

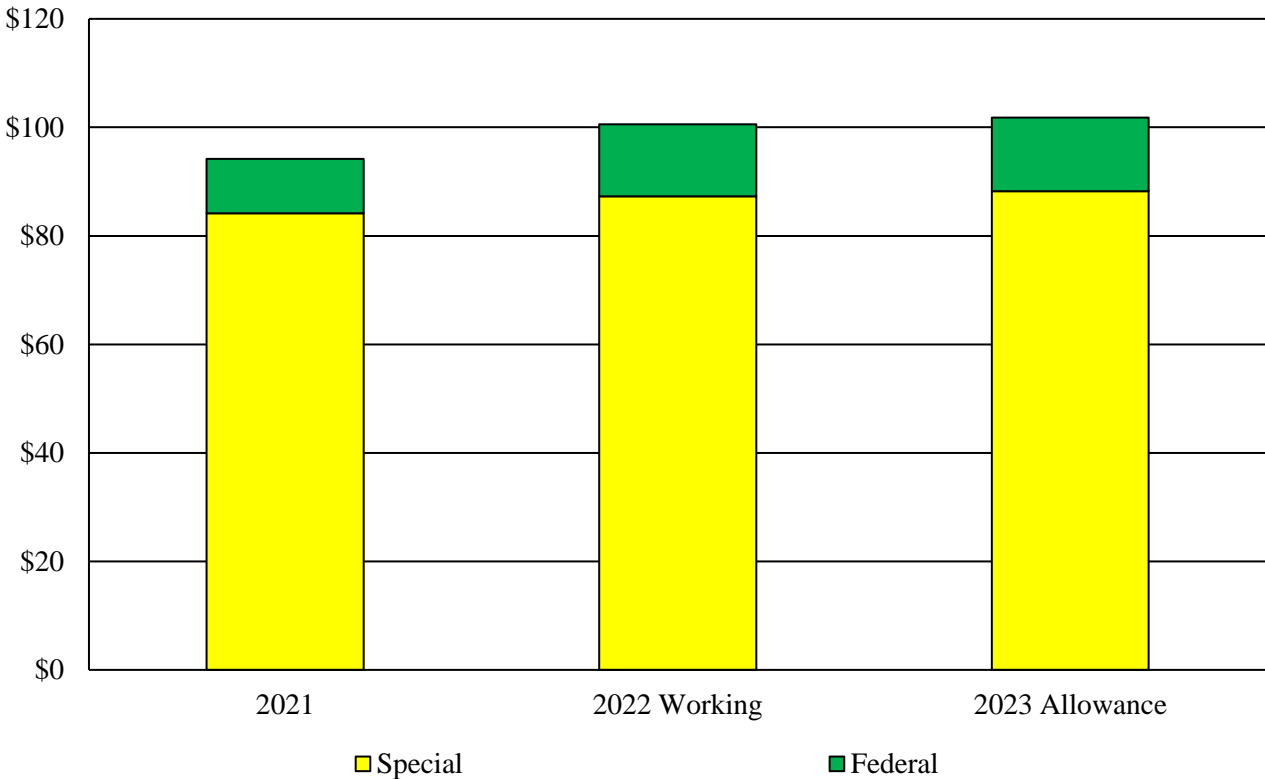
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The Secretary's Office
Maryland Department of Transportation

Executive Summary

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

Operating Budget Summary

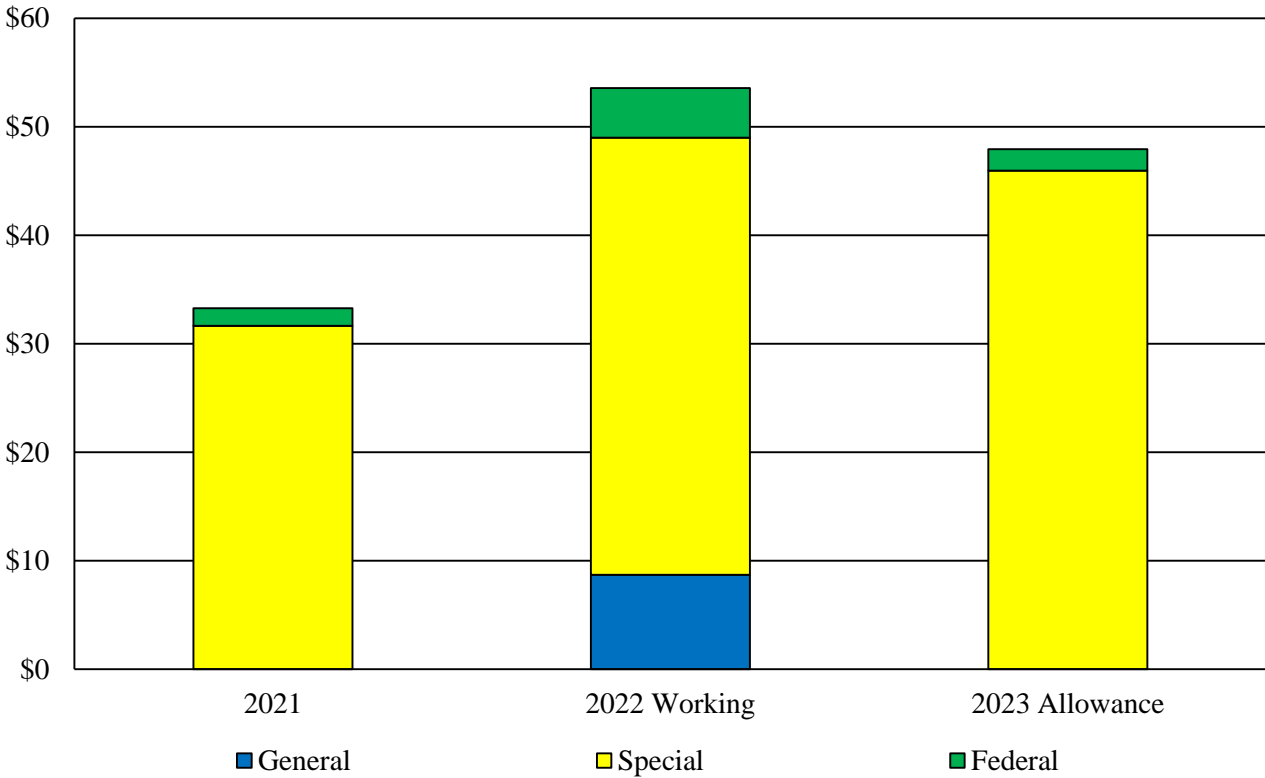
Fiscal 2023 Budget Increases \$1.2 Million, or 1.2%, to \$101.8 Million
(\$ in Millions)



Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

PAYGO Capital Budget Summary

**Fiscal 2023 Budget Decreases \$5.7 Million, or 10.6%, to \$47.9 Million
(\$ in Millions)**



Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Key Observations

- ***Vacancy Rates Increase Over Past Year:*** MDOT had 186 fewer filled positions on January 1, 2022, than a year earlier. Vacancy rates for all agencies save one within the department ended the year higher than they were at the beginning.

