

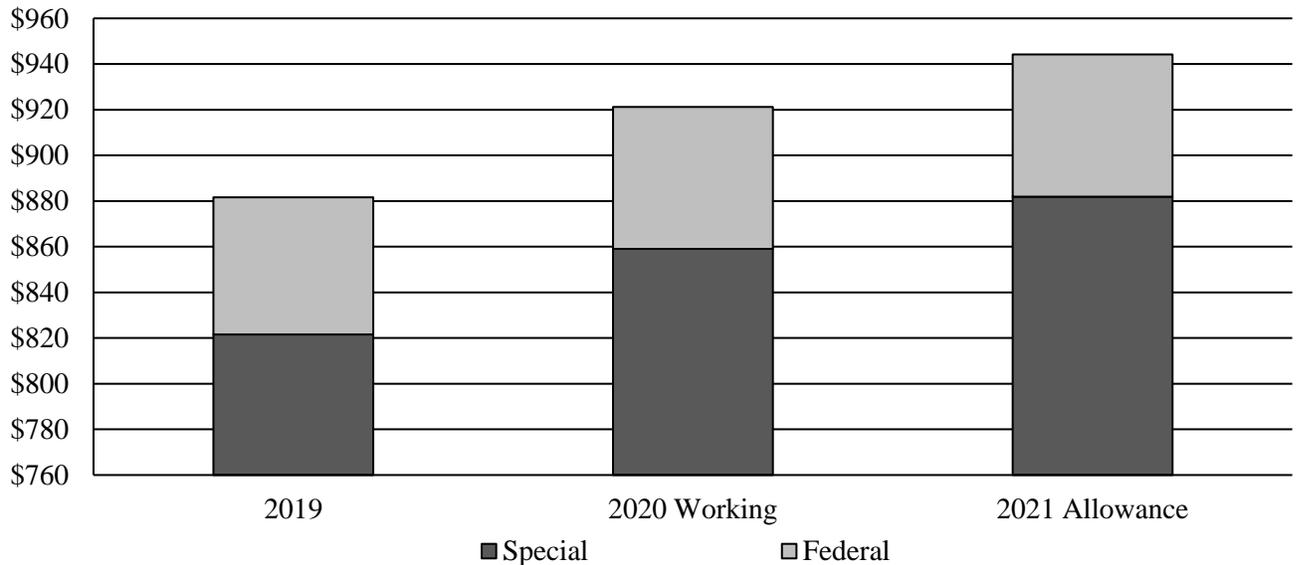
J00H01
Maryland Transit Administration
Maryland Department of Transportation

Executive Summary

The Maryland Transit Administration (MTA) is responsible for the construction, operation, and maintenance of the Baltimore metropolitan area transit system and commuter services in suburban areas of the State. Transit modes include the Baltimore Metro, light rail, bus (local and commuter), and commuter rail.

Operating Budget Summary

Budget Increases \$23.0 Million or 2.5% to \$944.2 Million in Fiscal 2021
(\$ in Millions)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, a \$32.7 million pending special fund budget amendment, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

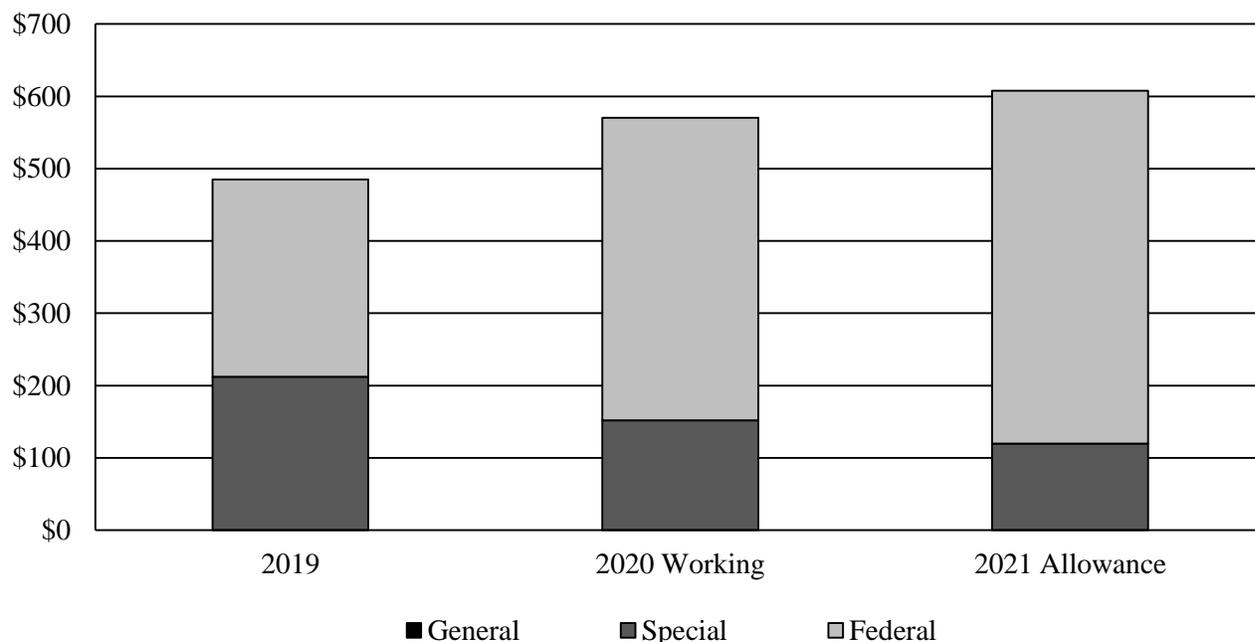
- Nearly 57% of the increase in the fiscal 2021 allowance is for paratransit services. An additional third of the increase is due to increased personnel expenses.
- The budget as introduced complies with the mandate imposed by Chapters 351 and 352 of 2018 that MTA’s operating budget increase by at least 4.4%. The 2.5% increase referenced in the table above reflects an adjusted fiscal 2020 base that is increased by a pending budget amendment.

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PAYGO Capital Budget Summary

**PAYGO Capital Increases \$37.5 Million or 6.6% to \$607.7 Million in Fiscal 2021
(\$ in Millions)**



PAYGO: pay-as-you-go

Note: Numbers may not sum due to rounding.

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- When “other funds” that do not flow through the MTA budget are included, MTA’s fiscal 2021 capital program totals \$640.8 million, an increase of \$16 million (2.6%) over the current year working appropriation.
 - Funding for the Purple Line light rail project is the largest item in the MTA fiscal 2021 capital program at \$150.0 million.

Key Observations

- The fiscal 2021 budget as introduced does not comply with legislative intent that funding for the MTA pension plan be increased by \$5 million annually until funding reflects the actuarially determined contribution.

Operating Budget Recommended Actions

1. Add language restricting \$5 million of the State Highway Administration capital program to be used only for pension contributions for the Maryland Transit Administration pension plan.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

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Budget Analysis

Program Description

The Maryland Department of Transportation (MDOT) supports transit in Maryland through the Maryland Transit Administration (MTA). MTA consists of the following operating budget programs:

- **Transit Administration** provides executive direction and support services for MTA.
- **Bus Operations** manages bus services in Baltimore City and surrounding counties. These services include the operation of fixed route and paratransit lines and contracts with commuter and paratransit service providers.
- **Rail Operations** includes the Baltimore Metro heavy rail line and the Baltimore area light rail line as well as the management of the Maryland Area Regional Commuter (MARC) service operated on rail lines owned by Amtrak and CSX Transportation.
- **Statewide Programs Operations** provides technical assistance and operating grants to local jurisdictions' transit services, including Montgomery County's "Ride-On," Prince George's County's "the Bus," and Baltimore City's "Charm City Circulator" services. Assistance is also provided to several short-line freight railroads to support the maintenance of State-owned rail lines.

