

J00B01
State Highway Administration
Maryland Department of Transportation

Operating Budget Data

(\$ in Thousands)

	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Working</u>	<u>FY 16</u> <u>Allowance</u>	<u>FY 15-16</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$478,245	\$404,054	\$418,614	\$14,560	3.6%
Deficiencies and Reductions	0	0	-2,033	-2,033	
Adjusted Special Fund	\$478,245	\$404,054	\$416,581	\$12,527	3.1%
Federal Fund	10,844	14,334	14,694	360	2.5%
Deficiencies and Reductions	0	0	-162	-162	
Adjusted Federal Fund	\$10,844	\$14,334	\$14,532	\$198	1.4%
Adjusted Grand Total	\$489,089	\$418,388	\$431,113	\$12,725	3.0%

Note: The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

- Factoring in back of the bill reductions, the fiscal 2016 allowance increases by a net \$12.7 million (3.0%) over the current year working appropriation. Special funds increase by \$12.5 million (3.1%) and federal funds increase by \$198,000 (\$1.4%).
- Back of the bill sections reduce the fiscal 2016 allowance by \$2,195,277 (\$2,033,183 special, \$162,094 federal) to remove the 2% general salary increase that State employees began receiving on January 1, 2015, and the salary merit and increments that would otherwise be awarded in fiscal 2016.

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

For further information contact: Steven D. McCulloch

Phone: (410) 946-5530

PAYGO Capital Budget Data

(\$ in Thousands)

	Fiscal 2014	Fiscal 2015		Fiscal 2016
	<u>Actual</u>	<u>Legislative</u>	<u>Working</u>	<u>Allowance</u>
Special	\$412,007	\$720,555	\$644,908	\$869,663
Federal	\$610,435	\$505,656	\$584,757	\$526,580
Total	\$1,022,443	\$1,226,211	\$1,229,665	\$1,396,243

- The fiscal 2015 working appropriation is higher than the legislative appropriation by a net \$3.5 million reflecting a decrease in special funds of \$76.6 million and an increase in federal funds of \$79.1 million.
- The fiscal 2016 allowance increases by a net \$166.6 million over the current year working appropriation with a special fund increase of \$224.8 million partially offset by a decrease in federal funds of \$58.2 million.

Operating and PAYGO Personnel Data

	<u>FY 14 Actual</u>	<u>FY 15 Working</u>	<u>FY 16 Allowance</u>	<u>FY 15-16 Change</u>
Regular Operating Budget Positions	1,544.00	1,542.00	1,542.00	0.00
Regular PAYGO Budget Positions	<u>1,525.50</u>	<u>1,542.50</u>	<u>1,542.50</u>	<u>0.00</u>
Total Regular Positions	3,069.50	3,084.50	3,084.50	0.00
Operating Budget FTEs	8.10	5.50	5.50	0.00
PAYGO Budget FTEs	<u>13.90</u>	<u>11.50</u>	<u>11.50</u>	<u>0.00</u>
Total FTEs	22.00	17.00	17.00	0.00
Total Personnel	3,091.50	3,101.50	3,101.50	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	152.99	5.00%
Positions and Percentage Vacant as of 1/1/15	225.00	7.29%

- The number of regular positions and contractual full-time equivalents does not change between the fiscal 2015 working appropriation and the fiscal 2016 allowance.
- As of January 1, 2015, there were 225 vacant positions for a vacancy rate of 7.29%. Budgeted turnover in the fiscal 2016 allowance is 5.00%, which will require that an average of 153 positions remain vacant the entire year.

Analysis in Brief

Major Trends

Safety: In calendar 2013, both the number of fatalities and the fatality rate (fatalities per 100 million miles driven) were lower than the previous year.

Congestion: In recent years, the Washington, DC and Baltimore metropolitan regions have been rated as having some of the highest levels of roadway congestion in the country. The State Highway Administration (SHA) reports that congestion, as measured by the percent of vehicle miles traveled in congested conditions during the evening peak hour, on arterial roads remained unchanged at 16% between calendar 2012 and 2013 and is expected to remain at that level through 2015. Freeway congestion improved in calendar 2013, falling to 22% from 33% the prior year, but is projected to worsen to 27% in 2014 and 2015. **SHA should explain the factors that contributed to the marked improvement in the congestion measure for freeways in calendar 2013 and the deterioration projected in the subsequent two years.**

System Preservation and Maintenance – Structurally Deficient Bridges: After a steady decline in the number of structurally deficient bridges since 2007 – declining from 130 in calendar 2007 to 81 in 2014 – SHA is projecting the number to increase by 19 for a total of 100 in calendar 2015. For a fuller discussion of structurally deficient bridges, see Issue 1 of this analysis.

System Preservation and Maintenance – Highway Maintenance Condition: One objective of the system preservation and maintenance goal is to improve/maintain 84% of the highway network in an overall preferred maintenance condition. SHA met this goal in five of the past nine years but did not meet the goal in either of the past two years. It is projecting to meet the goal in calendar 2015 with maintenance activity expenditures per lane mile projected to increase from \$3,199 in calendar 2014 to \$3,571 in 2015.

Issues

For Bridges – “Structurally Deficient” Does Not Mean Unsafe: Despite recent media reports on bridge failures across the nation, a rating of structurally deficient does not mean a bridge is unsafe. Federally required inspections and reporting requirements utilize a rating system for three elements of a bridge. Any element that is rated at the minimum acceptable level leads to a rating of structurally deficient. Bridges that do not meet the minimum acceptable level, and are therefore deemed unsafe, are closed. While the number of bridges rated as structurally deficient has been declining for many years, SHA is projecting an increase in the number for calendar 2015. **SHA should comment on the projected increase in the number of structurally deficient bridges, indicate the factors contributing to the projected increase, and detail the actions it is taking and plans to take to reduce the number of structurally deficient bridges it maintains.**

Funding for Community Safety and Enhancement Program More than Doubles over 10 Years, Reduces Available Resources for SHA’s Core Mission: The level of funding programmed for the Community Safety and Enhancement Program (CSEP) in the *Consolidated Transportation Program* has increased significantly in the past two years, reducing the available resources for SHA’s core mission of building and maintaining State roads. **Should the General Assembly decide to increase State transportation aid to local governments, it should consider reducing or eliminating funding for CSEP or requiring local jurisdictions to provide an equal match to the State dollars for each project.**

Operating Budget Recommended Actions

1. Concur with Governor’s allowance.

PAYGO Budget Recommended Actions

	<u>Funds</u>
1. Reduce funding for the Community Safety and Enhancement Program to offset the increased Highway User Revenue spending provided for in Supplemental Budget No. 1.	\$ 25,000,000
Total Reductions	\$ 25,000,000

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Budget Analysis

Program Description

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

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

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

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

The administration has identified the following key goals:

- **Safety:** Improve highway safety in Maryland;
- **Mobility/Congestion Relief:** Improve mobility for customers;
- **System Preservation and Maintenance:** Maintain a quality highway system; and
- **Environmental Stewardship:** Develop and maintain Maryland State highways in an environmentally responsible manner.

