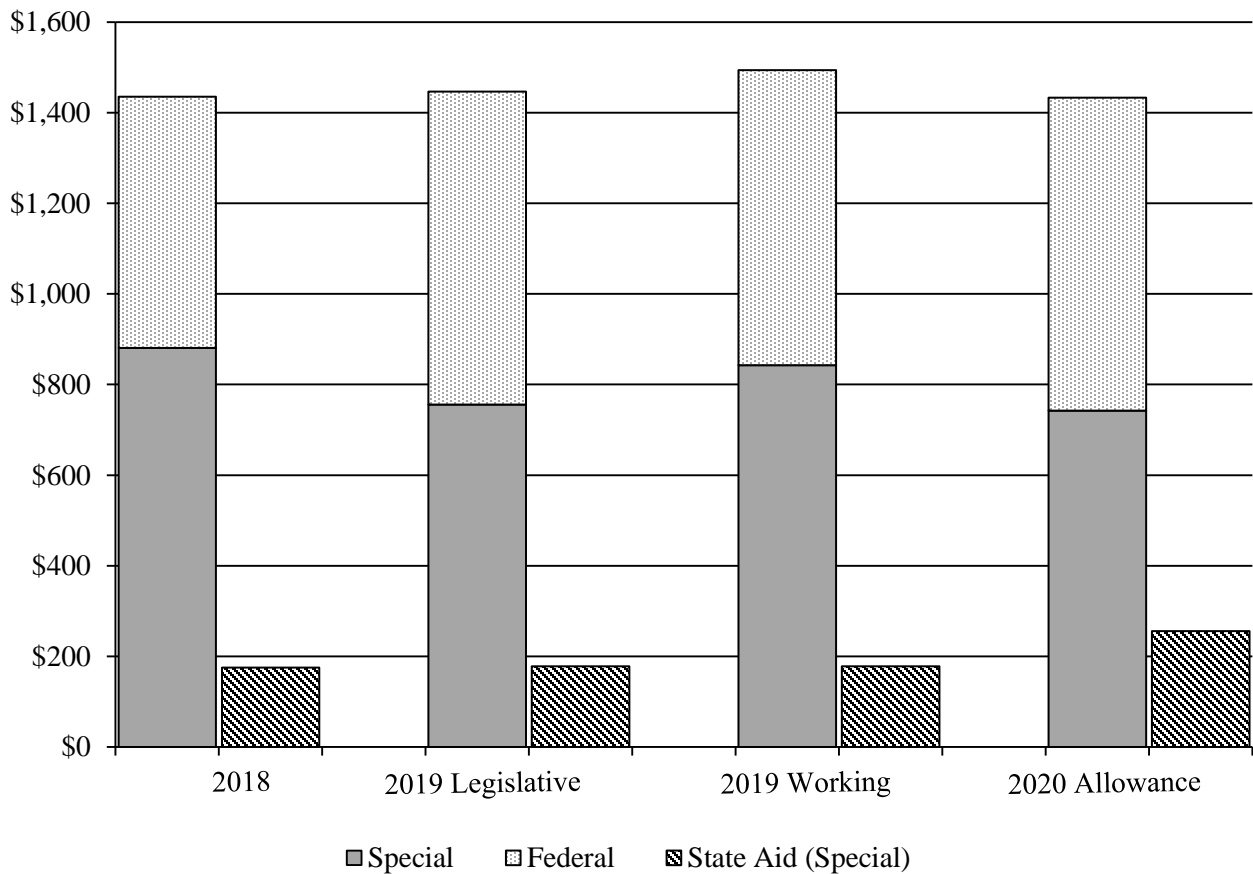
IT: information technology

Source: Maryland Department of Transportation, Fiscal 2018-2023 and 2019-2024 *Consolidated Transportation Programs*; Department of Legislative Services

Fiscal 2019 and 2020 Cash Flow Analysis

Exhibit 10 shows the cash flow changes in the SHA capital program and in State aid from fiscal 2018 through the 2020 allowance. For the SHA State capital program, the fiscal 2019 working appropriation is a net \$47.6 million higher than the legislative appropriation comprising a special fund increase of \$87.0 million partially offset by a federal fund decrease of \$39.3 million. The majority of the increase occurs in the categories of other system preservation and safety, congestion relief, and community enhancements. The State aid appropriation remains unchanged between the legislative and working appropriations.

Exhibit 10
Cash Flow Changes
Fiscal 2018-2020



Note: Prior to fiscal 2020, State aid was not provided through the capital program. Fiscal 2018 and 2019 State aid, included in the graph, represent the appropriations included in SHA's operating budget.