The administration shares the key goals identified by MDOT:

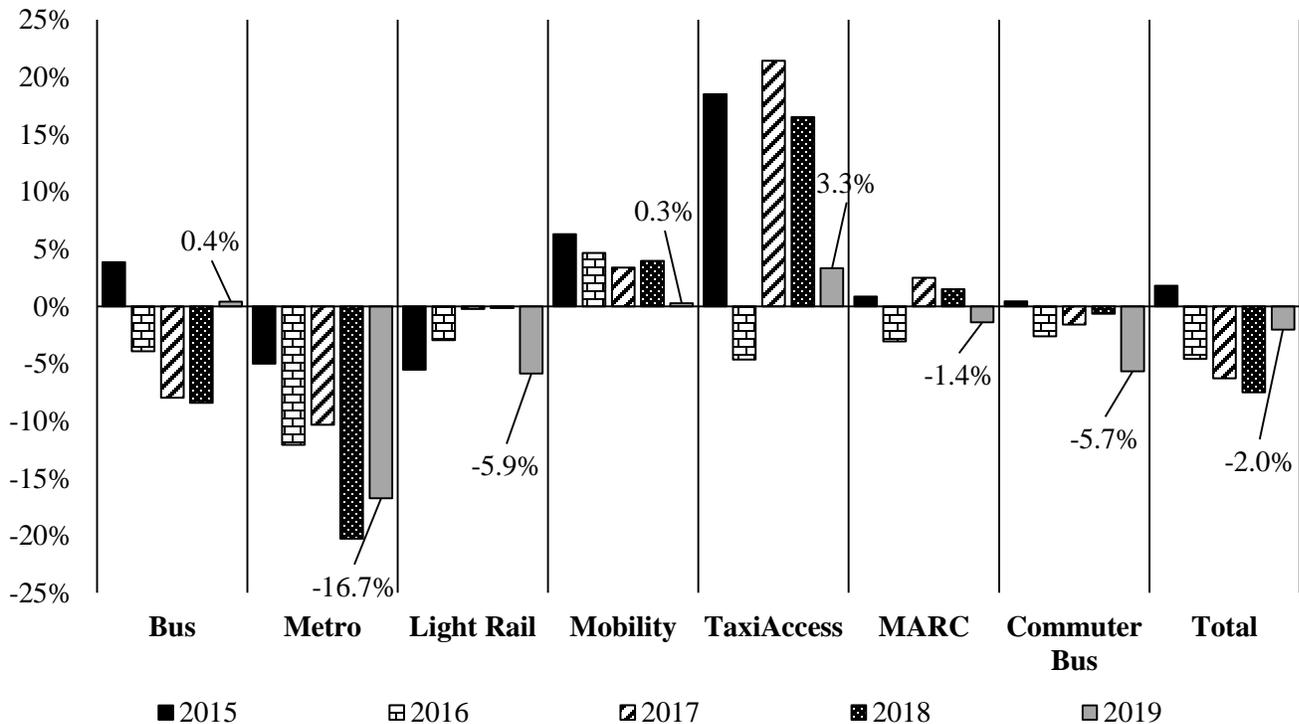
- ensuring a safe, secure, and resilient transportation system;
- maintaining a high standard and modernizing Maryland's multimodal transportation system;
- improving the quality and efficiency of the transportation system to enhance the customer's experience;
- providing better transportation choices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

Performance Analysis: Managing for Results

1. Declines in Transit Ridership Slow

MTA has a goal to encourage transit ridership. One method of measuring transit ridership is the number of boardings that occur during a specific period. **Exhibit 1** shows the percent change in boardings from the prior year for fiscal 2015 through 2019. For all modes of MTA service, there were 94.0 million boardings in fiscal 2019, representing a 2% decrease from the prior year. This decline, however, was the smallest in the last four years, and bus boardings, which accounted for over 68% of all boardings in fiscal 2019, increased by 0.4% to nearly 64 million boardings. Metro and light rail saw the largest declines at 16.7% and 5.9%, respectively, and combined experienced nearly 1.9 million fewer boardings in fiscal 2019 than in the prior year.

Exhibit 1
Percent Change in MTA Boardings
Fiscal 2015-2019



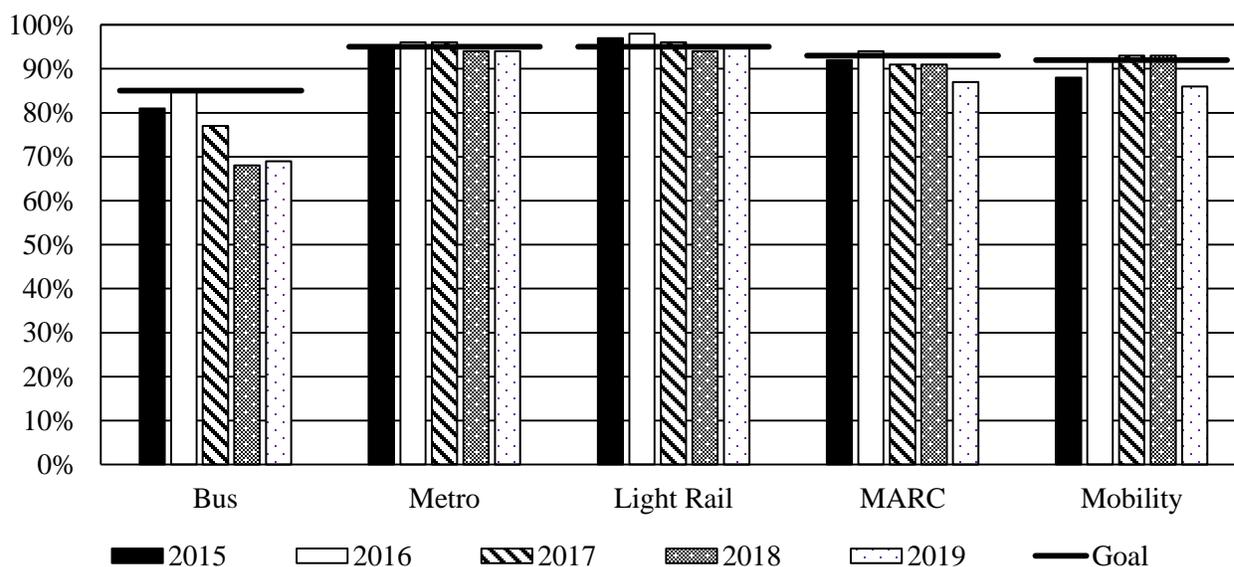
MARC: Maryland Area Regional Commuter
 MTA: Maryland Transit Administration

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

2. On-time Performance Varies in Fiscal 2019

As part of its goal to enhance the customer experience, MTA strives to provide high on-time performance with goals of 85% on-time performance for core bus service, 95% for Metro and Light Rail service, 93% for MARC service, and 92% for Mobility services. **Exhibit 2** shows the percent of on-time service by mode for fiscal 2015 through 2019. Only Light Rail met its goal in fiscal 2019, although performance improved slightly for bus service and remained the same for Metro compared to the prior year. Both MARC service and Mobility experienced declines in on-time performance in fiscal 2019, dropping from 91% to 87% for MARC and from 93% to 86% for Mobility.

Exhibit 2
On-time Performance
Fiscal 2015-2019



MARC: Maryland Area Regional Commuter

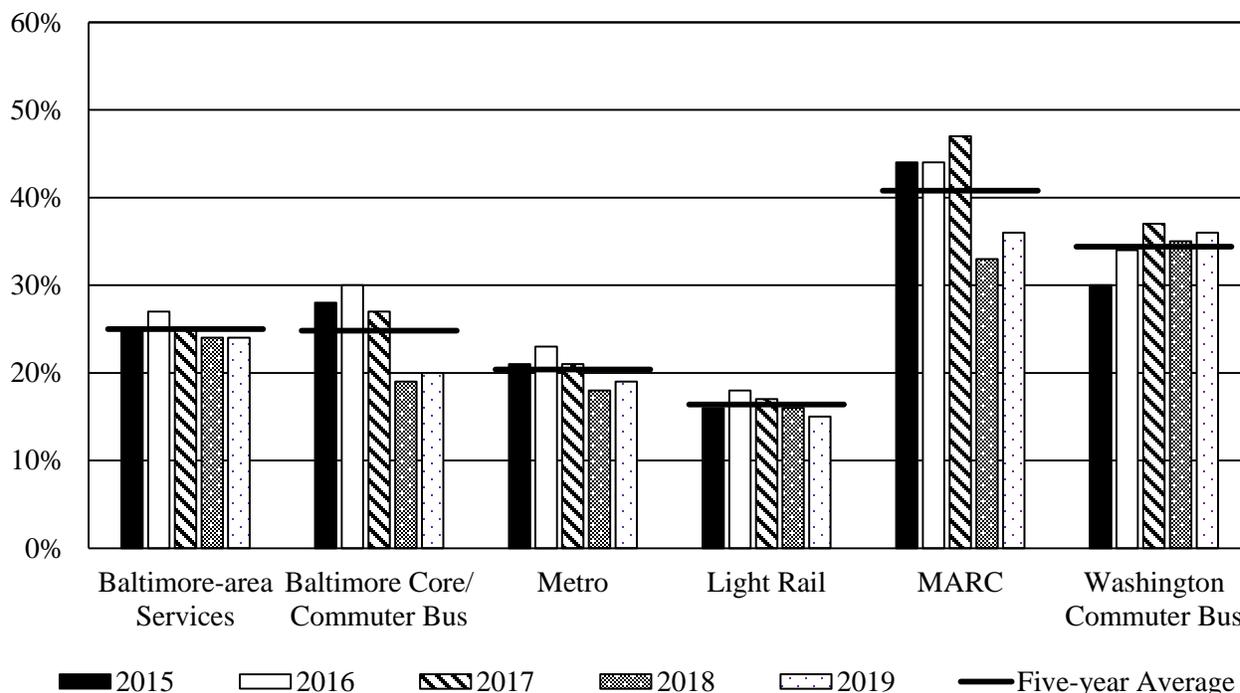
Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

