

**JB.01**  
**State Highway Administration**  
**Maryland Department of Transportation**

***Operating Budget Data***

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(\$ in Thousands)

	<b>FY 01</b>	<b>FY 02</b>	<b>FY 03</b>		<b>% Change</b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
Special Fund	\$615,667	\$590,640	\$610,973	\$20,333	3.4%
Federal Fund	<u>9,349</u>	<u>8,791</u>	<u>8,940</u>	<u>149</u>	<u>1.7%</u>
<b>Total Funds</b>	<b>\$625,016</b>	<b>\$599,431</b>	<b>\$619,913</b>	<b>\$20,482</b>	<b>3.4%</b>

- The fiscal 2003 allowance includes a deficiency appropriation of \$662,864 for security costs incurred during fiscal 2002.
- The allowance also includes funds for two initiatives: reducing the average age of heavy equipment owned by the State Highway Administration (SHA) (\$821,000) and enhancing the oversight of the stormwater management system at SHA shops around the State (\$438,000).
- Five new positions and equipment for increased Chesapeake Highways Action Response Team (CHART) disabled vehicle patrols are also included (\$453,830), and the allowance reflects a concomitant decrease in overtime costs associated with CHART.

***PAYGO Capital Budget Data***

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(\$ in Thousands)

	<b>Fiscal 2001</b>	<b>Fiscal 2002</b>		<b>Fiscal 2003</b>	
	<b><u>Actual</u></b>	<b><u>Legislative</u></b>	<b><u>Working</u></b>	<b><u>Request</u></b>	<b><u>Allowance</u></b>
Special Fund	\$315,984	\$290,778	\$313,913	\$383,261	\$375,526
Federal Fund	\$463,299	\$602,990	\$596,302	\$616,250	\$582,021
<b>Total</b>	<b>\$779,283</b>	<b>\$893,768</b>	<b>\$910,215</b>	<b>\$999,511</b>	<b>\$957,547</b>

- The State funding source for construction of the Woodrow Wilson Bridge has changed from general funds to special funds in fiscal 2002 and 2003.
- The six-year capital program includes the addition of four projects to the construction program, and the fiscal 2003 allowance provides \$3.2 million to support construction of those four projects.

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

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## Personnel Data

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	<u>FY 01</u> <u>Actual</u>	<u>FY 02</u> <u>Working</u>	<u>FY 03</u> <u>Allowance</u>	<u>Change</u>
Regular Positions	3,486.50	3,500.50	3,505.50	5.00
Contractual FTEs	<u>13.67</u>	<u>24.05</u>	<u>24.00</u>	<u>(0.05)</u>
<b>Total Personnel</b>	<b>3,500.17</b>	<b>3,524.55</b>	<b>3,529.50</b>	<b>4.95</b>

### *Vacancy Data: Regular Positions*

Budgeted Turnover: FY 03	136.01	3.88%
Positions Vacant as of 1/14/02	165.00	4.71%

Note: Reflects personnel data for all operating and PAYGO capital positions.

- The allowance proposes five additional positions to support the CHART program. This includes four emergency response technicians and one supervisor.

## Analysis in Brief

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### Issues

***New Woodrow Wilson Bridge Begins to Emerge:*** The State opened the bids for the fourth major construction contract, the superstructure contract, on December 13, 2001, signaling its intent to no longer pursue a project labor agreement. Only one bid was submitted for the construction of the bridge spans, at an estimated total cost of \$859.9 million. With bridge construction scheduled to begin in late spring 2002, the lack of competitive bids is the source of considerable concern. **The department should be prepared to provide the committees with specific details on how it intends to proceed with the construction of the new Woodrow Wilson Bridge in light of the current cost increases. In addition, the department should explain its future intentions to use a project labor agreement for the remaining contracts. Finally, SHA should indicate what adjustments it will make if \$195 million in general fund support is not forthcoming in fiscal 2004 and 2005, as forecasted.**

***Federal Sanctions for State's Lack of Repeat Offender and Open Container Laws:*** Under the federal Transportation Equity Act for the 21st Century (TEA-21), Maryland is subject to sanctions requiring that a portion of the State's federal funding be transferred from highway construction projects to highway safety programs unless legislation is enacted to address the following two issues: insufficient open container laws and repeat driving while intoxicated offender minimum penalties. **The department should brief the committees on its position concerning bills introduced that would meet TEA-21 requirements. The department should also discuss how its programs would be affected if the department were required to transfer additional funds to the highway safety program.**

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**Legislation Resurrects Discussion of Intercounty Connector:** Senate Joint Resolution 8 and House Joint Resolution 10 express the intent of the General Assembly that construction of a roadway be funded to alleviate congestion on I-495 (Capital Beltway). Specifically, the resolutions encourage SHA to continue the environmental impact statement process. **The department should discuss its intentions for constructing a road to link I-370 and I-95/U.S. 1.**

**Operating Budget Recommended Actions**

	<u>Funds</u>	<u>Positions</u>
1. Delete four positions that have been vacant over 12 months.		4.0
2. Reduce funds for janitorial services to constrain spending.	\$ 400,000	
3. Delete positions and funds for equipment for additional emergency response teams.	\$ 270,000	5.0
4. Reduce vehicle replacement funds.	\$ 400,000	
5. Delete double budgeted county debt service payment.	\$ 351,880	
6. Add annual budget bill language stipulating Prince George's County repayment for road improvements for Jack Kent Cooke Stadium infrastructure.		
<b>Total Reductions</b>	<b>\$ 1,421,880</b>	<b>9.0</b>

**Capital Budget Recommended Actions**

	<u>Funds</u>	<u>Positions</u>
1. Reduce funds for Neighborhood Conservation program.	\$ 6,000,000	
<b>Total Reductions</b>	<b>\$ 6,000,000</b>	

**Updates**

**MDOT Will Not Proceed with Implementation of Variable Pricing Strategies:** The budget committees have expressed concerns about traffic congestion in Maryland. However, in June 2001 the Governor announced that the State would no longer pursue variable pricing as an alternative to reducing congestion on the State's roads due to equity concerns.

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**JB.01**  
**State Highway Administration**  
**Maryland Department of Transportation**

***Budget Analysis***

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**Program Description**

The State Highway Administration (SHA) is responsible for over 5,200 miles of interstate, primary, and secondary roads, and over 2,400 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.

The administration employs personnel in seven engineering districts throughout the State and at the 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 and the State Highway Safety Office. 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 State Highway Safety Office administers highway safety programs and grants to State and local agencies.

**Adjustments to Fiscal 2002 Budget**

**Proposed Deficiency Appropriation**

The fiscal 2003 allowance includes a deficiency appropriation of \$662,864 for security costs incurred during fiscal 2002. The majority of the funds, \$642,864, support overtime worked by SHA employees in the days following the attacks on September 11, 2001. SHA advises that an additional \$20,000 is needed for increased travel and sign supply expenses incurred.

