BaltimoreCounty_FAV_SB0136

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Position: FAV

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County Executive

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Assistant Legislative Officer

BILL NO.: **SB 136**

TITLE: Transportation - Maryland Metro/Transit Funding Act - Alterations

SPONSOR: Senator Feldman

COMMITTEE: Budget and Taxation

POSITION: **SUPPORT**

DATE: February 5, 2020

Baltimore County **SUPPORTS** Senate Bill 136 – Transportation - Maryland Metro/Transit Funding Act - Alterations. This bill makes changes to the Maryland Metro/Transit Funding Act, including changes related to the Central Maryland Regional Transit Plan that must be completed by the Maryland Transit Administration (MTA).

County Executive Olszewski has made long term planning of regional transportation a top priority. In recognition of the collaborative nature of this policy area, the County is eager to support any changes that strengthen the State's transportation planning efforts in the Baltimore region. This bill accomplishes that by expanding the information and other components that must be included in the Central Maryland Regional Transit Plan and bolsters the resources provided to complete that plan. It also improves the requirements related to the MTA's communication with the Central Maryland Regional Transit Plan Commission and the Baltimore Metropolitan Council regarding the preparation of the Central Maryland Regional Transit Plan.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 136. For more information, please contact Chuck Conner, Chief Legislative Officer, 443-900-6582.

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Position: FAV

JOHNS HOPKINS
UNIVERSITY & MEDICINE
Government and Community Affairs

SB 136
Support

TO: The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee

FROM: Mary Clapsaddle
Director, State Affairs

DATE: February 5, 2020

Johns Hopkins University and Medicine offers this testimony in support of **Senate Bill 136 – Transportation – Maryland Metro/Transit Funding Act – Alterations.** Effective and reliable transportation throughout central Maryland is critically important for our employees, students, patients, and visitors.

The goals adopted in last session's Maryland Metro/Transit Funding Act (Chapters 351 and 352 of 2018) provide an excellent starting point for the work to be done. The additional elements captured in this bill, however, adds to the comprehensiveness of the work to be done and enhance the collaboration that is required.

Johns Hopkins employs nearly 40,000 people in its Baltimore locations, and many rely on transit to get to work. We agree that the Central Maryland Regional Transit Plan must articulate goals for safe and reliable service and articulate specific improvements, including the development of new transit corridors to meet the needs of workers and employers.

Enhancing the role of stakeholders like the Central Maryland Transit Plan Commission and the Baltimore Metropolitan Council will ensure that all voices are heard as the Maryland Transit Administration undertakes this critical planning effort.

Thank you for the opportunity to voice our **support for Senate Bill 136.**

cc: Senator Brian Feldman
Members of the Senate Budget and Taxation Committee

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ACT_SB136_testimony
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Position: FAV

ACTION COMMITTEE for TRANSIT

Montgomery County's Advocates for Better Transportation

Testimony in Support of SB 136

Testimony to Senate Budget & Taxation Committee,

February 5, 2020

The Action Committee for Transit strongly supports SB 136 and urges a favorable report.

At this moment, bus riders throughout the Washington area face cuts in needed service as a result of the 3% cap on local contributions to the WMATA operating budget. Marylanders will lose buses they depend on to get to work, to school, to doctors and hospitals, and for trips of all kinds.

This arbitrary cap fails to recognize that many actions by Maryland state and local governments raise WMATA's costs and reduce its revenues. Buses move slower when police allow Uber and Lyft vehicles to block bus traffic. Highway designs make walking to the bus stop dangerous and inconvenient. Traffic lights are timed to make 60 bus passengers wait while a single driver goes first. Bus-only lanes are much too rare, and the few that exist are poorly enforced. Restrictive zoning blocks transit-oriented development that would generate fare revenue for Metrobus and Metrorail.

Instead of cutting bus service, which only further penalizes the victims, we should attack the causes of rising WMATA costs by changing these harmful policies. The 3% cap on the state contribution to WMATA's operating budget is the wrong solution. Maryland needs more transit service, not less.