Source: Maryland Department of Transportation, Fiscal 2019-2024 *Consolidated Transportation Program*; Department of Legislative Services

The fiscal 2020 allowance for the SHA State capital program decreases by \$61.2 million from the current year working appropriation with a special fund reduction of \$100.1 million partially offset by an increase in federal funds of \$38.9 million. A decrease in major project funding accounts for the majority of the change. State aid increases by \$77.8 million in the allowance compared to the current year working appropriation due to the increased local share in effect for fiscal 2020 through 2024.

Exhibit 11 provides a list of SHA projects in the construction or D&E programs receiving funding of at least \$1 million in fiscal 2020 or \$5 million or more over the six-year program.

Exhibit 11
Major Construction Projects
2019-2024
(\$ in Thousands)

<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Allegany	MD 36, Mount Savage Road: Replace Bridge 01008 over Jennings Run. Bicycle and pedestrian accommodations will be provided where appropriate.	\$3,105	\$9,089	\$6,532
Allegany	MD 51, Industrial Boulevard: Rehabilitation of Bridge 01092 over CSX and Canal Parkway.	3,691	10,950	10,518
Allegany	US 220, McMullen Highway: Study to upgrade and/or relocate US 220 (4.8 miles) and/or MD 53 (3.1 miles) from I-68/US 40 to Cresaptown. This study represents a portion of an approved Maryland/West Virginia joint study, between two Appalachian Development Highway System corridors.	1,094	6,204	2,094
Anne Arundel	MD 175, Annapolis Road: Construct intersection capacity improvements at Mapes Road/Charter Oaks Boulevard and Reece Road (0.6 miles) (Base Realignment and Closure (BRAC) intersection improvement). This project includes construction of a new security fence and tree buffer along Fort Meade's property. Bicycle and pedestrian facilities will be provided.	1,581	20,718	4,219
Anne Arundel	MD 175, Annapolis Road: Widen MD 175 from National Business Parkway to McCarron Court from two lanes to six lanes and reconfigure ramps at the MD 295 interchange to create signalized left turns at MD 175.	11,489	72,361	52,825
Anne Arundel	MD 175, Annapolis Road: Widen MD 175 from Disney Road to Reece Road, from the existing two-lane roadway to a six-lane roadway (1.1 miles). Bicycle and pedestrian facilities will be provided.	4,184	21,057	8,072
Baltimore	I-83, Harrisburg Expressway: Replacement of dual bridges 0306201 and 0306202 on I-83 over Padonia Road.	7,453	25,755	22,393

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<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Baltimore	I-695, Cromwell Bridge Road: Drainage improvements and stream restoration on I-695 at Cromwell Bridge Road.	3,851	11,809	9,471
Baltimore	I-695, Baltimore Beltway: This project from US 40 to MD 144 will improve mobility and safety on I-695 by widening the roadway to provide a fourth lane on the outer loop. This project will also accommodate the ultimate configuration of this section of the beltway. The noise barrier on the inner loop will be replaced and extended from Shady Nook to US 40 as part of this project.	12,732	105,496	49,456
Baltimore	I-695, Baltimore Beltway: Using the shoulder and dynamic lane controls to create a new lane of traffic during peak hours. On the inner and outer loops of I-695 from I-70 to MD 43. This includes adaptive ramp metering and the reconfiguration of the I-695 and I-70 interchange.	31,550	281,101	281,099
Baltimore	MD 45, York Road: Construction of safety and resurfacing improvements on MD 45 from south of Padonia Road to Wight Avenue (2.4 miles).	5,779	16,396	15,412
Baltimore	MD 151/MD 151B, Sparrows Point Boulevard: Replace Bridge 0309900 on MD 151 and Bridge 0335000 on MD 151B. Replace bridge deck on Bridge 0335100 on MD 151B.	1,690	21,000	20,803
Baltimore	US 1, Washington Boulevard: Replace Bridge 03008 over CSX.	9,621	34,004	30,597
Baltimore	US 40, Pulaski Highway: Replace and widen substructure on Bridges 0303403 and 0303404 over Little Gunpowder Falls and Bridges 0303503 and 0303504 over Big Gunpowder Falls.	7,442	30,414	27,100
Baltimore	I-795, Northwest Expressway: Study to develop interchange options at Dolfield Boulevard. Includes widening of I-795 from Owings Mills Boulevard (MD 940) to Franklin Boulevard from four to six lanes.	1,100	10,470	3,645