3. Farebox Recovery

Although there is no longer a farebox recovery goal set in statute, one of MTA’s objectives is to optimize farebox recovery for Baltimore-area core services and MARC service. **Exhibit 3** compares the farebox recovery rates by mode of transit and for the Baltimore-area services as a whole for fiscal 2015 through 2019 to their five-year average rates. The farebox recovery rates increased in

fiscal 2019 compared to the prior year for all modes except Light Rail, which declined from 16% in fiscal 2018 to 15% in fiscal 2019.

**Exhibit 3
Farebox Recovery
Fiscal 2015-2019**



MARC: Maryland Area Regional Commuter

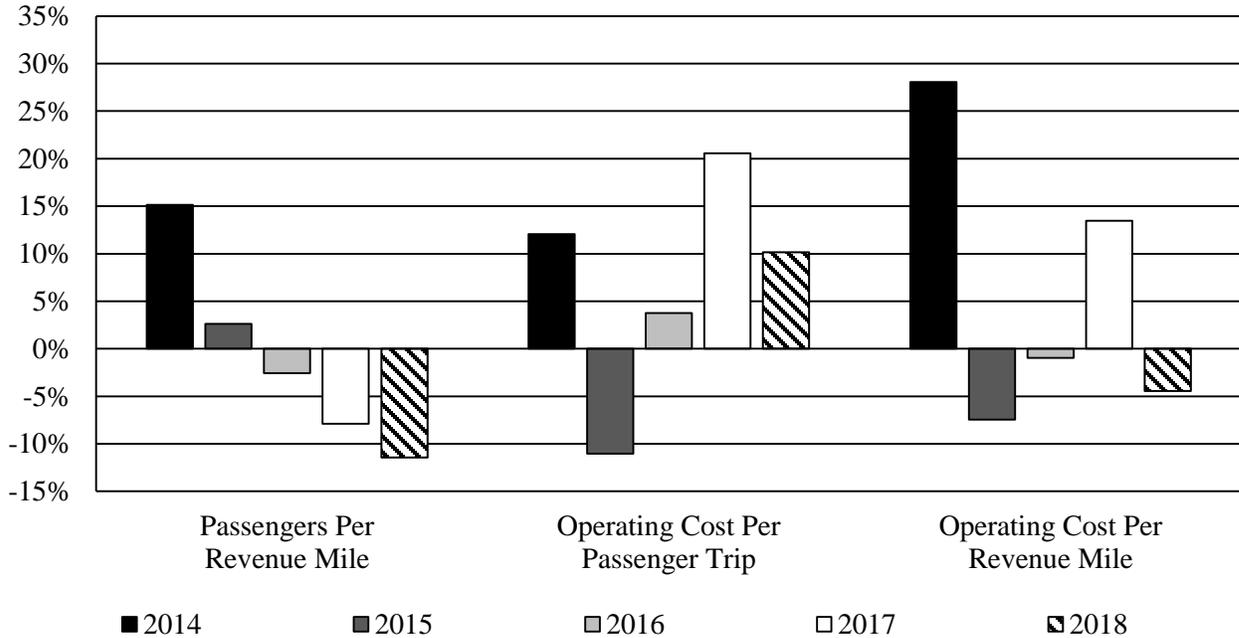
Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

4. Transit Performance Measures

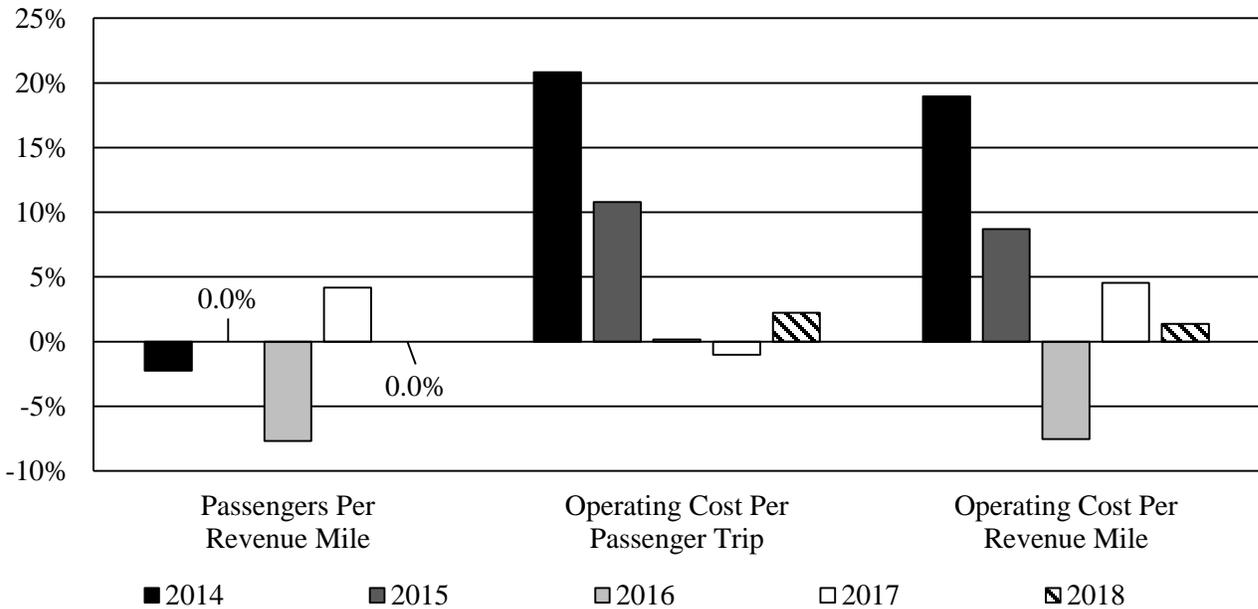
Section 7-208 of the Transportation Article requires MTA to report performance measures by mode for passenger trips per vehicle revenue mile and operating expenses per passenger trip and per vehicle revenue mile. As a recipient of federal transit funding, MTA is also required to report this and other performance data to the Federal Transit Administration (FTA). **Exhibit 4** shows the percent change from the prior year for these performance measures for core bus, Light Rail, and Metro services for fiscal 2014 to 2018, the most recent year for which reported data is available.