CSG SB 136 - MD Metro-Transit - Alterations
Uploaded by: Lyons, Jane
Position: FAV

Coalition for Smarter Growth
DC • MD • VA

February 3, 2020

Budget and Taxation
Miller Senate Office Building, 3 West
Annapolis, MD 21401

SB 136 – Transportation – Maryland Metro/Transit Funding Act - Alterations (Support)

Testimony for February 5, 2020

Jane Lyons, Maryland Advocacy Manager

Thank you, Mr. Chair, Mr. Vice Chair, and members of the Budget and Taxation Committee. This testimony is on behalf of the Coalition for Smarter Growth, the leading organization in the D.C. region advocating for walkable, inclusive, transit-oriented communities. We are strongly in favor of SB 136, which makes necessary alterations to the Maryland Metro/Transit Funding Act.

This bill will repeal the requirement that the Secretary of Transportation withhold a portion of the Washington Metropolitan Area Transportation Authority's (WMATA's) operating grant if WMATA's operating expenditures increase by more than three percent over the prior fiscal year. The current three percent cap is arbitrary and limits WMATA's ability to provide the level of service its Maryland customers require to get to and from work and other destinations.

WMATA's own reports have shown that the best way to increase ridership, and thus increase farebox revenue, is to increase service. The WMATA Board has also recently endorsed the bold Bus Transformation Project, which seeks to make bus the mode of choice in the DC region. These service improvements cannot happen without the necessary funding and support from the State of Maryland.

Right now, WMATA's current budget proposal seeks to increase suburban fares and cut vital bus routes in Montgomery and Prince George's Counties, which will either require local providers to fill in the gap or, more likely, people will lose the bus service that they depend on to get where they need to go. These fare increases and cuts will disproportionately hurt low-income residents.

The WMATA Board, on which the Maryland Secretary of Transportation sits, is the proper body for deciding by what percentage WMATA's operating expenditures should increase from year to year. If Maryland doesn't want operating expenses to increase by more than three percent, the state can veto WMATA's budget. Removing the legislative requirement of three percent gives more flexibility to Maryland's decision makers. Three percent is entirely arbitrary and limits the system's performance in a time of slow economic growth, high traffic congestion, and a climate crisis.

We are also supportive of the updated requirements to the Maryland Transit Administration (MTA) regarding the development of the Central Maryland Regional Transit Plan. A strong transportation network is key to connecting the DC region to the jobs and opportunities throughout central Maryland, and the plan for that network won't be strong without regular consultation with those who are most familiar with its challenges.

This legislation makes vital updates to the Maryland Metro/Transit Funding Act. Given the state's traffic, high cost of living, and the urgent need to reduce vehicle miles traveled and greenhouse gas emissions, we should be pouring more resources into our transit services and making those services the best they can be. The contrast between how Maryland speeds ahead with destructive, 12-lane, multi-billion toll road projects while we fight over funding our transit services couldn't be starker.

Therefore, we ask you to vote in favor of SB 136. Thank you for your consideration.

MTOC_SB136_Testimony

Uploaded by: Ross, Ben

Position: FAV

Maryland Transit Opportunities Coalition

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Testimony in Support of SB 136

Senate Budget & Taxation Committee, February 5, 2020

The Maryland Transit Opportunities Coalition, a state-wide coalition of transit riders, transit advocates, and transit workers, supports Senate Bill 136.

In today's economy, transit is the key to economic prosperity. This can be seen in the construction cranes that surround Metro stations in Montgomery and Prince George's Counties. It can be seen in the ambitious plans to redevelop the Penn Station area in Baltimore and in city residents' demands for better bus access to jobs. It can be seen in the demand for light rail in Southern Maryland and for more MARC train service in far-flung areas of the state.

For the last hundred years Maryland and the United States have pursued an automobile-first transportation policy. The result is a severely imbalanced transport network that hobbles our economy and degrades the quality of life by leaving too many Marylanders with little choice but to drive on congested highways. Our economic future rests on our ability to free our citizens from this burden.