J00B01 – MDOT – State Highway Administration

<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Calvert	MD 2/4, Solomons Island Road: Upgrade and widen MD 2/4 to a six-lane divided highway from Fox Run Boulevard to MD 231 (0.8 miles). This project will include bicycle and pedestrian accommodations as appropriate. This is Phase 2 of a five-phase project to upgrade and widen MD 2/4 from north of Stoakley Road/Hospital Road to south of MD 765A.	14,285	45,219	32,858
Calvert	MD 261, Bayside Road: Replace Bridge 04011 over Fishing Creek. This project will accommodate bicycles and pedestrians as appropriate.	2,122	27,952	5,571
Caroline	MD 331, Dover Road: Replaced Bridge 20023 over the Choptank River. The new span was located south of the existing roadway and provided a 50-foot river clearance. Bicycle and pedestrian accommodations were included where appropriate.	1,381	66,386	8,881
Carroll	MD 30 Bus. Main Street: Roadway, drainage, and streetscape improvements from North Woods Trail to CSX Railroad (Hampstead Urban Reconstruction). Bicycle and pedestrian facilities will be provided (1.6 miles).	8,477	31,230	19,744
Carroll	MD 86, Lineboro Road: Replace Bridge 06019 over South Branch of Gunpowder Falls.	1,973	7,540	5,251
Cecil	MD 272, Mauldin Ave: Replace Bridge 7036 over Amtrak. Shoulders and sidewalks will accommodate bicycles and pedestrians.	3,123	20,286	10,408
Cecil	MD 273: Replace Bridge 0704400 over Big Elk Creek. The bridge will have two 12-foot lanes and two 10-foot shoulders. No sidewalks will be provided.	3,053	8,866	7,690
Charles	US 301, Crain Highway: Construct a new flyover from US 301 to MD 5 (Mattawoman-Beantown Road).	478	14,078	14,078
Charles	MD 254, Bridge 0803800 over Neale Sound: Replace Bridge 0803800 over Neale Sound. This project will accommodate bicycles and pedestrians as appropriate.	6,010	17,135	14,084

J00B01 – MDOT – State Highway Administration

<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Frederick	I-270, Eisenhower Highway: Implementation of innovative congestion management (ICM) tools to reduce congestion on I-270, including the east and west I-270 spurs (31.5 miles). Improvements will include a series of roadway and technology-based improvements.	32,215	114,115	91,685
Frederick	US 15, Catocin Mountain Highway: Construct a new US 15 grade-separated interchange and park-and-ride lot at Monocacy Boulevard. Bicycle and pedestrian improvements will be included where appropriate.	208	73,694	5,710
Frederick	US 40 Alternate, Old National Pike: Construct roadway improvements, including upgrades to pedestrian and bicyclist facilities, resurfacing, curb and gutter, and stormwater management improvements from Ivy Hill Drive to Middletown Parkway (2.1 miles).	99	18,068	8,042
Frederick	MD 85, Buckeystown Pike: Widen MD 85 to a multilane divided highway from Crestwood Boulevard/ Shockley Drive to Spectrum Drive (0.8 miles), including MD 85 interchange reconstruction at I-270 and I-270 dual bridges replacement. This project is Phase 1 of a three-phase project to widen and reconstruct MD 85 from south of English Muffin Way to north of Grove Road.	14,791	86,317	60,288
Frederick	MD 180, Jefferson Pike: Reconstruction of MD 180, from north of I-70 West Crossing to I-70 East Crossing (0.7 miles), including new, second bridge over US 15/US 340.	4,082	15,947	13,678
Frederick	MD 355, Urbana Pike: Replace Bridge 10086 over Bennett Creek.	6,217	16,812	14,254
Frederick	MD 355, Urbana Pike: Replace Bridge 10084 over the CSX railroad.	3,885	13,536	9,766
Frederick	MD 464, Point of Rocks Road: Replace Bridge 1009000 over Little Catocin Creek.	2,564	5,226	4,115
Frederick	MD 478, Knoxville Road: Replace Bridge 10089 over a branch of the Potomac River.	2,333	6,336	5,048