**Exhibit 4
Transit Performance Measures
Fiscal 2014-2018**

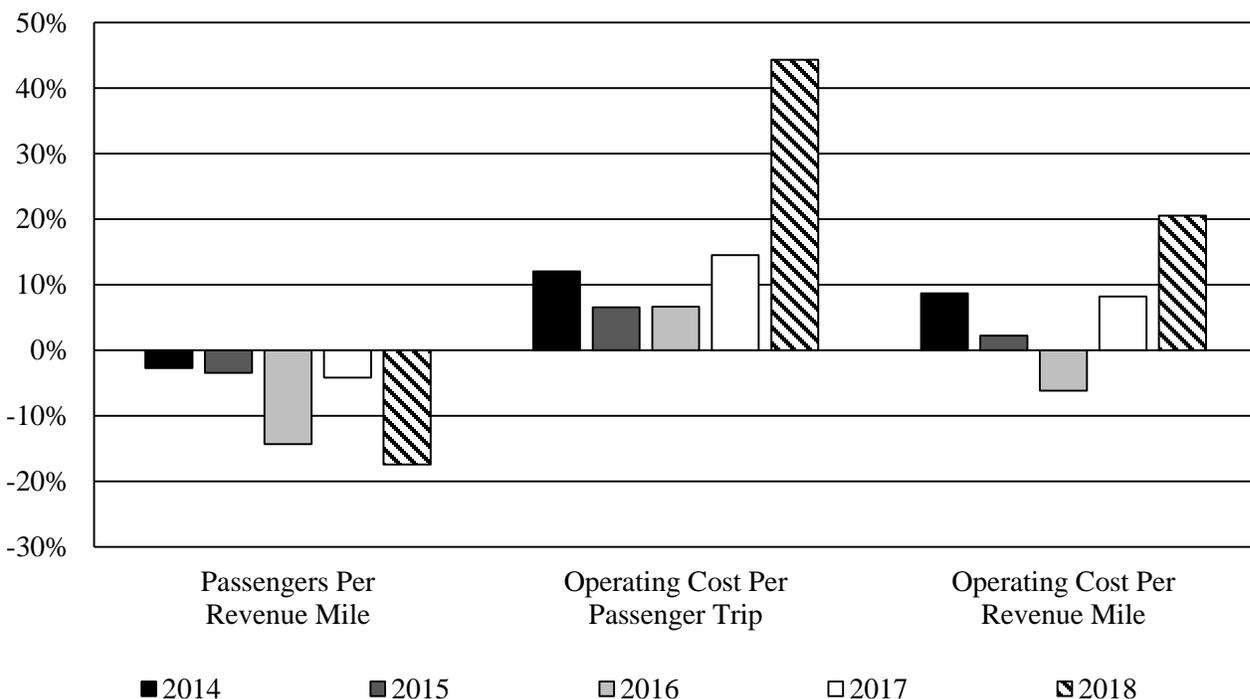
Core Bus



Light Rail



Metro



Note: For measures with the same value in each year, the percent change is zero.

Source: Federal Transit Administration, National Transit Database; Department of Legislative Services

5. MTA Performance Compared to Peer Systems Is Mixed

MTA is required by statute to submit an annual report that compares MTA to other similar transit systems nationwide. **Exhibit 5** shows this comparison for local bus systems for operating expenses per vehicle revenue mile, operating expenses per passenger trip, and passenger trips per vehicle revenue mile based on fiscal 2018 data, the most recent year for which data is available. MTA’s performance compares favorably for operating expenses per passenger trip and passenger trips per vehicle revenue mile having the third best performance among its peers. On the operating expenses per vehicle revenue mile measure, however, five of the peer systems had better performance than MTA, and MTA’s reported expenses were slightly above the average for the group.

Exhibit 5
Local Bus Performance Compared to Peer Systems
Fiscal 2018

	<u>Operating Expenses Per Vehicle Revenue Mile</u>	<u>Operating Expenses Per Passenger Trip</u>	<u>Passenger Trips Per Vehicle Revenue Mile</u>
Baltimore	\$14.65	\$4.78	3.1
Average	14.52	6.04	2.8
Atlanta	8.45	4.25	2.0
Dallas	9.40	8.82	1.1
Houston	9.46	5.57	1.7
New York	29.87	3.70	8.1
Pittsburgh	14.56	5.74	2.5
San Jose	16.19	9.14	1.8
Seattle	16.07	5.38	3.0
Salt Lake City	8.31	7.34	1.1
Washington, DC	18.28	5.66	3.2

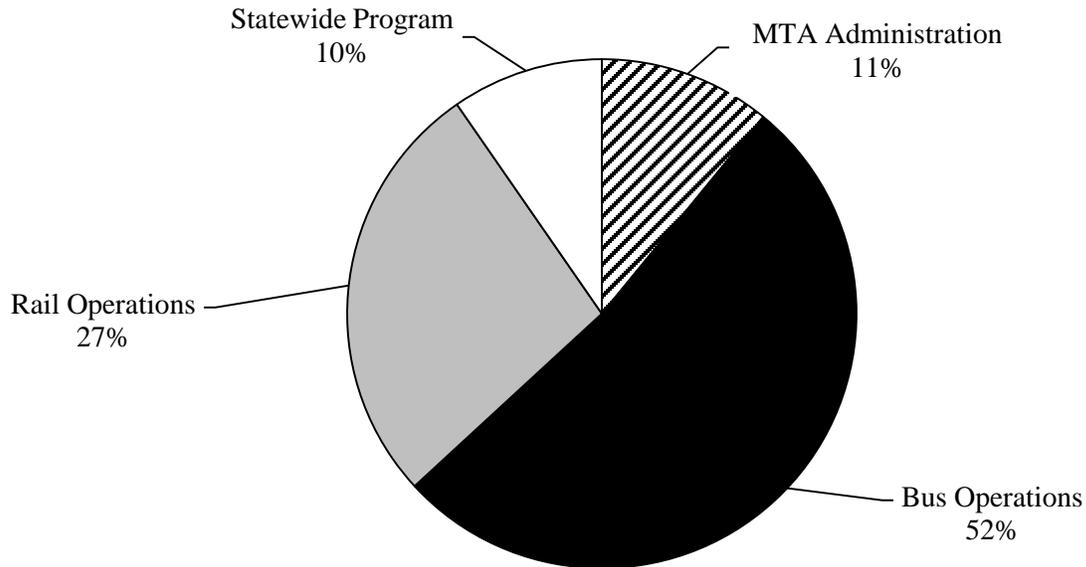
Note: Shaded entries indicate better performance by the peer system relative to that of Baltimore

Source: Federal Transit Administration, National Transit Database (2018); Department of Legislative Services

Fiscal 2021 Overview of Agency Spending

Exhibit 6 shows the share of the fiscal 2021 operating budget for each of the functions within MTA represent. Bus operations accounts for over half of MTA operating spending and rail service accounts for just over a quarter of the total operating budget.

Exhibit 6
Overview of Agency Spending
Fiscal 2021 Allowance
(\$ in Thousands)



MTA: Maryland Transit Administration

Note: Does not include the fiscal 2021 general salary increase funding nor the annualization of the fiscal 2020 general salary increase that will be added by budget amendment.

Source: Governor's Fiscal 2021 Budget Books

Proposed Budget Change

As shown in **Exhibit 7**, MTA's fiscal 2021 allowance is \$23.0 million higher than the adjusted fiscal 2020 working appropriation. Personnel expenses increase by a net \$7.4 million driven by overtime and pension contributions and partly offset by hiring new employees at base and a lower workers' compensation premium assessment. Nonpersonnel increases comprise transit administration (\$3.6 million), bus operations (\$8.7 million), rail operations (\$3.3 million) and statewide operations (-\$37,000).

Exhibit 7
Proposed Budget
MDOT – Maryland Transit Administration
(\$ in Thousands)

How Much It Grows:	Special Fund	Federal Fund	Total
Fiscal 2019 Actual	\$821,626	\$59,935	\$881,561
Fiscal 2020 Working Appropriation ¹	859,012	62,132	921,144
Fiscal 2021 Allowance	<u>881,924</u>	<u>62,233</u>	<u>944,157</u>
Fiscal 2020-2021 Amount Change	\$22,912	\$101	\$23,013
Fiscal 2020-2021 Percent Change	2.7%	0.2%	2.5%

¹ Includes \$32,674,823 to be added by a pending special fund budget amendment to cover increased costs related to collective bargaining agreements and contractual obligations that were not known at the time the fiscal 2020 budget was developed.

