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Maryland Aviation 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	\$189,085	\$179,981	\$187,004	\$7,023	3.9%
Deficiencies and Reductions	0	0	-835	-835	
Adjusted Special Fund	\$189,085	\$179,981	\$186,169	\$6,188	3.4%
Federal Fund	655	776	646	-131	-16.8%
Adjusted Federal Fund	\$655	\$776	\$646	-\$131	-16.8%
Adjusted Grand Total	\$189,740	\$180,757	\$186,814	\$6,057	3.4%

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.

- The fiscal 2016 allowance increases by \$6.1 million, or 3.4%, compared to the fiscal 2015 working appropriation. Special funds increase by \$6.2 million, or 3.4%, in the fiscal 2016 allowance, while federal funds decrease by approximately \$131,000.
- Larger changes include a \$2.6 million increase in utility costs and a \$1.7 million increase in personnel costs.

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

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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	\$81,837	\$82,020	\$95,614	\$87,992
Federal	\$19,367	\$23,154	\$34,133	\$25,248
Subtotal	\$101,204	\$105,174	\$129,747	\$113,240
Other Funds	\$110,753	\$91,400	\$89,300	\$101,800
Total	\$211,957	\$196,574	\$219,047	\$215,040

- The fiscal 2015 pay-as-you-go (PAYGO) working appropriation increases by \$24.6 million compared to the legislative appropriation. The increase is due to increases in system preservation projects and increased costs for construction of the B/C Connector.
- The fiscal 2016 PAYGO allowance decreases by \$16.5 million compared to the fiscal 2015 working appropriation primarily due to a decrease in spending on system preservation projects.

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	451.50	455.50	455.50	0.00
Regular PAYGO Budget Positions	<u>48.00</u>	<u>48.00</u>	<u>48.00</u>	<u>0.00</u>
Total Regular Positions	499.50	503.50	503.50	0.00
Operating Budget FTEs	0.50	0.50	0.50	0.00
PAYGO Budget FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total FTEs	0.50	0.50	0.50	0.00
Total Personnel	500.00	504.00	504.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	30.01	5.96%
Positions and Percentage Vacant as of 12/31/14	32	6.4%

- The fiscal 2016 allowance for the personnel complement remains unchanged, however, five new positions to maintain service for expanded facility operations were added in January 2015 by the Board of Public Works outside of the “Rule of 100,” paid for entirely by special funds.
- The budgeted turnover rate in fiscal 2016 is 5.96%, requiring 30.01 vacant positions. As of December 31, 2014, the department had 32.0 vacant positions for a turnover rate of 6.4%.

Analysis in Brief

Major Trends

Total Passengers Decrease: Largely due to the federal budget shutdown, a weak economy, and sequestration, the number of passengers at Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) declined by 2.4% in calendar 2014. **The Maryland Aviation Administration (MAA) should comment on whether the decline in fuel prices or other factors could drive an increase in passengers at BWI Marshall Airport.**

Passenger Market Share Flat: BWI Marshall Airport maintained its market share in calendar 2014 relative to Ronald Reagan Washington National Airport and Washington Dulles International Airport. **The Department of Legislative Services (DLS) recommends that MAA discuss the competitive landscape and what the coming years may hold for airports in the region. MAA should also discuss the impact of the growth in international service at BWI Marshall Airport.**

Cost and Revenue Per Enplaned Passenger: The cost per enplaned passenger at BWI Marshall Airport increased from \$9.50 to \$9.88, while the revenue per enplaned passenger decreased from \$11.09 to \$10.16.

Financial Results: Net operating income of \$26.8 million is expected in fiscal 2016. Operating and capital spending for MAA will outpace revenue in fiscal 2016 by \$61.2 million, requiring a subsidy from the Transportation Trust Fund.

Issues

Plans for BWI Hotel Progress: MAA is continuing with its plans to build a hotel next to the hourly parking garage and linked to the terminal via skywalk. The \$2.9 million demolition of the closed Four Points by Sheraton BWI and grading of the site will be finished spring 2015, and MAA will issue a request for proposal to enter into a long-term lease – likely 50 years – with a developer in order to complete the project. **DLS recommends that MAA discuss its plan for a new hotel and why maintaining ownership and entering a long-term lease for operation of the hotel, rather than selling the property, is more beneficial to MAA.**

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Update

Small Business Reserve Program: MAA awarded 27 nondesignated contracts to small businesses totaling \$115.8 million over the fiscal 2009 to 2014 period, and another 20 designated Small Business Reserve procurements totaling \$17.7 million.