J00B01 – MDOT – State Highway Administration

<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Frederick	US 15, Frederick Freeway, and US 40, Frederick Freeway: Planning and preliminary engineering study to improve safety and mainline operations along US 15 and US 40 from I-270 to north of Biggs Ford Road (7.0 miles).	1,300	6,491	3,639
Garrett	MD 39, Hutton Road: Replace Bridge 11002 over the Youghiogheny River. This project will accommodate bicycles and pedestrians where appropriate.	1,067	6,529	5,602
Garrett	US 219, Chestnut Ridge Road: Upgrade and relocate US 219, from I-68/US 40 to Old Salisbury Road (1.5 miles). This project is being broken out from a larger study to upgrade and/or relocate US 219 from I-68/US 40 to the Pennsylvania State line.	15,535	61,399	46,073
Harford	US 40, Pulaski Highway: Construct intersection improvements on US 40 at the MD 7/MD 159 (Phase 2) to support the BRAC growth at Aberdeen Proving Grounds.	3,601	24,884	10,438
Howard	MD 32, Sykesville Road: Widen MD 32 from MD 108 to Linden Church Road from two lanes to a four-lane divided roadway.	2,612	44,362	28,179
Howard	MD 32, Patuxent Freeway: Construct capacity and safety improvements along MD 32 from north of Linden Church Road to I-70. (6.6 miles).	32,587	127,665	112,615
Montgomery	I-270, Eisenhower Highway: Construct a new I-270 interchange at Watkins Mill Road. Bicycle and pedestrian improvements will be included where appropriate.	23,102	119,876	65,900
Montgomery	I-270, Eisenhower Highway: Implementation of ICM tools to reduce congestion on I-270, including the east and west I-270 spurs (31.5 miles). Improvements will include a series of roadway and technology-based improvements.	32,215	114,115	91,685
Montgomery	MD 97, Georgia Avenue: Construct new interchange at MD 97 and Randolph Road (1.0 miles). Sidewalks will be included where appropriate. Wide curb lanes will accommodate bicycles.	3,253	83,634	9,043

J00B01 – MDOT – State Highway Administration

<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Montgomery	MD 97, Georgia Avenue: Construct a two-lane highway from south of Brookeville, near Gold Mine Road, to north of Brookeville (0.7 miles). Shoulders will accommodate bicycles.	10,023	44,111	31,417
Montgomery	MD 185, Connecticut Avenue: Construct MD 185 Phase 3 intersection improvements at Jones Bridge Road. Bicycle and pedestrian facilities will be provided where appropriate. (BRAC Intersection Improvements.)	1,210	17,487	14,201
Montgomery	MD 355, Frederick Road: Replace Bridge 15053 over Little Bennett Creek.	4,492	10,365	8,497
Montgomery	MD 355, Rockville Pike: Construct MD 355 intersection improvements, including upgrades to pedestrian and bicycle facilities, resurfacing, and geometric improvements from Woodmont Avenue/Glenbrook Parkway to South Wood Road/South Drive. (BRAC Intersection Improvements.)	1,549	4,300	4,293
Montgomery	MD 97, Georgia Avenue: Evaluate MD 97 safety and accessibility in Montgomery Hills, between MD 192 and MD 390. Bicycle and pedestrian accommodations will be included where appropriate.	1,000	5,544	2,027
Prince George's	I-95/I-495, Capital Beltway: Replace Bridges 1616205 and 1616206 over Suitland Road.	9,703	35,884	19,494
Prince George's	I-95/I-495, Capital Beltway: Replace Bridges 1616005 and 1616006 over Suitland Parkway.	12,871	35,787	34,248
Prince George's	I-95, Capital Beltway: Replace Bridge 1615305, 1615306 over MD 214.	11,749	31,493	29,877
Prince George's	MD 4, Pennsylvania Avenue: Construct a new interchange at MD 4 and Suitland Parkway. Bicycles and pedestrians will be accommodated where appropriate. (BRAC-related.)	31,048	133,324	88,731
Prince George's	MD 5, Branch Avenue: Construct a new interchange at MD 5, MD 373 and Brandywine Road Relocated. This project also includes a park and ride lot. Bicycle and pedestrian accommodations will be included where appropriate.	7,750	56,492	19,039

J00B01 – MDOT – State Highway Administration

<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Prince George's	MD 5, Branch Ave: Construct roadway and streetscape, including sidewalks and crosswalks on MD 5 from Curtis Drive to the Washington DC line (1.2 miles) and on MD 637 (Naylor Road) from MD 5 to Suitland Parkway (1.4 miles).	1,496	21,106	6,865
Prince George's	MD 210, Indian Head Highway: Construct a new interchange at MD 210 and Kerby Hill Road/Livingston Road. Bicycles and pedestrians will be accommodated where appropriate.	10,056	117,940	62,265
Prince George's	US 301, Crain Highway: Construct a new flyover from US 301 to MD 5 (Mattawoman-Beantown Road).	478	14,078	14,078
Prince George's	MD 500, Queens Chapel Road: Construct landscaped median with sidewalk and crosswalk improvements from MD 208 (Hamilton Street) to the Washington, DC line (1.2 miles).	4,965	17,321	12,613
Prince George's	US 1, Baltimore Avenue: Reconstruct US 1 from College Avenue to MD 193 (Segment 1). Including bicycle and pedestrian improvements (1.5 miles).	6,610	36,538	27,619
Prince George's	MD 210, Indian Head Highway: Project to relieve traffic congestion along MD 210 and improve intersections from I-95/I-495 to MD 228 (10.0 miles). Bicycles and pedestrians will be accommodated where appropriate.	2,523	14,225	10,184
Prince George's	MD 197, Collington Road: Upgrade and widen existing MD 197 to a multilane divided highway from Kenhill Drive to MD 450 Relocated (1.4 miles). Sidewalks will be included where appropriate. Wide curb lanes will accommodate bicycles.	2,500	12,150	8,597
St. Mary's	MD 5, Point Lookout Road: Reconstruct the MD 5 intersection at Abell Street/Moakley Street. This project will accommodate buggies, bicycles, and pedestrians and includes adding a left turn lane at the entrance to St. Mary's Hospital.	2,879	11,789	8,312
St. Mary's	MD 5, Point Lookout Road: Upgrade and widen MD 5 from south of Camp Brown Road to the Lake Conoy Causeway (2.2 miles). This project will accommodate bicycles and pedestrians as appropriate.	10,288	26,556	22,493