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 (TOD) project updates are provided.

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Budget Analysis

Program Description

TSO provides overall policy direction, management, and administrative support to 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.

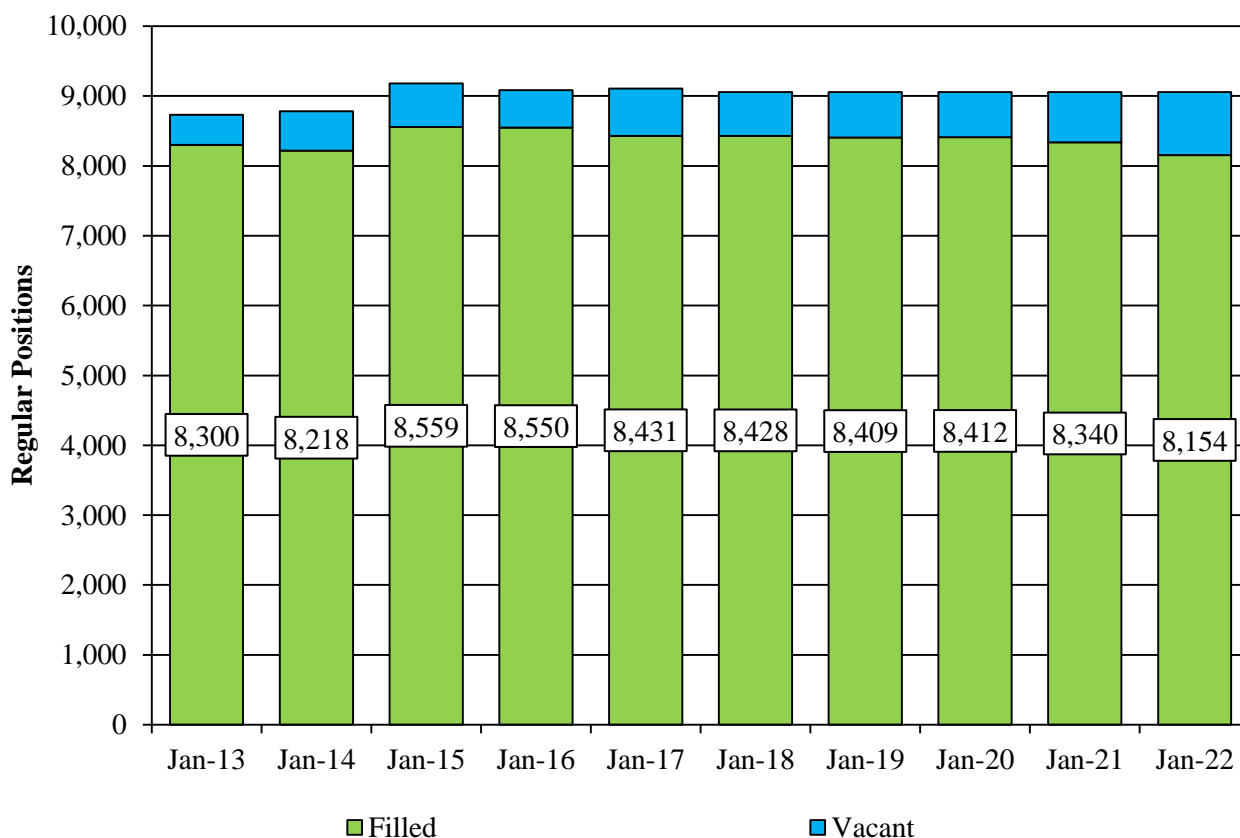
Performance Analysis: Managing for Results

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 2013 to 2022. There were 186 fewer filled MDOT positions on January 1, 2022, than a year earlier.

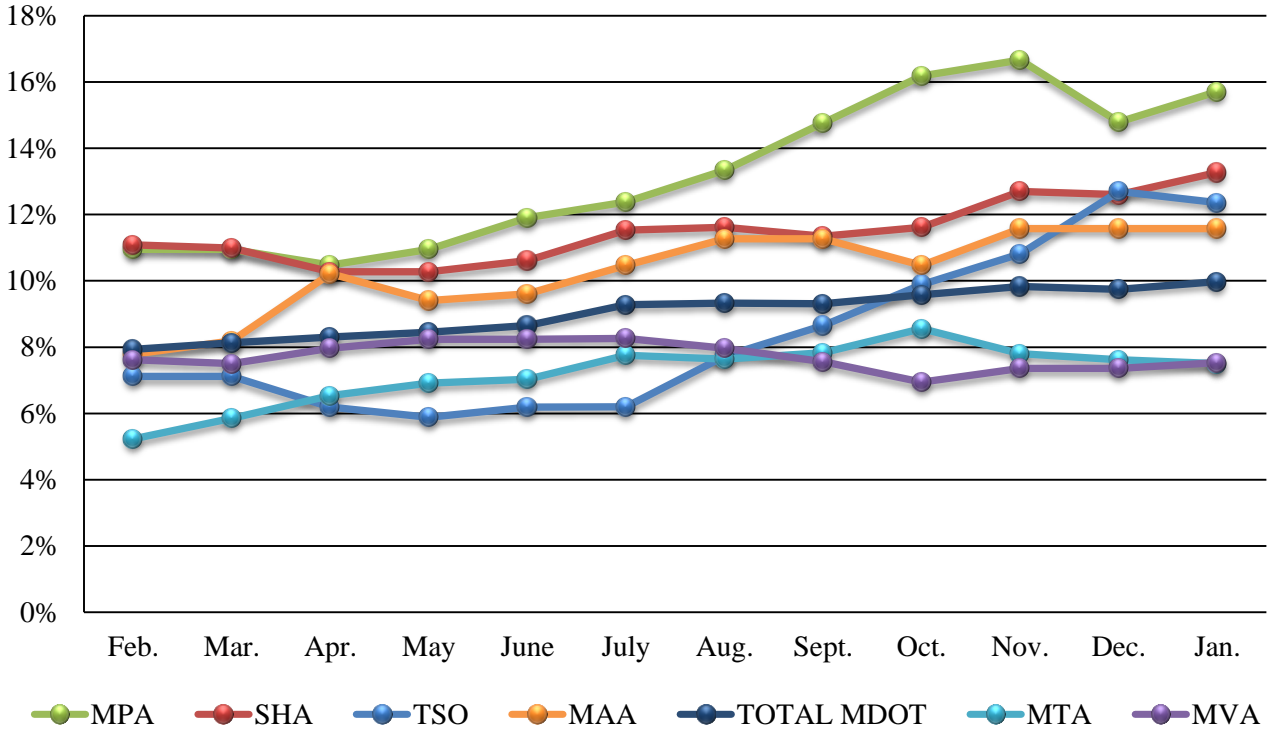
Exhibit 1
Departmentwide Filled and Vacant Positions
On January 1, 2013, to January 1, 2022