J00I00
Maryland Aviation Administration
Maryland Department of Transportation

Budget Analysis

Program Description

The Maryland Aviation Administration (MAA) has responsibility for fostering, developing, and regulating aviation activity throughout the State. MAA is responsible for operating, maintaining, and developing the State-owned Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) as a major center of commercial air carrier service in the State and Martin State Airport (MTN) as a general aviation reliever facility and as a support facility for the Maryland Air National Guard and the Maryland State Police. MAA strives to make the Maryland aviation system the “Easy Come, Easy Go” gateway to the world, and to achieve this it has identified the following key goals:

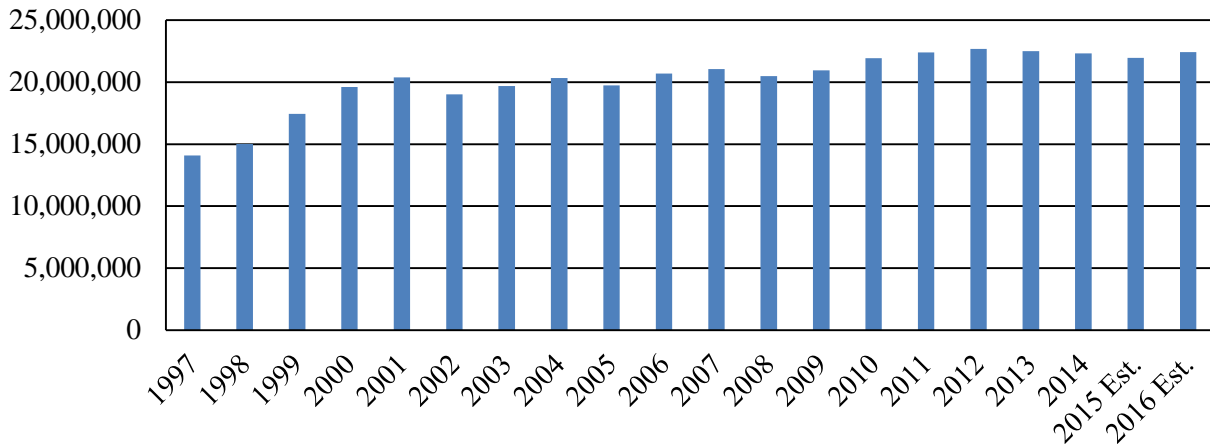
- keeping BWI Marshall Airport passengers, tenants, and facilities safe;
- operating BWI Marshall Airport efficiently and effectively;
- attracting, maintaining, and expanding air service; and
- providing exceptional service.

Performance Analysis: Managing for Results

1. Total Passengers Decrease

Passenger traffic at BWI Marshall Airport totaled 22.3 million passengers, a decrease of 0.8% from calendar 2013 to 2014. As shown in **Exhibit 1**, over the last two decades, passengers have increased from 14.0 million in calendar 1997 to 22.5 million in calendar 2013. Since calendar 2008, BWI Marshall Airport saw steady growth in passengers despite the economic downturn. Beginning in calendar 2013, the decline in passengers is largely attributable to the impact of the federal budget shutdown and sequestration, and the weak economy. The decline in passengers continued into calendar 2014, however, the decline was lower than expected, and MAA is currently revising its’ 2015 and 2016 estimates higher.

Exhibit 1
Total Passengers at Baltimore/Washington International
Thurgood Marshall Airport
Calendar 1997-2016 Est.



Source: Maryland Aviation Administration

As has been the case for several years now, Southwest Airlines remains the dominant airline at BWI Marshall Airport. For the 12-month period ending in November 2014, Southwest Airlines' share of passengers totaled 71.2%. The next largest carrier is Delta Air Lines, which accounts for 9.0% of passengers. International carriers accounted for 0.9% of passengers at BWI Marshall Airport.

