

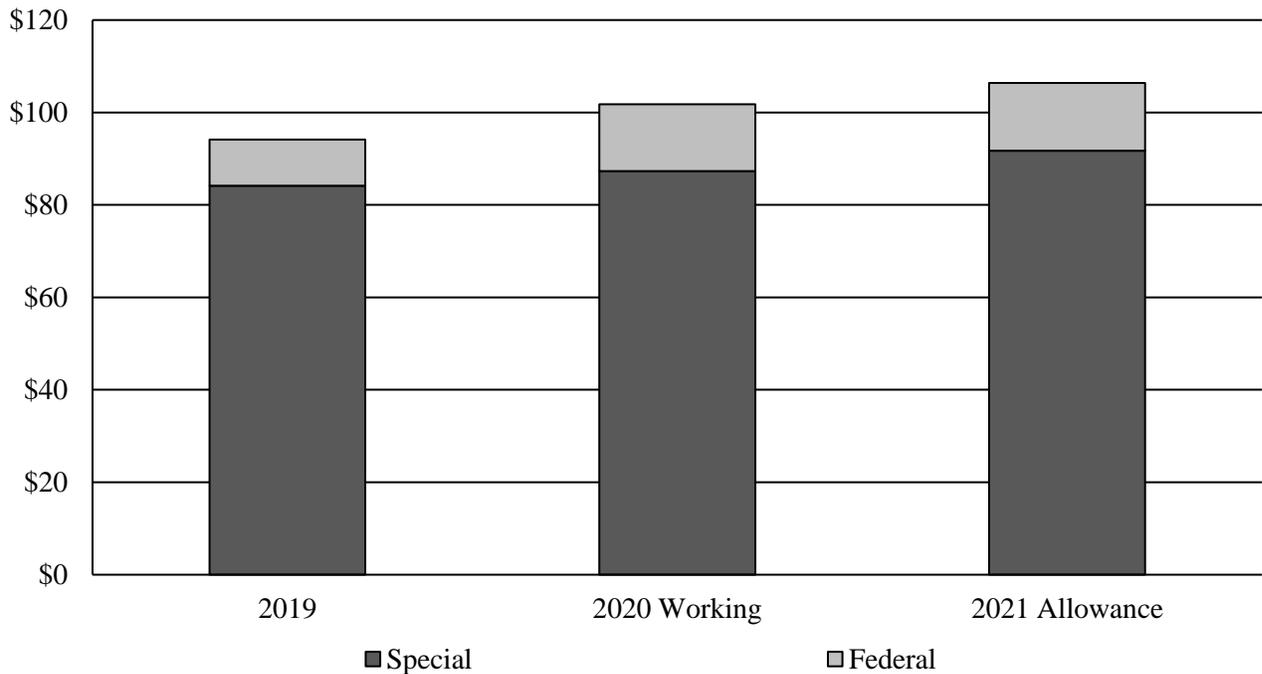
J00A01
The Secretary's Office
Maryland Department of Transportation

Executive Summary

The Secretary's Office (TSO) provides overall policy direction, management, and administrative support to the Maryland Department of Transportation. The budget for TSO includes grants to various entities for transportation-related purposes.

Operating Budget Summary

Budget Increases \$5.1 Million or 5.0% to \$107.0 Million in Fiscal 2021
(\$ in Millions)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

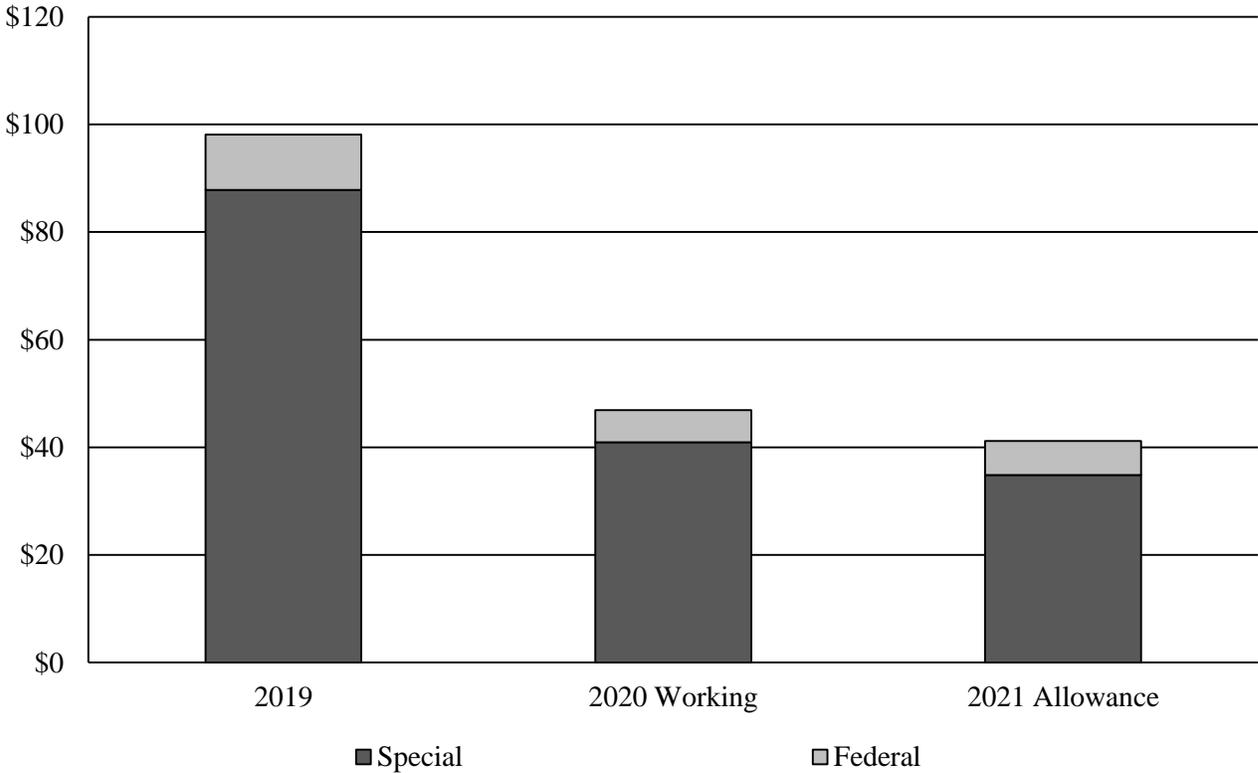
- Roughly one-third of the increase in the fiscal 2021 allowance is related to personnel expenses driven by position reclassifications, retirement and health insurance contributions, and the general salary increase. Cost allocations for services provided by other State agencies and operating grants-in-aid account for an additional 30% of the increase. The remaining increase pertains to departmental administration expenses with software costs being the largest item of increase.