Source: Maryland Department of Transportation; Department of Legislative Services

Exhibit 2 shows the vacancy rate by month for each transportation business unit for calendar 2021. The vacancy rate for the department as a whole started the year at just under 8% and ended it at 10%. Every business unit ended the year with a higher vacancy rate than it had at the beginning of the year except for the Motor Vehicle Administration.

Exhibit 2
Monthly Vacancy Rates by Business Unit
Calendar 2021



MAA: Maryland Aviation Administration
MDOT: Maryland Department of Transportation
MPA: Maryland Port Administration
MTA: Maryland Transportation Authority
MVA: Motor Vehicle Administration
SHA: State Highway Administration
TSO: The Secretary’s Office

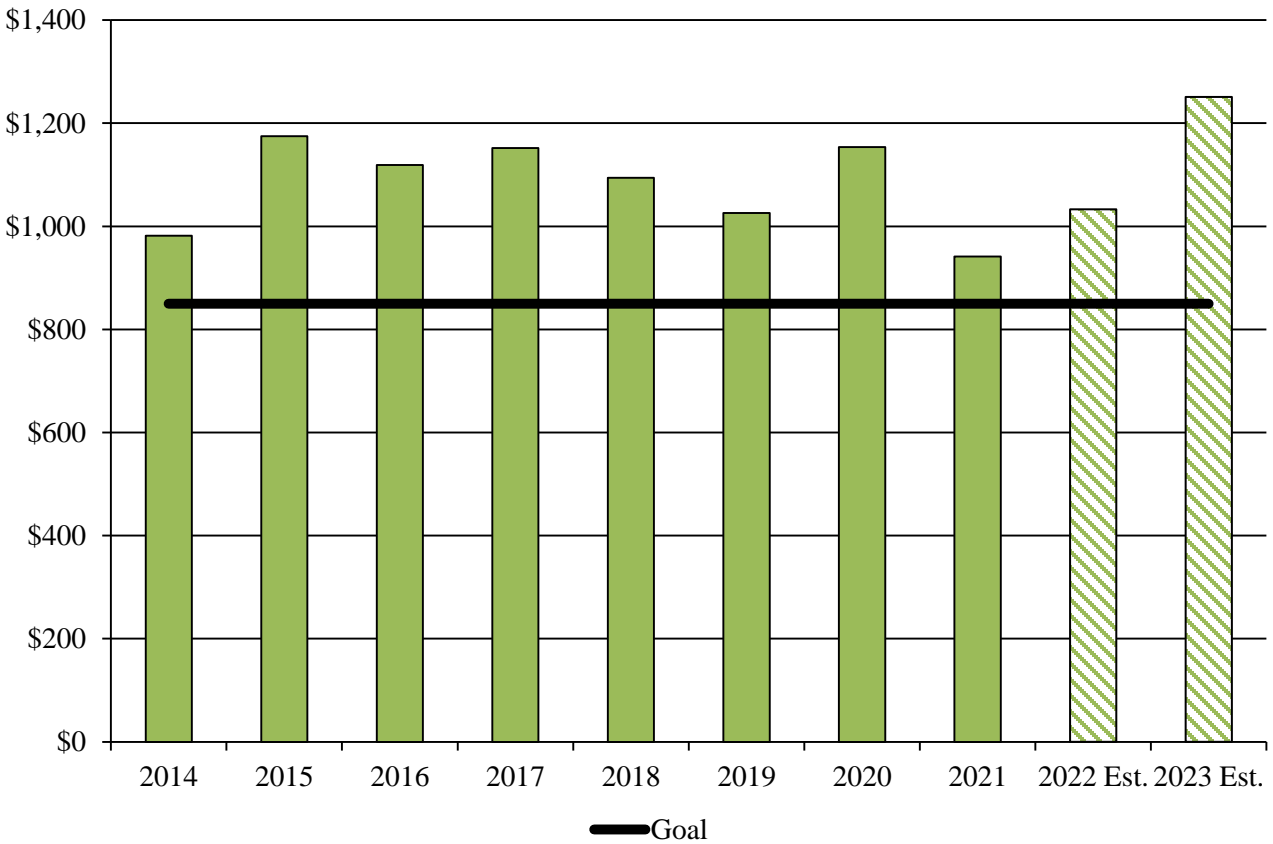
Source: Maryland Department of Transportation; Department of Legislative Services

MDOT should brief the committees on the factors contributing to the increase in vacancies, including broader factors impacting all the units within the department and those that are unique to a unit or limited to a few units. MDOT should also identify, by unit, position classifications for which recruitment and retention is currently particularly difficult.

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 3**, this goal has been achieved every year since fiscal 2014, the year following the last major revenue increase for the Transportation Trust Fund and is projected to be met in the current year and the allowance year.