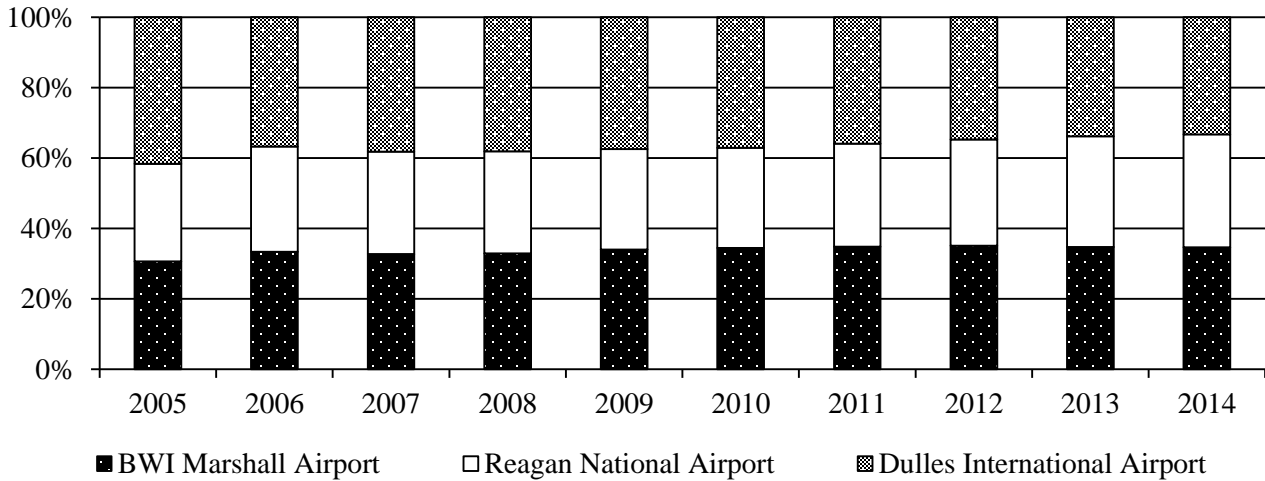
It should also be noted that jet fuel prices have declined by nearly 50% over the past year, however, it's unclear if airlines have yet to pass those savings on to customers. **MAA should comment on whether the decline in fuel prices or other factors could drive an increase in passengers at BWI Marshall Airport.**

2. Passenger Market Share Flat

In order for BWI Marshall Airport to experience growth in business, it must remain competitive with other airports. In addition to competing with other airports nationally and internationally, BWI Marshall Airport must also compete for passengers closer to home in the Washington region due to the proximity of the Washington Dulles International Airport (Dulles International Airport) and Ronald Reagan Washington National Airport (Reagan National Airport).

As shown in **Exhibit 2**, BWI Marshall Airport maintained its market share in calendar 2014 relative to Reagan National Airport and Dulles International Airport. Over time, BWI Marshall Airport

**Exhibit 2
Passenger Market Share
Calendar 2005-2014**



BWI Marshall Airport: Baltimore-Washington International Thurgood Marshall Airport
 Dulles International Airport: Washington Dulles International Airport
 Reagan National Airport: Ronald Reagan Washington National Airport

Source: Maryland Aviation Administration

has been able to take market share from Dulles International Airport and increase its market share from approximately 31% to 35%. Reagan National Airport has also been able to increase its market share over time as well. Recently, Southwest added several international flights, with plans for further international expansion. The first three routes added were to Aruba, Montego Bay, and Nassau. **The Department of Legislative Services (DLS) recommends that MAA discuss the competitive landscape and what the coming years may hold for airports in the region. MAA should also discuss the impact of the growth in international service at BWI Marshall Airport.**

3. Cost and Revenue Per Enplaned Passenger

Two important financial calculations considered in regard to airports are the cost per enplaned passenger (CPE) and the non-airline revenue per enplaned passenger (RPE). Non-airline revenue includes parking, concessions, rental cars, and other revenue sources. In regard to the CPE, part of BWI Marshall Airport’s success has been its ability to maintain low CPE rates, which attracts and retains low-cost carriers such as Southwest Airlines. At BWI Marshall Airport, like all airports, operating costs are passed on to airlines through building rent, landing fees, and other user charges. Therefore, both MAA and the airlines have an interest in keeping operating costs as low as possible.