J00B01 – MDOT – State Highway Administration

<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Statewide	Coordinated Highway Action Response Team: Install advanced traffic management system and advanced traffic information system technologies on Interstate highways and arterials statewide. Technologies include cameras, traffic detectors, weather sensors, and dynamic message signs, highway advisory radios, websites and telecommunication networks.	26,500	132,200	117,500
Statewide	Sidewalk Program: This program provides matching funds for the construction of sidewalks adjacent to State highways.	6,000	39,100	35,700
Statewide	Total Maximum Daily Load (TMDL) Program: Plan, design, and construct stormwater controls and alternative water quality improvement strategies in Maryland Phase I and Phase II counties in order to meet the U.S. Environmental Protection Agency's Chesapeake Bay TMDL requirements by 2025.	112,000	707,124	415,600
Statewide	Traffic Relief Plan Smart Traffic Signals: The system uses real-time traffic conditions and computer software that adjusts the timing of traffic signals, synchronizes the entire corridor, and effectively deploys artificial intelligence to keep traffic moving.	7,500	50,300	50,294
Statewide	I-270, Eisenhower Memorial Highway, and I-495, Capital Beltway: Planning activities in support of the Traffic Relief Plan, which will implement express toll lanes along I-270 and I-495.	40,000	138,053	129,460
Talbot	MD 331, Dover Road: Replaced Bridge 20023 over the Choptank River. The new span was located south of the existing roadway and provided a 50-foot river clearance. Bicycle and pedestrian accommodations were included where appropriate.	1,381	66,386	8,881
Washington	I-81, Maryland Veterans Memorial Highway: Upgrade and widen I-81 from US 11 in West Virginia to north of MD 63/MD 68 (3.6 miles). West Virginia is funding improvements in West Virginia, and Maryland is administering this bi-state project. This is Phase 1 of a four-phase project to upgrade and widen I-81 from the Potomac River/West Virginia State line to the Pennsylvania State line.	13,205	102,887	54,177

J00B01 – MDOT – State Highway Administration

<u>County</u>	<u>Project</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Spending</u>
Washington	I-70, Eisenhower Memorial Highway: Bridge deck and superstructure replacement and widening of I-70 dual bridges 21118 over MD 65 and I-70 dual bridges 21119 over CSX Hagerstown Branch.	1,637	24,894	23,662
Washington	I-81, Maryland Veterans Memorial Highway: Study to upgrade and widen I-81 to a six-lane divided highway between the Potomac River/West Virginia State line and Pennsylvania State line (12.1 miles).	1,650	8,530	4,149
Worcester	US 113, Worcester Highway: Upgrade existing US 113 as a four-lane divided highway, including access controls from north of MD 365 (Public Landing Road) to Five Mile Branch (Phase 4)(4.3 miles). Bicycle and pedestrian accommodations will be included where appropriate.	19,445	74,947	44,061
Worcester	US 113, Worcester Highway: Upgrade existing US 113 as a four-lane divided highway, Massey Branch to Five Mile Branch (Phase 3) (4.6 miles). Bicycle and pedestrian accommodations will be included where appropriate.	1,686	54,613	8,324

Source: Maryland Department of Transportation, 2019-2024 *Consolidated Transportation Program*

Significant Changes to the Fiscal 2018 to 2023 CTP

Exhibit 12 shows changes to the fiscal 2018 to 2023 CTP and lists projects added to, removed from, or moved between the construction program and the D&E program.