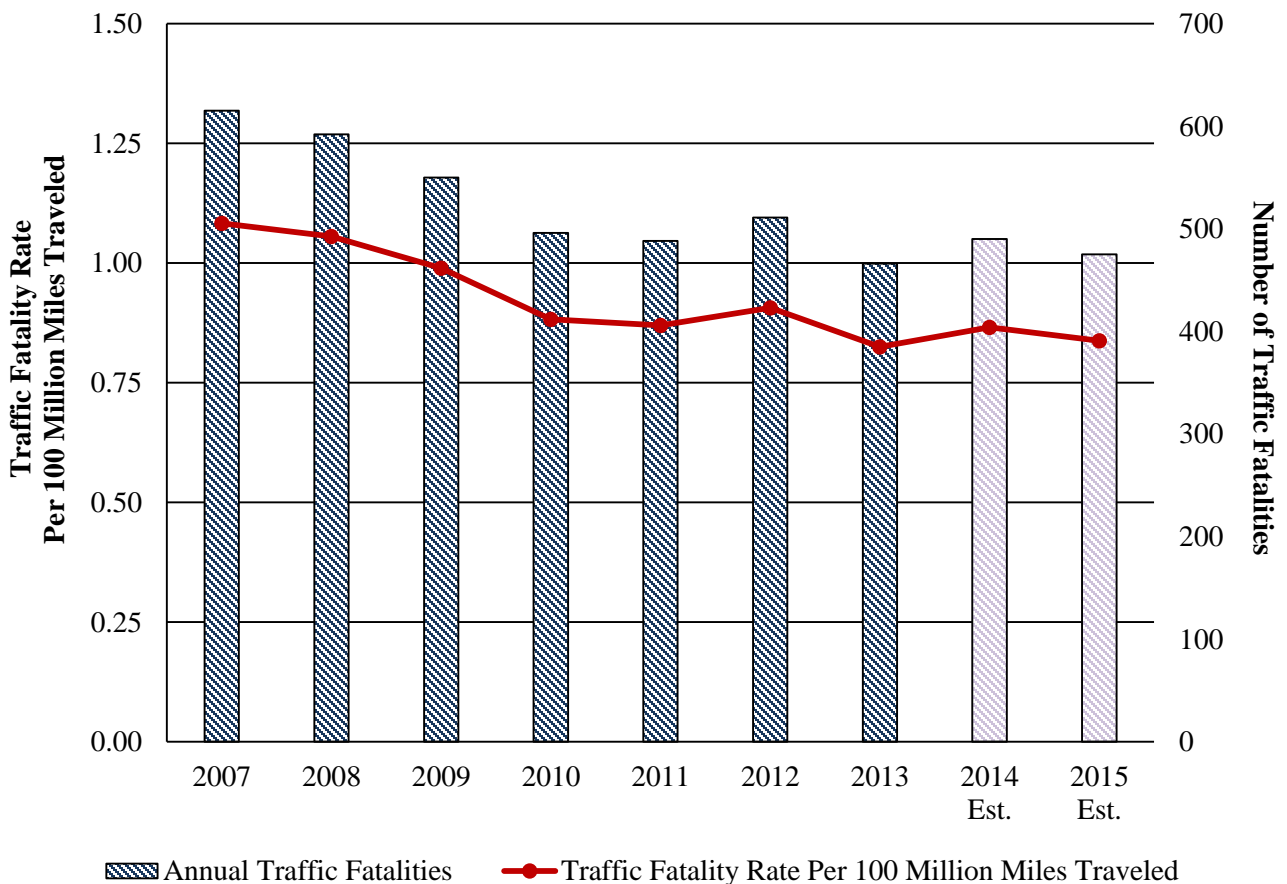
Performance Analysis: Managing for Results

SHA provides Managing for Results (MFR) performance measures that relate to its mission and goals. SHA's mission is to "provide a safe, well-maintained, reliable highway system that enables mobility choices for all customers and supports Maryland's communities, economy, and environment."

1. Safety

Goal 1 of the SHA MFR submission is to improve highway safety in Maryland with the objective of reducing the annual number of traffic-related fatalities to 475 by the end of calendar 2015. **Exhibit 1** shows the number of traffic fatalities and the traffic fatality rate by calendar year for calendar 2007 through 2015 estimated. Both total fatalities and the fatality rate declined between calendar 2012 and 2013 (the most recent date for which complete data is available). Calendar 2013 fatalities totaled 466, achieving the SHA goal and the fatality rate decreased from 0.91 fatalities per 100 million miles traveled to 0.82. With data available through November 2014, however, the number of fatalities and the fatality rate are projected to increase to 490 and 0.87 respectively. The large number of winter events in 2014 likely contributed to the increases.

Exhibit 1
Highway Miles Traveled Compared to Fatalities
Calendar 2007-2015 Est.

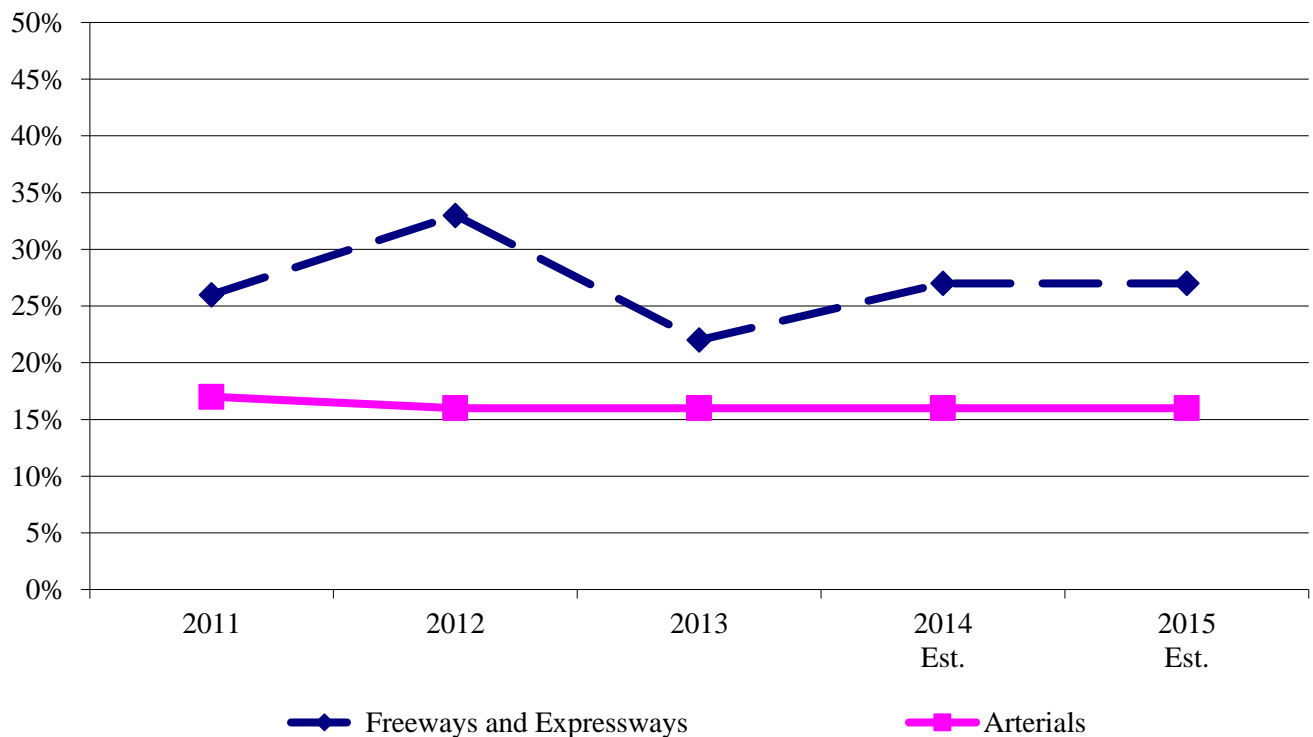


Source: State Highway Administration

2. Congestion

In recent years, the Washington, DC and Baltimore metropolitan regions have been rated as having some of the highest levels of roadway congestion in the country. **Exhibit 2** shows the percent of vehicle miles traveled in congested conditions during the evening peak hour on Maryland’s highways and expressways and arterial roads. SHA began reporting this measure with the fiscal 2015 allowance. According to the limited data available, congestion on arterial roads remained unchanged at 16% between calendar 2012 and 2013 and is expected to remain at that level through 2015. Freeway congestion improved in calendar 2013, falling to 22% from 33% the prior year, but is projected to worsen to 27% in 2014 and 2015. **SHA should explain the factors that contributed to the marked improvement in the congestion measure for freeways in calendar 2013 and the deterioration projected in the subsequent two years.**