As shown in **Exhibit 3**, from fiscal 2013 to 2014, BWI Marshall Airport’s CPE increased slightly from \$9.50 to \$9.88. This increase is due to higher landing fees and terminal rental rates designed to recover higher operating expenses. In fiscal 2015, the CPE is expected to increase due to a combination of increased operating costs and a decrease in enplaned passengers. The CPE is then expected to decrease in fiscal 2016 due to an increase in passengers. BWI Marshall Airport continues to remain well below the cost average for other regional airports – Reagan National Airport, Dulles International Airport, and Philadelphia International Airport. These lower costs per passenger make BWI Marshall Airport an attractive airport for airlines.

Exhibit 3
Cost and Revenue Per Enplaned Passenger
Fiscal 2010-2016 Est.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 Est.</u>	<u>2016 Est.</u>
Cost Per Enplaned Passenger							
BWI Marshall Airport	\$9.39	\$9.18	\$9.29	\$9.50	\$9.88	\$10.35	\$10.15
Regional Airport’s Average	13.31	15.15	14.9	17.28	17.88	18.33	18.94
Non-airline Revenue Per Enplaned Passenger							
BWI Marshall Airport	\$10.09	\$10.31	\$10.13	\$11.09	\$10.16	\$9.87	\$9.85
Regional Airports Average	10.86	10.8	10.88	12.04	–	–	–

BWI Marshall Airport: Baltimore-Washington International Thurgood Marshall Airport

Note: Actual data for fiscal 2014 for regional airports is not yet available. The amount shown as the fiscal 2014 cost per enplaned passenger is an estimate only. Cost projections beyond fiscal 2014 and projections of revenues for regional airports are not available.

Source: Maryland Aviation Administration

In terms of the RPE, the numbers fluctuate year to year based upon one-time items. The decrease in the RPE for fiscal 2014 is attributable to one-time land sales in fiscal 2013 favorably affecting the ratio. Fiscal 2015 estimates reflect a decrease in concession, parking, and other revenues, and fiscal 2016 estimates reflect modest revenue growth driven by passenger growth.

4. Financial Results

Unlike most other State agencies that rely solely on the State for all support, MAA receives operating revenues that help offset its expenditures. Its profitability determines how much the Transportation Trust Fund (TTF) must provide as a subsidy. Although MAA’s revenues have typically covered its operating expenses, MAA relies on the TTF or other non-MAA financing mechanisms to fund its capital program.

Exhibit 4 shows MAA’s special fund revenues and expenditures. In fiscal 2016, revenues are expected to decrease from fiscal 2015 levels while spending also decreases slightly, operating and capital spending outpace revenues by \$61.2 million.

Exhibit 4
Special Fund Revenues and Expenditures
Fiscal 2013-2016

	<u>2013</u>	<u>2014</u>	<u>Work. Approp. 2015</u>	<u>Allowance 2016</u>	<u>\$ Change 2015-2016</u>	<u>% Change 2015-2016</u>
Operating Revenues						
Flight Activities	\$60,444	\$64,125	\$61,002	\$61,991	\$989	1.62%
Rent and User Fees	59,043	64,238	65,036	65,849	813	1.25%
Concessions	78,697	77,486	72,261	74,094	1,833	2.54%
Other Revenues	14,702	2,657	10,964	2,933	-8,031	-73.25%
Martin State Airport	7,885	8,784	7,901	8,133	232	2.94%
Revenues Subtotal	\$220,771	\$217,290	\$217,164	\$213,000	-\$4,164	-1.92%
Operating Expenditures ¹	\$170,473	\$189,085	\$179,981	\$186,169 ²	\$6,188	3.44%
Net Operating Income	\$50,298	\$28,205	\$37,183	\$26,831	-\$10,352	-27.84%
Capital Expenditures ¹	\$55,622	\$81,837	\$95,614	\$87,992	-\$7,622	-7.97%
Net Income/Loss	-\$5,324	-\$53,632	-\$58,431	-\$61,161	-\$2,730	-4.67%

¹ Includes special funds only.