Where It Goes:	<u>Change</u>
Personnel Expenses	
Overtime budgeted at fiscal 2019 spending level	\$7,869
Overtime increase due to collectively bargained salary increases	3,000
Pension contributions	2,602
Fiscal 2021 general salary increase	670
Employee and retiree health insurance	596
Annualize fiscal 2020 general salary increase	319
Turnover adjustments	-341
Workers' compensation premium assessment	-2,486
New employees hired at base salary	-4,820
Other fringe benefit adjustments	2
Transit Administration	
Multiple vendors small services contracts	1,613
Telephone usage	304
3 additional contractual positions and utilization of contractual positions in higher cost functions	288
Mobility rider medical certifications due to increased mobility usage	250
Engineering and professional services consultant contracts	220
Insurance paid to the State Treasurer's Office	199
Routine travel budgeted at fiscal 2019 actual level	170
Independent claims adjusting contract	161
Sports team advertising contracts	155
Office supplies	120

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Where It Goes:	<u>Change</u>
MTA Police live fire training contract.....	100
Rent.....	41
Bus Operations	
Paratransit contracts.....	10,051
New mobility quality assurance/quality control contract.....	3,000
Rolling stock and associated equipment consultant contracts	1,200
Gas and oil budgeted at fiscal 2019 level	602
Uniform and small tools and other supplies budgeted at less than fiscal 2019 actual	584
Transit business plan consultant contract.....	300
Electricity usage.....	98
Building and housekeeping supplies budgeted at less than fiscal 2019 actual	86
1 contractual position eliminated	-38
Commuter bus contracts	-1,130
Vehicle maintenance and repair budgeted 13.5% above fiscal 2019 actual	-1,300
TaxiAccess contract.....	-2,067
Multiple vendors small services contracts	-2,704
Rail Operations	
Gas and oil budgeted at fiscal 2019 level	1,658
Railcar janitorial contracts	1,200
Rolling stock and associated equipment consultant contracts	1,186
MARC rail line access contracts.....	900
Multiple vendors small services contracts	521
MARC third-party operator contract.....	300
Building supplies budgeted at less than fiscal 2019 actual	100
3 contractual positions eliminated.....	-111
Electricity usage decrease from energy conservation project	-1,017
Vehicle maintenance and repair.....	-1,405
Statewide Operations	
Rail freight grants to nongovernmental entities at contract amount	-51
Locally Operated Transit Systems federal grant increase.....	14
Other	4
Total	\$23,013

MARC: Maryland Area Regional Commuter
MDOT: Maryland Department of Transportation
MTA: Maryland Transit Administration

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.

MTA Pension Contribution Less Than Actuarially Determined Level

In the analysis of MTA’s fiscal 2020 budget, the Department of Legislative Services (DLS) raised the issue of the low-funded status of the MTA pension plan for its union employees. The most recent actuarial analysis at that time indicated a funded status of only 43.01%. In response to this issue, the General Assembly added language to the budget bill stating its intent that MTA increase by \$5 million annually the amount budgeted for pension contributions until the budgeted level reflected at least the most recent actuarially determined contribution. The fiscal 2021 allowance for MTA does not comply with the General Assembly intent, including an increase for pension contributions of only \$494 above the fiscal 2020 budgeted amount. This is despite the July 2019 actuarial valuation report indicating that the funded status actually decreased a tenth of one percent from a year prior and reporting the actuarially determined contribution to be \$55.2 million – nearly \$10 million more than the budgeted level. **DLS recommends that language be added to MDOT’s capital appropriation restricting \$5 million to be used only to increase funding for MTA pension contributions. The capital appropriation is the appropriate place to restrict funding since funding for the capital program is provided from funding remaining after debt service and the operating expenses for MDOT are covered.**

Operating and PAYGO Personnel Data

	<u>FY 19</u> <u>Actual</u>	<u>FY 20</u> <u>Working</u>	<u>FY 21</u> <u>Allowance</u>	<u>FY 20-21</u> <u>Change</u>
Regular Operating Budget Positions	3,273.00	3,276.00	3,272.00	-4.00
Regular PAYGO Budget Positions	<u>92.00</u>	<u>89.00</u>	<u>92.00</u>	<u>3.00</u>
Total Regular Positions	3,365.00	3,365.00	3,364.00	-1.00
Operating Budget FTEs	11.00	16.00	15.00	-1.00
PAYGO Budget FTEs	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>
Total FTEs	12.00	16.00	16.00	0.00
Total Personnel	3,377.00	3,381.00	3,380.00	-1.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	94.44	2.81%
Positions and Percentage Vacant as of 12/31/19	142.0	4.22%

Vacancies Above Turnover 47.56

- The number of regular positions decreases due to a transfer to the Secretary’s Office for a contract monitoring unit. Full-time equivalent contractual positions remain unchanged in the allowance.

PAYGO Capital Program

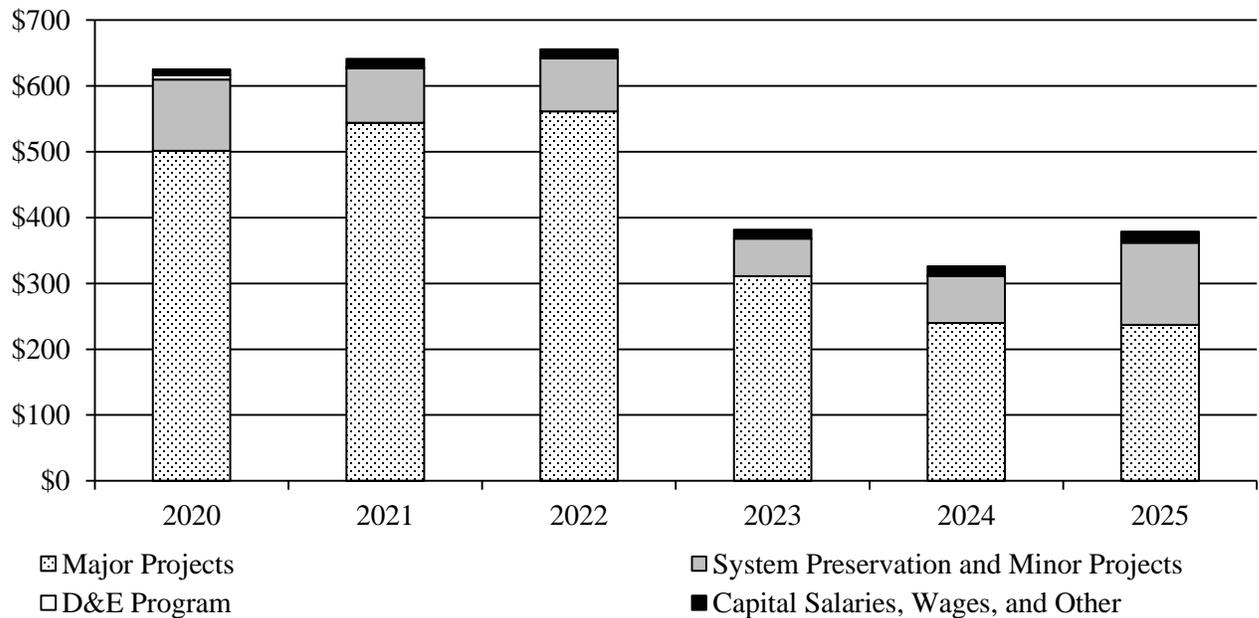
Program Description

MTA’s capital program provides funds to support the design, construction, rehabilitation, and acquisition of facilities and equipment for bus, rail, and statewide programs. The program also provides State and federal grants to local jurisdictions and nonprofit organizations to support the purchase of transit vehicles and the construction of transit facilities.

Fiscal 2020 to 2025 Consolidated Transportation Program

The fiscal 2020 to 2025 capital program for MTA totals \$3.0 billion, a decrease of \$303 million compared to the prior year’s six-year capital program. As shown in **Exhibit 8**, the largest decrease in programmed spending occurs in fiscal 2023, which coincides with the completion of Purple Line third-party funded projects, the reduction in spending on the Purple Line itself in the final year for which construction spending is programmed, and the near completion of spending on the MARC maintenance, layover, and storage facilities project.

Exhibit 8
Programmed Capital Spending for MTA
Fiscal 2020-2025
(\$ in Millions)



D&E: development and evaluation
 MTA: Maryland Transit Administration

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

Fiscal 2021 Capital Allowance

MTA’s capital program in fiscal 2021, including other funds that do not flow through MTA’s budget, totals \$640.8 million, an increase of \$16 million over the current year working appropriation. **Exhibit 9** shows the programmed fiscal 2021 capital spending by project and program along with the estimated total project cost and six-year funding included in the *Consolidated Transportation Program* (CTP).