Exhibit 2
Percent of VMT in Congested Conditions during Evening Peak Hour
Calendar 2011-2015 Est.



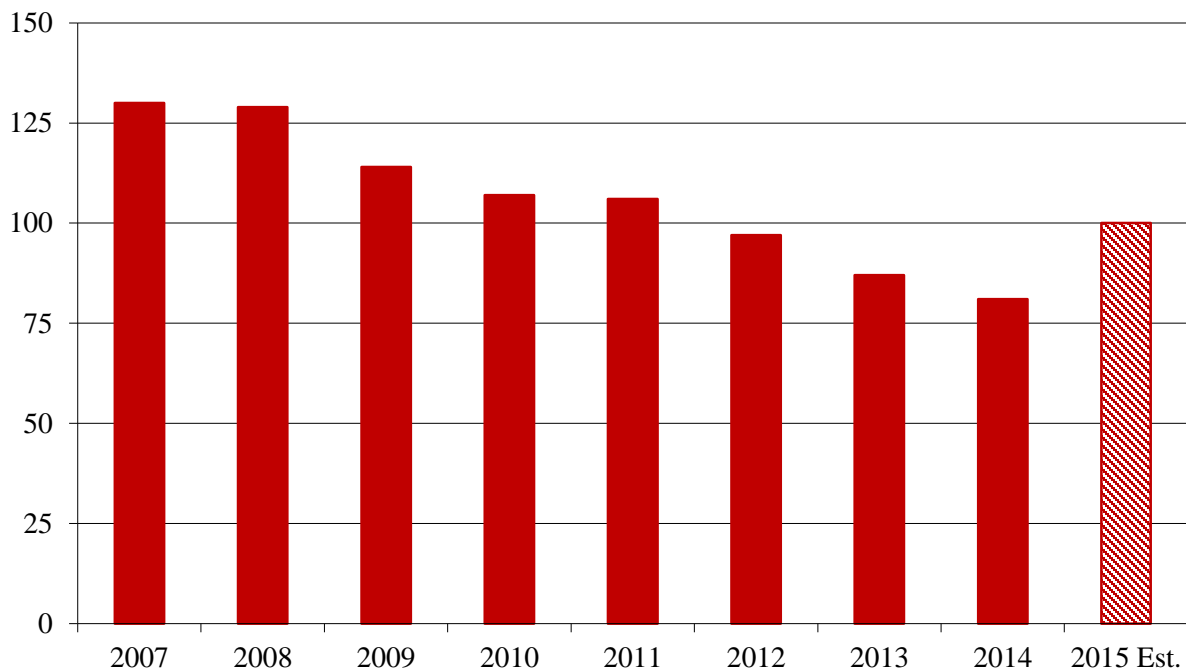
VMT: Vehicle Miles Traveled

Source: State Highway Administration

3. System Preservation and Maintenance – Structurally Deficient Bridges

One objective under the SHA goal of system preservation and maintenance is to “maintain all bridges along the State Highway Network, including those identified as weight restricted and structurally deficient, so that there is no adverse effect on their safe use by emergency vehicles, school buses, and vehicles serving the economy of an area.” **Exhibit 3** shows that after a steady decline in the number of structurally deficient bridges since 2007 – declining from 130 in calendar 2007 to 81 in 2014 – SHA is projecting the number to increase by 19 for a total of 100 in calendar 2015. For a fuller discussion of structurally deficient bridges, see Issue 1 of this analysis.

Exhibit 3
Structurally Deficient Bridges in the State Highway Network
Calendar 2007-2015 Est.

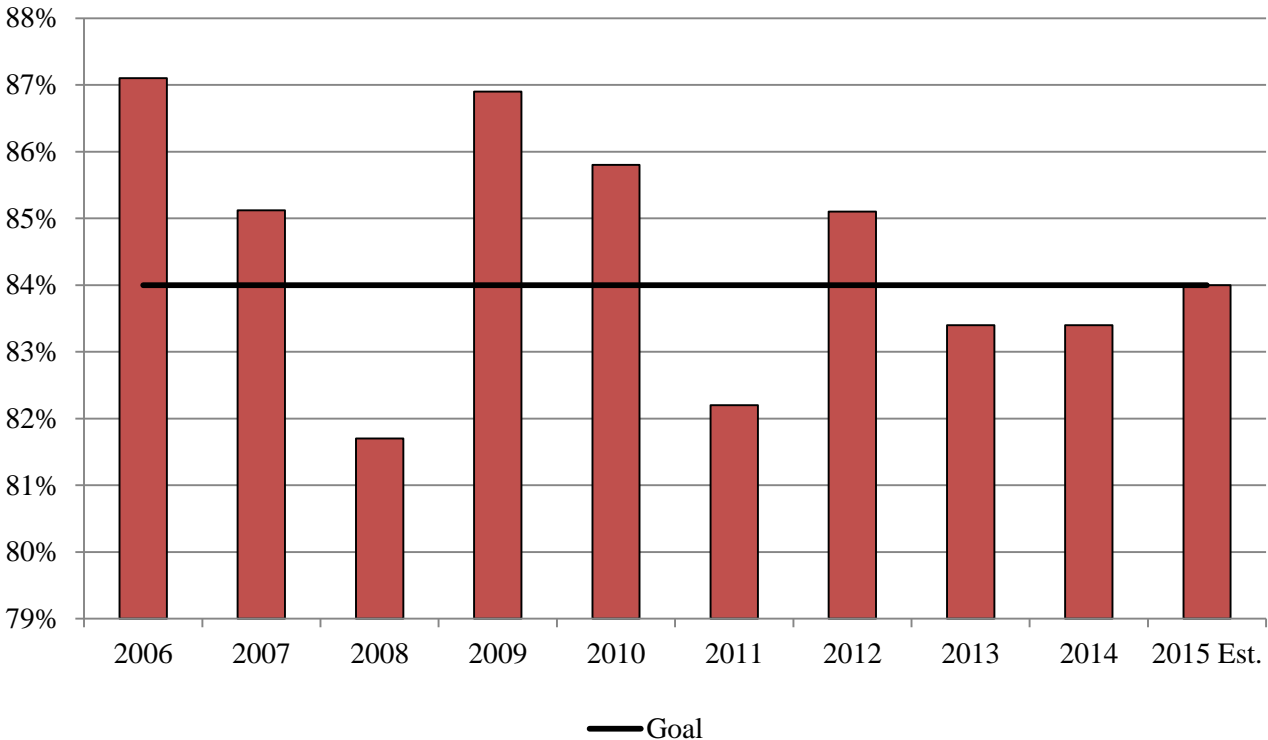


Source: State Highway Administration

4. System Preservation and Maintenance – Highway Maintenance Condition

One objective of the system preservation and maintenance goal is to improve/maintain 84% of the highway network in an overall preferred maintenance condition. As shown in **Exhibit 4**, SHA met this goal in five of the past nine years but did not meet the goal in either of the past two years. It is projecting to meet the goal in calendar 2015 with maintenance activity expenditures per lane mile projected to increase from \$3,199 in calendar 2014 to \$3,571 in 2015.