² Adjusted for cost containment.

Source: Maryland Aviation Administration

It is important to note that in looking at MAA capital expenditures in a business manner, consideration should be given to the fact that capital expenditures are often paid for in a single year, or over multiple years, which decreases TTF expenditures for other purposes. Reimbursement from the airlines (through the Basic Use and Lease Agreement) actually takes place over 5 to 30 years, meaning that revenues and capital expenditures may not match in a year-to-year comparison.

Proposed Budget

As shown in **Exhibit 5**, the fiscal 2016 allowance increases by \$6.1 million, or 3.4%. A \$6.2 million increase in special funds is offset with a small decrease in federal funds. The largest change comes from utility cost increases, with electricity increasing by \$2.6 million per Department of Budget and Management instructions, and natural gas and propane costs increasing by \$300,000. Repairs and upgrades to various passenger communications systems, such as touch-screen way-finding systems and public address systems, will increase costs in fiscal 2016 by \$400,000. A reduction of \$393,690 is due to moving the purchase of vehicles from the operating to the capital program.

Cost Containment

In fiscal 2016, several across-the-board reductions are being implemented. For MAA, this includes the elimination of employee increments and a revision to the salary plan, which reflects the abolition of the 2% general salary increase provided on January 1, 2015. The effect of these reductions on MAA total \$835,472.

Exhibit 5
Proposed Budget
MDOT Maryland Aviation 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	\$189,085	\$655	\$189,740
Fiscal 2015 Working Appropriation	179,981	776	180,757
Fiscal 2016 Allowance	<u>186,169</u>	<u>646</u>	<u>186,814</u>
Fiscal 2015-2016 Amt. Change	\$6,188	-\$131	\$6,057
Fiscal 2015-2016 Percent Change	3.4%	-16.8%	3.4%

Where It Goes:

Personnel Expenses

Section 20: abolition of prior year 2% general salary increase.....	-\$469
Section 21: abolition of employee increments.....	-367
Employee and retiree health insurance	1,111
Workers' compensation premium assessment and unemployment compensation	-74
Turnover adjustments.....	-79
Retirement and Social Security contributions.....	416
Increments and general salary increase annualization (prior to cost containment) ...	1,129

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Where It Goes:

Other Changes

Electricity per Department of Budget and Management (DBM) instructions	2,570
Passenger communication systems	400
Contractually mandated increase in shuttle bus and van service costs	400
Contractually mandated increase in janitorial service costs	302
Natural gas and propane per DBM instructions	300
Contractually mandated increase security service costs	270
Increased housekeeping costs	200
Contractual service costs for security systems.....	170
Motor vehicle purchase moved to capital program.....	-394
Other changes.....	172
Total	\$6,057

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.

PAYGO Capital Program

Program Description

MAA's capital program provides for the development and maintenance of facilities at BWI Marshall Airport and MTN. MAA undertakes projects that meet the demands of commercial and general aviation for both passenger and cargo activities at BWI Marshall Airport. At MTN, facilities improvements and rehabilitation activities such as runway and taxiway improvements, building and system renovations, and various maintenance projects are implemented.

Fiscal 2015 to 2020 Consolidated Transportation Program

MAA's total capital program from fiscal 2015 to 2020 totals \$651.1 million, a decrease of \$62.8 million compared to the fiscal 2014 to 2019 *Consolidated Transportation Program (CTP)*. Funding for projects in the fiscal 2015 to 2020 CTP is largely devoted to funding two types of projects. The first type is federally mandated improvements to runway safety areas (RSA) and pavement conditions through the pavement management program (PMP) at BWI Marshall Airport. The second type of project is concourse-related improvements. Currently, the CTP includes funding for the construction of the D/E connector.