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PAYGO Capital Budget Summary

**PAYGO Capital Budget Decreases \$5.7 Million or -12.1% to \$41.2 Million
In Fiscal 2021
(\$ in Millions)**



Note: Numbers may not sum due to rounding.

-
- A \$9.2 million decrease in funding for system preservation and minor projects is partially offset by increased funding for major projects (\$2.3 million) and the development and evaluation program (\$1.4 million).

Key Observations

- System preservation funding in fiscal 2022 and 2023 is projected to fall below \$850 million goal.

Operating Budget Recommended Actions

1. Add annual budget bill language restricting operating grants-in-aid funding.

PAYGO Budget Recommended Actions

1. Add annual budget bill language limiting system preservation and minor project funding to the projects identified in the Consolidated Transportation Program.

Updates

- Transit-oriented development project updates are provided.

J00A01
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Budget Analysis

Program Description

The Secretary's Office (TSO) provides overall policy direction, management, and administrative support to the Maryland Department of Transportation (MDOT). Units within the office provide support in the areas of finance, procurement, engineering, audits, administrative services, planning and capital programming, human resources, and Minority Business Enterprise certification. Executive staff support is also provided for management services, public affairs, the general counsel's office, and policy and governmental relations. Within TSO, the Office of Transportation Technology Services provides centralized computing, network, infrastructure, and general information technology (IT) services for MDOT. TSO also makes grants to various entities for transportation-related purposes.

Key goals of the department are:

- ensuring a safe, secure, and resilient transportation system;
- maintaining a high standard and modernizing Maryland's multimodal transportation system;
- improving the quality and efficiency of the transportation system to enhance customer experience;
- providing better transportation choices and connections;
- facilitating economic opportunity and reducing congestion in Maryland through strategic system expansion;
- ensuring environmental protection and sensitivity; and
- promoting fiscal responsibility.

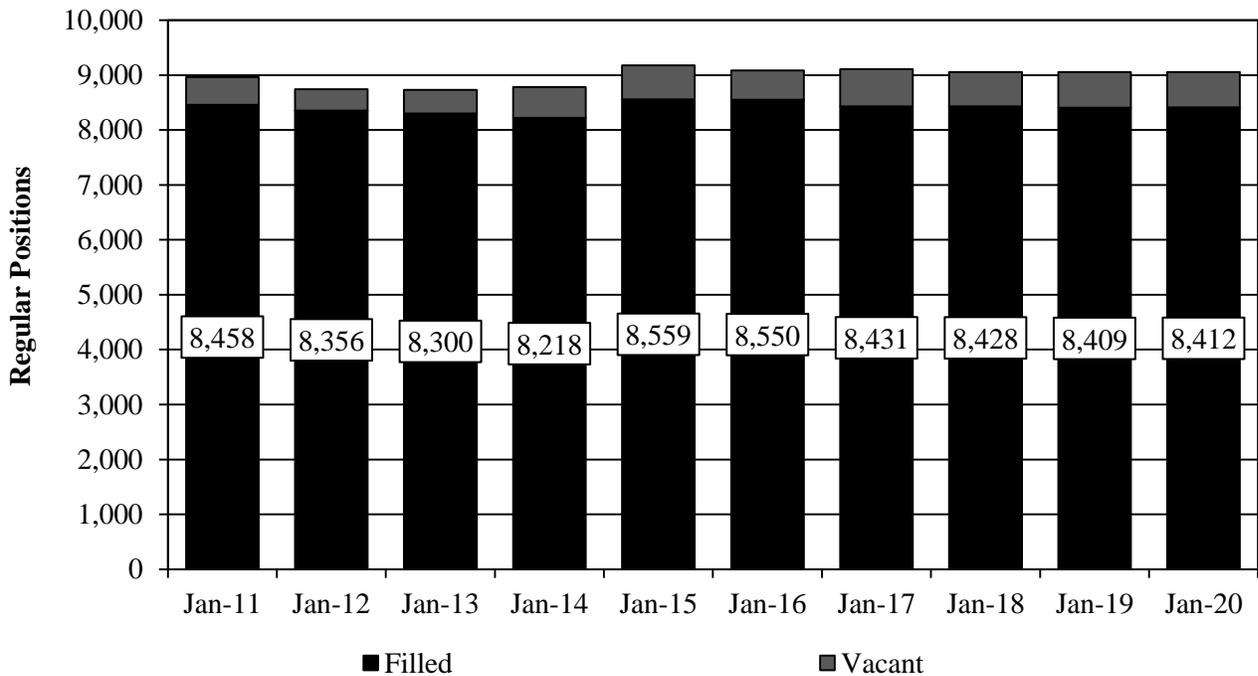
Performance Analysis: Managing for Results

1. Productivity and Quality – Recruit and Retain Quality Employees

One of the key factors that affects an agency's ability to carry out its mission and achieve its goals is having an adequate number of filled positions to do the work. **Exhibit 1** shows the number of filled and vacant positions for all modes on January 1 of each year from 2011 to 2020. There were

3.8 more filled MDOT positions on January 1, 2020, than a year earlier. The vacancy rate for the department as a whole was 7.1%. Among the MDOT business units, the State Highway Administration (SHA) had the highest vacancy rate at 10.3% while the Maryland Transit Administration (MTA) had the lowest at 4.2%.