**Cost Containment Actions**

In fiscal 2002, the hiring freeze provided savings of \$405,222 and in fiscal 2003, hiring freeze savings will total \$675,370. In addition, SHA deferred spending for landscape, drainage, and other road improvements for a total of \$1.5 million in fiscal 2002.

## **Governor's Proposed Operating Budget**

**Exhibit 1** shows that the fiscal 2003 allowance increases by \$20.5 million to \$619.9 million, compared to the fiscal 2002 working appropriation. The allowance for the State System Maintenance program totals \$177.7 million (\$6.3 million increase), the Highway Safety Operating program totals \$10.2 million (\$107,417 increase), and local highway user revenue grants total \$432.1 million (\$14.1 million increase).

### **State Highway System Maintenance**

The allowance for the State System Maintenance program totals \$178 million, reflecting a \$6.3 million increase, or 3.7%, over the fiscal 2002 working appropriation. The majority of the increase, approximately \$4 million, is due to personnel changes and additional contractual assistance for inspections. The allowance also provides funds for two initiatives. The first provides \$821,000 to reduce the average age of heavy equipment such as dump trucks, tractors, and bucket trucks. SHA maintains that reducing the average age of this equipment results in decreased expenses for repairs.

In addition, the allowance provides \$438,000 to implement a stormwater maintenance, inspection and remediation program at SHA maintenance facilities statewide. The National Pollutant Discharge Elimination System (NPDES), established by the 1987 amendments to the federal Clean Water Act, requires that SHA develop a system to monitor its stormwater maintenance facilities. In addition, SHA must comply with municipal permit requirements to ensure that its activities such as maintenance, vehicle washing, and hazardous material storage result in limited water pollution.

### **Highway Safety Programs**

The Highway Safety Operating program totals \$10.2 million. While the highway safety program is experiencing relatively minor increases for personnel, consultant assistance, advertising, and office supplies, these increases are offset by decreases in motor vehicle expenses and additional equipment purchases.

### **County and Municipal Funds**

The County and Municipality Funds program allocates highway user revenues to the counties, Baltimore City, and municipalities. By law, 30% of highway user revenues, which are deposited in the Gasoline and Motor Vehicle Revenue Account (GMVRA), are provided to the counties, Baltimore City, and the municipalities in the form of local aid grants. GMVRA includes taxes and fees deposited into the Transportation Trust Fund (TTF), less statutory deductions including the Comptroller's Gasoline Tax Division, State Police Commercial Vehicle Enforcement, and other funds retained by the Maryland Department of Transportation (MDOT). In fiscal 2003 the allowance for highway user revenue aid increases by \$14.1 million, or 3.4%, to \$432.1 million. This is primarily based on higher estimated motor fuel and titling tax receipts.

**Exhibit 1**

**Governor's Proposed Budget  
State Highway Administration  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
2002 Working Appropriation	\$0	\$590,640	\$8,791	\$0	\$599,431
2003 Governor's Allowance	0	610,973	8,940	0	619,913
Amount Change	\$0	\$20,333	\$149	\$0	\$20,482
Percent Change	0.0%	3.4%	1.7%	0.0%	3.4%
<b>Where It Goes:</b>					
<b>Personnel Expenses</b>					
Employee and retiree health insurance and retirement contribution change . . . . .					\$1,452
Annualize fiscal 2002 general salary increase and fiscal 2002 new positions . . . . .					1,412
Fiscal 2003 increments (reflects a six-month delay) . . . . .					469
Workers' compensation premium assessment, cost containment, and other adjustments					(238)
<b>Personnel Subtotal (excluding new positions)</b>					<b>\$3,095</b>
<b>Fiscal 2003 Initiatives</b>					
Reduce age of heavy equipment . . . . .					821
Enhance stormwater management system maintenance and inspection activities (NPDES requirement) . . . . .					438
<b>State System Maintenance and Highway Safety Programs</b>					
Increase in contractual assistance for inspections and professional services . . . . .					1,086
Additional rest area service cleaning . . . . .					500
Five new positions and equipment for CHART . . . . .					454
Increase in personal computer hardware and software purchases . . . . .					286
Decrease in rent costs due to final year of installment payment for purchase of SHA Hanover Office Complex . . . . .					(488)
<b>County and Municipal Funds – Local Highway User Revenues Grants</b>					14,063
<b>Other Changes</b>					227
<b>Total</b>					<b>\$20,482</b>

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

## **Performance Analysis: Managing for Results**

As part of its Managing for Results (MFR) plan, SHA has developed eight goals that attempt to address the quality of the State's highways. The 2003 MFR plan reflects consistency in the administration's mission to provide customers with a safe, well-maintained, and attractive highway system that offers mobility and supports Maryland's communities, economy, and environment. Of primary importance to state highway organizations across the nation are safety and maintenance issues, and this continues to be reflected by SHA in its MFR.

**Exhibit 2** lists some of the SHA's MFR program measurement data relating to the quality of the State's highway system. Generally, these performance indicators show moderate improvements in SHA's progress towards meeting its goals (e.g., percent of pavements rated fare to very good). However, in some areas, such as the number of wetlands restored or the average age of dump trucks, SHA has not achieved the originally estimated measures.

SHA is attempting to substantially increase performance of its mission and has invested additional resources in these areas in recent years. However, a few of SHA's measures continue to be difficult to estimate or achieve. For instance, the "number of assists and responses by emergency traffic patrols" is intended to measure the quality of workers or availability of equipment, but the ability to assist stranded motorists is also largely dependent upon the number of motorists needing assistance. The measures that would enable SHA to better track their response time, such as percent reduction in average response time, are difficult to manage or to collect data. SHA should continue to work towards refining these types of measures so as to successfully achieve its mission.

### **Connections between the MFR plan and the Budget**

The fiscal 2003 allowance includes funds that address several of the agency's performance measures. For example, it includes an additional \$821,000, meant to continue the decrease in the average age of certain types of equipment. The allowance also includes additional funds for additional CHART teams, but the ability to reduce the average response time is not only a factor of SHA employing the necessary number of personnel but also that accidents requiring assistance occur. The allowance, however, does not include funds to address restoration or replacement of wetlands lost due to SHA activities. Finally, while the allowance provides \$500,000 for additional rest area janitorial services, these additional resources are not reflected as an increase in the expected peer review ratings of its facilities in the agency's MFR data. Instead, the data suggests that, even with additional funding, the cleanliness rating of a "B" will decrease.