Exhibit 9
Maryland Transit Administration PAYGO Capital
Fiscal 2021
(\$ in Millions)

<u>Project/Program Title</u>	<u>2021</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Projects			
MARC Maintenance, Layover, and Storage Facilities	\$19.8	\$96.9	\$93.3
MARC Improvements on Camden, Brunswick, and Penn Lines	28.1	441.8	197.8
MARC Coaches – Overhauls and Replacement	16.0	231.4	48.7
MARC Locomotives – Overhauls and Replacements	6.4	134.0	71.1
MARC Positive Train Control	1.9	36.8	7.1
MARC BWI Station Upgrades and Repairs	0.1	14.5	3.2
Light Rail Vehicle Overhaul	19.9	212.6	89.2
Light Rail Safety Improvements	13.2	85.3	55.9
Howard Street Rail and Interlocking Replacement	0.6	42.0	40.9
Metro Railcar and Signal System Overhauls and Replacement	70.1	530.3	405.6
Metro Safety Improvements	2.6	41.6	16.2
Metro Interlocking Renewals	20.1	78.7	48.9
Metro Maintenance Facility Improvements	5.1	10.6	10.3
Kirk Bus Facility Replacement	18.7	172.2	53.2
Bus Communications Systems Upgrade	10.0	38.6	24.5
Bus Network Improvements	0.6	33.6	4.7
Beyond the Bus Stop	4.9	5.6	5.6
North Avenue Rising	8.4	27.3	23.4
Fare Collection System Enhancements and Equipment Preservation	0.6	60.3	10.8
Agencywide Roof Replacement Program	5.3	32.0	17.7
Agencywide Elevator and Escalator Rehabilitation	3.6	0.0	54.1
Agencywide Radio and Telecommunications Upgrade	3.0	30.2	20.3
Purple Line	150.0	1,478.3	411.6
Purple Line – Third-party Funded Projects	36.5	148.3	105.9
Transit Innovation Grant	0.5	3.0	3.0

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<u>Project/Program Title</u>	<u>2021</u>	<u>Total Cost</u>	<u>Six-year Total</u>
D&E: Regional Transit Plan	1.0	5.0	3.7
D&E: Eastern Bus Facility	0.3	0.3	0.3
<i>Subtotal – Projects</i>	<i>\$447.0</i>	<i>\$3,990.8</i>	<i>\$1,826.4</i>
Programs			
System Preservation and Minor Projects	\$82.5	\$0.0	\$524.5
Freight Bridge Rehabilitation	4.7	0.0	24.6
Bus Procurement	42.9	0.0	300.9
Mobility Vehicle Procurement	8.6	0.0	53.4
LOTS Capital Procurement Projects	31.2	0.0	130.8
Assistance to Private Nonprofit Agencies for the Transportation of the Elderly and Persons with Disabilities	4.8	0.0	28.8
Montgomery County Local Bus Program	2.9	0.0	11.3
Prince George’s County Local Bus Program	2.7	0.0	6.0
D&E: Environmental Planning Initiatives	0.1	0.0	2.2
D&E: Agency Innovation and Alternative Vehicles	0.1	0.0	1.3
D&E: Transit-oriented Development Initiatives	0.1	0.0	1.0
D&E: LOTS Transit Development Plan	0.6	0.0	2.7
Capital Salaries and Wages	12.5	0.0	74.7
<i>Subtotal – Programs</i>	<i>\$193.8</i>	<i>\$0.0</i>	<i>\$1,162.1</i>
Total – Projects and Programs	\$640.8	\$3,990.8	\$2,988.5

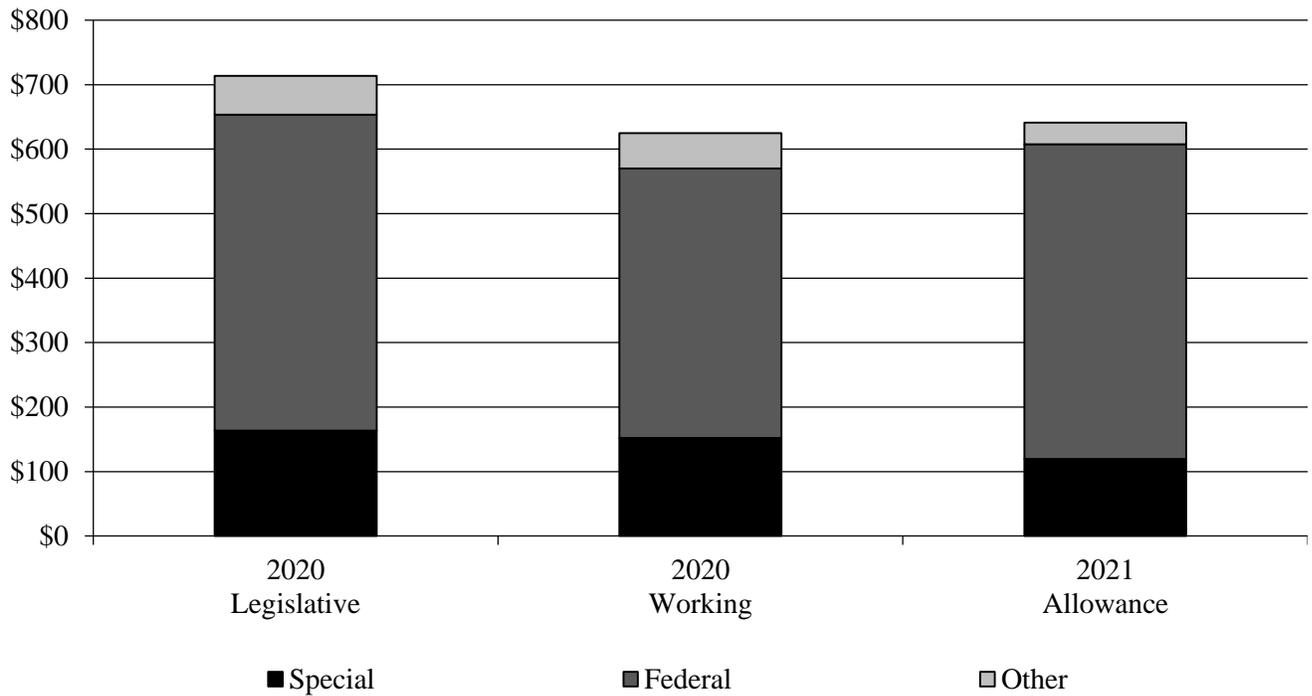
BWI: Baltimore-Washington International Thurgood Marshall Airport
D&E: development and evaluation
LOTS: Locally Operated Transit Systems
MARC: Maryland Area Regional Commuter
PAYGO: pay-as-you-go

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

Fiscal 2019 to 2021 Cash Flow Analysis

Exhibit 10 shows the changes in MTA capital funding, including other funds that do not flow through the MTA budget, between the fiscal 2020 legislative and working appropriations and between the fiscal 2020 working appropriation and the fiscal 2021 allowance.

Exhibit 10
Cash Flow Changes
Fiscal 2020-2021 Allowance
(\$ in Millions)



Source: Maryland Department of Transportation, 2020-2025 Consolidated Transportation Program; Department of Legislative Services

Cash Flow Analysis – Fiscal 2020 Changes

As shown in **Exhibit 11**, the net decrease of \$88.5 million (including other funds) between the fiscal 2020 legislative and working appropriations comprises reductions for major projects (-\$120.0 million) and capital salaries and wages (-\$3.8 million) partially offset by increases in funding for system preservation and minor projects (\$28.7 million) and development and evaluation (D&E) projects (\$6.6 million).