**Exhibit 1
Departmentwide Filled and Vacant Positions
On January 1, 2011-2020**



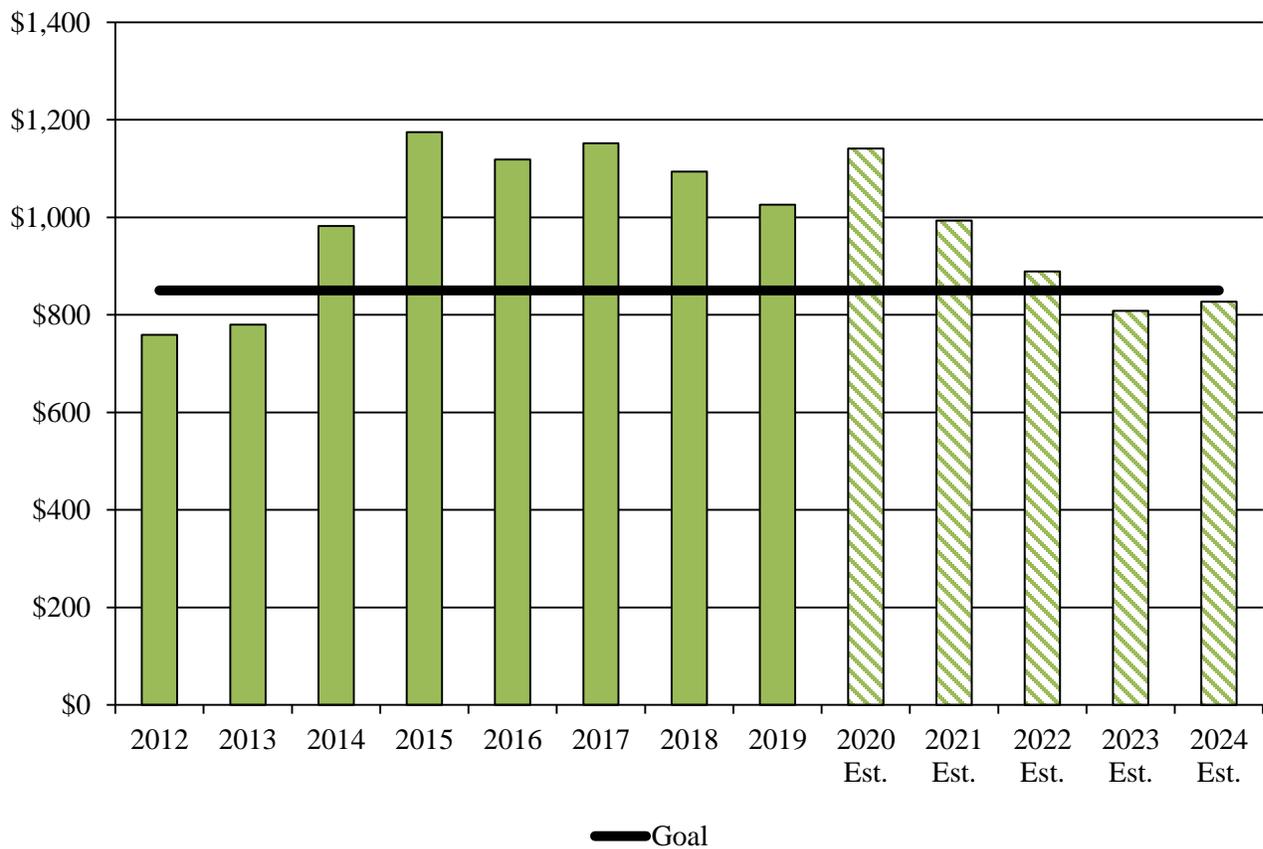
Source: Maryland Department of Transportation; Department of Legislative Services

2. Promote Fiscal Responsibility – System Preservation

Part of TSO’s goal to promote fiscal responsibility is to maintain Maryland’s transportation network in a state of good repair. One objective for meeting this goal is that system preservation should be adequately funded at no less than \$850 million annually. As shown in **Exhibit 2**, this goal has been achieved every year since fiscal 2014, the year following the last major revenue increase for the trust fund, and projections show the goal will be met in both fiscal 2020 and 2021. However, as currently programmed in the *Consolidated Transportation Program (CTP)*, funding will fall short of the goal in both fiscal 2023 and 2024 (\$808.3 million and \$827.1 million, respectively). This shortfall coincides with increased non-Transportation Trust Fund (TTF) State support for transportation projects from both

general funds and general obligation bonds. MDOT should comment on why adequate provision for system preservation is not being made in the current forecast period especially in light of the increased reliance on non-TTF resources contained in the forecast. MDOT should further discuss how it is addressing the apparent failure of the TTF to function as intended *vis-à-vis* providing the funding needed to construct, operate, and maintain Maryland’s transportation system.

Exhibit 2
System Preservation Funding
Fiscal 2012-2024
(\$ in Millions)

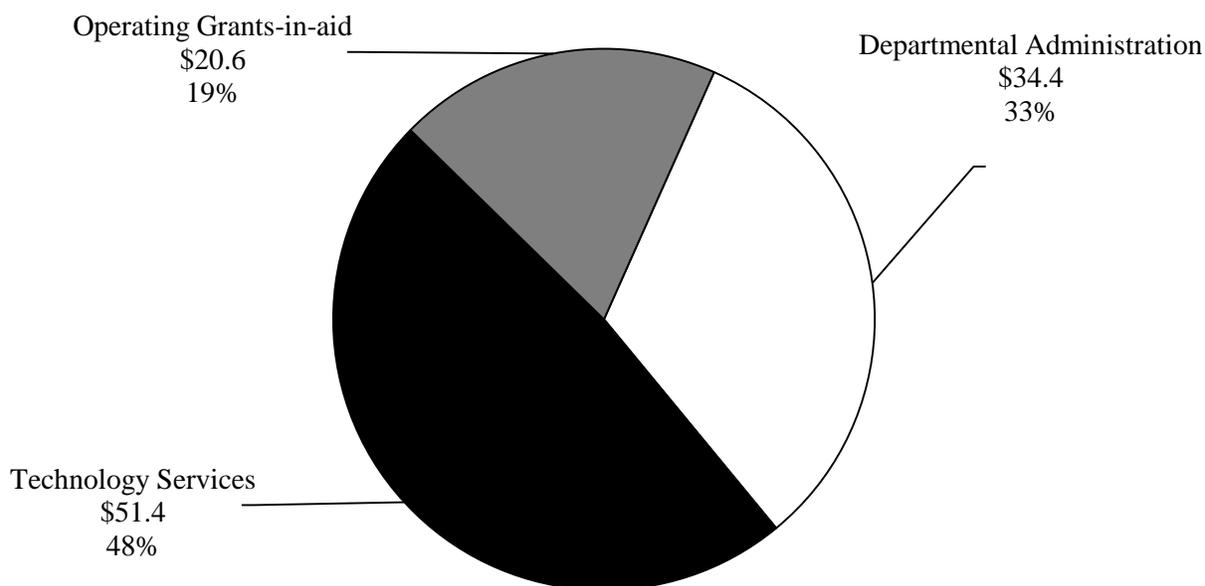


Source: Maryland Department of Transportation; Department of Legislative Services