**The Department of Legislative Services recommends that SHA continue to develop its MFR plan so as to better align budgetary resources with the key goals it has identified.**

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**Exhibit 2**

**Program Measurement Data  
State Highway Administration  
Fiscal 1999 through 2003**

	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Actual 2001</u>	<u>Est. 2002</u>	<u>Est. 2003</u>	<u>Ann. Chg. 99-01</u>	<u>Ann. Chg. 01-03</u>
Percent of pavements rated fair to very good (calendar year)	80.0%	82.0%	85.0%	84.0%	85.0%	85.0%	2.5%	0.6%
Percent of structurally deficient SHA bridges on National Highway System (calendar year) <sup>(1)(2)</sup>	3.8%	3.3%	3.0%	2.9%	2.5%	2.5%	-12.6%	-7.2%
Number of acres of wetlands restored (calendar year)	n/a	n/a	40	0	40	110	n/a	n/a
Lost workdays (calendar year)	1,088	787	805	699	663	629	-19.9%	-5.1%
Number of assists and responses by emergency traffic patrols	24,752	45,595	50,000	36,762	40,000	40,000	21.9%	4.3%
Percent of recurring congestion projects advertised	100.0%	93.0%	90.0%	100.0%	90.0%	90.0%	0.0%	-5.1%
Average age of tractor mowers	11.6	11.7	10.9	11	10.3	9.5	-2.6%	-7.1%
Average age of bucket and boom trucks	6.5	6.2	6.4	5.9	5.3	5.8	-4.7%	-0.9%
Average age of dump trucks	7.8	7.9	7.7	8.2	8.2	8.5	2.5%	1.8%
Percent of rest areas with peer review rating of "B" or better	n/a	n/a	80.0%	84.0%	80.0%	80.0%	n/a	-2.4%

<sup>(1)</sup> The national rate was 6.3% for calendar 1999 and 5.9% for calendar 2000.

<sup>(2)</sup> SHA indicates that data originally submitted for the percentage of structurally deficient bridges for calendar 2001 and 2002, incorrectly included the entire highway system. Data reported here has been adjusted to reflect only bridges on the National Highway System.

Source: Maryland Department of Transportation

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## ***PAYGO Capital Program***

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### **Program Description**

The State System Construction program provides funds for the capital program of the 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. In the D&E program, projects are evaluated by planners/engineers, and rights-of-way may be purchased. MDOT also prepares final and draft Environmental Impact Statements for projects in the D&E program. These studies examine a number of alternatives which 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 MDOT wants to move a project forward and begin construction, it is moved into the construction program.

### **Fiscal 2002 to 2007 Consolidated Transportation Program**

Moderate revenue growth has allowed MDOT to add four projects to the fiscal 2002 through 2007 CTP. In addition to adding four projects to the construction program, one project moved from the development and evaluation program to the construction program. The number of new projects added to the CTP is significantly down from previous years.

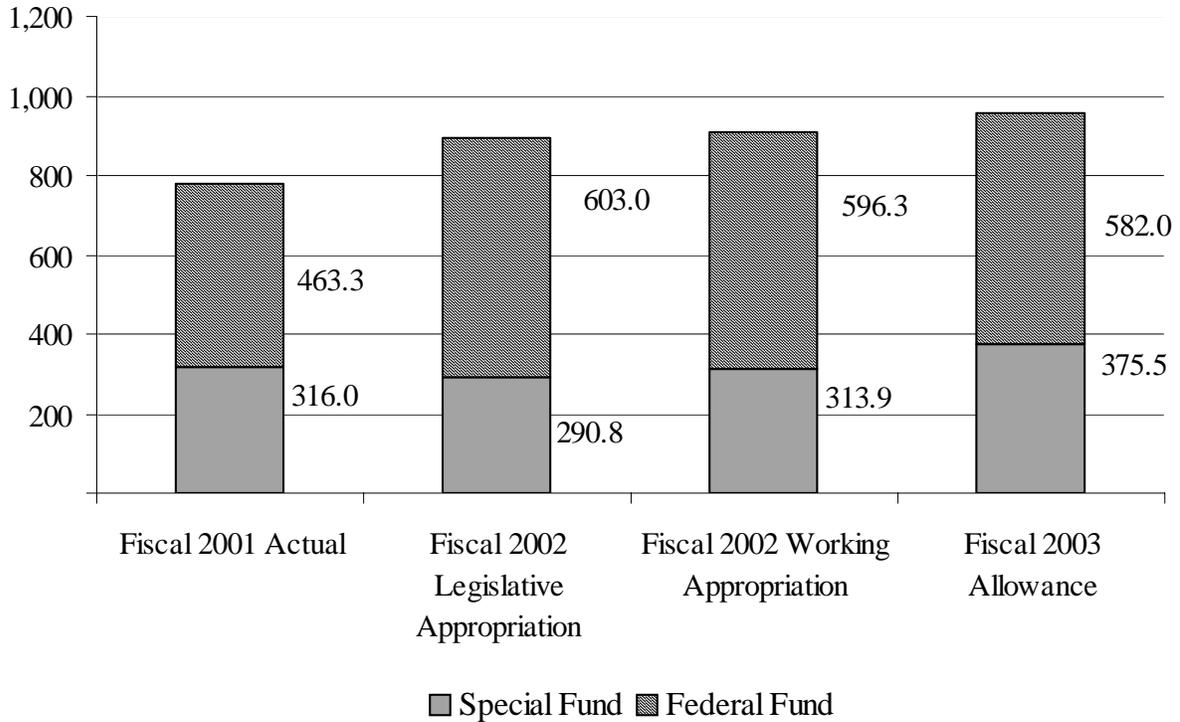
### **Fiscal 2002 and 2003 Cash Flow Analysis**

Since the 2001 CTP, the SHA capital program in fiscal 2002 and 2003 has grown only moderately. **Exhibit 3** shows that the fiscal 2003 allowance is \$958 million, which is \$47 million greater than the fiscal 2002 working appropriation. The fiscal 2002 working appropriation has also increased by \$16 million to \$910 million, compared to the fiscal 2002 legislative appropriation.

The largest project in the SHA capital program, construction of a new Woodrow Wilson Bridge contributes largely to the cash flow changes experienced during fiscal 2002. While work on the bridge is currently on schedule, contractors are not billing the SHA as quickly as anticipated. Changes to this project are discussed in more detail in the *Issues* section of this analysis.

**Exhibit 3**

**State Highway Administration Capital Program Cash Flow Changes  
Fiscal 2001 through 2003  
(\$ in Millions)**



Source: Maryland Department of Transportation, 2002 *Consolidated Transportation Program*

Cash flow changes are attributable to a number of different factors, including new projects added to the CTP, projects deferred to later years, and project delays. **Exhibit 4** shows how these changes have affected total capital program cash flows.

