

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 760 (Senators Pugh and Harrington)
Budget and Taxation

**Transportation - Consolidated Transportation Program - Evaluation and
Selection of Proposed Capital Projects**

This bill alters the process under which the Maryland Department of Transportation (MDOT) evaluates and selects capital projects to be included in the construction program of the *Consolidated Transportation Program* (CTP). The bill also requires the Smart Growth Subcabinet to conduct an annual review of transportation goals, benchmarks, and indicators.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by \$50,000 in FY 2011 for contractual costs. Future year expenditures reflect ongoing contractual costs and inflation. Revenues are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	50,000	35,400	25,500	20,600	20,800
Net Effect	(\$50,000)	(\$35,400)	(\$25,500)	(\$20,600)	(\$20,800)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local expenditures may increase in FY 2011 and future years to the extent local jurisdictions propose major capital projects for the CTP and are required to submit additional capital project information.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill requires the CTP to include a list of the current State transportation goals, program priorities, and, for projects in the construction phase, the criteria used to select major capital projects for inclusion in the capital program, as determined by MDOT.

The “State transportation goals” are the goals described in MDOT’s *Maryland Transportation Plan* (MTP). A “proposing entity” is a government agency or political subdivision that requests that a transportation project be included in the CTP and includes a county, municipality, a metropolitan planning organization, or a modal administration or any other MDOT agency.

The CTP must include a purpose and need summary statement that includes the following information:

- a general description and summary that describes why a project is necessary and satisfies State goals, including the current State transportation and climate action plan goals;
- the location of the project, including a map of the project limits, project area, or transportation corridor; and
- a summary of how the project meets the selection criteria for inclusion in the capital program.

The bill requires proposing entities to submit specified requests for major capital projects to the Secretary of Transportation with a purpose and need summary statement justifying the project that includes (1) the location of the project, including a map of the project’s limits, area, or transportation corridor; (2) the need for the project; and (3) a discussion of how the project addresses State transportation goals and supports local government land use plans and goals. MDOT must evaluate requests for major capital projects based on the State’s goals and, as appropriate, criteria as determined by the information submitted by the proposing entity and the availability of funding. As part of this evaluation, MDOT must acknowledge the difference between urban and rural transportation needs.

The bill also requires that:

- specified sections of MDOT’s annual report on the attainment of transportation goals must acknowledge the difference between urban and rural transportation needs;
- the CTP include information helpful to the general public;

- MDOT and a specified advisory committee consider the impact of transportation investment on (1) the environment, environmental justice, economic development, and communities; and (2) specified climate action plan goals; and
- MDOT's annual report on the attainment of transportation goals include specified information about accessibility and the estimated annual maintenance and operations costs.

Current Law/Background:

Consolidated Transportation Program

The CTP is MDOT's six-year budget for the construction, development, and evaluation of transportation capital projects. It is revised annually to reflect updated information and changing priorities. It contains a list of current and anticipated major and minor capital projects for the fiscal year it is issued and for the next five fiscal years, including an expanded description of major capital projects; a detailed breakdown of the costs of a project, project expenditures to date, expected expenditures for the current fiscal year, projected annual expenditures for the next five years, and total project costs; and MDOT's estimates of the source (*i.e.*, federal funds, special funds, etc.) and amount of revenues required to fund projects in the CTP. The CTP also must contain updates on subjects such as bicycle and pedestrian transportation and technology spending.

Maryland Transportation Plan

The MTP is a 20-year forecast of State transportation needs based on MDOT's anticipated financial resources during that 20-year period and it must be revised every five years through an inclusive public participation process. Furthermore, it must be expressed in terms of goals and objectives and include a summary of the types of projects and programs that are proposed to accomplish the goals and objectives, using a multimodal approach when feasible. The latest MTP was released in January 2009 and the next update is expected in 2014.

Climate Action Plan

In August 2008 the Maryland Commission on Climate Change issued its Climate Action Plan, which includes a comprehensive assessment of climate change impacts in Maryland and a review and assessment of the costs of inaction. The plan recommends the adoption of goals to reduce greenhouse gas (GHG) emissions by 10% by 2012; 15% by 2015; 25% to 50% by 2020; and 90% by 2050 (from 2006 levels). The plan includes a suite of 42 mitigation strategies to meet those goals; according to the commission, adoption of those strategies will achieve an approximate reduction in GHG emissions of 40% to 55%

from 2006 levels by 2020. Finally, the plan includes a comprehensive strategy for reducing Maryland's vulnerability to climate change. Chapters 171 and 172 of 2009 require the State to develop plans, adopt regulations, and implement programs to reduce GHG emissions by 25% from 2006 levels by 2020.

Smart Growth Subcabinet

The Smart Growth Subcabinet was established in 2001 (Chapter 566) to promote smart growth policy. Specifically, the 13-member Smart Growth Subcabinet must (1) provide a forum for discussion of interdepartmental issues; (2) work together using all available resources to promote the understanding of Smart Growth; (3) in coordination with State agencies, evaluate and report annually to the Governor and the General Assembly on the implementation of the State's Smart Growth policy; and (4) perform other duties assigned by the Governor.

State Expenditures: TTF expenditures increase by \$50,000 in fiscal 2011 to develop the additional planning and evaluation information the bill requires. This estimate assumes consultants:

- identify, evaluate, and recommend criteria that meet MTP and Climate Action Plan goals and are applicable to specified MDOT major capital projects;
- adjust the CTP development computer software to incorporate the information and criteria required by the bill; and
- establish a methodology for evaluating capital projects and assist with the evaluation of capital projects.

Future year expenditures are adjusted for inflation and are estimated at \$35,350 in fiscal 2012, \$25,503 in fiscal 2013, \$20,606 in fiscal 2014, and \$20,812 in fiscal 2015 for ongoing consultant assistance with capital project evaluation.

This estimate assumes the Maryland Department of the Environment and the Smart Growth Subcabinet can handle the bill's requirements with existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: HB 1155 (Delegate Lafferty, *et al.*) - Ways and Means and Environmental Matters.

Information Source(s): Charles, Frederick, and Montgomery counties; cities of Frederick and Havre de Grace; Maryland Department of the Environment; Maryland Department of Planning; Maryland Department of Transportation; Department of Legislative Services

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