Fiscal 2021 Overview of Agency Spending

As shown in **Exhibit 3**, nearly half of the TSO fiscal 2021 operating allowance (48%) is devoted to providing IT support to the department. Departmental administration accounts for 33% of the operating budget, and the remaining 19% is used to provide transportation-related grants.

Exhibit 3
The Secretary’s Office Fiscal 2021 Allowance by Use
(\$ in Millions)



Total: \$106.4 Million

Note: Does not include funding for the general salary increase that will be added by budget amendment.

Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 4**, the fiscal 2021 operating allowance for TSO increases by a net \$5.1 million. Personnel expenses add \$1.7 million, and cost allocations for services provided by other State agencies adds an additional \$1.1 million. The remaining increases occur in departmental administration (\$1.8 million) and grants-in-aid (\$478,000).

Exhibit 4
Proposed Budget
MDOT – The Secretary’s Office
(\$ in Thousands)

How Much It Grows:	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Total</u>
Fiscal 2019 Actual	\$84,119	\$10,019	\$94,138
Fiscal 2020 Working Appropriation	87,495	14,437	101,932
Fiscal 2021 Allowance	<u>92,282</u>	<u>14,726</u>	<u>107,008</u>
Fiscal 2020-2021 Amount Change	\$4,787	\$289	\$5,076
Fiscal 2020-2021 Percent Change	5.5%	2.0%	5.0%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Position reclassifications – Agile Human Resources.....	\$585
Employee retirement.....	421
Employee and retiree health insurance	377
Fiscal 2021 general salary increase.....	296
2 positions transferred in for contract monitoring unit	219
Annualize fiscal 2020 general salary increase	141
Additional assistance	32
Turnover adjustments.....	-173
Workers’ compensation premium assessment	-177
Other fringe benefit adjustments.....	-11
Departmental Administration	
Software acquisition.....	1,020
Audit and consulting contractual services	400
Office of Technology Services – data processing contractual services	208
Software licenses	140
Cellphone usage.....	39
Mainframe equipment.....	22
Tuition reimbursement program	13
Utilities – electricity usage.....	-45
Cost Allocations	
Department of Budget and Management paid telecommunications	1,115
Department of Information Technology services allocation.....	142
Enterprise budget system allocation	103

J00A01 – MDOT –The Secretary’s Office

Where It Goes:	<u>Change</u>
Retirement administrative fee	-273
Operating Grants-in-aid	
Grants to metropolitan planning organizations	323
Payments in lieu of taxes	155
Other	4
Total	\$5,076

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

Operating Grants-in-aid

Operating grants-in-aid funding increases by \$477,366, comprising increases in funding for metropolitan planning organizations of \$332,547 and increases in payments in lieu of taxes of \$154,819. **Exhibit 5** provides a listing of the operating grants-in-aid for fiscal 2021.

**Exhibit 5
Operating Grants-in-aid Funding
Fiscal 2021**

<u>Grant Recipient</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
Baltimore MPO	\$810,320	\$7,415,550	\$8,225,870
Cumberland MPO	18,392	147,130	165,522
Hagerstown MPO	27,448	219,590	247,038
Lexington Park MPO	42,759	342,075	384,834
Salisbury MPO	39,727	317,820	357,547
Washington MPO	768,528	6,148,231	6,916,759
Wilmington MPO	16,917	135,353	152,270
Department of Commerce (to support the Appalachian Regional Commission)	155,000	0	155,000
Maryland Department of Planning	258,000	0	258,000
Payments in Lieu of Taxes	1,818,870	0	1,818,870
Baltimore City – Marine Fire Suppression Services	1,399,940	0	1,399,940
Pride of Baltimore	500,000	0	500,000
Total	\$5,855,901	\$14,725,749	\$20,581,650

MPO: metropolitan planning organization

Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

J00A01 – MDOT –The Secretary’s Office

Language added to the fiscal 2020 budget restricted \$168,000 of the appropriation for operating grants-in-aid to be used only to cover transit fare costs for youth participating in summer employment programs in Montgomery and Prince George’s counties. An additional \$45,000 was restricted to provide a grant to the Baltimore Metropolitan Council to conduct a study on regional transportation authorities. MDOT advises that the Administration does not intend to spend this restricted funding and will let the restricted appropriations cancel at the end of the fiscal year.

Operating and PAYGO Personnel Data

	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 20-21</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Operating Budget Positions	307.00	306.00	308.00	2.00
Regular PAYGO Budget Positions	<u>14.00</u>	<u>13.00</u>	<u>14.00</u>	<u>1.00</u>
Total Regular Positions	321.00	319.00	322.00	3.00
Operating Budget FTEs	7.50	10.00	10.00	0.00
PAYGO Budget FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total FTEs	7.50	10.00	10.00	0.00
Total Personnel	328.50	329.00	332.00	3.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	22.37	7.00%
Positions and Percentage Vacant as of 12/31/19	28.00	8.78%

Vacancies Above Turnover 5.63 1.78%

- The number of regular positions for TSO increases by 3 in the allowance reflecting the transfer of 1 position each from SHA and MTA to staff a contract monitoring unit and the transfer of an additional position from SHA as a replacement for a position transferred to SHA in a prior year to work on public-private partnership development.