**Exhibit 4**

**Fiscal 2002 and 2003 Project Cash Flow Changes  
(\$ in Thousands)**

	<u>Fiscal 2002 Leg. Approp.</u>	<u>Change Leg. App. to Work</u>	<u>Change Work. to Allow.</u>	<u>Fiscal 2003 Allow.</u>
<b>New Projects Added to the D&amp;E and Construction Programs</b>				
MD 509, Governor Run Road, Replace Bridge #4020 (Calvert)	\$0	\$251	(\$16)	\$235
MD 32, Sykesville Road Bridge over River Road, Patapsco River and CSX Railroad (Carroll)	0	88	1,402	1,490
MD 17, Wolfsville Road, Replace Bridges #10068, 10069, and 10071 over Middle Creek (Frederick)	0	66	0	66
MD 304 Ruthsburg Road and MD 481 Damsontown over Blackston Branch and German Branch (Queen Anne's)	0	76	1,326	1,402
<b>Projects Moved from D&amp;E to Construction Program</b>				
Smart Growth Initiative – Reconstruct MD 30 from Beaver Street to MD 27 (Statewide)	162	511	1,602	2,275
<b>Project Phasing</b>				
Woodrow Wilson Bridge	198,363	(65,670)	145,017	277,710
MD 235 Three Notch Road (St. Mary's)	16,151	5,427	(18,917)	2,661
Univ. Maryland Access Improvements (Prince George's)	1,738	5,062	(4,333)	2,467
U.S. 50 John Hanson Highway; HOV Lane from U.S. 301 to I-495 (Prince George's)	9,709	7,286	(6,889)	10,106
MD 43 Extended between MD 150 and U.S. 40 (Baltimore)	1,500	(500)	6,491	7,491
U.S. 50 John Hanson Highway; Construct Additional Ramps at U.S. 50 and MD 2 South (Anne Arundel)	350	1,028	2,095	3,473
MD 174 Quarterfield Road; Replace Two-lane Bridge with Six-lane Bridge (Anne Arundel)	1,021	272	2,882	4,175
I-695; Construct Improvements to MD26/Washington Avenue Interchange (Baltimore County)	305	116	2,797	3,218
U.S. 29; New Interchange at Briggs Chaney Rd (Montgomery)	1,100	210	1,552	2,862
Replace Bridge #15115 over MD 187 (Montgomery)	2,075	1,130	240	3,445
MD 216 Relocated, Scaggsville Rd (Howard)	978	658	865	2,501
Baltimore National Pike; MD 85, MD 355 (Frederick)	130	2,195	4,341	6,666

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	<b><u>Fiscal</u></b> <b><u>2002 Leg.</u></b> <b><u>Approp.</u></b>	<b><u>Change</u></b> <b><u>Leg. App.</u></b> <b><u>to Work</u></b>	<b><u>Change</u></b> <b><u>Work. to</u></b> <b><u>Allow.</u></b>	<b><u>Fiscal</u></b> <b><u>2003</u></b> <b><u>Allow.</u></b>
<b>Major Project Delays</b>				
US 29, Columbia Pike Interchange at MD 198 (Montgomery)	4,278	10,398	(2,288)	12,388
<b>Projects, Phases of Costs Removed from Capital Program in Fiscal 2002 and 2003</b>	n/a	0	(3,400)	n/a
<b>Ongoing Statewide Programs</b>				
CHART	11,400	(300)	(1,500)	9,600
Neighborhood Conservation	30,300	0	2,300	32,600
Sidewalks	3,300	(100)	700	3,900
Sound Barriers	16,000	1,400	(4,100)	13,300
<b>Minor Project Cash Flow Changes</b>	357,300	40,000	(51,800)	345,500
<b>Development and Engineering Changes</b>	33,700	14,500	(17,500)	30,700
<b>Federal Funds for Local Roads/Bridges</b>	32,890	0	(9,540)	23,350
<b>Other</b>	171,018	(7,657)	(5,995)	153,966
<b>Total Changes</b>	<b>\$893,768</b>	<b>\$16,447</b>	<b>\$47,332</b>	<b>\$957,547</b>

Source: Maryland Department of Transportation, *2002 Consolidated Transportation Program*

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## ***Issues***

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### **1. New Woodrow Wilson Bridge Begins to Emerge**

The Woodrow Wilson Bridge provides a critical link for commuters traveling between Maryland and Virginia and for interstate commercial traffic on the east coast. Designed to accommodate approximately 75,000 daily vehicle crossings when it opened in 1961, the bridge now carries over 190,000 vehicles. The bridge also suffers an accident rate twice as high as other area interstates and traffic backups average three to five miles daily.

This increased traffic has also accelerated the deterioration of the bridge, which now has a projected useful life of only five to six more years and requires constant maintenance to ensure that it remains safe and open to all traffic. SHA engineers have indicated that without a new bridge by 2005, considerable work will need to be done to keep the bridge open and safe until a new bridge is ready for use.

The replacement design calls for a 12-lane, 70-foot high drawbridge that parallels the existing structure, as well as the reconstruction of four Maryland and Virginia interchanges on the Capital Beltway. The new bridge will contain two lanes for mass transit and will offer bicycle and pedestrian access that is not available now, including a walking or bike path to Rosalie Island, which hosts a wildlife sanctuary for bald eagles. The bridge's increased height will also reduce the annual number of bridge openings required for large ships from 260 to 65. Over the next 20 years, daily traffic on the new bridge is expected to increase from 200,000 cars and trucks to 300,000 vehicles.

### **Replacement Costs and Funding**

Since October 2000, the estimated total project cost has risen from \$2.2 billion to \$2.4 billion, including funds for the construction of the bridge, the interchanges, enhancements, and approach roads on the Maryland and Virginia sides. Increased costs for right-of-way acquisition in Virginia accounted for a significant part of this increase; a higher allowance used by planners for contingencies and 3% inflation are also contributing factors. Maryland's share of the \$252 million increase is \$55.8 million. However, this figure does not include any increases due to bids for the superstructure contract. **Exhibit 5** details the committed and anticipated funding sources, as outlined in the Woodrow Wilson Bridge Initial Financial Plan signed by Maryland, Virginia, and the District of Columbia and approved by the Federal Highway Administration (FHWA) on September 7, 2001.

Exhibit 5

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**Approved and Anticipated Woodrow Wilson Bridge Funding**  
**Federal Fiscal 1996 through 2011**  
**(\$ in Millions)**

<u>Sources</u>	<u>Approved</u>	<u>Additional Funding (Anticipated)</u>
Maryland	\$200	\$92
Virginia	258	247
District of Columbia	15	0
Transportation Equity Act-21 (federal)	900	0
Additional federal funds	715	16
<b>Total</b>	<b>\$2,088</b>	<b>\$355</b>

Source: Woodrow Wilson Bridge Initial Financial Plan, August 2001

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**Potential Cost Overruns and Federal Funding**

When Congress approved the requested federal appropriation, it stipulated that no more federal funds would be available for the project. The elimination of future federal aid raises serious concerns about the capacity of Virginia and Maryland for sharing the burden of any cost overruns. Under the financing agreement, Maryland will be responsible for all overruns associated with the bridge structure and the two interchanges (I-210 and I-295). The current estimate may understate the final cost of the bridge, and it is unclear what the potential impact on the TTF will be if cost overruns occur, particularly since the State is responsible for overruns related to the superstructure.

A related issue is the U.S. Department of Transportation's standard practice of withholding a percentage of approved funds for TEA-21 projects. Of the \$900 million in TEA-21 money approved for the bridge, \$108.6 million is expected to be withheld under this procedure. The states expect that these funds will eventually become available, but it is unclear how the states will compensate for this loss should the funds not be released.