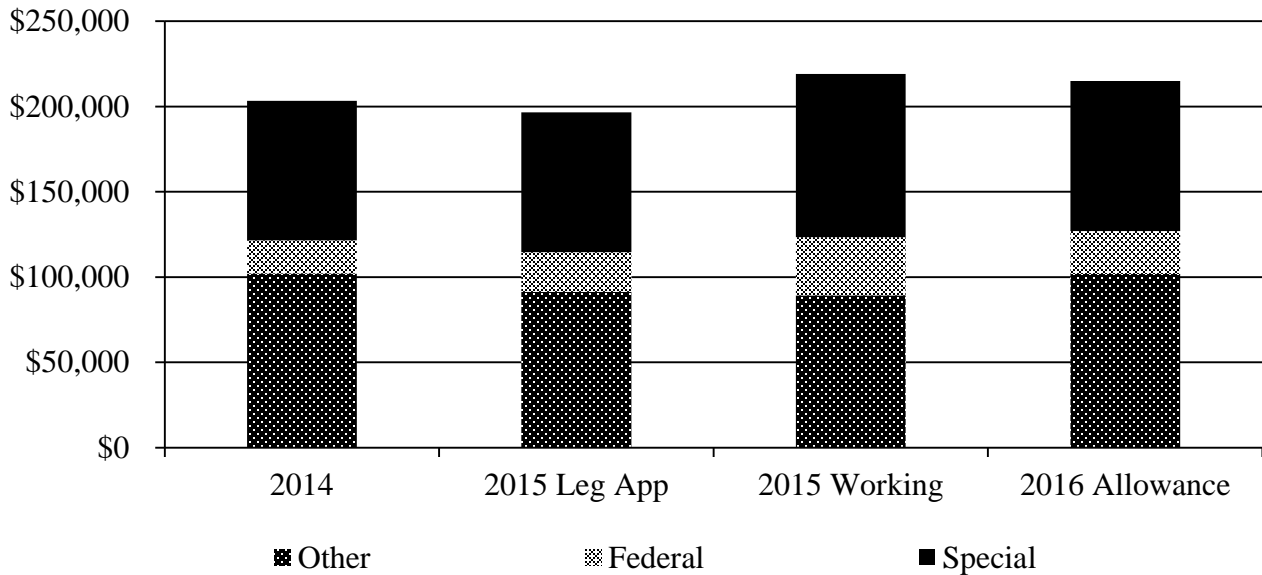
Fiscal 2015 and 2016 Cash Flow Analysis

Exhibit 6 shows that the fiscal 2015 working appropriation increased by \$24.6 million (not including nonbudgeted funds) compared to the legislative appropriation. Including nonbudgeted funds, the increase is \$22.5 million and includes the following:

- A \$26.9 million increase for system preservation projects.
- A \$15.9 million increase for several phases of federally mandated runway safety and pavement improvements.
- A \$12.3 million increase for the B/C Connector due to a \$6.5 million change order for the Concourse C widening portion of the project and a cash flow shift of \$5.8 million in costs from fiscal 2014 to 2015.
- A \$6 million increase for the new International Concourse extension that was added to the Development and Evaluation program.
- A \$38.9 million decrease for a schedule change for construction of the D/E Connector.

The fiscal 2016 allowance (including nonbudgeted funds) is \$4.0 million less than the working appropriation. A large, scheduled increase in spending of \$29.7 million on the D/E Connector and the new International Checked Baggage System (\$8.1 million increase) is offset by a \$35.3 million decrease in spending on minor system preservation projects.

**Exhibit 6
Cash Flow Changes
Fiscal 2014-2016**



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

Exhibit 7 shows the major projects in the construction program in the fiscal 2016 allowance. The projects listed account for 96.4% of the projects in the construction program. The International Checked Baggage Inspection System is the only project added to the construction program in the CTP.

Exhibit 7
Major Construction Projects
Funded in Fiscal 2016
(\$ in Thousands)

<u>Project</u>	<u>2016</u>	<u>Total Cost</u>	<u>Six-year Spending</u>	<u>Completion of Fiscal Cash Flow</u>
RSA/PMP Improvements Phases 2, 3, and 4 – consists of the design and construction of improvements to runway safety areas, runways, taxi lanes, deicing pads, pavement, pavement markings, lighting, and taxiway connection to meet federally mandated standards.	\$88,378	\$341,566	\$198,777	2017
Concourse D/E Connector – the relocation and consolidation of concourse D and E passenger screening checkpoints, the addition of a secure-side connector between Concourse D and E, converting existing entrances to egress space, and baggage screening improvements. Also adds two gates with access to international arrivals area allowing passengers to clear customs and border protection.	51,307	126,277	118,683	2017
International Checked Baggage Inspection System – improvements to baggage system configuration, equipment, and baggage makeup area.	10,300	16,000	16,000	2017
Loading Bridge Replacement Program – purchase and installation of 13 new passenger loading bridges.	5,452	12,480	12,077	2017
Total	\$155,437	\$496,323	\$345,537	