Exhibit 3
System Preservation Funding
Fiscal 2014-2023 Est.
(\$ in Millions)

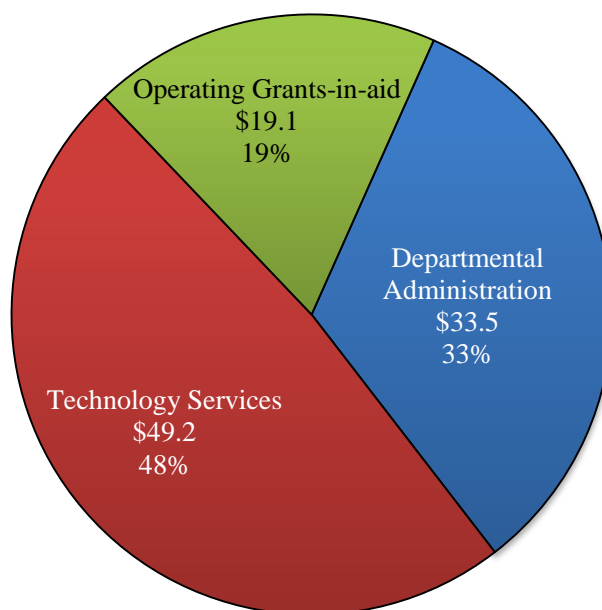


Source: Maryland Department of Transportation; Department of Legislative Services

Fiscal 2023 Overview of Agency Spending

As shown in **Exhibit 4**, nearly half of TSO’s fiscal 2023 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 4
Overview of Agency Spending
Fiscal 2023 Allowance
(\$ in Millions)



Source: Maryland Department of Transportation; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 5**, the fiscal 2023 operating allowance for TSO increases by a net \$1.2 million over the current year working appropriation. Personnel expenses increase by almost \$1.4 million, and operating grants-in-aid increase by \$437,000. These increases are partially offset by reductions in cost allocations to the unit (\$637,000) and departmental administration (\$3,000). The decrease in non-Department of General Services rent results from the final payment made in fiscal 2022 on bonds issued for the construction of the MDOT headquarters.

Exhibit 5
Proposed Budget
Maryland Department of Transportation – 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 2021 Actual	\$84,172	\$9,997	\$94,169
Fiscal 2022 Working Appropriation	87,264	13,287	100,551
Fiscal 2023 Allowance	<u>88,219</u>	<u>13,553</u>	<u>101,772</u>
Fiscal 2022-2023 Amount Change	\$955	\$266	\$1,221
Fiscal 2022-2023 Percent Change	1.1%	2.0%	1.2%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Employee and retiree health insurance	\$478
Hiring above base	315
Turnover adjustments.....	298
Additional assistance	225
Employee retirement contributions.....	102
Workers’ compensation premium assessment	-32
Departmental Administration	
Systems software maintenance	650
Financial Management Information System contractual services.....	566
Software systems modernization consultant services	250
Geographic Information Systems consultant services	117
Software licenses	100
Contractual positions – use of higher paid job categories.....	53
Office of the Attorney General contract and civil litigation services	50
Subscriptions and association dues	29
Per diem payments and legal support services.....	18
Printing/reproduction expenses.....	12
Routine travel.....	8
Conferences, seminars, and training	7
Utilities – electricity usage.....	-14
Non-Department of General Services rent.....	-1,849
Operating Grants-in-aid	
Grants to metropolitan planning organizations.....	294
Grants to other State and local governmental agencies	143

Where It Goes:	<u>Change</u>
Cost Allocations	
Data center computer usage	130
Statewide personnel system allocation	100
Department of Information Technology services allocation.....	28
Retirement administrative fee	-16
Department of Budget and Management-paid telecommunications	-879
Other	38
Total	\$1,221

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Operating Grants-in-aid

Operating grants-in-aid funding increases by \$436,942. Grants to metropolitan planning organizations increase by \$294,000. The remaining increase is mostly due to a change in how funding for a \$400,000 grant to the Maryland Department of Planning is split between the operating and capital programs. Following a review of the costs covered by the grants, the full grant amount will be paid from the operating budget beginning in fiscal 2023. **Exhibit 6** provides a listing of grants by fund for fiscal 2023.

Exhibit 6 Operating Grants-in-aid Funding Fiscal 2023

<u>Grant Recipient</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
Baltimore MPO	\$680,153	\$7,228,382	\$7,908,535
Cumberland MPO	11,534	92,274	103,808
Hagerstown MPO	28,387	175,075	203,462
Lexington Park MPO	13,678	109,425	123,103
Salisbury MPO	17,100	136,799	153,899
Washington MPO	675,103	5,702,226	6,377,329
Wilmington MPO	13,619	108,950	122,569
Department of Commerce (to Support the Appalachian Regional Commission)	155,000	0	155,000
Maryland Department of Planning	400,000	0	400,000
Payments in Lieu of Taxes	1,667,392	0	1,667,392

J00A01 – MDOT –The Secretary’s Office

<u>Grant Recipient</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
Baltimore City – Marine Fire Suppression Services	1,399,940	0	1,399,940
Pride of Baltimore	500,000	0	500,000
Total	\$5,561,906	\$13,553,131	\$19,115,037

MPO: metropolitan planning organization

Source: Governor’s Fiscal 2023 Budget Books; Department of Legislative Services

Operating and PAYGO Personnel Data

	<u>FY 21 Actual</u>	<u>FY 22 Working</u>	<u>FY 23 Allowance</u>	<u>FY 22-23 Change</u>
Regular Operating Budget Positions	307.50	308.00	307.50	-0.50
Regular PAYGO Budget Positions	<u>15.00</u>	<u>15.00</u>	<u>15.00</u>	<u>0.00</u>
Total Regular Positions	322.50	323.00	322.50	-0.50
Operating Budget FTEs	7.00	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	7.00	10.00	10.00	0.00
Total Personnel	329.50	333.00	332.50	-0.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	19.35	6.00%
Positions and Percentage Vacant as of 12/31/21	40.0	12.4%
Vacancies Above Turnover	20.7	

- The number of positions in TSO declines by 0.5 due to an interdepartmental transfer. Across all of MDOT, the number of regular positions is unchanged between the current year and the allowance.
- TSO had 40 vacancies at the end of calendar 2021, giving it capacity to fill 20.7 positions for the entire year and still meet budgeted turnover.