**Maryland Decides to Proceed with Bid Opening without Project Labor Agreements**

In January 2001, MDOT negotiated a project labor agreement (PLA) for the bridge, which is a contract between the construction owner and participating unions that outlines project working conditions and provides guarantees against strikes or other work stoppages. The bridge agreement also encourages the

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participation of small and disadvantaged businesses with no prior relationship with organized labor. Labor agreements have been used for other capital projects such as the Fort McHenry Tunnel and PSiNet Stadium in Baltimore.

Some financial backers of the bridge raised concerns that requiring any type of set-aside for union labor could increase costs. Questions were also raised about the method for sharing any cost overruns. President Bush signed an executive order in February 2001 prohibiting the use of a PLA for federally-funded construction projects, including the Woodrow Wilson Bridge; however, in May 2001, the AFL-CIO contested the executive order. United States District Court Judge Emmet G. Sullivan issued a permanent injunction against the executive order in November, ruling that the Bush executive order violated the National Labor Relations Act, particularly the protection that the act offers for private entities to use PLAs. The judge also ruled that the President lacked constitutional or statutory authority to place conditions on the receipt of federal funds. The Bush Administration is expected to appeal the judge's decision.

To avoid delaying construction of the bridge, the State chose to open the bids for the superstructure contract on December 13, 2001, signaling its intent to no longer pursue PLAs for the Woodrow Wilson Bridge project. The FHWA had previously denied Maryland's application to apply a PLA to any contract. In the future, the State may choose to apply a PLA to outer and inner loop construction of the I-295 interchange, which was not part of the scope of the bridge superstructure contract, however; the FHWA would have to give its approval prior to this action.

### **Significant Cost Increase Raises Questions About Bridge Construction Status**

As of January 2002, workers have driven two-thirds of the piles needed to construct the 17 foundations that will support the bridge piers. The first span of the bridge is expected to be completed by late 2004 or early 2005, and completion of the second span and the I-295 interchange is expected by late 2006 or early 2007. In addition, SHA has bid four contracts for bridge construction. The first three contracts have been bid within the estimated cost, and the dredging contract finished under budget.

- Under the first contract, contractors dredged 350,000 cubic yards of soil near the bridge foundation to create an east-west construction channel.
- The second contract, awarded in May 2001 for \$125 million, began the foundation construction.
- The third contract allowed construction of ramps for I-295. The State also hired a contractor to conduct soil pre-consolidation work on I-295, using \$15 million in general funds.
- On December 13, 2001, SHA opened bids for the superstructure contract. The State's engineers estimated that contract could total approximately \$450 to \$500 million, which would be the largest single contract ever let by the State.

However, only one bid was submitted for the construction of the bridge spans, with an estimated total cost of \$859.9 million. The bid amount was considerably over the original estimates for the work. With bridge construction scheduled to begin in late spring 2002, the lack of competitive bids is the source of considerable concern. Maryland is solely responsible for cost overruns and the state of the current bridge

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gives evidence to the need to proceed with construction of its replacement. A few options are available to the State; however, all involve further delays to the construction of the bridge. The State could

- rebid the entire superstructure contract and hope for more reasonable bids;
- break the contract into several smaller pieces and rebid; or
- negotiate with the sole bidder to possibly reduce the overall size of the contract.

MDOT advises a decision whether to rebid the superstructure contract, break the large contract into smaller contracts and rebid, or negotiate with the sole bidder will be forthcoming in February 2002. Accepting the current bid is not currently an option. In addition, the AFL-CIO may choose to mount additional legal challenges to the Bush Administration's continued resistance to allow PLAs on major projects. If this happens, other delays outside the control of the State could further affect the construction timeline currently in place.

### **Budget Reconciliation Act Removes General Funds for Bridge in Fiscal 2002 and 2003**

The administration is proposing to use for other purposes \$140 million in general funds that were set aside for construction of the Woodrow Wilson Bridge and Addison Road to Largo Town Center Metrorail Extension. The General Assembly appropriated \$45 million in fiscal 2001 and \$50 million in fiscal 2002 to the Dedicated Purpose Fund (DPF) for these projects. MDOT has previously withdrawn and spent approximately \$25 million, leaving \$69.9 million in the DPF. This balance is proposed for transfer to the general fund in fiscal 2002 via the Budget Reconciliation Act of 2002. Another \$70 million was to be appropriated to the DPF in fiscal 2003 to support the bridge and metrorail extension projects. The fiscal 2003 capital program does not include this appropriation. Consequently, MDOT will be required to absorb the loss of \$139.9 million for these two projects with TTF resources. **Exhibit 6** shows the impact of the removal of general fund support for the bridge. Specifically, the impact on the SHA capital program for the Woodrow Wilson Bridge in fiscal 2002 and 2003 will be approximately \$50 million. Currently, both the TTF forecast and the Department of Budget and Management general fund forecast estimate that a total of \$195 million in general fund support for construction of the bridge will return in fiscal 2004 and 2005.

**The department should provide the committees with specific details on how it intends to proceed with the construction of the new Woodrow Wilson Bridge in light of the current cost increases. SHA should also explain its intentions to use a PLA for the remaining contracts. Finally, SHA should indicate what adjustments it will make if general fund support is not forthcoming in fiscal 2004 and 2005, as forecasted.**

**Exhibit 6**

**Woodrow Wilson Bridge Projected Expenditures**  
**Fiscal 2001 through 2007**  
 (\$ in Millions)

<u>Fiscal Year</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
2001	\$3	\$0	\$0	\$3
2002	0	9	124	133
2003	0	41	237	278
2004	48	19	184	251
2005	125	(70)	177	232
2006	10	5	137	152
2007	0	12	119	131
<b>Total</b>	<b>\$186</b>	<b>\$16</b>	<b>\$978</b>	<b>\$1,180</b>

Notes: Special funds in fiscal 2005 reflect negative cash flow due to the practice of advancing special funds in the early years of construction which are reimbursed with federal funds later in construction.

Numbers may not sum to total due to rounding.

Source: Maryland Department of Transportation, January 2002

**2. Federal Sanctions for State’s Lack of Repeat Offender and Open Container Laws**

The federal Transportation Equity Act (TEA-21) reauthorized federal transportation funding for the states in 1998. In addition to authorizing funding for major programs such as the National Highway System and Surface Transportation Program, the federal act attempts to encourage highway safety through incentive grants and sanctions. Examples of incentives include grants based on a state’s seat belt usage and motor carrier safety investments. In addition to offering incentives, TEA-21 lists 17 specific instances in which a state’s federal transportation dollars may be subject to sanctions. The sanctions require that a state transfer its portion of its federal funding from highway construction projects to highway safety programs. Maryland is subject to sanctions unless legislation is enacted to address the following two issues: insufficient open container laws and repeat driving while intoxicated (DWI) offender minimum penalties. Beginning in federal fiscal 2003, TEA-21 requires that the amount of the sanctions double from the fiscal 2002 amounts.

