
March 10, 2020

The Honorable Maggie McIntosh
Chair, House Appropriations Committee
121 House Office Building
Annapolis MD 21401

Re: Letter of Opposition – House Bill 1405 – State Budget – Transportation

Dear Chair McIntosh and Committee Members:

The Maryland Department of Transportation (MDOT) respectfully opposes House Bill 1405 and provides the following information for the Committee's consideration.

House Bill 1405 proposes an amendment to the Maryland Constitution to authorizing the General Assembly to increase or diminish appropriations for transportation projects. It also establishes processes for the Governor to line-item veto only the projects increased or added under this new process, and for the General Assembly to override that veto. Projects diminished or eliminated by the General Assembly under this new framework could not be restored by the Governor.

For nearly 100 years, Maryland has relied on a collaborative process of developing transportation priorities, which begins at the local level and incorporates input from all stakeholders, including all members of the General Assembly. The development of the six-year Consolidated Transportation Program (CTP) involves these stakeholders at public meetings in each county across the state to prioritize needs across the State for all of MDOT's business units (TBUs). To further inform funding decisions, MDOT gathers needs from performance data and asset management assessments, federal and State requirements (i.e. Bridge Program, Rail Safety, etc.), the scoring system established under Chapter 30 of 2017 for major projects, priorities developed by the counties with input from state elected officials, and customer needs. The result of this process is a multi-modal transportation capital program for the entire State developed through extensive stakeholder collaboration.

Under the provisions of House Bill 1405, this process would be circumvented via the General Assembly's budget process in Annapolis. Importantly, the Constitutional requirement for approving a balanced budget would remain under House Bill 1405; in order to fund selected projects, the legislature will necessarily need to defer or remove projects already funded in the CTP.

MDOT has a strong financial management structure, as evidenced by its AA credit ratings. These strengths include strict adherence to prioritizing funding first to pay debt service, then to operate and maintain the facilities, and then to fund the capital program. MDOT takes a long-term view of financial and capital planning, including the development of a six-year capital program and financial plan and a 20-year long-range plan, and is currently working on the Central Maryland Regional Transit Plan, a 25-year vision for transit in the Central Maryland region.

Transportation projects in Maryland are developed and delivered by more than 10,000 dedicated professionals at the Maryland Department of Transportation. The vast majority of MDOT employees are career service professionals – engineers, planners, tradespeople – that work every day in the field with our customers. Collaboration with communities, industry, other state agencies, and elected officials is a hallmark of transportation project development, evaluation, and delivery.

Project development and delivery necessarily takes time and follows carefully considered local, state, and federal project planning criteria. For example, in the FY 2019 budget bill, the legislature required MDOT to set aside funding for construction of a specific project in Charles County that had not yet completed the planning stage and was not ready for construction; therefore the funding went unspent, and the projects that had to be deferred to provide funding for the earmarked project sat idle for a year due to a lack of funds. Planning, environmental and other approvals, design and engineering work, and right-of-way acquisition are just some of the activities undertaken by MDOT over a period of several years before a project can be ready for construction. Development and evaluation of projects that will be used by future generations will be a focus of the Department over the next few years.

At the same time, MDOT must balance its capital program with the need to maintain its system in a state of good repair. MDOT maintains a list of system preservation and enhancement needs across its business units. The unfunded needs total \$4.3 billion at the State Highway Administration, \$2.1 billion at the Maryland Transit Administration, and over a billion dollars at the Port of Baltimore and the Baltimore/Washington International Thurgood Marshall Airport.

It is therefore vital that the statewide transportation system benefit from a six-year CTP that includes input from all stakeholders, rather than be developed by the annual budget process in Annapolis. As legislative priorities appropriately change from year to year, the work of the Department's 10,000-plus transportation professionals must be moored to a longer term vision that develops from a collaborative, stakeholder-based framework as laid out in Title 2 of the Transportation Article. This carefully considered, locally-driven process has worked well for Maryland for nearly 100 years, and delivers on the vision of a statewide, multimodal transportation network.

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For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant House Bill 1405 an unfavorable report.

Respectfully Submitted,

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