PAYGO Capital Program

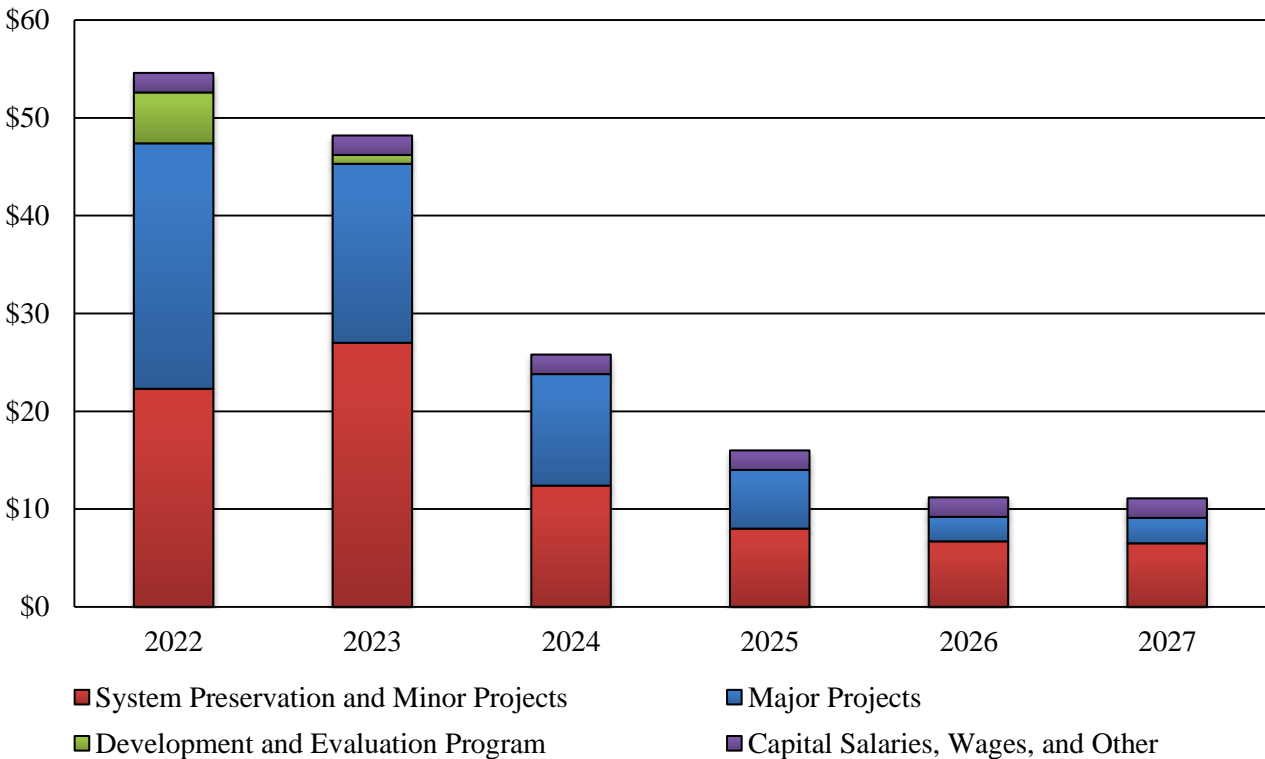
Program Description

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 2022 to 2027 Consolidated Transportation Program

The fiscal 2022 to 2027 capital program for TSO totals \$166.9 million, an increase of \$58.9 million over the prior year six-year program. **Exhibit 7** shows funding by year and by category.

Exhibit 7
Programmed Capital Spending by Category
Fiscal 2022-2027
(\$ in Millions)



Source: Maryland Department of Transportation, 2022 to 2027 Consolidated Transportation Program; Department of Legislative Services

Fiscal 2023 Capital Allowance

The fiscal 2023 allowance for the TSO capital program, including other funds that do not flow through the TSO budget, totals \$48.0 million. **Exhibit 8** shows the fiscal 2023 capital program for TSO by project and program along with the total estimated project costs and six-year funding included in the *Consolidated Transportation Program* (CTP).

Exhibit 8
The Secretary’s Office PAYGO Capital Program
Fiscal 2023
(\$ in Millions)

<u>Project Description</u>	<u>2023</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Projects			
Accounting and Reporting System Modernization	\$9.1	\$16.6	\$16.6
Procurement System Modernization	2.1	15.6	9.9
Baltimore-Washington Superconducting Maglev D&E	0.9	34.7	6.1
Programs			
System Preservation and Minor Projects	\$26.9	n/a	\$83.2
Transportation Emission Reduction Program	2.3	n/a	16.4
Bikeways Network Program	4.8	n/a	14.1
Capital Salaries and Wages	2.0	n/a	12.0
Subtotal – Programs	\$35.9		\$125.7
Total – Projects and Programs	\$48.0	\$66.9	\$158.2

D&E: development and evaluation

PAYGO: pay-as-you-go

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

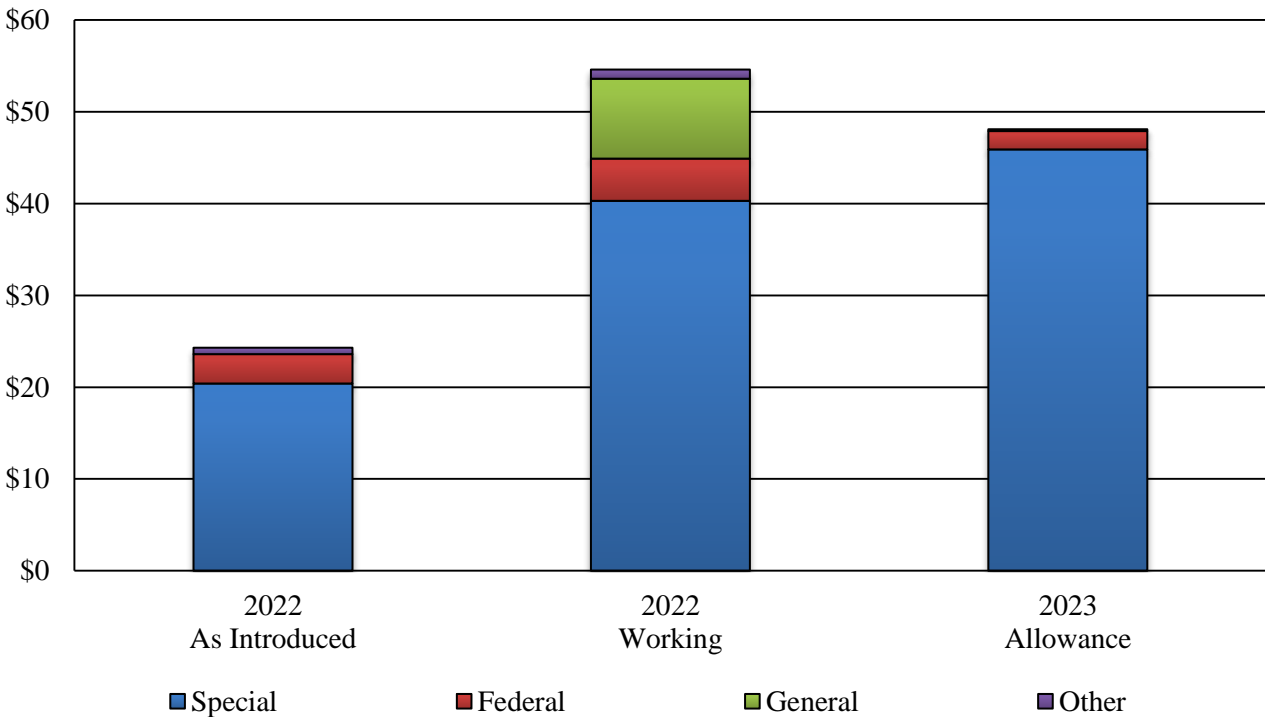
Source: Maryland Department of Transportation, 2022 to 2027 *Consolidated Transportation Programs*; Department of Legislative Services

The Systems Preservation and Minor Projects program comprises numerous smaller cost projects and grants. The fiscal 2023 funding of \$26.9 million supports 15 grants, 34 IT projects, and 67 projects addressing maintenance of the department’s headquarters building and providing for various studies and capital services contracts.