- **Sanctions for Open Container Laws:** TEA-21 provides for sanctions to states that do not have a law prohibiting consumption of an alcoholic beverage as well as possession of an open alcoholic beverage container by a driver or passenger of a motor vehicle located on a public highway or right-of-way. Maryland’s current law only prohibits consumption of a beverage by the driver on a State highway, and

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does not prohibit possession of an open container by a passenger. As a result of the sanction, in fiscal 2002 approximately \$3.5 million will be transferred to highway safety programs. In fiscal 2003 approximately \$7 million will have to be transferred to eligible projects without enactment of legislation that addresses this issue.

- **Sanctions for Repeat DWI Offenders:** TEA-21 provides for sanctions to states that do not require certain penalties for individuals with repeat DWI or driving under the influence violations within five years of a violation. Federal requirements for repeat offenders include drivers license suspension for at least one year subjecting to vehicles impoundment, immobilization or installation of ignition interlock systems; and assessment of community service or a jail sentence. At this time, Maryland's law is not sufficiently stringent to meet the federal requirements. In fiscal 2002, \$3.5 million was transferred to highway safety programs and in fiscal 2003, \$7 million will be transferred.

**Exhibit 7** shows that these federal sanctions and incentives affect \$91.0 million in federal grants. The sanctions associated with the lack of laws addressing repeat offender and open container represents highway funds that the State would have to reprogram from federal highway capital construction funds to highway safety programs. Insofar as State spending in highway safety programs currently exceeds the federal sanction amount, these sanctions do not affect the construction program until federal fiscal 2003, when the total sanctions increase to \$14 million.

**Exhibit 7**

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**Cumulative Federal Fund Sanctions  
Federal Fiscal 2002 through 2008  
(\$ in Millions)**

<u>Federal Fiscal</u>	<u>Open Container</u>	<u>Repeat Offender</u>	<u>Total</u>
2002	\$3.5	\$3.5	\$7.0
2003	7.0	7.0	14.0
2004	7.0	7.0	14.0
2005	7.0	7.0	14.0
2006	7.0	7.0	14.0
2007	7.0	7.0	14.0
2008	7.0	7.0	14.0
<b>Total</b>	<b>\$45.5</b>	<b>\$45.5</b>	<b>\$91.0</b>

Notes: Estimates assume that no additional states will adopt new laws. If other states amend their requirements, estimates would be lower.

Numbers may not sum to total due to rounding.

Source: Maryland Department of Transportation, State Highway Administration, January 2002

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In the 2002 legislative session, SB 21 and HB 3 have been introduced to amend the State's open container laws and SB 352 and HB 4 have been introduced to amend the State's repeat offender laws. **The department should brief the committees on its position concerning bills introduced that would meet TEA-21 requirements. The department should also discuss how its programs would be affected if the department were required to transfer additional funds to the highway safety program.**

### **3. Legislation Resurrects Discussion of Intercounty Connector**

Senate Joint Resolution 8 and House Joint Resolution 10 (2002) express the intent of the General Assembly that construction of a roadway be funded to alleviate congestion on I-495 (Capital Beltway). Specifically, the resolutions encourage SHA to continue the environmental impact statement process. SHA discontinued work on the former Intercounty Connector (ICC) project since September 1999 when the administration removed the project from its capital program. However, MDOT advises that it still holds easements purchased in the area of the formerly proposed ICC.

In addition, the 2002 CTP includes two projects that are related to the former ICC project.

- ***MD 28 (Norbeck Road)/MD 198 (Spencerville Road):*** The six-year capital program includes \$2.3 million for this study of capacity improvements such as bicycle lanes, sidewalks, and other improvements. The fiscal 2003 allowance provides \$810,000.
- ***East-West Link Improvements:*** The six-year capital program includes \$2.1 million for a study of improvements for the corridor between I-370 and I-95/U.S. 1. The fiscal 2003 allowance provides \$618,000.

**The department should discuss what steps it will take for constructing a road to link I-370 and I-95/U.S. 1, including the timeframe for environmental impact studies.**

**Operating Budget Recommended Actions**

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	<b><u>Amount Reduction</u></b>		<b><u>Position Reduction</u></b>
1. Delete four positions that have been vacant for more than 12 months. The specific positions are PINs 006844, 008051, 010200, and 010067.			4.0
2. Reduce funds for janitorial services to constrain spending. The allowance provides \$2.7 million for cleaning services at the State Highway Administration (SHA) rest areas. Actual spending on janitorial services has averaged \$2.1 million in the last four years. As a result, expenditures can be reduced to \$2.3 million, which provides for a 10% increase over this average. In addition, the performance data submitted by the agency does not indicate that the increased funding will have an impact on the cleanliness of the rest areas. Inasmuch as SHA uses inmate work crews for various purposes, they should explore use of inmate labor for cleaning rest areas, as a means of reducing costs and inmate idleness.	\$ 400,000	SF	
3. Delete positions and funds for equipment for additional emergency response teams. The fiscal 2003 allowance includes funds for five positions and additional vehicles to increase the number of emergency response technicians responding to accidents on the State's roadways. The allowance includes a corresponding reduction in overtime expenses to reflect the additional positions. The Spending Affordability Committee (SAC) recommended that no new positions be approved except under limited circumstances. These positions do not meet the SAC criteria and should be deleted. The associated equipment that these positions would use should also be deleted.	\$ 54,000 \$ 216,000	SF FF	5.0
4. Reduce vehicle replacement funds. The allowance includes an \$821,000 initiative to reduce the age of heavy equipment operated by the State Highway Administration. It is recommended that the funds be reduced to constrain State spending.	\$ 400,000	SF	
5. Delete double budgeted county debt service payments. Debt service for county transportation bonds is budgeted in the Department of Transportation Secretary's Office	\$ 351,880	SF	

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appropriation (JA04.01). The appropriation reflected in the State Highway Administration budget for the same purpose is in error and should be deleted.

6. Add the following language:

. provided that \$1,000,000 of this appropriation, made for the purpose of distributing the share of revenues from the Gasoline and Motor Vehicle Revenue Account to Prince George’s County (i.e., “highway user revenues”) shall be deducted prior to the distribution of funds to the county and be retained by the Transportation Trust Fund. The deduction would occur after the deduction of sinking fund requirements for county transportation bonds from highway user revenues.

**Explanation:** In 1996 an agreement was reached between the State, Prince George’s County, and Jack Kent Cooke, Inc. (then owner of the Washington Redskins) concerning road and infrastructure improvements adjacent to a stadium in Prince George’s County for the Redskins. The agreement included a State grant for local roadway improvements around the stadium, for which the county agreed to reimburse the State \$1.0 million annually through fiscal 2012. The agreement gives the county the option to choose a \$1.0 million deduction or quarterly payments of \$250,000. Previously, the county opted for the \$1.0 million deduction. The budget bill language adjusts the county’s share of highway user revenues, consistent with the 1996 agreement.