Exhibit 12
Significant Changes to the Fiscal 2018-2023 Consolidated Transportation Program
Fiscal 2020
(\$ in Millions)

Projects Added to the Construction Program

MD 51, Industrial Boulevard; MD 51, Bridge over CSX and Canal Parkway (Allegany) (Bridge added from System Preservation)	\$11.0
MD 45, York Road; MD 45, Padonia to Wight Avenue (Baltimore) (Resurfacing project greater than \$10 million)	16.4
MD 151/MD 151B, Sparrows Point Boulevard; MD 151/151B, Bridges over Wharf Road (Baltimore) (Bridge added from System Preservation)	21.0
MD 273; MD 273, Bridge over Big Elk Creek (Cecil) (Bridge added from System Preservation)	8.9
US 301, Crain Highway; US 301, at MD 5 (Prince George's and Charles) (Legislative mandate)	14.1
MD 464, Point of Rocks Road; MD 464, Bridge over Little Catoctin Creek (Frederick) (Bridge added from System Preservation)	4.7
MD 5, Branch Avenue; from Curtis Avenue to Washington DC line, and MD 637, Naylor Road from Branch Avenue to Suitland Parkway (Prince George's) (Streetscape and Pedestrian Safety Phase II)	21.1
MD 364; MD 364, Bridge over Dividing Creek (Somerset) (Bridge added from System Preservation)	3.6
I-70, Eisenhower Memorial Highway; I-70, Bridges over MD 65 and CSX Hagerstown Branch (Washington) (Bridge added from System Preservation)	24.9
Total	\$125.7

Projects Removed from the Development and Evaluation Program

MD 586, Veirs Mill Road; MD 586, Veirs Mill Road (Montgomery) – Project complete

MD 355, Rockville Pike: MD 355 at CSXT Railroad (Montgomery); MD 355, Rockville Pike
(Montgomery) – Engineering complete

Operational Improvement Studies; Corridor Planning (Statewide) – Planning complete

Source: Maryland Department of Transportation, 2019-2024 *Consolidated Transportation Program*

Operating Budget Recommended Actions

1. Add the following language:

It is the intent of the General Assembly that the State Highway Administration increase its budget for snow removal to more accurately reflect actual expenditures. Therefore, funds budgeted for snow removal shall be increased by \$5,000,000 in each fiscal year of the fiscal 2021 to 2025 financial forecast. In addition, each subsequent financial forecast shall increase the budgeted level of snow removal by \$5,000,000 in each fiscal year until the budgeted level reflects the rolling five-year average of actual snow removal expenses.

Explanation: In the fiscal 2010 Budget Bill, the General Assembly stated its intent that the amount included in the State Highway Administration budget for snow removal expenses be increased by \$5 million each year until the budgeted amount reflected the five-year average of actual snow removal expenditures. The Maryland Department of Transportation elected not to continue this practice in the fiscal 2020 budget despite the budgeted level for snow removal being well below the five-year average and despite having spent more on snow removal, in all but one of the previous five years, than the \$76 million level called for under the policy that it had adhered to until this year. This language restates the intent of the General Assembly.

PAYGO Budget Recommended Actions

1. Add the following language to the special fund appropriation:

, provided that \$5,000,000 of this appropriation made for the purpose of capital construction may not be expended for that purpose but instead may be used only for snow removal. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: In the fiscal 2010 Budget Bill, the General Assembly stated its intent that the amount included in the State Highway Administration budget for snow removal expenses be increased by \$5 million each year until the budgeted amount reflected the five-year average of actual snow removal expenditures. The Maryland Department of Transportation elected not to continue this practice in the fiscal 2020 budget despite the budgeted level for snow removal being well below the five-year average and despite having spent more on snow removal, in all but one of the previous five years, than the \$76 million level called for under the policy it had adhered to until this year.

2. Add the following language to the special fund appropriation:

, provided that \$29,777 of this appropriation made for the purpose of providing transportation aid to Deer Park in Garrett County may not be expended until the town has submitted the audit reports and the Uniform Financial Reports as required under §§ 16-304 and 16-306 of the Local Government Article for fiscal 2015, 2016, 2017, and 2018. Funds restricted pending the receipt of these documents may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: Deer Park has not submitted the required audit reports and the Uniform Financial Reports for several years. This language restricts transportation aid to Deer Park until the required documents have been submitted for all delinquent years.

Information Request	Author	Due Date
Audit reports and Uniform Financial Reports for fiscal 2015 through 2018	Deer Park	Prior to distribution of funds

Updates

1. State Highway Administration Indicates Establishment of a Business Retention Program Is Infeasible

Committee narrative in the 2018 *Joint Chairmen's Report* (JCR) requested that SHA, in coordination with the Department of Commerce, examine the issues facing businesses impacted by road construction projects and report to the budget committees on the feasibility of establishing a business retention program to assist impacted businesses. In its response, SHA indicates that significant administrative and operational hurdles, such as the heavy burden it would impose on businesses to identify the reduction in revenue directly attributable to a road project, make establishing such a program infeasible. SHA indicates that it strives to reduce the impacts to adjacent stakeholders on all projects to the greatest degree possible and that it develops project-specific public outreach and project mitigation plans to help businesses and communities affected by road projects.