PAYGO Capital Program

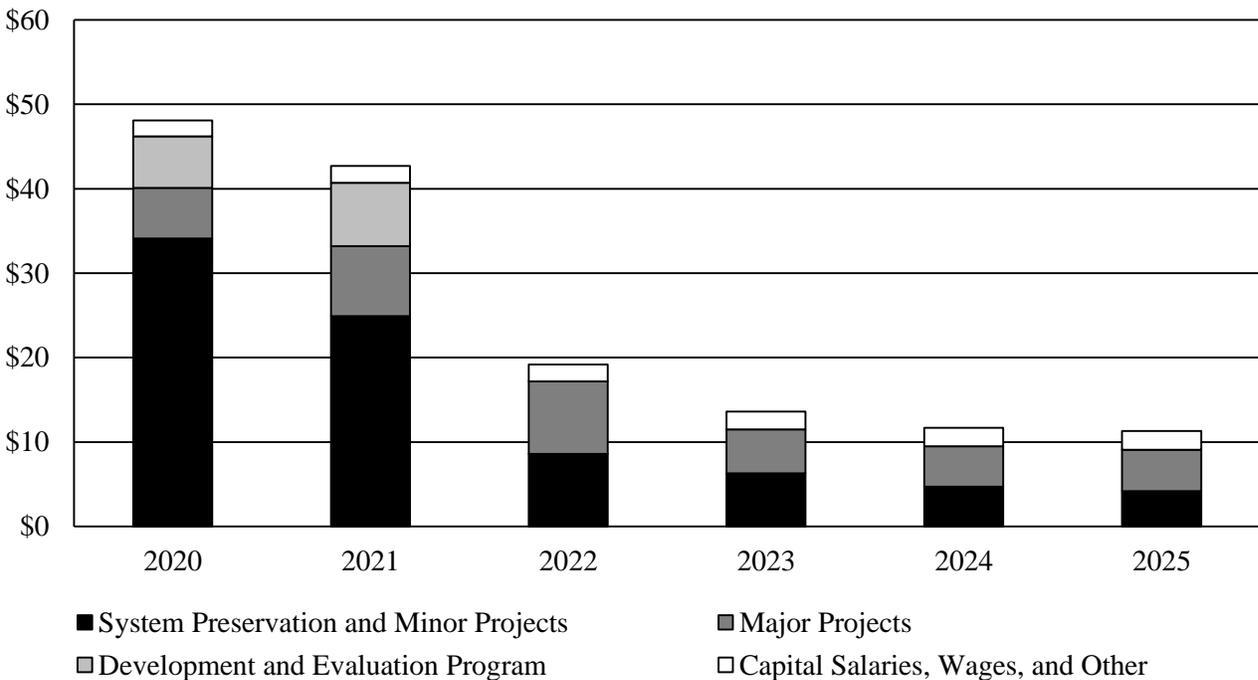
Program Description

The TSO capital program has historically consisted of projects that support the preservation of the MDOT headquarters systems and air quality initiatives in the Baltimore/Washington metropolitan areas. TSO provides capital grants to public and private entities for transportation-related purposes.

Fiscal 2020 to 2025 CTP

The fiscal 2020 to 2025 capital program for TSO totals \$146.5 million, a decrease of \$97.9 million compared to the prior year’s six-year capital program. As shown in **Exhibit 6**, programmed spending drops by more than half from fiscal 2021 to 2022, and by the final year of the plan, capital spending is just over a quarter of the amount funded in fiscal 2021. **The Secretary should comment on the impact that the projected reduction in capital spending will have, particularly as it relates to system preservation.**

Exhibit 6
Programmed Capital Spending in The Secretary’s Office
Fiscal 2020-2025
(\$ in Millions)



Source: Maryland Department of Transportation, 2020-2025 *Consolidated Transportation Program*

Fiscal 2021 Capital Allowance

The fiscal 2021 allowance for the TSO capital program, including other funds that do not flow through the TSO budget, totals \$42.7 million. **Exhibit 7** shows the fiscal 2021 capital program for TSO by project and program along with the estimated total project costs and six-year funding included in the CTP.

Exhibit 7
The Secretary’s Office PAYGO Capital Allowance
Fiscal 2021
(\$ in Millions)

<u>Project Description</u>	<u>2021</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Projects			
Baltimore-Washington Superconducting Maglev D&E	\$7.5	\$34.7	\$13.6
Programs			
System Preservation and Minor Projects	\$24.9	\$0.0	\$82.7
Transportation Emission Reduction Program	4.5	0.0	28.4
Bikeways Network Program	3.8	0.0	9.5
Capital Salaries and Wages	2.0	0.0	12.4
Subtotal – Programs	\$35.2	\$0.0	\$133.0
Total – Projects and Programs	\$42.7	\$34.7	\$146.6

D&E: development and evaluation
PAYGO: pay-as-you-go

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

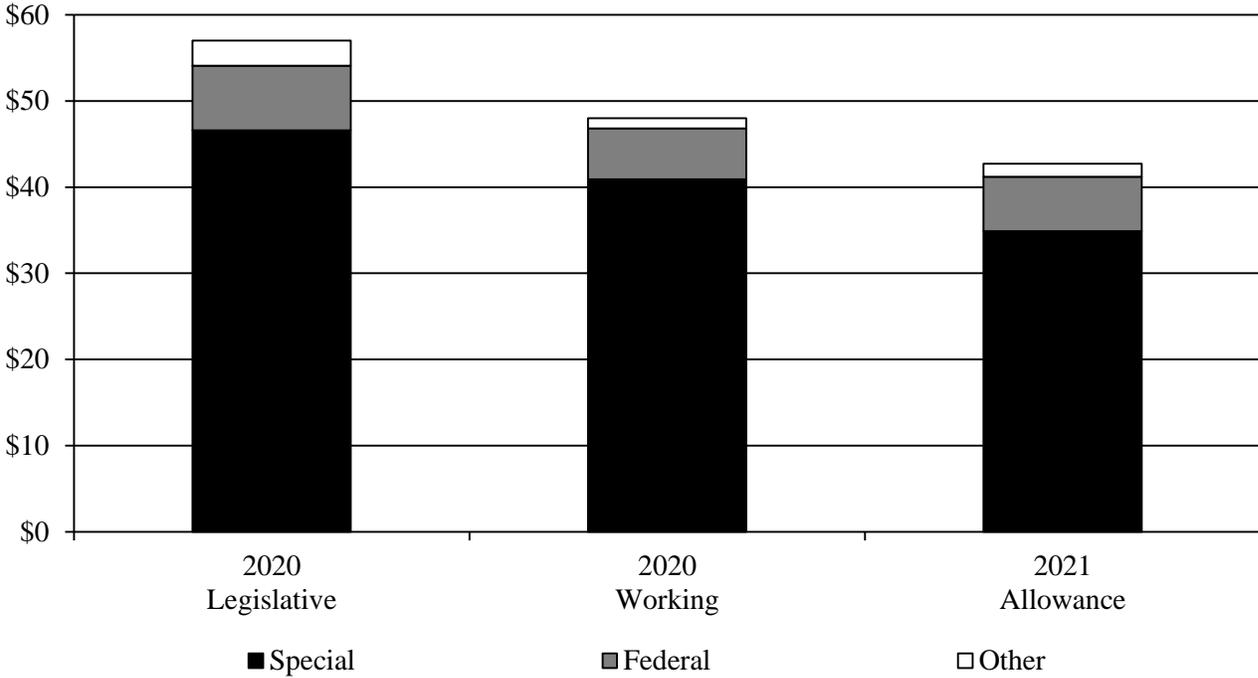
Source: Maryland Department of Transportation, 2020-2025 *Consolidated Transportation Program*