Fiscal 2022 and 2023 Cash Flow Analysis

Exhibit 9 shows the changes in TSO capital funding, including other funds that do not flow through the TSO budget between the fiscal 2022 budget as introduced, the fiscal 2022 working appropriation, and the fiscal 2023 allowance. The \$8.7 million in general funds in fiscal 2022 was added through a supplemental budget during the 2021 session and is a grant to Prince George’s County for infrastructure improvements along the Metrorail Blue Line corridor.

Exhibit 9
Cash Flow Changes
Fiscal 2022-2023
(\$ in Millions)



Source: Maryland Department of Transportation, 2021 and 2022 *Consolidated Transportation Programs*; Department of Legislative Services

Cash Flow Analysis – Fiscal 2022 Changes

The fiscal 2022 working appropriation is \$30.4 million higher than the budget as introduced during the 2021 session. **Exhibit 10** shows the components of this increase.

Exhibit 10
Cash Flow Changes
Fiscal 2022 as Introduced to Fiscal 2022 Working Appropriation
(\$ in Millions)

Major Projects	\$15.0
Transportation Infrastructure Along the Blue Line Corridor	\$8.7
Transportation Emission Reduction Program	2.1
Bikeways Network Program	1.9
Procurement System Modernization	1.3
Accounting and Reporting System Modernization	1.0
System Preservation and Minor Projects	\$13.3
Development and Evaluation Program	\$1.6
Baltimore-Washington Superconducting Maglev D&E	\$1.6
Capital Salaries and Wages	\$0.6
Total Change	\$30.4

D&E: development and evaluation

Source: Maryland Department of Transportation, 2021 and 2022 *Consolidated Transportation Programs*; Department of Legislative Services

Cash Flow Analysis – Fiscal 2022 to 2023 Changes

Exhibit 11 shows the changes between the fiscal 2022 working appropriation and the fiscal 2023 allowance, including other funds that do not flow through the TSO budget.

Exhibit 11
Cash Flow Changes
Fiscal 2022 Working Appropriation to Fiscal 2023 Allowance
(\$ in Millions)

Major Projects	-\$6.9
Accounting and Reporting System Modernization	\$8.1
Bikeways Network Program	1.1
Transportation Emission Reduction Program	-1.6
Procurement System Modernization	-5.8
Transportation Infrastructure Along the Blue Line Corridor	-8.7
System Preservation and Minor Projects	\$4.5
Development and Evaluation Program	-\$4.3
Baltimore-Washington Superconducting Maglev D&E	-\$4.3
Total Change	-\$6.7

D&E: development and evaluation

Source: Maryland Department of Transportation, 2022 *Consolidated Transportation Program*; Department of Legislative Services

Significant Changes from the Previous CTP

Exhibit 12 shows significant changes from the 2021 CTP.

Exhibit 12
Significant Changes from the 2021 Consolidated Transportation Program
(\$ in Millions)

<u>Projects Added to the Construction Program</u>	<u>Project Cost</u>
Accounting and Reporting System Modernization	\$16.6
Transportation Infrastructure Along the Blue Line Corridor	\$8.7

Source: Maryland Department of Transportation, 2022 *Consolidated Transportation Program*

Issues

1. New Capital Management and Programming System Provides Enhanced Reporting Capabilities

In fiscal 2020, MDOT’s six-year effort to replace its aging IT system used for managing its capital program culminated with the implementation of a new system named the Capital Management and Programming System (CMAPS). CMAPS provides a central repository of all capital projects and information across the entire department, enables detailed tracking of project budgets, and facilitates key workflow approvals related to managing project budgets. CMAPS provides efficiencies and improvements in how MDOT tracks, manages, and reports on capital projects and programs.

A clear example of some of the enhanced capabilities in CMAPS is the funding summaries included at the beginning of each of the MDOT business unit sections of the 2022 CTP. In prior years, funding was shown broken out into just a few large categories. In the 2022 CTP, however, funding for projects and programs is broken out into three categories – major construction program; development and evaluation program; and minor program – and further broken out within these into six investment categories – system preservation; expansion/efficiency; safety and security; local funding; environment; and administration. **Exhibit 13** shows funding information as presented on the Maryland Transit Administration (MTA) summary page.

Exhibit 13
Maryland Transit Administration
Capital Program Summary
Fiscal 2022-2027
(\$ in Millions)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Six-year Total</u>
Major Construction Program	\$1,142.8	\$657.6	\$552.5	\$397.1	\$332.6	\$491.8	\$3,574.4
System Preservation	289.3	410.5	340.0	252.6	186.4	188.0	1,666.8
Expansion/Efficiency	753.0	191.5	153.5	79.1	77.5	233.9	1,488.5
Safety and Security	6.0	0.0	0.0	0.0	0.0	0.0	6.0
Local Funding	72.7	22.0	29.7	27.8	31.1	31.7	215.0
Environment	6.1	1.0	0.0	0.0	0.0	0.0	7.1
Administration	15.7	32.6	29.3	37.6	37.6	38.2	191.0
Development and Evaluation Program	\$9.7	\$22.4	\$28.2	\$40.6	\$147.1	\$30.9	\$278.9
System Preservation	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Expansion/Efficiency	3.0	11.4	9.4	17.6	139.9	30.7	212.0
Safety and Security	1.2	0.5	0.0	0.0	0.0	0.0	1.7
Local Funding	1.3	0.4	0.2	0.2	0.2	0.2	2.5
Environment	3.2	4.8	15.0	20.0	7.0	0.0	50.0
Administration	0.9	5.3	3.6	2.8	0.0	0.0	12.6
Minor Program	\$116.6	\$109.6	\$117.9	\$113.8	\$108.9	\$98.3	\$665.1
System Preservation	77.5	84.8	85.1	85.8	88.9	80.7	502.8
Expansion/Efficiency	9.4	4.9	1.2	0.3	3.3	0.8	19.9
Safety and Security	9.5	3.6	10.7	6.5	2.8	4.0	37.1
Environment	5.2	9.0	13.5	15.1	7.8	8.2	58.8
Administration	15.0	7.3	7.4	6.1	6.1	4.6	46.5
Capital Salaries, Wages and Other	\$12.5	\$13.0	\$14.0	\$14.0	\$15.0	\$15.5	\$84.0
Total	\$1,281.4	\$802.7	\$712.6	\$565.5	\$603.6	\$636.5	\$4,602.3
Special Funds	\$587.4	\$291.3	\$466.9	\$390.9	\$348.8	\$376.4	\$2,461.7
Federal Funds	604.8	440.3	180.3	167.2	249.6	257.1	1,899.3
Other Funds	89.2	71.1	65.4	7.4	5.2	3.0	241.3

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

Source: Maryland Department of Transportation, 2022 *Consolidated Transportation Program*; Department of Legislative Services

The definitions for the six investment categories are shown in **Exhibit 14**.

