

February 25, 2025

The Honorable Ben Barnes  
Chair, House Appropriations Committee  
121 Taylor House Office Building  
Annapolis, MD 21401

***RE: Letter of Information – House Bill 1463 – Transportation - Maryland Transit Administration - Funding (Transit Safety and Investment Act of 2025)***

Dear Chair Barnes and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 1463 and offers the following information for the Committee's consideration.

HB 1463 mandates the annual funding level for the Maryland Transit Administration's (MTA) operating and capital budgets through fiscal year 2039. The minimum funding level for the operating budget is set at \$975 million and the minimum funding level for the capital budget is set at \$550 million in fiscal years 2030 through 2039.

The Moore-Miller Administration and MDOT are fully committed to investing in the statewide transportation system to ensure that it provides safe and reliable travel options for all Maryland citizens. The transportation revenue package before the General Assembly this session demonstrates this commitment and is a critical step in providing the funding necessary to meet core system preservation needs across the department.

The Transportation Trust Fund (TTF) was created more than 50 years ago as a dedicated fund to receive all transportation revenues and fund all transportation needs. This flexible funding model has been important to MDOT's ability to respond to multi-modal transportation needs and to address large-scale rehabilitation and replacement of facilities across the State. Capital needs and cashflow requirements of any one mode may rise and fall over time depending on the condition and lifecycle of MDOT's facilities.

Mandating levels of spending by mode reduces the flexibility of the TTF to respond to Statewide transportation needs. Although the additional transportation revenues under consideration by the General Assembly this session will help to fund additional system preservation needs, continued fiscal constraint is required until the investments being made in Maryland's economic growth jumpstart the economy.

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The MTA is required to submit a Capital Needs Inventory to the legislature every three years to establish the unconstrained capital needs of the MTA and the projects necessary to achieve a state of good repair for all of MTA's facilities. The next triennial submission of the Capital Needs Inventory is due to the legislature on July 1, 2025. The results of this report will provide an updated assessment of MTA's capital needs over the next ten years.

The Maryland Department of Transportation respectfully requests that the Committee consider this information during its deliberation of House Bill 1463.

Respectfully submitted,

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