Exhibit 4
Highway Network in Overall Preferred Maintenance Condition
Calendar 2006-2015 Est.



Source: State Highway Administration

Proposed Budget

As shown in **Exhibit 5**, the fiscal 2016 allowance increases by \$12.7 million over the current year working appropriation. Personnel expenses increase a net \$4.0 million, driven primarily by employee and retiree health insurance contributions. Operations increase by \$9.3 million with roadway maintenance and winter maintenance\snow removal accounting for the bulk of the increase. Grants decrease by \$283,000.

Exhibit 5
Proposed Budget
MDOT – State Highway Administration
(\$ in Thousands)

How Much It Grows:	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Total</u>
Fiscal 2014 Actual	\$478,245	\$10,844	\$489,089
Fiscal 2015 Working Appropriation	404,054	14,334	418,388
Fiscal 2016 Allowance	<u>416,581</u>	<u>14,532</u>	<u>431,113</u>
Fiscal 2015-2016 Amt. Change	\$12,527	\$198	\$12,725
Fiscal 2015-2016 Percent Change	3.1%	1.4%	3.0%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance	\$3,096
Increments and other compensation (prior to cost containment).....	2,021
Employee retirement contributions.....	1,427
Additional assistance and overtime	628
Shift differential.....	37
Workers' compensation premium assessment.....	-141
Turnover adjustments	-937
Section 21: elimination of employee increments.....	-972
Section 20: elimination of prior year 2% general salary increase	-1,223
Other fringe benefit adjustments	39

Operations

Road maintenance services.....	4,493
Winter maintenance.....	4,326
700/800 MHz radios	550
Utilities and energy conservation loan repayment.....	507
Road maintenance and signage supplies.....	358
Vehicles – maintenance and repair	200
Travel – routine	102
Utilities – fuel	103
Vehicles – gas and oil.....	102
Education and training services	72
Security services	40
Janitorial services	-150

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Where It Goes:

Engineering services.....	-310
Telephone usage based on actual.....	-1,114
Grants	
Highway safety grants – safe route and motor carrier grants	100
Highway User Revenue distribution.....	-382
Other.....	-247
Total	\$12,725

MHz: megahertz

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

Winter Maintenance\Snow Removal

Budget bill language added to SHA’s fiscal 2010 budget indicated intent of the General Assembly that SHA increase the amount budgeted for snow removal by \$5.0 million each year until the budgeted amount reflected the rolling five-year average of actual snow removal expenditures. The fiscal 2016 allowance complies with this directive. It included \$56.0 million for snow removal efforts – a \$5.0 million increase over the \$51.0 million included in the current year budget. The five-year average of snow removal expenditures through fiscal 2014 is \$70.2 million. As of January 28, 2015, SHA had spent \$48.1 million on snow removal efforts.

Highway User Revenue

Formula-based Highway User Revenue (HUR) is estimated to be \$169.3 million in fiscal 2016. This represents a \$382,000 decrease from the fiscal 2015 working appropriation, but the 2015 appropriation has not been adjusted to reflect the current revenue estimates. Based on the lower fiscal 2015 revenue estimate, the fiscal 2016 appropriation represents a \$2.6 million increase. Supplemental Budget No. 1 provides an additional \$25.0 million in HUR funding with a distribution of \$2.0 million for Baltimore City, \$4.0 million for counties, and \$19.0 million for municipalities. As shown in **Exhibit 6**, total HUR funding in fiscal 2016 is \$194.3 million, an increase of \$11.6 million over fiscal 2015.

Exhibit 6
Total Highway User Revenue Funding
Fiscal 2015 and 2016

	<u>Fiscal 2015</u>	<u>Fiscal 2016</u>	<u>Change</u>
Baltimore City	\$133,680,316	\$137,796,122	\$4,115,806
Counties	26,041,620	30,453,790	4,412,170
Municipalities	22,944,432	26,054,344	3,109,912
Total	\$182,666,368	\$194,304,256	\$11,637,888

Note: Fiscal 2015 comprises the base Highway User Revenue (HUR) allocation and the \$16 million one-time grant to municipalities; fiscal 2016 comprises the base HUR allocation and the additional funding provided in Supplemental Budget No. 1.

Source: Maryland State Budget

The source of funds for the \$25 million supplemental grants is unappropriated special funds from the Transportation Trust Fund (TTF). This expenditure was not included in the January 2015 Maryland Department of Transportation (MDOT) TTF forecast. Consequently, this additional spending will reduce the fiscal 2016 closing fund balance by \$25 million. The TTF forecast anticipated a closing balance of \$125 million. **Exhibit 7** shows the combined formula-based HUR and supplemental funding distribution by county.

Exhibit 7
Highway User Revenue Distribution
Formula-based and Supplemental Funding Allocation
Fiscal 2016

<u>County</u>	<u>County Share</u>	<u>Municipal Share</u>	<u>Total</u>
Allegany	\$529,094	\$1,303,614	\$1,832,708
Anne Arundel	3,252,383	1,131,798	4,384,182
Baltimore	4,590,144	0	4,590,144
Calvert	702,463	332,190	1,034,653
Caroline	442,913	473,931	916,845
Carroll	1,247,468	1,515,621	2,763,089
Cecil	719,123	750,692	1,469,816
Charles	1,054,166	427,646	1,481,812
Dorchester	492,260	531,186	1,023,446
Frederick	1,503,413	2,868,520	4,371,933

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<u>County</u>	<u>County Share</u>	<u>Municipal Share</u>	<u>Total</u>
Garrett	588,894	423,993	1,012,889
Harford	1,545,842	1,261,195	2,807,036
Howard	1,763,650	0	1,763,650
Kent	252,403	277,837	530,239
Montgomery	4,125,057	4,194,183	8,319,240
Prince George's	3,242,976	5,324,246	8,567,221
Queen Anne's	588,392	180,103	768,494
St. Mary's	313,699	197,341	511,040
Somerset	865,306	115,924	981,230
Talbot	362,973	737,202	1,100,176
Washington	975,178	1,702,843	2,678,022
Wicomico	723,322	1,457,920	2,181,242
Worcester	572,670	846,358	1,419,028
Subtotal	\$30,453,790	\$26,054,344	\$56,508,134
Baltimore City	\$137,796,122		\$137,796,122
Total	\$168,249,912	\$26,054,344	\$194,304,256

Source: Maryland State Budget; Department of Legislative Services

Cost Containment

Sections 20 and 21 of the budget bill eliminate the 2% general salary increase that took effect January 1, 2015, and eliminate funding for salary increment and merit increases in fiscal 2016. For SHA, special and federal funds are reduced by \$1,223,188 for the general salary increase and \$972,090 for salary increment and merit increases for a total operating budget reduction of \$2,195,277. The SHA capital appropriation is reduced by an additional \$3,473,305 for these items.