The artificial 3% cap on the state's contribution to WMATA operations is a severe obstacle to the needed rebalancing of our transportation system. In the current budget cycle, it is forcing cuts in Metrobus service when that service needs to expand. We urge you to give Senate Bill 136 a favorable report.

Amalgamated Transit Union (ATU) Local 689_SB 136

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Position: FAV

Statement of the Amalgamated Transit Union (ATU) Local 689 on SB 136
Senate Budget and Taxation
February 5th, 2020

About ATU

The Amalgamated Transit Union (ATU) is the largest labor organization representing transit workers in North America, with more than 200,000 members in the transit, school bus, and over-the-road bus industries. Our International headquarters is located in Silver Spring, MD.
Here in Maryland, ATU Local 689, based in Forestville, represents more than 10,000 workers at the Washington Metropolitan Area Transit Authority (WMATA). Local 1764, in Silver Spring, has nearly 2,000 members who work as paratransit workers at WMATA. In addition, Local 1300 in Baltimore represents about 3,000 transit workers at the MTA.

Remove WMATA's Handcuffs

ATU strongly supports SB 136. This bill repeals an unnecessary and unsustainable requirement that the Secretary of Transportation, for any fiscal year in which the total Maryland operating assistance provided in the approved Washington Metropolitan Area Transit Authority budget increases by more than 3% over the total operating assistance provided in the prior fiscal year's approved WMATA budget, withhold 35% of funds provided for annual grants to the Washington Suburban Transit District for a share of the operating deficits of the regional transit system.
In 2018, the General Assembly made history by passing the Maryland Metro Transit Funding Act. For the first time in its 40 year history, WMATA finally received substantial, dedicated, long-term funding. This legislation came not a moment too soon, as WMATA was in the midst of a giant meltdown. Our trains and buses were routinely being placed out of service, inconveniencing and driving away our customers. In recent years, we suffered several catastrophic incidents on the rail side that forever changed the lives of several unlucky passengers and their families.

Almost two years after the passage of the bill, things are already on the upswing at WMATA. On time performance has drastically improved. Fewer people are getting sandwiched like sardines on platforms due to train problems. Customers are generally better satisfied with our service, and morale has picked up.

However, we still have a long way to go. While ridership is returning, we're coming off of twenty year lows. Average weekday ridership was 595,000 in the last half of 2018. The last time it was that low was in 2000, when weekday ridership averaged about 577,000. It's going to take years to restore public confidence in our system. A lot of damage was done. At the same time, we have significant opportunities ahead. Amazon is coming to Crystal City. The company says that the presence of WMATA played a large role in their decision. How are we going to respond to the ridership plunge as well as the challenge of providing service to approximately 25,000 new workers (including many Maryland residents) with the constraints of the 3% cap hanging over the agency's head? The arbitrary 3% cap serves as a hammer over WMATA management. It stifles growth and ensures that our riders will continue to deal with deep service cuts and steep fare hikes. Our existing customers have been through enough pain, and there's no way that we can entice our old customers to come back or attract new riders if we continue to force the agency to limit its necessary growth.

3% Cap = Outsourcing, Poor Service Quality

The most glaring result of the 3% cap was WMATA's attempted outsourcing of bus operations and maintenance. In August of 2018, the agency announced an unprecedented privatization scheme at its new Cinder Bed Road facility in Lorton, VA. Ninety privately operated buses serving 13 bus lines -- about 5% of Metro's overall bus service -- now come out of Cinder Bed. The facility can hold 160 buses. Metro has entered into an agreement to pay Transdev, a French transportation company, $89 million over five years to operate and maintain the buses to serve the areas of Alexandria, Pentagon station, Franconia-Springfield station, Burke Centre and Fort Belvoir.