The System Preservation and Minor Projects program comprises numerous smaller cost projects and grants. The fiscal 2021 funding of \$24.9 million supports 11 grants, 11 IT projects, and 20 projects addressing maintenance of the department’s headquarters building and providing for various studies and capital services contracts.

Fiscal 2019 to 2021 Cash Flow Analysis

Exhibit 8 shows the changes in TSO capital funding, including other funds, which do not flow through the TSO budget, between the fiscal 2020 legislative and working appropriations and between the fiscal 2020 working appropriation and the fiscal 2021 allowance.

Exhibit 8
Cash Flow Changes
Fiscal 2020-2021
(\$ in Millions)



Source: Maryland Department of Transportation, 2019 and 2020 *Consolidated Transportation Programs*; Department of Legislative Services

Cash Flow Analysis – Fiscal 2020 Changes

The fiscal 2020 working appropriation is a net \$9.0 million lower than the fiscal 2020 legislative appropriation. **Exhibit 9** shows the components of this reduction.

Exhibit 9
Cash Flow Changes
Fiscal 2020 Legislative to Working Appropriations
(\$ in Thousands)

Major Projects		-\$2,170
Bikeways Network Program	-\$2,362	
Transportation Emission Reduction Program	192	
System Preservation and Minor Projects		-\$2,600
Development and Evaluation Program		-\$4,027
Baltimore-Washington Superconducting Maglev D&E	-\$4,027	
Capital Salaries and Wages		-\$100
Total Change		-\$8,897

D&E: development and evaluation

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

Source: Maryland Department of Transportation, 2019 and 2020 *Consolidated Transportation Programs*; Department of Legislative Services

Some of the larger changes in system preservation and minor project funding between the legislative and working appropriations comprise:

- \$2.1 million for the MDOT headquarters building;
- \$2.0 million for a new human resources system;
- -\$3.5 million for the Department Asset Management Program; and
- -\$4.9 million for the Department of Information Technology oversight costs on MDOT projects.

Cash Flow Analysis – Fiscal 2020 to 2021 Changes

Exhibit 10 shows the changes between the fiscal 2020 working appropriation and the fiscal 2021 allowance, including other funds that do not flow through the TSO budget.

Exhibit 10
Cash Flow Changes
Fiscal 2020 Working Appropriation to Fiscal 2021 Allowance
(\$ in Thousands)

Major Projects		\$2,290
Bikeways Network Program	\$2,388	
Transportation Emission Reduction Program	-98	
System Preservation and Minor Projects		-\$9,200
Development and Evaluation Program		\$1,394
Baltimore-Washington Superconducting Maglev D&E	\$1,394	
Capital Salaries and Wages		\$100
Total Change		-\$5,416

D&E: development and evaluation

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

Source: Maryland Department of Transportation, 2019 and 2020 *Consolidated Transportation Programs*; Department of Legislative Services

Some of the larger changes in system preservation and minor project funding between the fiscal 2020 working appropriation and the fiscal 2021 allowance comprise:

- \$1.3 million for the MDOT Office of Planning and Capital Programming consultant contract;
- \$1.2 million for the Department Asset Management Program;
- -\$2.6 million for the MDOT headquarters building; and
- -\$5.8 million for department IT improvement projects.

Operating Budget Recommended Actions

1. Add the following language to the special fund appropriation:

, provided that no more than \$5,855,901 of this appropriation may be expended for operating grants-in-aid, except for:

- (1) any additional special funds necessary to match unanticipated federal fund attainments;
or
- (2) any proposed increase either to provide funds for a new grantee or to expand funds for an existing grantee.

Further provided that no expenditures in excess of \$5,855,901 may occur unless the department provides notification to the budget committees to justify the need for additional expenditures due to either item (1) or (2) above, and the committees provide review and comment or 45 days elapse from the date such notification is provided to the committees.

Explanation: This annual language caps the level of special funds provided for operating grants-in-aid. The cap may be increased to match unanticipated federal dollars or to provide new or expanded grant funding upon notification to the budget committees.

Information Request	Author	Due Date
Explanation of need for additional special funds for operating grants-in-aid	Maryland Department of Transportation	45 days prior to expenditure

PAYGO Budget Recommended Actions

1. Add the following language to the special fund appropriation:

, provided that no funds may be expended by the Secretary’s Office for any system preservation or minor project with a total project cost in excess of \$500,000 that is not currently included in the fiscal 2020-2025 Consolidated Transportation Program, except as outlined below:

- (1) the Secretary shall notify the budget committees of any proposed system preservation or minor project with a total project cost in excess of \$500,000, including the need and justification for the project and its total cost; and

(2) the budget committees shall have 45 days to review and comment on the proposed system preservation or minor project.

Explanation: This language provides legislative oversight of grants exceeding \$500,000 that are not listed in the current Consolidated Transportation Program (CTP).