PAYGO Capital Program

Program Description

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

The *Consolidated Transportation Program (CTP)* includes a development and evaluation program (D&E) and a construction program. Generally, projects are first added to the D&E program, at which stage they are evaluated by planners and engineers, and rights-of-way may be purchased. SHA also prepares draft and final environmental impact statements for projects in the D&E program. These studies examine alternatives 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 SHA wants to move a project forward, it is moved into the construction program.

Fiscal 2015 to 2020 Consolidated Transportation Program

The 2015 to 2020 six-year capital program for SHA totals \$7.2 billion, a decrease of \$44.0 million from the prior year six-year program. The inclusion of federal pass-through funding for local governments in the 2015-2020 CTP that was not included in prior year CTPs, however, masks a larger decline. **Exhibit 8**, shows that the SHA six-year capital program declines by \$426.8 million compared to the prior six-year program when the pass-through funding is excluded from the calculations. Increases in six-year funding for major projects (\$53.9 million) and the D&E program (\$33.4 million) are more than offset in the SHA base program by reductions in safety, congestion relief, and community enhancement funding (-\$502.5 million) and other system preservation funding (-\$11.6 million).

Exhibit 8
SHA Six-year Capital Programs by Category
Fiscal 2014-2019 vs. Fiscal 2015-2020
(\$ in Millions)

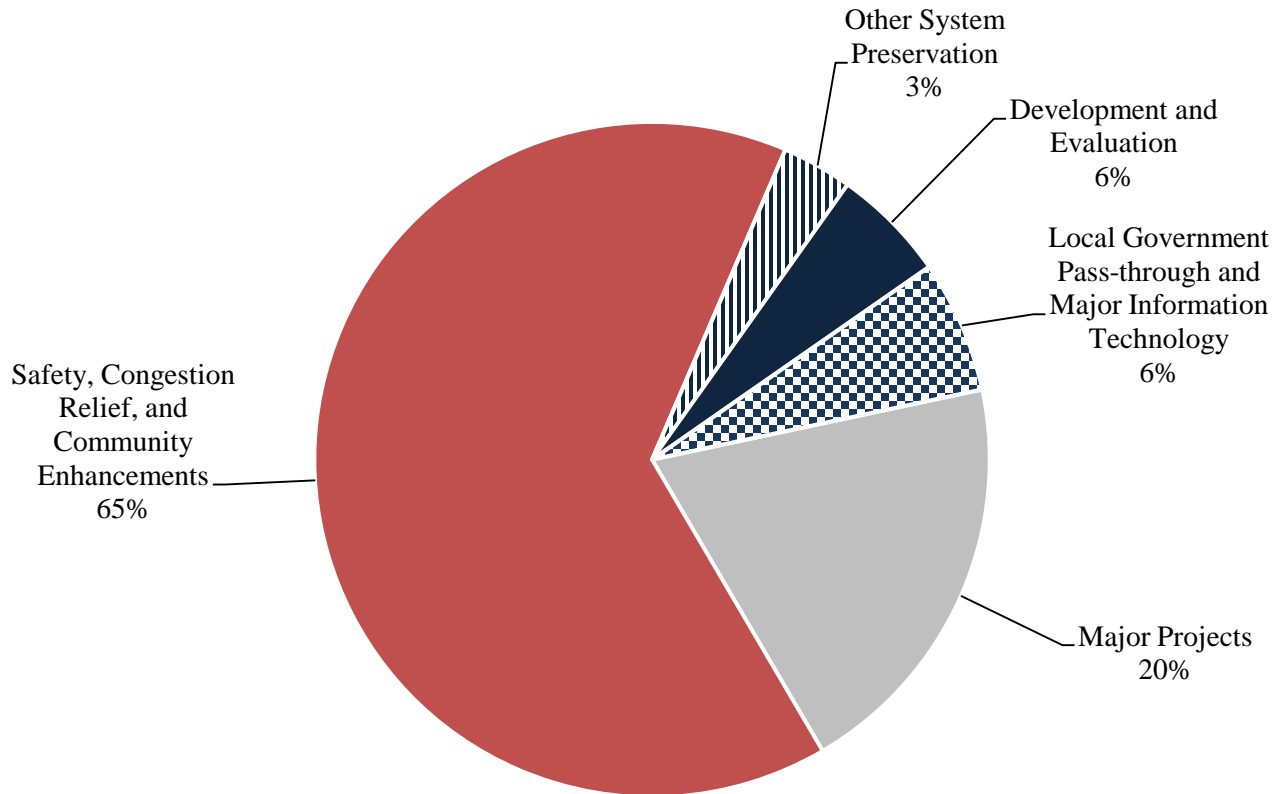
<u>Category</u>	<u>Fiscal 2014-2019</u>	<u>Fiscal 2015-2020</u>	<u>Change</u>
Major Projects	\$1,376.8	\$1,430.7	\$53.9
Safety, Congestion Relief, Community Enhancements	5,168.0	4,665.5	-502.5
Development and Evaluation Program	360.9	394.3	33.4
Other System Preservation	254.1	242.5	-11.6
Subtotal	\$7,159.8	\$6,733.0	-\$426.8
Pass-through funding to local government and major information technology funding	73.2	456.0	382.8
Total	\$7,233.0	\$7,189.0	-\$44.0

SHA: State Highway Administration

Source: Maryland Department of Transportation, 2015-2020 *Consolidated Transportation Program*

Exhibit 9 shows programmed spending by category in the fiscal 2015-2020 program. Safety, congestion relief, and community enhancement funding account for the majority of funding at 65% of six-year spending followed by major projects at 20%.