The outsourcing at Cinder Bed was directly tied to the 3% cap in the 2018 funding bill. Just a few months after the 3% cap was passed by the Legislatures in Maryland and Virginia, Metro's General Manager and CEO Paul Wiedefeld publicly justified the privatization at Cinder Bed Road, claiming that it will help "…to meet the legal mandate to hold subsidy growth for operating trains and buses for taxpayers at three percent." The agency claims that by contracting out, it can save $15 million over five years.

By August of 2019, more than 120 workers at the Cinder Bed bus garage went on strike. The strike lasted almost 90 days. It was ultimately resolved by a historic WMATA collective bargaining agreement that halted the transit authorities push for privatization along with a plan to bring the workers back in house. Service disruption on that scale had not been seen in over 40 years, since the WMATA strike of 1978. This strike was the direct result of the 3% cap.

If the name Transdev sounds familiar to Marylanders, it should. In September of 2018, Baltimore filed a lawsuit against Transdev alleging the company overcharged the city more than $20 million over the past eight years for the operation of the Charm City Circulator. The dispute began when a consultant for the city noticed Transdev had billed the city more than $2 million for more than 29,000 hours during which the free bus was not operating over a two year period. Baltimore soon after dumped Transdev, and the case has gone to arbitration.

WMATA also contracts out to Transdev for paratransit services at its Hubbard Road location in Hyattsville. According to internal ATU surveys, 30% of the workers at Hubbard Road say they have been forced to operate unsafe vehicles. Drivers of these vans are typically behind the wheel between 12 and 14 hours per day, forced to work to the point of exhaustion. They are entrusted with providing safe transportation for our friends and family members with disabilities.

In fact, Transdev, which has a consistent history of offering poverty wages to employees and a firm company policy to deny any North American-based transit worker with a pension, has wreaked havoc on public transportation throughout the Washington, D.C. area in recent years. Transdev is responsible for providing 50% of WMATA's MetroAccess service for the elderly and people with disabilities. Customers have endured hours-long waits for rides, spent entire afternoons in vans traveling nonsensical routes and watched as fellow riders soiled themselves on unreasonably long trips. Blind people and their dogs have been stuck in vans for up to three hours. Mentally disabled people have been seen crying after drivers following computer-generated schedules pass their street to drop off someone else miles way. Although Metro fined Transdev almost $1 million in contract damages in 2017, WMATA admits to cutting the company a financial break to help them hire more drivers. In fact, Metro had to actually pay Transdev “slightly" more so they could raise wages to attract additional workers. "It's very difficult for them to put out the extra cash to pay drivers at a higher wage scale if, simultaneously, we're taking the money back from them in damages," said a Metro spokesman about the largest transportation company in the world as if they could not afford to pay nominal fines supposedly designed to keep the company accountable to riders.

In addition, a lawsuit alleges that Transdev steered taxpayer-funded paratransit service to favored firms and subcontractors, resulting in longer trips and more expensive rides for the region's most vulnerable commuters. Transdev allegedly assigned taxi trips to a service it owns and in other cases directed passengers to MetroAccess vans unnecessarily for its own financial benefit -- 'double dipping ' and paying itself twice.

Unintended Consequences
ATU is certain that Maryland lawmakers, with a long history of progressive roots and strong support of safe, reliable, and convenient public transportation, would never intentionally enact policies that would have such a detrimental impact on transit workers and riders. Unfortunately, the 3% cap was used by WMATA as an excuse to outsource bus service to a bottom-feeder company whose only purpose is to make a profit from the agony of their workers with no regard for customer satisfaction.

As many cities across North America have found out the hard way, transit privatization results in deteriorating service, fare hikes, and serious safety issues. When transit systems privatize operations, they lose control of their ability to respond to riders’ concerns about quality of service issues, even as foreign companies like Transdev drive service into the ground. Lower wages and reduced benefits are the open game plan of private transit providers, leading to dissatisfied workers. This culminates in major turnover issues, resulting in training problems, safety issues, etc. These companies are motivated only by profit rather than the provision of quality, affordable service for people who rely on transit.