PMP: pavement management program
 RSA: runway safety areas

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

Projects Added to the Development and Evaluation Program

The International Concourse Extension is the only MAA project to be added to the Development and Evaluation Program. This project would accommodate expected passenger growth in international flights, with planning and engineering costs totaling \$13.3 million in fiscal 2015 and 2016.

Issues

1. Plans for BWI Hotel Progress

MAA is continuing with its plans to build a hotel next to the hourly parking garage and linked to the terminal via skywalk. MAA expects the \$2.9 million demolition of the closed Four Points by Sheraton BWI and grading of the site will be finished spring 2015.

Also this spring, MAA will issue a request for proposal (RFP) to enter into a long-term lease – likely 50 years – with a developer in order to complete the project. The developer would be responsible for the design, construction, finance, operation, and maintenance of the hotel. The issuance of the RFP was delayed by about one year in order for MAA management to perform due diligence on the project with an in-depth analysis of comparable airport hotel developments.

MAA stated that it has four objectives for the new hotel: (1) enhance customer experience through traveler conveniences, quality of services, meeting facilities, and amenities; (2) serve as the gateway to the Baltimore-Washington Metropolitan area; (3) design a hotel that reflects the architectural characteristics of BWI Marshall Airport; and (4) maximize revenues through ground rent and a percentage of new hotel revenues. **DLS recommends that MAA discuss its plan for a new hotel and why maintaining ownership and entering a long-term lease for operation of the hotel, rather than selling the property, is more beneficial to MAA.**

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Small Business Reserve Program

During the 2014 legislative session, the budget committees requested a report regarding MAA's Small Business Reserve Program (SBR), which is intended to bring more opportunities for small businesses.

MAA reported that it awarded 27 nondesignated contracts to small businesses totaling \$115.8 million over the fiscal 2009 to 2014 period, and another 20 designated SBR procurements totaling \$17.7 million. The average timeline was approximately four to six months from advertisement to award, although more complex architectural and engineering procurements took an average of 12 months. MAA also reports that it has sent extensive notifications to small businesses regarding procurement opportunities and has encouraged small businesses already working with the airport to become certified. In addition, MAA has unbundled some larger contracts to encourage more small business participation.

MAA also conducts outreach to encourage participation in the SBR program, including attending events geared toward small businesses as well as women-owned, minority-owned, and veteran-owned businesses. In the past year, MAA attended the Maryland Hispanic Business Conference, the Baltimore-Washington Regional Government Procurement Fair, the Baltimore Small Business Fair, the Government Procurement Fair, the Maryland Washington Minority Companies Association Spring Fair, and the Legislative Black Caucus Weekend.

Current and Prior Year Budgets

Current and Prior Year Budgets MDOT – Maryland Aviation 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	\$178,287	\$656	\$0	\$178,943
Deficiency Appropriation	0	-907	0	0	-907
Budget Amendments	0	12,540	0	0	12,540
Reversions and Cancellations	0	-836	-1	0	-837
Actual Expenditures	\$0	\$189,085	\$655	\$0	\$189,740
Fiscal 2015					
Legislative Appropriation	\$0	\$179,659	\$655	\$0	\$180,314
Cost Containment	0	0	0	0	0
Budget Amendments	0	323	121	0	444
Working Appropriation	\$0	\$179,981	\$776	\$0	\$180,757

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

MAA finished fiscal 2014 approximately \$10.8 million above its legislative appropriation.

Retirement contributions were reduced by \$647,743 and health care contributions were reduced by \$258,811 through special fund deficiency appropriations.