Exhibit 9
Spending by Category – All Funds
Fiscal 2015-2020
Total: \$7.2 Billion

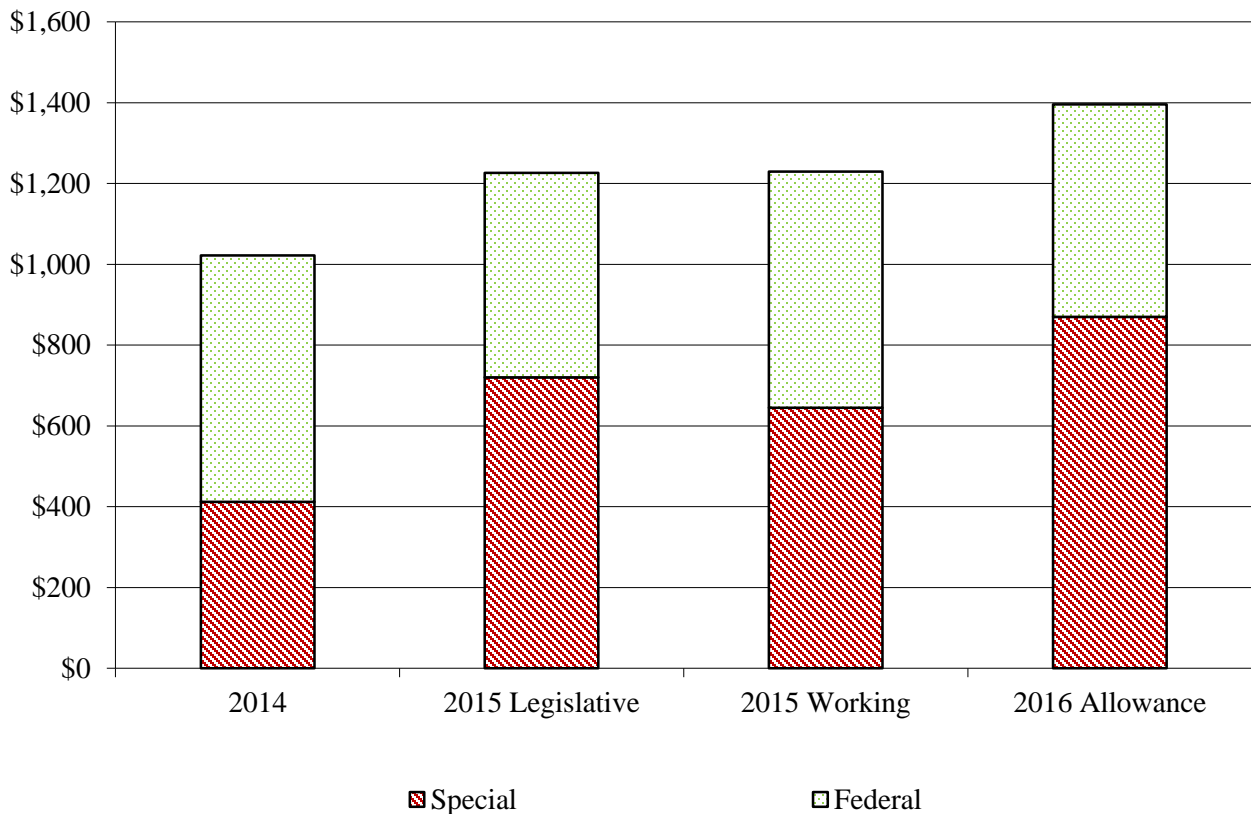


Source: Maryland Department of Transportation, 2015-2020 *Consolidated Transportation Program*

Fiscal 2015 and 2016 Cash Flow Analysis

Exhibit 10 shows the cash flow changes in SHA’s capital program from fiscal 2014 through the 2016 allowance. The fiscal 2015 working appropriation increases only slightly (\$3.5 million) over the legislative appropriation, but there is a large change in the source of funding with special funds decreasing by \$75.6 million and federal funds increasing by \$79.1 million. Changes in the categories of spending also occurred between the legislative and working appropriations with increases for safety, congestion relief, and community enhancements funding (\$60.9 million) and pass-through funding for local governments and major information technology (IT) (\$1.2 million), mostly offset by decreases in funding for major projects (-\$42.6 million) and the D&E program (\$16.0 million).

**Exhibit 10
Cash Flow Changes
Fiscal 2014-2016**



Source: Maryland Department of Transportation, 2015-2020 *Consolidated Transportation Program*

The fiscal 2016 allowance increases by \$166.6 million over the current year working appropriation with special funds increasing by \$224.8 million and federal funds decreasing by \$58.2 million. Major changes by category of spending comprise major projects (\$125.1 million); the D&E program (\$47.8 million); pass-through funding for local governments; major IT (\$11.9 million); and safety, congestion relief, and community enhancement funding (-\$18.6 million).

Exhibit 11 provides a summary of the large construction projects in the CTP for fiscal 2016.

Exhibit 11
Major Construction Projects
Funded in Fiscal 2016
(\$ in Thousands)

<u>County</u>	<u>Project</u>	<u>2016</u>	<u>Total Cost</u>	<u>Six-year Spending</u>	<u>Notes</u>
Statewide	Coordinated Highway Action Response Team	\$19,800	n/a	\$113,800	
Statewide	Community Safety and Enhancement Program	58,600	n/a	325,000	
Statewide	Sound Barrier Program	16,300	n/a	45,500	
Statewide	Total Maximum Daily Load – plan, design, and construct stormwater controls and alternative water quality improvement strategies in Maryland Phase I and Phase II counties to meet the requirements by 2025	92,500	671,000	598,900	
Anne Arundel	MD 175, Annapolis Road – construct intersection improvements at Mapes Road/Charter Oaks Boulevard and Reece Road	8,882	28,256	26,278	
Anne Arundel	MD 175, widen MD 175 from Disney Road to Reece Road	750	46,667	46,667	1
Baltimore	I-83 Harrisburg Expressway – construct safety and resurfacing improvements on I-83 from I-695 to Shawan Road	2,305	10,290	9,685	
Baltimore	I-695, Baltimore Beltway – replace the bridge over Milford Mill Road	9,206	27,608	21,190	
Baltimore	I-695, Baltimore Beltway – widen the roadway to provide a fourth lane on the outer loop from US 40 to MD 144	17,711	117,430	107,083	

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<u>County</u>	<u>Project</u>	<u>2016</u>	<u>Total Cost</u>	<u>Six-year Spending</u>	<u>Notes</u>
Baltimore	I-695, Baltimore Beltway – replace the bridge over Benson Avenue and the bridge over Leeds Avenue, US 1, AMTRAK and Herbert Run	18,172	50,936	47,744	
Baltimore	I-695, Baltimore Beltway – provide a continuous auxiliary lane on both the inner and outer loops between MD 41 and MD 147; widen median shoulders, and replace Old Harford Road Bridge over I-695	10,039	32,376	27,547	
Baltimore	MD 295, Baltimore-Washington Parkway – construct a noise wall from I-895 to north of Daisy Avenue	7,797	14,879	13,968	1
Calvert	MD 261, Willows Road – replace the bridge over Fishing Creek	8,736	29,351	26,936	
Caroline/ Queen Anne’s	MD 404, Shore Highway – construct upgrades from west of MD 309 to Cemetery Road (Phase 1B)	8,126	30,073	23,016	
Cecil	MD 272, Mauldin Avenue – replace the bridge over Amtrak	6,423	20,940	18,102	
Dorchester	Maintenance facility in Cambridge	8,642	23,998	22,154	
Frederick	US 15, Catoctin Mountain Highway – construct a grade-separated interchange at Monocacy Boulevard including a Park-and-Ride lot	16,053	70,839	53,700	
Garrett	Maintenance facility in Keyser’s Ridge	5,028	12,617	11,949	1
Howard	US 29, Columbia Pike – add third northbound lane from Seneca Drive to MD 175 (Phase 1B)	11,431	35,202	28,057	
Montgomery	I-270/Watkins Mill Road Extended – construct new interchange	27,597	159,419	155,524	
Montgomery	MD 97, Georgia Avenue – construct interchange improvements at Randolph Road	15,833	73,831	45,476	