Information Request	Author	Due Date
Notification of the intent to fund a capital grant exceeding \$500,000 that is not listed in the current CTP	Maryland Department of Transportation	45 days prior to expenditure

Updates

1. Transit-oriented Development – Project Updates

Background

The Office of Real Estate and Economic Development in TSO is responsible for disposing of excess land owned by MDOT as well as promoting development around transit stations. Transit-oriented development (TOD) projects are intended to create high density, livable, and walkable neighborhoods around transit stations. Chapters 122 and 123 of 2008 codified the department’s TOD activities and allowed the Secretary to designate a TOD with other State agencies and local governments or multi-county agencies with land-use and planning responsibility for the relevant area. The fiscal 2020 to 2025 CTP includes \$200,000 in fiscal 2020 and \$200,000 in fiscal 2021 for TOD implementation projects.

Project Overview

The Department of Legislative Services and MDOT agreed to an administrative process to provide for the reporting and oversight of TOD projects. Pursuant to this process, MDOT submits an annual report providing an update on active TOD projects. The 2019 MDOT report highlighted a number of TOD projects, as summarized below.

Projects at MDOT-owned Stations

- ***Savage Maryland Area Regional Commuter (MARC) Station:*** MDOT sold a 9.2-acre portion of a 12.7-acre MDOT surface parking lot for mixed-use development. MDOT received \$3.3 million for the land, and the developer has constructed a 704-space MARC commuter parking garage on the MDOT-retained property. Private development will include 416 residential units, 17,000 square feet (sq. ft.) of retail space, 100,000 sq. ft. of office space, structured parking garages, and a 150-room hotel. In August 2017, residents began moving into the apartments constructed as part of this project.
 - ***Expected Actions in Fiscal 2020:*** Continuation of construction of the private component of the project.
- ***Owings Mills Baltimore Metro Station:*** In July 2005, the Board of Public Works (BPW) approved a development agreement that provided for the construction of a mixed-use development in several phases on 43 acres of MDOT-owned land adjacent to the metro station that had been in use as surface parking. Under the agreement, the developer pays ground rent payments to MDOT, and the developer was also required to construct two parking garages, both of which have been completed and are in operation. MDOT contributed \$15.1 million, and Baltimore County committed \$13.1 million for the project. MDOT does not anticipate any additional State funding. The county completed the construction of a new community college

facility and county library in calendar 2013. In calendar 2013, the developer also completed construction of Phase 1 residential and retail buildings. The first office building was completed comprising a 150,000 sq. ft. building with 50,000 sq. ft. of retail/restaurant space. The developer is currently negotiating with Marriott Hotels to build a 220-room hotel and 15,000 sq. ft. of retail space.

- ***Expected Actions in Fiscal 2020:*** Ongoing construction for the private component of the project.

- ***Odenton MARC Station:*** A mixed-use project on approximately 33 acres of MDOT parking lots and adjacent county-owned land is envisioned. The west lot, an 11.8-acre parcel, will be the first phase of the project. A development team for the project was selected in September 2007 by MDOT and Anne Arundel County and given an exclusive negotiating privilege to pursue a Master Development Agreement for a mixed-use TOD. The developer has developed *pro forma* proposals for both conventional financing and financing through the new federal program for TOD, known as the Railroad Rehabilitation and Improvement Financing (RRIF) Program. In January 2017, the developer and the Maryland Economic Development Corporation submitted a preliminary RRIF application to the U.S. Department of Transportation; however, subsequent to submitting the application, the requirements for the new program were refined, and no TOD projects have been approved nationally. The county council approved \$16.4 million in tax increment financing (TIF) that would have been used only for public facilities, however, the Memorandum of Understanding (MOU) between the developer and MDOT terminated on September 30, 2018. Subsequently, MTA acquired a key property at the intersection of MD 175 and Town Center Boulevard adjacent to the west lot, an 802-space surface commuter parking lot. The county is considering the purchase of additional privately owned parcels near the MARC station, and MDOT has commissioned a market assessment study to determine the feasibility of market conditions for future development. There are currently no plans to issue another Request for Proposals for development of the TOD site.

- ***Expected Actions in Fiscal 2020:*** MDOT will continue collaborating with the county on pursuing all possibilities for development.

- ***Laurel Park MARC Station:*** The Laurel Park Station property consists of 63.84 acres located adjacent to U.S. Route 1, immediately north of Laurel. The development potential of the property is enhanced by direct access to the MARC rail stop for the Camden Line, entrances off of U.S. Route 1, and its location in the middle of the Baltimore/Washington corridor. The property was rezoned in 2004 as a Howard County high-density TOD district. The project will include up to 1,000 multifamily residential units, 127,000 sq. ft. of retail, and 650,000 sq. ft. of office space. In early 2017, MTA and CSX Transportation executed an MOU providing for three morning stops and three evening stops. The county and the developer are in discussions regarding TIF financing. A TIF approval would potentially include station upgrades/improvements, public infrastructure, and parking facility improvements for the new MARC station. The project will have six parking garages with only two 350-space garages included in the TIF proposal. The developer has recently submitted 30% engineering plans for

the new transit station. On August 1, 2019, SHA issued the Access Permit for Phase 1 (infrastructure).

- ***Expected Actions in Fiscal 2020:*** The developer and MDOT are currently working on an agreement that would reimburse the State and CSX for costs incurred in reviewing the 30% engineering plans. Additional agreements will be under development to address station ownership, parking, operations and maintenance responsibilities, construction liability, etc.

- ***Reisterstown Plaza Metro:*** The TOD site consisted of 35.0 acres of MDOT-owned surface parking lots and open space. MDOT negotiated an agreement with the federal General Services Administration (GSA) to dispose of an 11.3-acre portion of the site for the construction of a new Social Security Administration (SSA) office building. BPW approved the disposition of the land at its August 26, 2009 meeting. GSA entered into an agreement with a private developer who owns the property, constructed a 538,000 sq. ft. rentable building and a 1,076-space parking garage on the property, and leased it back to the federal government for the use of SSA. Construction was completed in early 2014. MDOT has completed predevelopment work and in July 2019 held an informational meeting to inform the community of the solicitation process for the development of its remaining 25+ acres. A Request for Expressions of Interest (RFEI) was issued in September 2019.