In addition, this current funding mechanism doesn’t recognize that there are many things outside of WMATA’s control that have a major impact on its operating budget. Fluctuations in the price of steel or tariff wars can dramatically raise the price of repair parts for railcar maintenance. Even events like the government shutdown, which dramatically impacted fare revenue for several weeks, cuts into the agencies ability to avoid hitting the 3% cap.

Planning for Future and Avoiding Congestion
We must also come to terms with the fact that the DC Metro area is poised to add over a million new residents by 2045 according to the Metropolitan Washington Council of Governments. This level of growth is completely incompatible with the 3% cap as it is currently envisioned.

We must be expanding transit service offerings, decreasing headways, and exploring ways that we can get people out of their cars and into mass transit. The three percent cap is functionally equivalent to traffic denial. We do not have the space on existing roadways to support another million cars in this region. The only way that we can deal with this growth is to expand the availability of mass transit. But under the existing 3% system any expansion of service offerings has to be met with service cuts elsewhere.

Conclusion

While almost every state in the nation provides some level of funding for public transit, we are not aware of any state that withholds a staggering 35% -- or any percent for that matter -- of annual grants to their transit agencies if their operating costs grow. It is equivalent to shooting yourself in the foot.

The 3% cap was a poison pill that originated in the Virginia General Assembly which Maryland reluctantly swallowed after it became clear that no regional dedicated funding would flow without this provision. Now, after recognizing the damage it has done in just the first two years and seeing the writing on the wall as far as future service is concerned, it is appropriate to remove the handcuffs and repeal this ill-conceived provision. It is poor public policy.

We appreciate your consideration of our views and would be pleased to answer any questions.

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Position: UNF

MARYLAND DEPARTMENT OF TRANSPORTATION

Larry Hogan
Governor
Boyd K. Rutherford
Lt. Governor
Gregory Slater
Acting Secretary

February 5, 2020

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis MD 21401

RE: Letter of Opposition – Senate Bill 136 – Transportation - Maryland Metro/Transit Funding

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) respectfully opposes Senate Bill 136 due to its potentially significant fiscal impact to the Transportation Trust Fund (TTF) and impact to the MDOT statewide Consolidated Transportation Program (CTP) process.

Senate Bill 136 alters portions of the Maryland Metro/Transit Funding Act passed during the 2018 Session of the Maryland General Assembly in three ways: first, it removes the state's ability to withhold funds in the event that the Washington Metropolitan Area Transit Authority (WMATA) budget increases more than 3% over the previous fiscal year, along with the three exclusions that articulate specific instances for which WMATA is permitted to exceed the 3% cap; second, it restricts the manner in which the Governor may utilize General Funds to provide the dedicated capital funding for WMATA; and lastly it would alter the complexion of the Central Maryland Regional Transit Plan Commission and Study.

During the 2018 legislative session, the Hogan Administration worked in partnership with the legislature on a shared vision to fund Maryland's commitment to addressing WMATA's dire capital funding deficit (Senate Bill 277 and House Bill 372, respectively). Both bills passed and were signed into law by Governor Hogan at a ceremony in Bethesda with local dignitaries on April 25, 2018.

The provisions of Senate Bill 277 and House Bill 372 were carefully considered throughout the 2018 legislative session and reflect shared efforts on behalf of the State of Maryland, the Commonwealth of Virginia, and the Washington, DC governments to contemporaneously increase funding to WMATA while taking the necessary steps to reform the system going forward. For Maryland, $1 billion in additional funding over the next six years was dedicated to WMATA from the TTF and the State's General Fund.