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<u>County</u>	<u>Project</u>	<u>2016</u>	<u>Total Cost</u>	<u>Six-year Spending</u>	<u>Notes</u>
Montgomery	MD 97, Georgia Avenue – construct a two-lane highway from south of Brookeville to north of Brookeville	2,800	36,825	34,366	
Prince George’s	I-95/I-495, Capital Beltway – Phase 2 access improvements from MD 5 (Branch Avenue) and I-95/I-495 to the Branch Avenue Metro Station including improvements to the access road, pedestrian bridge, and the county roads	11,708	47,258	35,948	
Prince George’s	US 50, John Hanson Highway – construct safety and resurfacing improvements on I-595 from west of Lottsford Vista Road to the Anne Arundel County line	6,196	11,557	11,407	
Prince George’s	MD 4, Pennsylvania Avenue – construct a raised curb along the outside edge of the roadway, a sidewalk along southbound MD 4, a 10-foot hiker/biker trail along northbound MD 4, on-road bicycle accommodations, and other traffic-calming measures from Forestville Road to MD 458 (Silver Hill Road)	13,741	26,637	24,945	
Prince George’s	MD 4, Pennsylvania Avenue – construct a new interchange at MD 4 and Suitland Parkway	16,972	159,160	146,488	
Prince George’s	MD 5, Branch Avenue – construct a new interchange at MD 373 and Brandywine Road Relocated, including a Park-and-Ride lot	11,297	81,124	74,831	2
Prince George’s	MD 210, Indian Head Highway – construct a new interchange at MD 210 and Kerby Hill Road/Livingston Road	21,274	109,993	106,232	
Queen Anne’s	US 301, Blue Star Memorial Highway – construct a new interchange at MD 304	13,490	42,852	36,760	
Somerset/ Worcester	US 13, Ocean Highway – rehabilitate bridges over the Pocomoke River	6,700	17,060	13,535	

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<u>County</u>	<u>Project</u>	<u>2016</u>	<u>Total Cost</u>	<u>Six-year Spending</u>	<u>Notes</u>
Talbot	MD 331, Dover Road – replace the bridge over the Choptank River	18,112	61,401	58,977	
Washington	I-81, Maryland Veterans Memorial Highway – widen and rehabilitate the I-81 bridge over the Potomac River	2,030	50,818	50,056	
Worcester	US 113, Worcester Highway – upgrade existing US 113 as a four-lane divided highway from Massey Branch to Five Mile Branch	25,473	63,068	59,119	2
Total		\$519,724	\$2,163,465	\$2,420,940	

Note 1: Project added to the construction program in this *Consolidated Transportation Program*.

Note 2: Project moved from the development and evaluation program to the construction program in this *Consolidated Transportation Program*.

Source: Maryland Department of Transportation, 2015-2020 *Consolidated Transportation Program*

Issues

1. For Bridges – “Structurally Deficient” Does Not Mean Unsafe

Recent media coverage of the national debate taking place on how to adequately fund transportation infrastructure has often included descriptions and depictions of bridges across the nation that have collapsed to underscore the urgency of the need to address this issue. When these stories segue to discussions of the number of structurally deficient bridges, however, a skewed sense of the meaning of this term, and what it implies in terms of safety, can result.

Structurally Deficient Defined

Under federal standards, “structurally deficient” is a term applied to a bridge upon inspection when one or more of three elements is rated at four or lower on a scale of zero (bridge closed) to nine (relatively new) or a bridge has a posted weight restriction. The three elements that are rated are:

- the deck – the riding surface;
- the superstructure – the main supporting element of the deck such as beams, girders, trusses, *etc.*; and
- the substructure – the supports that hold up the superstructure and deck such as abutments and piers.

Bridge Inspection Schedule and Federal Reporting

Under federal law, bridges must be inspected every two years, and bridges that are over water must have the underwater elements inspected every five years. MDOT inspects underwater elements every four years, which allows underwater inspections to coincide with every other two-year inspection. On an annual basis, Maryland and other states submit the results of bridge inspections to the Federal Highway Administration (FHWA).

Status of Maryland State Highway System Bridges

According to the April 1, 2014 SHA report to FHWA, of the 2,570 bridges on the Maryland State Highway System, 81 (3.2%) were rated as structurally deficient. **Exhibit 12** shows the summary of the changes in bridge ratings over two reporting cycles.

Exhibit 12
Summary of Structurally Deficient Bridge Ratings
As of April 1, 2013 and 2014

Number of structurally deficient bridges on April 1, 2013	87
Less number of structurally deficient bridges addressed in 2013	-11
Plus number of bridges which became structurally deficient in 2013	5
Total number of structurally deficient bridges as of April 1, 2014	81

Source: State Highway Administration

Exhibit 13 shows, by county, the number of Maryland State Highway System bridges rated as structurally deficient as of April 1, 2014, and the elements responsible for the rating.

Exhibit 13
Structurally Deficient Bridges
As of April 1, 2014

<u>County</u>	<u>Total Deficient</u>	<u>Deficiency Rating Due to:</u>			<u>Weight Restricted</u>
		<u>Deck</u>	<u>Superstructure</u>	<u>Substructure</u>	
Allegany	5	4	1	1	0
Baltimore	18	16	1	4	0
Calvert	1	0	1	0	0
Caroline	1	0	0	0	1
Carroll	2	1	1	1	0
Cecil	3	3	1	1	0
Charles	3	2	1	0	0
Frederick	12	11	3	1	0
Garrett	2	2	1	1	0
Harford	1	0	0	1	0
Howard	2	2	0	0	0
Montgomery	5	5	2	0	0
Prince George's	8	7	0	1	0
Queen Anne's	4	3	0	1	0
St Mary's	1	1	0	0	0
Somerset	2	1	1	1	0
Washington	10	9	3	0	1
Wicomico	1	1	0	1	0
Total	81	68	16	14	2

Source: State Highway Administration

As noted in the MFR discussion earlier, the number of structurally deficient bridges in Maryland has steadily declined since 2007 when there were 130 bridges in that category to the 81 reported for April 2014. SHA is projecting, however, that there will be a total of 100 structurally deficient bridges in calendar 2015. **SHA should comment on the projected increase in the number of structurally deficient bridges, indicate the factors contributing to the projected increase, and detail the actions it is taking and plans to take to reduce the number of structurally deficient bridges it maintains.**

2. Funding for Community Safety and Enhancement Program More than Doubles over 10 Years, Reduces Available Resources for SHA’s Core Mission

The Community Safety and Enhancement Program (CSEP) is funded through the SHA capital program and provides funding for transportation-related projects in designated revitalization areas. Projects include roadway reconstruction, lighting and drainage improvements, streetscaping, and roadway improvements. Revitalization areas are designated by local jurisdictions.

While the level of funding programmed for CSEP in the CTP has varied over the years, it has increased significantly in the past two years, and special fund spending programmed in the current CTP is more than double the amount programmed at any time between 2006 and 2013, as shown in **Exhibit 14**.

Exhibit 14
Six-year Funding Included in the CTP
(\$ in Thousands)

<u>CTP</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
2006-2011	\$125,000	\$26,600	\$151,600
2007-2012	128,500	32,700	161,200
2008-2013	144,500	33,200	177,700
2009-2014	87,600	27,400	115,000
2010-2015	71,970	21,430	93,400
2011-2016	76,000	27,000	103,000
2012-2017	74,100	42,800	116,900
2013-2018	85,000	57,100	142,100
2014-2019	269,700	47,800	317,500
2015-2020	323,500	1,500	325,000

CTP: Consolidated Transportation Program

Source: *Consolidated Transportation Programs, 2006 through 2015.*

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As helpful as CSEP may be in the community revitalization effort, the increased amounts of resources being programmed reduce the amount available for SHA's core mission of building and maintaining State roads. **Should the General Assembly decide to increase State transportation aid to local governments, it should consider reducing or eliminating funding for CSEP or requiring local jurisdictions to provide an equal match to the State dollars for each project.**

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

PAYGO Budget Recommended Actions

	<u>Amount Reduction</u>	
1. Reduce funding for the Community Safety and Enhancement Program (CSEP) to offset the increased Highway User Revenue spending provided for in Supplemental Budget No. 1. CSEP funding after the reduction would be over \$33.5 million.	\$ 25,000,000	SF
Total Special Fund Reductions	\$ 25,000,000	

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2014					
Legislative Appropriation	\$0	\$382,545	\$12,443	\$0	\$394,988
Deficiency Appropriation	0	-2,089	-79	0	-2,168
Budget Amendments	0	103,572	96	0	103,668
Reversions and Cancellations	0	-5,783	-1,616	0	-7,399
Actual Expenditures	\$0	\$478,245	\$10,844	\$0	\$489,089
Fiscal 2015					
Legislative Appropriation	\$0	\$403,655	\$13,165	\$0	\$416,819
Cost Containment	0	0	0	0	0
Budget Amendments	0	399	1,169	0	1,569
Working Appropriation	\$0	\$404,054	\$14,334	\$0	\$418,388

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies.