<b>Total Reductions</b>	<b>\$ 1,421,880</b>	<b>9.0</b>
<b>Total Special Fund Reductions</b>	<b>\$ 1,205,880</b>	
<b>Total Federal Fund Reductions</b>	<b>\$ 216,000</b>	

***Capital Budget Recommended Actions***

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	<b><u>Amount Reduction</u></b>	<b><u>Position Reduction</u></b>
1. Reduce funds for Neighborhood Conservation program as this program represents non-core spending by the department. Given the uncertain funding of the Woodrow Wilson Bridge due to the removal of general fund support, it is inappropriate to direct \$6 million away from core transportation infrastructure or preservation projects.	\$ 6,000,000	SF
<b>Total Special Fund Reductions</b>	<b>\$ 6,000,000</b>	

## Updates

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### 1. MDOT Will Not Proceed with Implementation of Variable Pricing Strategies

The budget committees have expressed concerns about traffic congestion in Maryland. During the 1999 and 2000 legislative sessions, the budget committees required that MDOT examine variable pricing strategies. In November 1999 MDOT submitted a preliminary report and in December 2000 MDOT submitted an updated report. In November 2001 MDOT submitted its final report on the potential for the use of variable pricing strategies in Maryland.

Variable pricing involves a system of fees or tolls, which can be modified according to the level of congestion. Variable pricing of congested facilities can be applied to new or existing toll-free roads, toll facilities, or high occupancy vehicle (HOV) facilities. Under variable pricing, higher tolls are charged when traffic is heaviest. Variable pricing could include optional fees paid by drivers of lower-occupancy vehicles to gain access to faster-moving, dedicated road facilities (high occupancy toll or HOT lanes). The goal is to rationalize limited road capacity by encouraging some peak period users to shift to off-peak periods, HOV facilities, transit, or less congested routes.

In its December 2000 report, MDOT identified eight facilities that would be candidates for variable pricing, including three Maryland Transportation Authority-owned (MdTA) facilities. The report also recommended that MDOT, based on the ease of implementing variable pricing at one of the following three locations, implement a pilot program to test the use of high occupancy (HOT) toll lanes:

- U.S. 50 for which construction of HOV lanes began in fall 2001;
- I-270 which already has HOV lanes between I-370 and I-495; and
- the Chesapeake Bay Bridge, which already has toll facilities.

The report also identified several policy issues associated with implementing variable pricing:

- **Equity Issues:** Variable pricing has been criticized as benefitting upper income individuals, as being "double taxation," and as diverting traffic around toll facilities and through neighborhoods.
- **Funding Issues:** Variable pricing generates additional revenues. It is necessary to define what these additional revenues will support. Minimally, the revenues will need to support the operations and maintenance of the facility. The surplus revenues could also support new programs, such as transit, and other variable pricing projects. The State may also want to clarify if funds raised in an area will be limited to supporting programs and projects in that area.
- **Legislative Issues:** As organized, the MdTA operates and maintains all toll roads and facilities and the SHA operates and maintains free State-owned roads in Maryland. Based on its preliminary review of State law, MDOT advises that "there is no law precluding SHA from operating a tolled facility." If variable pricing is implemented in Maryland, the General Assembly may want to consider legislation

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establishing program parameters. If the MdTA were to implement variable pricing, the use of the collected revenue must comply with existing Trust Agreement restrictions.

As a result of the report's findings, MDOT subsequently prepared an application for federal funding to implement a variable pricing pilot program on U.S. 50 between the Capital Beltway (I-495) and Bowie, Maryland (U.S. 301). However, before MDOT submitted the application to the Federal Highway Administration, in June 2001, the Governor announced that MDOT will no longer consider HOT lanes due to concerns over the equity between drivers who could afford to pay to use the less congested roads and those who could not. Consequently, neither SHA nor MdTA intends to implement a variable pricing program.

***Current and Prior Year Operating Budgets***

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**Current and Prior Year Operating Budgets  
State Highway Administration  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2001</b>					
Legislative Appropriation	\$0	\$572,247	\$8,291	\$0	\$580,538
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	47,746	1,125	0	48,871
Reversions and Cancellations	0	(4,327)	(66)	0	(4,393)
<b>Actual Expenditures</b>	<b>\$0</b>	<b>\$615,666</b>	<b>\$9,350</b>	<b>\$0</b>	<b>\$625,016</b>
<b>Fiscal 2002</b>					
Legislative Appropriation	\$0	\$604,502	\$8,791	\$0	\$613,293
Budget Amendments	0	(13,862)	0	0	(13,862)
<b>Working Appropriation</b>	<b>\$0</b>	<b>\$590,640</b>	<b>\$8,791</b>	<b>\$0</b>	<b>\$599,431</b>

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

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## **Major Changes in Current and Prior Year Appropriations**

The fiscal 2001 appropriation for the SHA increased 7.7% over the legislative appropriation. The special fund appropriation increased by \$43.4 million, or 7.6%. The majority of the special fund increase, \$30 million, can be attributed to additional highway user revenues which are distributed to the jurisdictions. In addition, additional spending for winter snow removal activities and funds for an increase in gas and oil prices were necessary. The federal fund appropriation increased by \$1.1 million, or 12.8%, due to additional grants received from the U.S. Department of Transportation for the highway safety initiatives and to support CHART. CHART's mission is to improve operations of Maryland's highway system through teamwork and technology.

## **Fiscal 2002**

The fiscal 2002 working appropriation for the SHA decreased \$14.0 million below the fiscal 2002 legislative appropriation. This is primarily attributable to a decrease of \$12.4 million in highway user revenues available for distribution to the jurisdictions. In addition, SHA reduced its special fund appropriation due to cost containment and the hiring freeze by \$2.3 million. An amendment for additional funds for winter snow activities is also included in the working appropriation.

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**Object/Fund Difference Report  
MDOT - State Highway Administration**