Exhibit 11
Cash Flow Changes
Fiscal 2020 Legislative to Working Appropriations
(\$ in Millions)

	<u>Change</u>
Major Projects	-\$120.0
MARC Maintenance, Layover, and Storage Facilities	\$16.6
North Avenue Rising	5.0
MARC BWI Station Upgrades and Repairs	2.2
MARC Camden Station Improvements	2.0
Homeland Security	1.8
Agencywide Elevator and Escalator Rehabilitation	1.2
Fare Collection System Enhancements and Equipment Preservation	1.1
Freight Bridge Rehabilitation	1.0
Punch List Spending on Projects in Service	0.9
Howard Street Rail and Interlocking Replacement	0.4
Beyond the Bus Stop	0.2
MARC Positive Train Control	0.1
Prince George’s County Local Bus Program	0.1
Purple Line – Montgomery County Funded Projects	0.0
Bus Network Improvements	0.0
MARC Locomotives – Overhauls and Replacements	0.0
Assistance to Private Nonprofit Agencies for the Transportation of the Elderly and Persons with Disabilities	-0.1
Mobility Vehicle Procurement	-0.2
Metro Safety Improvements	-0.5
Agencywide Roof Replacement Program	-0.6
LOTS Capital Procurement Projects	-1.0
Transit Innovation Grant	-1.3
Metro Maintenance Facility Improvements	-1.5
Montgomery County Local Bus Program	-1.6
Agencywide Radio and Telecommunications Upgrade	-2.3
MARC Improvements on Camden, Brunswick, and Penn Lines	-3.2
Metro Interlocking Renewals	-3.3
Kirk Bus Facility Replacement	-4.7
Light Rail Vehicle Overhaul	-5.3
Bus Procurement	-8.0
Bus Communications Systems Upgrade	-8.6
MARC Coaches – Overhauls and Replacement	-15.8
Light Rail Safety Improvements	-16.1
Metro Railcar and Signal System Overhauls and Replacement	-25.3
Purple Line	-53.2

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	<u>Change</u>
Development and Evaluation Projects	\$6.6
Regional Transit Plan	\$2.7
Environmental Planning Initiatives	1.3
Downtown Transfer Center	0.8
Agency Innovation and Alternative Vehicles	0.7
LOTS Transit Development Plan	0.5
Transit-oriented Development Initiatives	0.3
Eastern Bus Facility	0.3
Shared Mobility and Microtransit Work Plan	0.1
System Preservation and Minor Projects	\$28.7
Capital Salaries and Wages	-\$3.8
Total Change	-\$88.5

BWI: Baltimore-Washington International Thurgood Marshall Airport

LOTS: Locally Operated Transit Systems

MARC: Maryland Area Regional Commuter

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

Source: Maryland Department of Transportation, Fiscal 2019-2024 and Fiscal 2020-2025 *Consolidated Transportation Program*; Department of Legislative Services

Cash Flow Analysis – Fiscal 2020 to 2021 Changes

As shown in **Exhibit 12**, the fiscal 2021 capital appropriation (including other funds) increases by a net \$16.0 million. Increased funding for major projects (\$42.7 million) and capital salaries and wages (\$3.8 million) is partially offset by decreases in funding for system preservation and minor projects (-\$25.9 million) and D&E projects (-\$4.6 million).

Exhibit 12
Cash Flow Changes
Fiscal 2020 Working Appropriation to Fiscal 2021 Allowance
(\$ in Millions)

		<u>Change</u>
Major Projects		\$42.7
Purple Line	\$28.0	
Metro Railcar and Signal System Overhauls and Replacement	12.2	
Metro Interlocking Renewals	8.1	
MARC Coaches – Overhauls and Replacement	6.9	
Light Rail Safety Improvements	6.8	
LOTS Capital Procurement Projects	5.6	
Metro Maintenance Facility Improvements	4.7	
Beyond the Bus Stop	4.3	
Bus Communications Systems Upgrade	3.5	
Purple Line – Montgomery County Funded Projects	3.4	
Agencywide Roof Replacement Program	3.0	
Montgomery County Local Bus Program	2.5	
Agencywide Elevator and Escalator Rehabilitation	2.4	
Prince George’s County Local Bus Program	1.9	
Bus Procurement	1.6	
MARC Locomotives – Overhauls and Replacements	0.3	
Transit Innovation Grant	0.3	
Mobility Vehicle Procurement	0.2	
Howard Street Rail and Interlocking Replacement	0.2	
Light Rail Vehicle Overhaul	0.0	
Assistance to Private Nonprofit Agencies for the Transportation of the Elderly and Persons with Disabilities	-0.8	
Punch list spending on projects in service	-0.9	
Freight Bridge Rehabilitation	-1.9	
Fare Collection System Enhancements and Equipment Preservation	-2.0	
Homeland Security	-2.0	
Agencywide Radio and Telecommunications Upgrade	-2.0	
MARC BWI Station Upgrades and Repairs	-2.3	
Bus Network Improvements	-2.5	
North Avenue Rising	-2.9	
MARC Maintenance, Layover, and Storage Facilities	-\$3.2	
MARC Camden Station Improvements	-3.2	
MARC Positive Train Control	-3.4	
Metro Safety Improvements	-4.8	
MARC Improvements on Camden, Brunswick and Penn Lines	-5.6	
Kirk Bus Facility Replacement	-15.8	

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	<u>Change</u>
Development and Evaluation Projects	-\$4.6
D&E: LOTS Transit Development Plan	0.2
D&E: Shared Mobility and Microtransit Work Plan	-0.1
D&E: Transit Oriented Development Initiatives	-0.2
D&E: Eastern Bus Facility	-0.3
D&E: Agency Innovation and Alternative Vehicles	-0.6
D&E: Downtown Transfer Center	-0.8
D&E: Environmental Planning Initiatives	-1.2
D&E: Regional Transit Plan	-1.7
System Preservation and Minor Projects	-\$25.9
Capital Salaries and Wages	\$3.8
Total Change	\$15.9

BWI: Baltimore-Washington International Thurgood Marshall Airport

D&E: development and evaluation

LOTS: Locally Operated Transit Systems

MARC: Maryland Area Regional Commuter

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

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

Significant Changes from the Previous CTP

Exhibit 13 lists significant project changes from the fiscal 2019 to 2024 CTP, which comprise the addition of two projects to the construction program and the addition of nine projects to the D&E program. Transit advocates have criticized the department in recent years for the lack of projects in the D&E program. While the current CTP does include nine new items, many are general planning efforts that have been ongoing and will not necessarily lead to specific transit projects in the future.

Exhibit 13
Major Project Significant Changes in the Fiscal 2020 to 2025 CTP
(\$ in Millions)

Projects Added to the Construction Program

Metro Station Rehabilitation and Lighting Program	\$5.2
Communications System Upgrade and Replacement	5.0

Projects Added to the Development and Evaluation Program

Environmental Planning Initiatives	\$2.9
Agency Innovation and Alternative Vehicles	1.3
Patapsco Avenue Pedestrian/Bicycle Bridge	1.0
Downtown Transfer Center	1.0
Shared Mobility and Microtransit Work Plan	0.1
Regional Transit Plan	5.0
Transit-oriented Development Initiatives	4.1
Eastern Bus Facility	0.3
Locally Operated Transit Systems Transit Development Plan	4.6

CTP: *Consolidated Transportation Program*

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

Issues

1. Central Maryland Regional Transit Plan Underway

Background

The Maryland Metro/Transit Funding Act of 2018 (Chapter 351) requires MTA to develop a Central Maryland Regional Transit Plan (RTP) to meet the needs of its core service area by October 1, 2020. MTA’s core service area is defined as an area in Baltimore City and Anne Arundel, Baltimore, Harford, and Howard counties that is served by light rail, metro, or fixed bus route service and any other area in which the population commutes to one of those areas, as determined by MDOT.

The development of this plan is in addition to the other transit plans required by State law. Among other things, the plan must (1) include specified goals and outcomes; (2) identify specified options for improvements; (3) be reviewed, revised, and updated at least every five years; and (4) address a 25-year timeframe. To develop the plan, MTA must consult with (1) the Baltimore Metropolitan Council and (2) the Central Maryland RTP Commission, which is established by the bill. The commission must participate in the development of the goals for outcomes of the plan and a strategy for meaningful public involvement in the plan.

Status

MTA indicates that throughout 2019, its RTP project team held ongoing public engagement events in person and online, coupled with a series of six commission meetings to review trend analysis and proposed improvements for the region’s transit system. Through this effort, 30 corridors for new public transportation assets have been identified as having a need for transit assets because they demonstrate transit demand and have regional significance, often providing connectivity between jurisdictions. Identification of these corridors, however, does not include the definition of specific routes, service patterns, or alignments nor does it develop specific levels of services needed, where stations might be located or even the mode or modes that might be utilized. These are all areas requiring additional study and planning, and the answers to these questions are necessary to develop cost estimates. The Central Maryland RTP Commission has prioritized the 30 corridors into the categories of “Early Opportunity”, “Mid-term Opportunity”, and “Long-term Opportunity”. Maps and information on each of the commission meetings are located at <https://rtp.mta.maryland.gov>.

The project team is working to complete the initial draft RTP that will be presented for public feedback in spring 2020. MTA indicates that planned outreach includes a highly interactive web version of the plan to accommodate comment, as well as in-person events throughout the region. The plan will then be finalized over the summer to address public and commission member input, in anticipation of the October 1, 2020 statutory deadline.