Exhibit 14
Definitions of Investment Categories Used
in the *Consolidated Transportation Program*

<u>Investment Category</u>	<u>Definition</u>
System Preservation	Supports the MTP goal of maintaining a high standard and modernizing Maryland’s multimodal transportation system.
Expansion/Efficiency	Supports the MTP goals of providing better transportation choices/connections; facilitating economic opportunity and reducing congestion through strategic system expansion; and improving the quality and efficiency of the transportation system to enhance the customer experience.
Safety and Security	Supports the MTP goal of ensuring a safe, secure, and resilient (to natural or manmade hazards) transportation system.
Local Funding	Funding that is passed on to local jurisdictions for their use (e.g., Highway User Revenues, WMATA, the Regional Aviation Program).
Environment	Supports the MTP goal of ensuring environmental protection and sensitivity.
Administration	Comprises contractor services, operating to capital, internal software/nonpublic facing IT systems, and MDOT assets that are not a part of a transportation system/are not used to serve the public.

IT: information technology

MTP: Maryland Transportation Plan

WMATA: Washington Metropolitan Area Transit Authority

Source: Maryland Department of Transportation; Department of Legislative Services

In order to make the investment categorization meaningful, MDOT worked with each of the business units to ensure that the same methodology was used so that comparisons between business units using the investment categories were apples-to-apples comparisons. Unlike in previous CTPs, summing a category, such as system preservation, across all business units results in the total funding for that category. **Exhibit 15** shows the fiscal 2023 capital program by investment category across all MDOT units.

Exhibit 15
Capital Funding by Investment Category
Fiscal 2023
(\$ in Millions)

Investment Category

System Preservation	\$1,251
Expansion/Efficiency	770
Safety and Security	160
Local Funding	852
Environment	58
Administration	130
Capital Salaries, Wages and Other	28
Total	\$3,249

Special Funds	\$1,350
Federal Funds	1,310
Other State Funds	219
Other Funds	371
Total	\$3,249

Source: Maryland Department of Transportation, 2022 *Consolidated Transportation Program*; Department of Legislative Services

Operating Budget Recommended Actions

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

, provided that no more than \$5,561,906 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 increase funds for an existing grantee.

Further provided that no expenditures in excess of \$5,561,906 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 2022 to 2027 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 Developments – 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. 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 2022 to 2027 CTP includes \$100,000 in fiscal 2023 for TOD implementation projects.

Project Overview

An administrative agreement between MDOT and the Department of Legislative Services (DLS) provides 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 2021 MDOT report highlighted a number of TOD projects at MDOT-owned stations, as summarized below.

- ***Savage Maryland Area Regional Commuter (MARC) Station:*** MDOT sold a 9.2-acre portion of a 12.7-acre MDOT surface parking lot to the developer 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. Under the Master Development Agreement (MDA), private development was to include 416 residential units, 17,000 square feet (SF) of retail space, 100,000 SF of office space, structured parking garages, and a 150-room hotel. In 2017, the residential units were completed along with 5,420 SF of retail space, 101,200 SF of office space, and an adjacent 500-space parking garage and 150 surface parking spaces. In August 2021, a second amendment to the MDA was executed in response to changing market conditions that (1) consolidates three parking lots into a single lot; (2) replaces 14,000 SF of retail and 250 SF of kiosk with a 16-story, 280+ unit residential building; (3) reduces hotel rooms from 150 rooms to 110+/- rooms; and (4) expands parking by 100+/- spaces onto the existing privately-owned structured parking garage and attaches an additional structured garage with 300+/- parking spaces.
- ***Expected Actions in Fiscal 2022:*** Continuation of construction of the hotel, additional residential, and private parking.
- ***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 SF building with 50,000 SF of retail/restaurant space. In 2019, an additional residential building comprising 114 residential units and 4,500 SF of retail space was completed and opened for occupancy. In 2021, construction was wrapping up on an additional residential building comprising 230 units and additional structured parking.

- ***Expected Actions in Fiscal 2022:*** Opening of the Marriott International Hotel and Conference Center.

- ***Odenton MARC Station:*** For more than 10 years, a mixed-use project was envisioned on approximately 33 acres of MDOT parking lots and adjacent county-owned land. 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 MDA for a mixed-use TOD. The developer was unable to formulate a budget that resulted in an economically feasible project, and 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, which, when improved, is anticipated to provide approximately 249 additional commuter parking spaces as well as provide land for any future TOD. In 2019, an area market assessment study to assess the viability of future TOD on the site was completed and a copy forwarded to Anne Arundel County. It noted that the retail market adjacent to the station is 39% vacant due to lack of visibility from MD 175 as well as the lack of density in the station area. The county has engaged the Maryland Economic Development Corporation to construct a commuter parking garage near the station as a precursor to a possible TOD. MDOT is in the process of drafting a request for proposals (RFP) for efforts associated with the development of the TOD.
 - ***Expected Actions in Fiscal 2022:*** MDOT will continue collaborating with the county on activities associated with the commuter parking garage and TOD.

- ***Laurel Park MARC Station:*** The Laurel Park Station property consists of 63.84 acres located adjacent to U.S. Route 1, immediately north of the City 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 SF of retail, and 650,000 SF of office space. MTA estimates that the new train station will require between 300 and 400 parking spaces for commuters. In early 2017, MTA and CSX Transportation executed an MOU providing for three morning stops and three evening stops. To accommodate the additional stops, a morning flag stop at the St. Denis Station will be eliminated, and the

Jessup Station, which had one flag stop in the morning and one in the evening, will be closed upon completion of the Laurel Park State improvements. The developer submitted 30% engineering plans for the new transit station to CSX for approval, but the conditions that CSX required before it would grant approval proved too costly, and modifications proposed by the developer were rejected by CSX. With negotiations stalled on the station improvements, CSX has closed out the project for lack of activity.