An amendment increased special funds by \$9.4 million for winter maintenance due to an extraordinary number of winter weather events, and another amendment increased special funds by \$2.5 million for electricity, also due to the severe winter and increased electric rates. Amendments for the cost-of-living adjustment (COLA) and salary increment increased the appropriation by \$613,112 in special funds.

The Administration cancelled approximately \$836,000 primarily due to lower than expected contributions to employee and retiree health insurance contributions.

Fiscal 2015

The fiscal 2015 legislative appropriation increased by \$322,536 in special funds for the COLA and by \$121,000 in federal funds for a grant for the airport's Canine Explosive Detection Squad.

**Object/Fund Difference Report
MDOT – Maryland Aviation 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	451.50	455.50	455.50	0.00	0%
02 Contractual	0.50	0.50	0.50	0.00	0%
Total Positions	452.00	456.00	456.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 39,798,265	\$ 39,778,854	\$ 42,281,471	\$ 2,502,617	6.3%
02 Technical and Spec. Fees	1,609,276	1,928,019	1,908,709	-19,310	-1.0%
03 Communication	1,368,266	1,667,775	1,667,775	0	0%
04 Travel	241,554	242,969	242,969	0	0%
06 Fuel and Utilities	16,670,636	14,153,521	17,104,302	2,950,781	20.8%
07 Motor Vehicles	4,159,844	3,712,735	3,377,085	-335,650	-9.0%
08 Contractual Services	79,485,755	81,884,788	83,448,138	1,563,350	1.9%
09 Supplies and Materials	9,424,502	6,364,925	6,564,925	200,000	3.1%
10 Equipment – Replacement	74,481	0	23,990	23,990	N/A
11 Equipment – Additional	211,980	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	952,120	900,987	977,482	76,495	8.5%
13 Fixed Charges	19,349,192	19,394,915	19,355,333	-39,582	-0.2%
14 Land and Structures	16,393,759	10,727,742	10,697,742	-30,000	-0.3%
Total Objects	\$ 189,739,630	\$ 180,757,230	\$ 187,649,921	\$ 6,892,691	3.8%
Funds					
03 Special Fund	\$ 189,084,630	\$ 179,981,230	\$ 187,004,421	\$ 7,023,191	3.9%
05 Federal Fund	655,000	776,000	645,500	-130,500	-16.8%
Total Funds	\$ 189,739,630	\$ 180,757,230	\$ 187,649,921	\$ 6,892,691	3.8%

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.

Fiscal Summary
MDOT – Maryland Aviation 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>
2021 BWI Marshall Airport	\$ 180,398,619	\$ 173,126,746	\$ 179,556,059	\$ 6,429,313	3.7%
2022 Martin State Airport	8,980,178	7,183,764	7,633,258	449,494	6.3%
2023 Regional Air Development	360,833	446,720	460,604	13,884	3.1%
2030 Facilities and Capital Equipment	99,206,567	126,241,000	108,331,912	-17,909,088	-14.2%
1270 Parking Revenue Control System	531,686	3,506,000	4,908,000	1,402,000	40.0%
7200 Consolidated Dispatch Center Upgrade	134,972	0	0	0	0%
7403 Integrated Airport Security Systems	1,330,690	0	0	0	0%
Total Expenditures	\$ 290,943,545	\$ 310,504,230	\$ 300,889,833	-\$ 9,614,397	-3.1%
Special Fund	\$ 270,921,790	\$ 275,595,230	\$ 274,996,333	-\$ 598,897	-0.2%
Federal Fund	20,021,755	34,909,000	25,893,500	-9,015,500	-25.8%
Total Appropriations	\$ 290,943,545	\$ 310,504,230	\$ 300,889,833	-\$ 9,614,397	-3.1%

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.

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

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$322,536	Special	Cost-of-living adjustment.
Approved	121,000	Federal	Additional funds for K-9 explosive detection teams.

Source: Maryland Department of Transportation

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

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$42,502	Special	Cost-of-living adjustment.
Approved	10,980,000	Federal	Additional funds for Runway Safety Project.
Pending	13,551,473	Special	Adjust the amended appropriation to agree with the final fiscal 2015 to 2020 CTP.
	-1,000	Federal	
	\$13,550,473	Total	

CTP: *Consolidated Transportation Program*

Source: Maryland Department of Transportation