2. State Highway Administration Justifies Use of Both State Employee and Contractor Labor for Mowing and Snow Removal Activities

Committee narrative in the 2018 JCR requested that SHA submit a report to the budget committees comparing the costs and benefits derived through utilization of contractors versus State employees for mowing and snow removal activities. In its response, SHA indicates that utilizing both State employees and contractors offers the best value. In general, State employees are utilized first with contractors supplementing these efforts for large winter storm events and in summer seasons with higher than usual growth. For the 2017 and 2018 winter season, SHA reports spending \$86.7 million on snow removal activities with \$33.9 million spent on SHA employee labor and equipment and \$38 million spent on contractor labor and equipment. The remaining \$14.8 million was spent on materials. SHA estimates that using State employees exclusively for these activities would entail the procurement of additional plows and mowers at an estimated cost of \$167 million and the hiring of approximately 650 more employees at an average annual cost of \$42 million.

Appendix 1
Current and Prior Year Budgets
MDOT – State Highway Administration
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2018					
Legislative Appropriation	\$0	\$262,840	\$15,187	\$0	\$278,027
Deficiency/Withdrawn Appropriation	0	-1,739	-100	0	-1,839
Cost Containment	0	0	0	0	0
Budget Amendments	0	19,236	0	0	19,236
Reversions and Cancellations	0	-97	-761	0	-858
Actual Expenditures	\$0	\$280,240	\$14,326	\$0	\$294,566
Fiscal 2019					
Legislative Appropriation	\$0	\$277,376	\$15,364	\$0	\$292,740
Budget Amendments	0	974	50	0	1,024
Working Appropriation	\$0	\$278,349	\$15,415	\$0	\$293,764

MDOT: Maryland Department of Transportation

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

The fiscal 2018 budget for the State Highway Administration closed out \$16.5 million higher than the legislative appropriation. Withdrawn appropriations, due to overbudgeted health insurance subsidies (\$1,738,668 in special funds and \$100,047 in federal funds) and year-end cancellations (\$96,889 in special funds and \$761,207 in federal funds), were more than offset by special funds added by budget amendment (\$19,235,570) to cover winter maintenance and snow removal costs (\$16,717,570) and increased program costs for the Highway Safety Operations Office and increased costs associated with the decentralization of the highway access permit function (\$2,518,000). The federal fund cancellations were caused by a federal project not receiving approval during the fiscal year (\$299,907) and invoices from subrecipients of the Safe Routes to School Program not being received in time to process during fiscal 2018.

Fiscal 2019

The fiscal 2019 working appropriation is \$1,023,936 higher than the legislative appropriation reflecting the addition by budget amendment of special funds (\$973,506) and federal funds (\$50,430) for the 0.5% general salary increase and one-time \$500 bonus effective April 1, 2019.

Appendix 2 Audit Findings

Audit Period for Last Audit:	August 7, 2014 – June 30, 2017
Issue Date:	January 2019
Number of Findings:	8
Number of Repeat Findings:	2
% of Repeat Findings:	25%
Rating: (if applicable)	n/a

- Finding 1:** State Highway Administration (SHA) procedures to identify State property damaged by traffic accidents using Maryland Department of State Police (MSP) records and to invoice for these damages were not comprehensive. We identified more than 8,700 accidents during our audit period from MSP records that may have caused damage to State property and could be subject to recovery by the State. *SHA concurs with the recommendation related to this finding.*
- Finding 2:** SHA did not have adequate procedures in place to ensure that the SafeZones program vendor complied with all contract requirements. *SHA concurs with the recommendations related to this finding.*
- Finding 3:** SHA did not always follow established procedures at the one SHA district office that we examined to ensure the propriety of payments to vendors for snow and ice removal services. *SHA concurs with the recommendations related to this finding.*
- Finding 4:** **SHA did not comply with certain State procurement-related reporting and publication requirements for contract awards totaling \$77.1 million.** *SHA concurs with the recommendations related to this finding.*
- Finding 5:** **SHA did not have comprehensive written procedures to resolve, in a timely manner, certain highway construction-related expenditures that had been suspended from the federal reimbursement process, and related follow-up efforts were not always documented.** *SHA concurs with the recommendations related to this finding.*
- Finding 6:** SHA had not completed a comprehensive review of physical security practices in place at its district offices to ensure that equipment and supplies were adequately protected from loss or misappropriation. *SHA concurs with the recommendation related to this finding.*
- Finding 7:** SHA lacked proper internal controls over corporate purchasing cards to prevent or detect unauthorized purchases. *SHA concurs with the recommendations related to this finding.*
- Finding 8:** Certain outdated software and security-related settings on SHA computers were not sufficient to provide SHA with adequate assurance that its computers were properly protected. *SHA concurs with the recommendations related to this finding.*

