



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

SENATE BILL 424 -- MARYLAND TRANSIT ADMINISTRATION - FUNDING (TRANSIT SAFETY AND INVESTMENT ACT)

February 12, 2020

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 424. This legislation sets a minimum capital funding level for the Maryland Transit Administration (MTA) of \$500 million each year for FY2022-2027 and prohibits reductions to MTA's operating funding levels during the same time period. This is analogous to the funding agreement that the Maryland General Assembly passed in the 2018 Session to guarantee funding levels for the Washington Metropolitan Transit Administration (WMATA).

Advocating for adequate transportation and mobility infrastructure in the Greater Baltimore region has been a longstanding priority of the GBC. The GBC was a strong proponent of the Red Line project and supported the 2013 revenue increase that was intended to provide a portion of the state funding for the project. Following the cancellation of the Red Line in 2015, the region has experienced significant disinvestment of state dollars in the transportation network, particularly in transit. Recent analysis of the Maryland Department of Transportation (MDOT) budget by the Department of Legislative Services (DLS) indicates that in the time since the revenue increase was enacted, the MTA has received only 2 percent of capital spending above the 2013 base which equates to \$60 million dollars, while the State Highway Administration has received \$2.525 billion in additional funding, or 77 percent of the spending.

Last July, the MTA released a Capital Needs Inventory report that identified \$4.6 billion in capital needs over the next ten years to maintain the current system in a state of good repair, \$2 billion of which was unfunded. It was incredulous to then see \$303 million in cuts to MTA's capital program in the FY2020-2025 Consolidated Transportation Program (CTP). Absent a capital funding requirement for the MTA that complements the structure in place for WMATA, current policy suggests that the \$300 million cut to the MTA is a trend of disinvestment that will persist and worsen over the coming years.

The current level of disinvestment of state dollars in the Greater Baltimore region's transit network is unacceptable. We cannot stand by and watch state dollars diverted while the Greater Baltimore area's transit system falls further into disrepair, harming the economic growth and competitiveness of the region. The GBC supports Senate Bill 424 as a necessary step to ensure that MTA is adequately funded to provide safe and continuous operations of the transit system and to ensure that residents of the Greater Baltimore region have sufficient access to jobs, education and training programs, and health care.

An October 2019 [report](#) by the Abell Foundation cited transportation as one of the top three systemic drivers that prevent more individuals in Baltimore from accessing job training and ultimately obtaining employment. Specifically, the report states that:

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org

“The lack of reliable and affordable transportation to jobs is one of the greatest obstacles to scaling up training programs. Programs know that they can train and place a greater number of program graduates, but they limit expansion knowing that graduates will be unable to get to their new jobs. A number of programs reported that job growth in their target industry sector is concentrated in surrounding counties and/or is not accessible by public transportation, a problem that particularly impacts the most economically distressed neighborhoods of Baltimore” (page 19).

This bill is also consistent with a key tenet in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Superior transportation infrastructure with reliable funding mechanisms. An essential prerequisite of a competitive business environment includes well-funded and maintained highway, transit, port and airport infrastructure that provides reliable and efficient options to move people, goods and services.

Finally, the Greater Baltimore Committee’s 2020 Legislative Priorities encourage policymakers to implement a balanced transportation policy and funding priorities that create interconnected, multimodal transportation networks and promote equitable investment in systems across regions, modes, and communities. The 2020 Legislative Priorities specifically cite the need to advocate for consistent and adequate capital and operating funding levels for the MTA to ensure the safe and efficient operations of the current system and to reduce the multibillion dollar backlog needed to maintain the existing system in a state of good repair.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 424.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

February 3, 2020

The Honorable William C. "Bill" Ferguson
President, Senate of Maryland
State of Maryland
100 State Circle
Annapolis, MD 21404

The Honorable Adrienne A. Jones
Speaker, Maryland House of Delegates
State of Maryland
100 State Circle
Annapolis, MD 21404

The Honorable Guy Guzzone
Chair, Senate Budget & Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen Street
Annapolis, MD 21401

The Honorable Maggie McIntosh
Chair, House Appropriations Committee
House Office Building, Room 121
6 Bladen Street
Annapolis, MD 21401

Dear President Ferguson, Speaker Jones, Senator Guzzone, and Delegate McIntosh,

As business leaders in Central Maryland, we collectively employ hundreds of thousands of Marylanders and proudly contribute significantly to the state's economy. Like you, we are working hard every day to create a stronger Baltimore region and to leverage our tremendous assets for continued economic prosperity for our region and state.

Last summer, we formed the Baltimore Business Mobility Roundtable to identify and advocate for the transportation priorities necessary to support and advance our growing regional economy. Central to our collective effort is the strong belief that Maryland businesses and residents should have an adequate multimodal transportation network that moves goods and people efficiently and provides access to jobs, healthcare, and education. Unfortunately, the current transportation network is hindering workforce participation and economic potential in our region.