Passage of Senate Bill 136 would remove a cap on operating costs as agreed to with both WMATA and the Commonwealth of Virginia. This is an essential provision intended to control unchecked budget growth. This carefully considered provision was placed into law barely more than one year ago and has, to date, been applied to only one budget cycle (FY 2020). WMATA's FY 2020 operating budget was approved with growth of 4.3% as a result of legislative exclusions, the first year under the provisions of the 3% cap. Based on past performance, however, it is assumed that the 8% average operating budget growth rate of WMATA's budget over the past five years will continue, should this cap be removed. Through FY 2025, this higher growth rate will result in operating expenses that are cumulatively $495 million more than what is currently budgeted in MDOT's six-year financial plan. Increases in operating expenses reduce money available in the TTF to pay debt service and to meet minimum coverage requirements. As a result, MDOT would not be able to issue the amount of bonds currently included in the financial plan to fund the capital program, requiring a reduction in the size of the capital program. Between the additional funding

for WMATA operating expenditures and the reduced bonds issued the result is a potential reduction to the capital program of $1.1 billion through FY 2025. This alone equates to a 6.7% decrease in the Statewide Consolidated Transportation Program (CTP).

The bill also could require the TTF to program into the CTP the annual $167 million in dedicated capital funding for WMATA and rely on undesignated General Funds to repay the TTF year by year. Under current law, this funding is a shared responsibility of the TTF and General Fund in a transparent process that has worked so far. Limiting the flexibility built into the 2018 legislation could limit the flexibility of the TTF to respond to critical multi-modal transportation across the State. If General Funds are not programmed and shown in the GF budget as they are today the use of those funds will not be transparent to the citizens of Maryland. Putting this funding as revenue to the TTF will not have the transparence of today and if these funds are not provided in the end it will limit the ability of MDOT to issue additional bonds and MDOT will have to reduce projects totaling as much as $793 million that are currently funded in the CTP. This equates to a 5% decrease in the Statewide CTP.

Together, these combined effects could reduce funding for the statewide CTP by $1.9 billion – a 11.7% overall decrease and a 30% reduction in State funds in MDOT's statewide capital program. A reduction of this size would not only eliminate projects to address importance safety and congestion issues, but it will also further impact statewide system preservation needs on Maryland's roadways, transit systems and the Port of Baltimore.

Again, the TTF is the vehicle by which MDOT finances multi-modal transportation projects across the State. MDOT has a responsibility to all Marylanders to deliver a safe, reliable transportation network that connects people to life's opportunities. This includes projects financed and completed by MDOT, as well as grant funds paid to local counties and municipalities for the operation of their own transportation services. Imposing a burden on the TTF of this magnitude without regard to the Chapter 30 prioritization process would hamper the ability of MDOT to complete projects, operate its own transit operations, and provide crucial assistance to local governments.

Finally, this bill would alter the content and process for developing the Central Maryland Regional Transit Plan (CMRTP). The requirement to develop a plan and the establishment of the Commission were set forth in the same 2018 WMATA legislation outlined above. MDOT MTA and the CMRTP Commission have been working for well over a year in accordance with the process and scope established for the Commission in 2018.

Since July 2018, MDOT MTA has expended significant resources completing analysis, working with local transit agencies, and establishing and preparing the Commission. Further, the Commission has met half a dozen times and has made recommendations for goals, objectives, and strategies and has also prioritized corridors, in accordance with the 2018 legislation. MDOT MTA is currently preparing the draft Plan and is scheduled to submit a draft Plan to the Commission and the public this spring, just a few months before the effective date of Senate Bill 136.

The new requirements change the scope of the planning and upend the work already underway, without extending the timeframe to complete the study. Further, changing the horizon from 25 to 30 years will place the State out of sync with the Maryland Transportation Plan, the Baltimore Regional Transportation Board Long Range Plan, MDOT MTA's Cornerstone Plans, and all County long range plans. HB 372 (2018) originally had the 30-year time frame, but MDOT requested this be changed to 25 years for the aforementioned reasons. The General Assembly has recognized this in the past and struck all previous attempts to change to a 30-year timeframe.

The changes to the CMRTP as outlined in Senate Bill 136 will ultimately delay the completion of the plan by at least one year while increasing the cost by $1.5 million. Without an additional year to adjust to these changes, MDOT MTA will not be able to comply with this provision in Senate Bill 136.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 136 an unfavorable report.

Respectfully submitted,

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