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 3
Object/Fund Difference Report
MDOT – State Highway Administration

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,420.50	1,420.50	1,420.50	0.00	0.0%
02 Contractual	12.19	39.00	35.45	-3.55	-9.1%
Total Positions	1,432.69	1,459.50	1,455.95	-3.55	-0.2%
Objects					
01 Salaries and Wages	\$ 115,801,624	\$ 118,322,905	\$ 122,307,758	\$ 3,984,853	3.4%
02 Technical and Special Fees	5,907,499	6,992,758	9,319,181	2,326,423	33.3%
03 Communication	2,835,495	3,178,450	2,905,719	-272,731	-8.6%
04 Travel	704,775	731,160	592,428	-138,732	-19.0%
06 Fuel and Utilities	10,806,257	11,124,730	11,119,267	-5,463	0%
07 Motor Vehicles	16,687,539	14,992,640	15,237,246	244,606	1.6%
08 Contractual Services	113,584,597	106,155,365	113,698,866	7,543,501	7.1%
09 Supplies and Materials	24,682,410	27,802,750	27,987,520	184,770	0.7%
10 Equipment – Replacement	321,567	422,210	607,878	185,668	44.0%
11 Equipment – Additional	110,929	233,529	93,448	-140,081	-60.0%
12 Grants, Subsidies, and Contributions	2,530,846	3,170,128	3,173,289	3,161	0.1%
13 Fixed Charges	592,315	637,765	711,302	73,537	11.5%
Total Objects	\$ 294,565,853	\$ 293,764,390	\$ 307,753,902	\$ 13,989,512	4.8%
Funds					
03 Special Fund	\$ 280,240,100	\$ 278,349,492	\$ 289,795,348	\$ 11,445,856	4.1%
05 Federal Fund	14,325,753	15,414,898	17,958,554	2,543,656	16.5%
Total Funds	\$ 294,565,853	\$ 293,764,390	\$ 307,753,902	\$ 13,989,512	4.8%

MDOT: Maryland Department of Transportation

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

Appendix 4
Fiscal Summary
MDOT – State Highway Administration

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 State System Construction and Equipment	\$ 1,355,977,016	\$ 1,415,012,000	\$ 1,354,972,000	-\$ 60,040,000	-4.2%
02 State System Maintenance	281,495,113	280,127,006	292,456,532	12,329,526	4.4%
03 County and Municipality Capital Funds	73,485,467	71,800,000	71,800,000	0	0%
04 Highway Safety Operating Program	13,070,740	13,637,384	15,297,370	1,659,986	12.2%
05 County and Municipality Funds	175,404,671	178,132,608	255,931,515	77,798,907	43.7%
08 Major IT Development Projects	5,528,518	7,237,000	6,116,000	-1,121,000	-15.5%
Total Expenditures	\$ 1,904,961,525	\$ 1,965,945,998	\$ 1,996,573,417	\$ 30,627,419	1.6%
Special Fund	\$ 1,336,224,559	\$ 1,299,317,100	\$ 1,288,478,863	-\$ 10,838,237	-0.8%
Federal Fund	568,736,966	666,628,898	708,094,554	41,465,656	6.2%
Total Appropriations	\$ 1,904,961,525	\$ 1,965,945,998	\$ 1,996,573,417	\$ 30,627,419	1.6%

IT: information technology

MDOT: Maryland Department of Transportation

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

Appendix 4
Budget Amendments for Fiscal 2019
Maryland Department of Transportation
State Highway Administration – Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$973,506	Special	Funding for 2% general salary increase effective January 1, 2019.
	50,430	Federal	
Total	\$1,023,936		
Approved	\$942,488	Special	Funding for 0.5% general salary increase and \$500 bonus effective April 1, 2019.
	47,375	Federal	
Total	\$989,863		

Source: Maryland Department of Transportation

Appendix 5
Budget Amendments for Fiscal 2019
Maryland Department of Transportation
State Highway Administration – Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$894,645	Special	Funding for 2% general salary increase effective January 1, 2019.
	99,405	Federal	
Total	\$994,050		
Approved	\$1,004,271	Special	Funding for 0.5% general salary increase and \$500 bonus effective April 1, 2019.
	109,811	Federal	
Total	\$1,114,082		
Pending	\$86,055,236	Special	Adjusts the amended appropriation to agree with the final fiscal 2019 to 2024 <i>Consolidated Transportation Program</i> .
	-39,416,857	Federal	
Total	\$46,638,379		

Source: Maryland Department of Transportation