MTA should brief the committees on how the RTP will be incorporated in its capital planning and when specific transit improvements identified through this process can be expected to be included in the CTP.

2. Capital Needs Inventory for the MTA Indicates \$2 Billion Gap Between Needs and Funding Over 10 Years

Chapter 352 of 2018 requires MTA to assess its ongoing, unconstrained capital needs. In doing so, MTA must (1) compile and prioritize capital needs without regard to cost; (2) identify the backlog of repairs and replacement needed to achieve a state of good repair (SGR) for its assets, including a separate analysis of those needs over the following 10 years; and (3) identify the needs to be met in order to enhance service and achieve system performance goals. FTA defines SGR as the condition in which a capital asset is able to operate at a full level of performance. Enhancement needs include investments in new assets to provide the highest level of safety, meet forecasted system demand levels, and comply with new mandates. **Exhibit 14** shows the projected funding needs, programmed funding, and resulting funding gap for SGR and enhancements.

Exhibit 14
Ten-year Capital Needs vs. Total Capital Funding Forecast
Calendar 2019-2028
(\$ in Thousands)

	<u>State of Good Repair</u>	<u>Enhancements</u>	<u>Total</u>
Identified Need	\$4,619	\$1,105	\$5,724
Programmed Funding	3,588	78	3,666
Funding Gap	\$1,031	\$1,027	\$2,058

Source: Maryland Transit Administration, *10-Year Capital Needs Inventory & Prioritization*, July 2019

This issue was included in the MDOT Fiscal 2021 Budget Overview. In its testimony, MDOT noted that MTA’s SGR backlog is comparable with other agencies of similar size and age across the United States and that a similar analysis shows a \$4.1 billion funding gap for system preservation needs at the State Highway Administration and a \$750 million funding gap at the Maryland Port Administration. MDOT also noted that funding is prioritized for safety-critical needs above all else.

Operating Budget Recommended Actions

1. Add the following language:

. provided that \$5,000,000 of this appropriation made for the purpose of Safety, Congestion Relief and Community Enhancement projects may not be expended for that purpose but instead may be transferred by budget amendment to the Maryland Transit Administration program J00H01.02 Bus Operations to be used only for contributions to the Maryland Transit Administration pension plan. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: The Maryland General Assembly added intent language to the fiscal 2020 budget that funding for the Maryland Transit Administration (MTA) pension plan be increased by \$5 million each year until the budgeted amount equaled the actuarially determined contribution contained in the most recent actuarial valuation report. The budget as introduced does not comply with this intent with the amount budgeted for the MTA pension plan increasing by less than \$500 over the fiscal 2020 amount despite the actuarially determined contribution exceeding the amount budgeted by more than \$10 million. This language restricts \$5 million of the State Highway Administration (SHA) capital appropriation because SHA has the largest capital appropriation among the department’s units and since the department should adequately cover its operating expenses prior to funding the capital program, a reduction to the capital appropriation is consistent with the priority of use of Transportation Trust Fund resources.

PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

Updates

1. Purple Line Status

The Purple Line is a new 16.2-mile light rail line that will connect communities from Bethesda and Silver Spring in Montgomery County to College Park/University of Maryland and New Carrollton in Prince George’s County. The project has been under construction since September 2017 and is approximately 24% complete. Major milestones reached in 2019 include:

- completion of excavation activities related to the 1,100 foot Plymouth Tunnel in Silver Spring;
- completion of the shell for the 170,000 square foot Operations and Maintenance Facility at the future Glenridge Yard in Prince George’s County;
- laying of the first section of track in Prince George’s County (Ellin Road);
- completion of the Station Box in Bethesda; and
- reopening of the reconstructed Lyttonsville Bridge in Montgomery County.

The Purple Line is projected to commence operations between New Carrollton and College Park by December 2022. The remainder of the project from College Park to Bethesda is expected to open in June 2023. The project budget remains unchanged.

Appendix 1
Object/Fund Difference Report
MDOT – Maryland Transit Administration

<u>Object/Fund</u>	<u>FY 19</u> <u>Actual</u>	<u>FY 20</u> <u>Working</u> <u>Appropriation</u>	<u>FY 21</u> <u>Allowance</u>	<u>FY 20 – FY 21</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	3,273.00	3,276.00	3,272.00	-4.00	-0.1%
02 Contractual	11.00	16.00	15.00	-1.00	-6.3%
Total Positions	3,284.00	3,292.00	3,287.00	-5.00	-0.2%
Objects					
01 Salaries and Wages	\$ 366,318,824	\$ 364,216,964	\$ 389,344,325	\$ 25,127,361	6.9%
02 Technical and Spec. Fees	735,367	1,136,585	1,276,326	139,741	12.3%
03 Communication	2,039,549	1,210,718	2,430,718	1,220,000	100.8%
04 Travel	652,321	434,855	604,855	170,000	39.1%
06 Fuel and Utilities	12,498,151	14,377,831	13,455,984	-921,847	-6.4%
07 Motor Vehicles	64,369,228	62,724,821	62,283,940	-440,881	-0.7%
08 Contractual Services	329,743,700	339,858,617	368,168,080	28,309,463	8.3%
09 Supplies and Materials	7,629,887	5,643,653	6,533,653	890,000	15.8%
10 Equipment – Replacement	56,484	111,490	111,490	0	0%
11 Equipment – Additional	27,476	130,635	130,635	0	0%
12 Grants, Subsidies, and Contributions	88,706,914	90,175,721	90,138,721	-37,000	0%
13 Fixed Charges	8,775,168	8,096,287	8,337,403	241,116	3.0%
14 Land and Structures	7,964	0	0	0	0.0%
Total Objects	\$ 881,561,033	\$ 888,118,177	\$ 942,816,130	\$ 54,697,953	6.2%
Funds					
03 Special Fund	\$ 821,625,874	\$ 826,014,818	\$ 880,698,800	\$ 54,683,982	6.6%
05 Federal Fund	59,935,159	62,103,359	62,117,330	13,971	0%
Total Funds	\$ 881,561,033	\$ 888,118,177	\$ 942,816,130	\$ 54,697,953	6.2%

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 2
Fiscal Summary
MDOT – Maryland Transit Administration

<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 Transit Administration	\$ 98,008,683	\$ 93,956,721	\$ 102,993,439	\$ 9,036,718	9.6%
02 Bus Operations	446,298,549	466,998,373	492,386,857	25,388,484	5.4%
04 Rail Operations	247,651,730	236,314,435	256,587,186	20,272,751	8.6%
05 Facilities and Capital Equipment	478,862,825	563,175,000	597,456,000	34,281,000	6.1%
06 Statewide Programs Operations	89,602,071	90,848,648	90,848,648	0	0%
08 Major IT Development Projects	6,007,491	6,984,000	10,228,000	3,244,000	46.4%
Total Expenditures	\$ 1,366,431,349	\$ 1,458,277,177	\$ 1,550,500,130	\$ 92,222,953	6.3%
Special Fund	\$ 1,033,943,627	\$ 978,110,818	\$ 1,000,276,800	\$ 22,165,982	2.3%
Federal Fund	332,487,722	480,166,359	550,223,330	70,056,971	14.6%
Total Appropriations	\$ 1,366,431,349	\$ 1,458,277,177	\$ 1,550,500,130	\$ 92,222,953	6.3%

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 3
Budget Amendments for Fiscal 2020
Maryland Department of Transportation
Maryland Transit Administration – Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$1,879,080	Special	Increase for the 3% general salary increase effective July 1, 2019, and the annualization of the April 2019 general salary increase of 0.5%.
Pending	\$32,674,823	Special	Increased costs resulting from collective bargaining agreements and contractual obligations that were not known at the time the fiscal 2020 budget was developed.

Source: Maryland Department of Transportation

Appendix 4
Budget Amendments for Fiscal 2020
Maryland Department of Transportation
Maryland Transit Administration – Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$312,839	Special	Increase for the 3% general salary increase effective July 1, 2019, and the annualization of the April 2019 general salary increase of 0.5%.
Projected	-\$11,525,673	Special	Adjusts the amended appropriation to agree with the final fiscal 2020-2025 <i>Consolidated Transportation Program</i>
	-72,206,000	Federal	
Total	\$83,731,673		

Source: Maryland Department of Transportation