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MAYOR

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HB432

February 11, 2025

TO: Members of the House Appropriations Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: House Bill 432 – Locally Operated Transit Systems – Mandatory Funding – Inflation Adjustment (Local Transit Sustainability Act)

POSITION: SUPPORT

Chair Barnes, Vice Chair Chang, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 432.

HB 432 requires the Governor to ensure that the funding appropriated in the annual budget for the Locally Operated Transit System Grant Program is adjusted annually based on growth in the Consumer Price Index for All Urban Consumers (CPI-U).

The Local Transit Sustainability Act ties funding for Locally Operated Transit Systems (LOTS) to inflation, allowing annual increases of up to 5% to offset rising costs. The legislation directly benefits essential transit services such as the Charm City Circulator and the Harbor Connector, which play a vital role in Baltimore's transportation network. Through addressing inflation's impact on operations and capital projects, the bill supports uninterrupted service and long-term planning for Baltimore's transit needs.

The City's LOTS funding has remained fairly steady for years. However, even as subsidies stagnate, the costs associated with providing transit have and continue to increase substantially. We estimate that if LOTS funding kept pace with CPI-U over the last four years, as proposed under HB 432, the City would have had an additional **\$1,096,422**, allowing for improvements to transit operations through investments such as:

- Expand service into transit dependent communities in West Baltimore, per 2022 Transit Development Plan recommendation.
- Expand Harbor Connector service to include weekend hours.
- Purchase two new vehicles for the CCC fleet to replace buses that are nearing the end of their useful life.
- Purchase new engines for the ferries in the Harbor Connector fleet.
- Purchase electric vehicle charging infrastructure to facilitate an electric vehicle pilot program.

For the above stated reasons, the BCA respectfully request a **favorable** report on HB432.