<b>Object/Fund</b>	<b>FY02</b>		<b>FY03</b>	<b>FY02 - FY03</b>		<b>Percent Change</b>
	<b>FY01 Actual</b>	<b>Working Appropriation</b>		<b>Allowance</b>	<b>Amount Change</b>	
<b>Positions</b>						
01 Regular	1642.00	1638.00	1643.00	5.00	0.3%	(28.6%)
02 Contractual	4.07	7.00	5.00	(2.00)		
<b>Total Positions</b>	<b>1646.07</b>	<b>1645.00</b>	<b>1648.00</b>	<b>3.00</b>	<b>0.2%</b>	
<b>Objects</b>						
01 Salaries and Wages	\$ 77,296,023	\$ 77,889,916	\$ 81,042,620	\$ 3,152,704	4.0%	
02 Technical & Spec Fees	10,506,072	6,804,256	8,001,306	1,197,050	17.6%	
03 Communication	1,837,897	1,356,665	1,626,246	269,581	19.9%	
04 Travel	740,760	704,025	739,837	35,812	5.1%	
06 Fuel & Utilities	7,543,702	7,598,725	8,124,381	525,656	6.9%	
07 Motor Vehicles	19,873,553	17,410,755	18,573,663	1,162,908	6.7%	
08 Contractual Services	47,502,801	46,697,766	47,712,076	1,014,310	2.2%	
09 Supplies & Materials	17,992,488	15,980,103	15,572,506	(407,597)	(2.6%)	
10 Equip - Replacement	876,497	957,631	885,871	(71,760)	(7.5%)	
11 Equip - Additional	593,206	320,531	256,951	(63,580)	(19.8%)	
12 Grants, Subsidies, Contr	438,816,625	422,534,756	436,686,874	14,152,118	3.3%	
13 Fixed Charges	1,181,457	1,175,935	691,049	(484,886)	(41.2%)	
14 Land & Structures	255,109	0	0	0	0.0%	
<b>Total Objects</b>	<b>\$ 625,016,190</b>	<b>\$ 599,431,064</b>	<b>\$ 619,913,380</b>	<b>\$ 20,482,316</b>	<b>3.4%</b>	
<b>Funds</b>						
03 Special Fund	\$ 615,666,704	\$ 590,640,175	\$ 610,973,238	\$ 20,333,063	3.4%	
05 Federal Fund	9,349,486	8,790,889	8,940,142	149,253	1.7%	
<b>Total Funds</b>	<b>\$ 625,016,190</b>	<b>\$ 599,431,064</b>	<b>\$ 619,913,380</b>	<b>\$ 20,482,316</b>	<b>3.4%</b>	

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

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Appendix 3

<b>Fiscal Summary</b>						
<b>MDOT - State Highway Administration</b>						
<u>Unit/Program</u>	<u>FY01 Actual</u>	<u>FY02 Legislative Appropriation</u>	<u>FY02 Working Appropriation</u>	<u>FY01 - FY02 % Change</u>	<u>FY03 Allowance</u>	<u>FY02 - FY03 % Change</u>
01 State System Construction and Equipment	\$ 756,358,641	\$ 856,420,017	\$ 872,866,401	15.4%	\$ 930,135,809	6.6%
02 State System Maintenance	180,361,310	173,159,266	171,346,141	(5.0%)	177,657,626	3.7%
03 County and Municipality Capital Funds	22,924,332	37,348,344	37,348,344	62.9%	27,410,719	(26.6%)
04 Highway Safety Operating Program	9,813,367	10,064,690	10,044,412	2.4%	10,151,829	1.1%
05 County and Municipality Funds	434,841,513	430,069,254	418,040,511	(3.9%)	432,103,925	3.4%
<b>Total Expenditures</b>	<b>\$ 1,404,299,163</b>	<b>\$ 1,507,061,571</b>	<b>\$ 1,509,645,809</b>	<b>7.5%</b>	<b>\$ 1,577,459,908</b>	<b>4.5%</b>
Special Fund	\$ 931,651,084	\$ 895,280,682	\$ 904,552,920	(2.9%)	\$ 986,499,134	9.1%
Federal Fund	472,648,079	611,780,889	605,092,889	28.0%	590,960,774	(2.3%)
<b>Total Appropriations</b>	<b>\$ 1,404,299,163</b>	<b>\$ 1,507,061,571</b>	<b>\$ 1,509,645,809</b>	<b>7.5%</b>	<b>\$ 1,577,459,908</b>	<b>4.5%</b>

**Budget Amendments for Fiscal 2002**  
**Maryland Department of Transportation**  
**State Highway Administration**

<u>Status</u>	<u>Amount</u>	<u>Fund</u>	<u>Description</u>
<b>Approved (1)</b>	(\$40,000)	SF Cap	Distribution of the department-wide reduction in sport utility vehicles.
<b>Pending (2)</b>	334,000	SF Oper	Provides funding for increased cost of motor vehicle fuel and/or a probable shortfall in funding for winter maintenance.
<b>Pending (3)</b>	4,300,000	SF Cap	Funds the Neighborhood Conservation Program consistent with the fiscal 2001 Consolidated Transportation Program (CTP) and provision of the April 2001 <i>Joint Chairmen's Report</i> .
<b>Approved (4)</b>	(\$1,850,000) <u>(54,532)</u> (\$1,904,532)	SF Oper SF Cap	Cost containment.
<b>Approved (5)</b>	(\$405,222) <u>(623,084)</u> (\$1,028,306)	SF Oper SF Cap	Hiring freeze.
<b>Projected (6)</b>	\$19,552,000 <u>(6,688,532)</u> \$12,864,000	SF Cap FF Cap	Adjusts the amended appropriation to agree with the anticipated expenditures for the current year as reflected in the fiscal 2002 through 2007 Final CTP.
<b>Projected (6)</b>	(12,380,889)	SF Oper	Highway User Revenues based on December 2001 forecast.
<b>Deficiency (7)</b>	662,864	SF Oper	Provides funding for security activities in response to the terrorist attacks of September 11, 2001.

Source: Maryland Department of Transportation

**State Highway Administration**  
**Fiscal 2001 through 2003**  
**(\$ in Thousands)**

<u>Project Title</u>	<u>FY 01 Actual</u>	<u>FY 02 Estimated</u>	<u>FY 03 Estimated</u>
<b>Major Projects</b>			
Primary	\$160,158	\$182,952	\$144,126
Secondary	63,287	81,945	86,694
Interstate	73,329	82,469	80,116
Woodrow Wilson Bridge	46,537	132,700	277,700
<b>Subtotal</b>	<b>\$343,311</b>	<b>\$480,066</b>	<b>\$588,636</b>
<b>System Preservation Projects</b>			
Bridge Replacement and Rehabilitation	\$66,480	\$64,400	\$47,200
Safety and Spot Improvements	43,681	36,700	34,100
Resurfacing and Rehabilitation	116,761	113,700	92,600
Traffic Management	22,469	22,600	22,600
Commuter Action Improvement	841	1,800	3,800
Environmental Projects	7,101	7,000	8,400
Noise Barriers	10,322	17,400	13,300
Transportation Enhancements	9,570	9,900	10,200
Statewide Planning and Research	17,797	16,600	17,300
Urban Street Reconstruction	9,235	10,900	3,500
Neighborhood Conservation	33,500	30,300	32,600
Sidewalk Projects	5,755	3,700	3,900
Emergency	1,034	2,800	500
Drainage Improvements	4,895	3,100	3,500
Truck Weight	199	1,000	2,000
CHART	22,282	11,100	9,600
Intersection Capacity	193	4,300	4,400
Bicycle Retrofit	1,308	900	0
Pilot Program	0	8,000	7,800
Quick Response	0	0	5,000
<b>Subtotal</b>	<b>\$373,423</b>	<b>\$366,200</b>	<b>\$322,300</b>
Facilities and Equipment	\$11,890	\$15,600	\$8,200
Reimbursable Expenditures	27,662	10,000	10,000
Work Performed for Other Modal Administration	73	1,000	1,000
<b>Total</b>	<b>\$756,359</b>	<b>\$872,866</b>	<b>\$930,136</b>

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

Source: Maryland State Budget