- ***Expected Actions in Fiscal 2020:*** Evaluation of RFEI responses to refine the approach to project development including the scope and structure of potential TOD agreement(s).

- ***Dorsey MARC Station:*** The TOD site consists of three parcels totaling almost 21 acres in the Dorsey community in Elkrige, Howard County. Two of the parcels are owned by MTA, and the third is owned by SHA. The site is zoned office/commercial. MDOT issued a RFEI in April 2019 and is reviewing a draft pre-development report.

- ***Expected Actions in Fiscal 2020:*** Completion of the State Clearinghouse process and beginning of the solicitation process.

Appendix 1
2019 Joint Chairmen’s Report Responses from Agency

The 2019 *Joint Chairmen’s Report* (JCR) requested that the Secretary’s Office prepare one report.

- ***Report on the I-495 and I-270 Public-private Partnership Program Project:*** The General Assembly added intent language that the Maryland Department of Transportation (MDOT): (1) withdraw the presolicitation report it had submitted for this project; (2) wait until the Final Environmental Impact Statement (FEIS) identifying and evaluating the locally preferred alternative is complete; and (3) submit a new presolicitation report along with additional project information based on the FEIS. MDOT did not withdraw the presolicitation report, and, therefore, the request for reports is moot.

Appendix 2
Audit Findings

Audit Period for Last Audit:	Month Day, Year – Month Day, Year
Issue Date:	April 2019
Number of Findings:	2
Number of Repeat Findings:	0
% of Repeat Findings:	n/a
Rating: (if applicable)	n/a

Finding 1: The Maryland Department of Transportation (MDOT) did not establish adequate procedures to ensure that only properly authorized transactions were processed for employees in its human resources records. *MDOT concurs with the auditor’s recommendation.*

Finding 2: Malware protection for MDOT computers was not sufficient to provide adequate assurance that the computers were properly protected from security risks. *MDOT concurs with the auditor’s recommendations.*

**Appendix 3
Object/Fund Difference Report
MDOT – The Secretary’s Office**

<u>Object/Fund</u>	<u>FY 19 Actual</u>	<u>FY 20 Working Appropriation</u>	<u>FY 21 Allowance</u>	<u>FY 20 - FY 21 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	307.00	306.00	308.00	2.00	0.7%
02 Contractual	7.50	10.00	10.00	0.00	0%
Total Positions	314.50	316.00	318.00	2.00	0.6%
Objects					
01 Salaries and Wages	\$ 32,635,238	\$ 33,899,503	\$ 35,174,342	\$ 1,274,839	3.8%
02 Technical and Spec. Fees	549,746	529,911	927,945	398,034	75.1%
03 Communication	6,031,093	4,205,233	5,351,841	1,146,608	27.3%
04 Travel	153,925	189,413	189,413	0	0%
06 Fuel and Utilities	202,137	270,154	224,513	-45,641	-16.9%
07 Motor Vehicles	43,320	47,948	48,984	1,036	2.2%
08 Contractual Services	35,824,414	39,092,869	40,433,444	1,340,575	3.4%
09 Supplies and Materials	174,359	233,930	234,467	537	0.2%
10 Equipment – Replacement	22,118	12,018	16,018	4,000	33.3%
11 Equipment – Additional	33,345	29,432	49,832	20,400	69.3%
12 Grants, Subsidies, and Contributions	15,437,637	20,195,784	20,686,852	491,068	2.4%
13 Fixed Charges	3,030,985	3,069,891	3,079,070	9,179	0.3%
Total Objects	\$ 94,138,317	\$ 101,776,086	\$ 106,416,721	\$ 4,640,635	4.6%
Funds					
03 Special Fund	\$ 84,118,854	\$ 87,339,078	\$ 91,690,972	\$ 4,351,894	5.0%
05 Federal Fund	10,019,463	14,437,008	14,725,749	288,741	2.0%
Total Funds	\$ 94,138,317	\$ 101,776,086	\$ 106,416,721	\$ 4,640,635	4.6%

MDOT: Maryland Department of Transportation

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.

**Appendix 4
Fiscal Summary
MDOT – The Secretary’s Office**

<u>Program/Unit</u>	<u>FY 19 Actual</u>	<u>FY 20 Wrk Approp</u>	<u>FY 21 Allowance</u>	<u>Change</u>	<u>FY 20 - FY 21 % Change</u>
01 Executive Direction	\$ 31,043,117	\$ 33,132,874	\$ 34,438,340	\$ 1,305,466	3.9%
02 Operating Grants-in-aid	15,314,253	20,104,284	20,581,650	477,366	2.4%
03 Facilities and Capital Equipment	96,622,326	43,258,412	38,149,000	-5,109,412	-11.8%
07 Office of Transportation Technology Services	47,780,947	48,538,928	51,396,731	2,857,803	5.9%
08 Major IT Development Projects	1,457,592	3,623,588	3,042,000	-581,588	-16.1%
Total Expenditures	\$ 192,218,235	\$ 148,658,086	\$ 147,607,721	-\$ 1,050,365	-0.7%
Special Fund	\$ 171,954,130	\$ 128,277,078	\$ 126,561,972	-\$ 1,715,106	-1.3%
Federal Fund	20,264,105	20,381,008	21,045,749	664,741	3.3%
Total Appropriations	\$ 192,218,235	\$ 148,658,086	\$ 147,607,721	-\$ 1,050,365	-0.7%

IT: information technology

MDOT: Maryland Department of Transportation

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.

Appendix 5
Budget Amendments for Fiscal 2020
Maryland Department of Transportation
The Secretary’s Office – Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$959,985	Special	Add funding for the 3% general salary increase effective July 1, 2019, and the annualization of the April 2019 general salary increase of 0.5%.

Source: Maryland Department of Transportation

Appendix 6
Budget Amendments for Fiscal 2020
Maryland Department of Transportation
The Secretary’s Office – Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$48,911	Special	Add funding for the 3% general salary increase effective July 1, 2019, and the annualization of the April 2019 general salary increase of 0.5%.
Pending	-\$5,687,752	Special	Adjusts the amended appropriation to agree with the fiscal 2020 to 2025 <i>Consolidated Transportation Program</i> .
	-1,593,000	Federal	
Total	-\$7,280,752		

Source: Maryland Department of Transportation