Over the last several years, road congestion has steadily increased, but multimodal improvements to the region's transportation network have not kept pace. Compared to Boston, New York, Philadelphia, and Washington, the Baltimore region is last in overall transit ridership and share of commuters using transit. Not unrelated, the region also has the highest average commute time by transit relative to our peers.

For those that cannot afford a vehicle or opt not to own one, the deficiency in our current transit network limits access to jobs, education, and other essential destinations. This comes at a cost to residents, visitors to the area, and employers. Our labor pool is smaller and less diverse than it should be, and we struggle to attract and retain the increasing number of workers who want to live in areas that are well-served by transit.

In July 2019, we took note of the Capital Needs Inventory report released by the Maryland Transit Administration (MTA) which identified a multi-billion dollar backlog of projects needed to maintain the existing system in a state of good repair. This report came on the heels of the recent month-long shutdown of the Baltimore metro system which had significant impact on our workforce and business operations and was directly attributable to inadequate system maintenance and preservation.

Following the release of this report, we were disappointed to see significant cuts to capital funding for the MTA in the September draft of the FY2020-2025 Consolidated Transportation Program (CTP) released by the Maryland Department of Transportation (MDOT). In October 2019, we

The Honorable William C. "Bill" Ferguson
The Honorable Adrienne A. Jones
The Honorable Guy Guzzone
The Honorable Maggie McIntosh
February 3, 2020
Page 2

wrote to Governor Hogan urging him to re-examine the draft FY2020-2025 CTP and to direct MDOT to identify solutions to eliminate the capital funding cuts to the MTA. Unfortunately, the final FY2020-2025 CTP submitted with the Governor's budget this month includes \$303.1 million in capital funding cuts to the MTA which threatens the safe and continuous operations of the Baltimore region's transit system and delays our ability to provide competitive transit options.

It is for these reasons that we write to voice our strong support for the Transit Safety and Investment Act (House Bill 368/Senate Bill 424). This legislation sets a minimum capital funding level for the Maryland Transit Administration for FY2022-2027 and prohibits reductions to operating funding levels during the same time period. This is analogous to the funding agreement that the Maryland General Assembly passed in the 2018 Session to guarantee funding levels for the Washington Metropolitan Transit Administration (WMATA). Absent a capital funding requirement for MTA that complements the structure in place for WMATA, we fear that the \$300 million cut to the MTA is a trend of disinvestment that will persist and worsen over the coming years.

As business leaders, we appreciate the difficult fiscal choices that public leaders must make to distribute funding to the projects of highest need and recognize that needs far outweigh available resources. However, we also recognize the importance of maintaining our current assets and concurrently investing in new infrastructure that will support growth economic competitiveness. The Baltimore Business Mobility Roundtable respectfully requests your leadership in passing this legislation to protect the Greater Baltimore region's transit system Transit Safety and Investment Act (House Bill 368/Senate Bill 424).

Along with our thousands of employees, we are working to create a stronger Maryland, but we cannot do it alone. Adequate investments in our transportation system today will create a more competitive economy for decades to come.

Sincerely,

Thomas S. Bozzuto
Chairman
The Bozzuto Group, Inc.

Albert R. "Skip" Counselman
Chairman & CEO
RCM&D

Michael R. Crase
Vice President
Gilbane

Ronald J. Daniels
President
Johns Hopkins University

Donald C. Fry
President & CEO
Greater Baltimore Committee

Tom Geddes
President
Erasmus Strategies, LLC

Joseph Haskins
Chairman, President & CEO
The Harbor Bank of
Maryland

Jon Laria
Managing Partner
Baltimore, Ballard Spahr LLP

Jason S. Miller
CEO
Greater Washington
Partnership

The Honorable William C. "Bill" Ferguson
The Honorable Adrienne A. Jones
The Honorable Guy Guzzone
The Honorable Maggie McIntosh
February 3, 2020
Page 3

Brian O'Malley
President & CEO
Central Maryland
Transportation Alliance

Brian Pieninck
President & CEO
CareFirst BlueCross
BlueShield

Kenneth A. Samet
President & CEO
MedStar Health

Mary Ann Scully
Chairman & CEO
Howard Bank

Jim Shea
Chairman Emeritus
Venable LLP

Gina Stewart
Executive Director
The BWI Business
Partnership

Aaron Tomarchio
Senior Vice President,
Administration & Corporate
Affairs
Tradepoint Atlantic

David L. Warnock
Managing Partner
Camden Partners

Michele L. Whelley
President & CEO
Economic Alliance of Greater
Baltimore

cc: The Honorable Lawrence J. Hogan, Jr.
Mr. Gregory Slater, Secretary, Maryland Department of Transportation
Members of the Senate Budget and Taxation Committee
Members of the House Appropriations Committee