Fiscal 2014

The fiscal 2014 budget for SHA closed out \$94.1 million higher than the legislative appropriation. Increases by budget amendment were only partially offset by decreases through deficiency appropriations and year-end cancellations as follows:

- Budget amendments added \$103,668,301:
 - general salary increase (\$1,102,911 special, \$70,560 federal);
 - salary increments (\$469,411 special, 25,419 federal); and
 - additional winter maintenance funding (\$102 million special funds).
- Deficiency appropriations subtracted \$2,168,265:
 - statewide reduction for health savings (\$792,860 special, \$91 federal); and
 - statewide reduction for retirement – reduction to reinvestment (\$1,296,009 special, \$79,305 federal).
- Year-end special and federal fund cancellations totaled \$7,399,236:
 - HURs were less than the estimate upon which the budget was based (\$5,004,444 special);
 - health benefit expenses were less than budgeted (\$486,420 special);
 - new federal grant funded positions took longer than anticipated to fill (\$632,012 federal);
 - reduced expenditures in the highway Access Permit Program (\$292,359 special); and
 - invoices from subrecipients of federal Safe Route to School Program grants were not received in time to process during fiscal 2014 (\$984,001 federal).

Fiscal 2015

The fiscal 2015 working appropriation is higher than the legislative appropriation by a net \$1,568,592 due to budget amendments:

- adding funds for the general salary increase (\$769,778 special, \$51,026 federal); and
- reclassifying equipment as noncapital (\$1,118,230 federal) and as capital (-\$370,442 special).

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

<u>Object/Fund</u>	<u>FY 14 Actual</u>	<u>FY 15 Working Appropriation</u>	<u>FY 16 Allowance</u>	<u>FY 15 - FY 16 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,543.00	1,542.00	1,542.00	0.00	0%
02 Contractual	8.10	5.50	5.50	0.00	0%
Total Positions	1,551.10	1,547.50	1,547.50	0.00	0%
Objects					
01 Salaries and Wages	\$ 113,759,755	\$ 111,931,561	\$ 118,101,683	\$ 6,170,122	5.5%
02 Technical and Spec. Fees	6,180,200	4,149,069	4,051,720	-97,349	-2.3%
03 Communication	2,143,821	3,186,300	2,072,000	-1,114,300	-35.0%
04 Travel	846,409	526,470	611,350	84,880	16.1%
06 Fuel and Utilities	12,963,948	12,489,144	13,098,894	609,750	4.9%
07 Motor Vehicles	20,618,279	15,515,097	15,893,114	378,017	2.4%
08 Contractual Services	125,775,132	71,654,987	79,248,760	7,593,773	10.6%
09 Supplies and Materials	40,240,640	23,380,101	24,996,731	1,616,630	6.9%
10 Equipment – Replacement	517,446	715,777	168,726	-547,051	-76.4%
11 Equipment – Additional	105,361	61,605	615,849	554,244	899.7%
12 Grants, Subsidies, and Contributions	165,574,793	174,375,099	174,057,876	-317,223	-0.2%
13 Fixed Charges	360,944	391,343	387,676	-3,667	-0.9%
14 Land and Structures	2,469	11,400	3,400	-8,000	-70.2%
Total Objects	\$ 489,089,197	\$ 418,387,953	\$ 433,307,779	\$ 14,919,826	3.6%
Funds					
03 Special Fund	\$ 478,245,257	\$ 404,053,959	\$ 418,613,905	\$ 14,559,946	3.6%
05 Federal Fund	10,843,940	14,333,994	14,693,874	359,880	2.5%
Total Funds	\$ 489,089,197	\$ 418,387,953	\$ 433,307,779	\$ 14,919,826	3.6%

Note: The fiscal 2015 appropriation does not include deficiencies. The fiscal 2016 allowance does not include contingent reductions.

Fiscal Summary
MDOT – State Highway Administration

<u>Program/Unit</u>	<u>FY 14 Actual</u>	<u>FY 15 Wrk Approp</u>	<u>FY 16 Allowance</u>	<u>Change</u>	<u>FY 15 - FY 16 % Change</u>
01 State System Construction and Equipment	\$ 952,855,470	\$ 1,161,738,000	\$ 1,316,433,000	\$ 154,695,000	13.3%
02 State System Maintenance	317,857,168	238,554,630	253,488,307	14,933,677	6.3%
03 County and Municipality Capital Funds	62,857,453	58,000,000	70,800,000	12,800,000	22.1%
04 Highway Safety Operating Program	8,702,841	10,147,179	10,515,216	368,037	3.6%
05 County and Municipality Funds	162,529,188	169,686,144	169,304,256	-381,888	-0.2%
08 Major IT Development Projects	6,729,629	9,927,000	9,010,000	-917,000	-9.2%
Total Expenditures	\$ 1,511,531,749	\$ 1,648,052,953	\$ 1,829,550,779	\$ 181,497,826	11.0%
Special Fund	\$ 890,252,437	\$ 1,048,961,959	\$ 1,288,276,905	\$ 239,314,946	22.8%
Federal Fund	621,279,312	599,090,994	541,273,874	-57,817,120	-9.7%
Total Appropriations	\$ 1,511,531,749	\$ 1,648,052,953	\$ 1,829,550,779	\$ 181,497,826	11.0%

Note: The fiscal 2015 appropriation does not include deficiencies. The fiscal 2016 allowance does not include contingent reductions.

Budget Amendments for Fiscal 2015
Maryland Department of Transportation
State Highway Administration – Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$769,778	Special	General salary increase.
	<u>51,026</u>	Federal	
	\$820,804	Total	
Approved	-\$370,442	Special	Designation of special fund spending as capital,
	<u>1,118,230</u>	Federal	designation of federal fund spending as operating.
	\$747,788	Total	

Source: Maryland Department of Transportation

Budget Amendments for Fiscal 2015
Maryland Department of Transportation
State Highway Administration – Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$930,007	Special	General salary increase.
	<u>314,230</u>	Federal	
	\$1,244,237	Total	
Approved	\$370,442	Special	Designation of special fund spending as capital, designation of federal fund spending as operating.
	<u>-1,118,230</u>	Federal	
	-\$747,788	Total	
Pending	-\$76,947,043	Special	Adjusts the amended appropriation to agree with the final fiscal 2015-2020 <i>Consolidated Transportation Program</i> .
	<u>79,904,989</u>	Federal	
	\$2,957,946	Total	

Source: Maryland Department of Transportation