- ***Expected Actions in Fiscal 2022:*** The mixed-use developments are progressing without plans for station improvements.
- ***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 SF 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 finalized an RFP that it published to the developer community in May 2021 with responses due by September 2021.
 - ***Expected Actions in Fiscal 2022:*** All proposals received in response to the RFP will be evaluated, and MDOT expects to enter into an exclusive negotiating period with the selected developer.
- ***Dorsey MARC Station:*** The TOD site consists of three parcels totaling just over 18 acres in the Dorsey community in Elkridge, Howard County. Two of the parcels are owned by MTA, and the third is owned by the State Highway Administration. The site is zoned office/commercial. MDOT issued a request for expressions of interest in April 2019 and is reviewing a draft pre-development report. The State and Howard County executed a TOD designation agreement in March 2020. A draft RFP is under review.
 - ***Expected Actions in Fiscal 2022:*** Issuance of the RFP.
- ***Bowie State University (BSU) MARC Station:*** Prince George’s County and BSU have coordinated efforts to pursue a TOD in the area of the BSU MARC Station that will allow for retail, student housing, and other amenities to create a vibrant walkable community and assist in connecting BSU to the surrounding community. The BSU MARC station area includes 560 acres, including 307 that are publicly owned. MDOT and the county executed a TOD Designation Agreement in June 2021.
 - ***Expected Actions in Fiscal 2022:*** MDOT will continue collaboration with stakeholders to advance the project.

- ***Martin State Airport MARC Station:*** The goal of the Martin State Airport MARC Station project is to transform an industrial part of town into a TOD. The local government has presented a plan for a mixed-use and business-center zoning. As part of the TOD development, the State is seeking to improve access to the MARC Station by moving it across the street. This move is to help ensure pedestrian safety and ensure Americans with Disabilities Act compliance to the future TOD. The TOD designation was executed in August 2021. The project property is in the process of changing ownership, and MDOT and the county are monitoring this process to understand how this might affect the future direction of the TOD.
 - ***Expected Actions in Fiscal 2022:*** MDOT will continue to collaborate with the county on project activities within the TOD designated area.
- ***Baltimore/Washington International (BWI) MARC Station:*** The BWI MARC Station area has been included in Anne Arundel County’s annual priority letter requesting TOD designation. This area is currently a Development Policy Area (designated by the county) and has interest of a local developer to bring TOD design elements near the BWI MARC Station. MDOT has had ongoing discussions regarding the status of road improvements in the area, including but not limited to the 295/Hanover Road interchange expansion project, BWI Aerotropolis mixed-use development, and the proposed Maglev station, and is working with the county to determine the viability of requesting a recommendation of the Smart Growth Subcabinet for a TOD designation.
 - ***Expected Actions in Fiscal 2022:*** MDOT will continue working with the county to advance the project and explore the possibility of a TOD designation.
- ***Baltimore Penn Station MARC Station:*** Penn Station Partners is proposing a multi-phased, mixed-use development that could bring as much as 1.6 million SF of development to the area. Preliminary concepts include a hotel in the historic station head house, as well as office and residential space to the north along Lanvale Street, connected by an expanded concourse with new retail opportunities. Baltimore City has requested via a transportation priority letter for the station area to be State designated as a TOD. The designation would allow for the project to qualify for additional sources of funding. MDOT is in the process of review for a possible TOD designation.
 - ***Expected Actions in Fiscal 2022:*** MDOT will provide support to advance the project.

Appendix 1
2021 Joint Chairmen’s Report Responses from Agency

The 2021 *Joint Chairmen’s Report* (JCR) requested that MDOT TSO prepare three reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Purple Line Selected Replacement Design-build Contractor:*** Language added to the appropriation for TSO restricted \$500,000 pending submission of two reports on the process of selecting a replacement design-build contractor for the Purple Line. The first report was submitted in early January 2022 providing information on the selected contractor as well as project updates on costs and schedule as requested in the budget bill language. The second report is not due until February 15, 2022. Further discussion of this data can be found in the MDOT Overview analysis.
- ***Data on MTA Police Sworn Officer Positions:*** Language added to the appropriation for TSO restricted \$100,000 pending submission of a report providing statistical data on sworn officer positions within the MTA Police. The report was submitted as requested and provides data on hiring, promotions, and disciplinary actions.

Appendix 2
Budget Amendments for Fiscal 2022
Maryland Department of Transportation
The Secretary’s Office – Operating and Capital

Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$602,050	Special	Increase for annualization of the January 2021 2% general salary increase and funding for the \$15 per hour minimum wage annual salary review (ASR).

Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$34,238	Special	Increase for annualization of the January 2021 2% general salary increase and funding for the \$15 per hour minimum wage ASR.
Pending	\$13,909,157	Special	Adjusts the amended appropriation to agree with the fiscal 2022 to 2027 CTP.
	1,368,962	Federal	
	\$15,278,119	Total	

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

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	307.50	308.00	307.50	-0.50	-0.2%
02 Contractual	7.00	10.00	10.00	0.00	0%
Total Positions	314.50	318.00	317.50	-0.50	-0.2%
Objects					
01 Salaries and Wages	\$ 35,702,512	\$ 35,516,833	\$ 36,903,076	\$ 1,386,243	3.9%
02 Technical and Special Fees	476,054	714,181	786,321	72,140	10.1%
03 Communication	3,654,321	5,877,049	4,997,550	-879,499	-15.0%
04 Travel	12,404	114,412	128,912	14,500	12.7%
06 Fuel and Utilities	171,280	214,310	200,682	-13,628	-6.4%
07 Motor Vehicles	31,756	48,984	49,787	803	1.6%
08 Contractual Services	35,983,799	36,066,826	38,076,315	2,009,489	5.6%
09 Supplies and Materials	102,966	174,467	174,467	0	0%
10 Equipment – Replacement	22,606	16,018	16,018	0	0%
11 Equipment – Additional	2,872	49,832	51,332	1,500	3.0%
12 Grants, Subsidies, and Contributions	15,032,480	18,783,297	19,220,239	436,942	2.3%
13 Fixed Charges	2,975,779	2,974,926	1,167,663	-1,807,263	-60.7%
Total Objects	\$ 94,168,829	\$ 100,551,135	\$ 101,772,362	\$ 1,221,227	1.2%
Funds					
03 Special Fund	\$ 84,172,064	\$ 87,263,750	\$ 88,219,231	\$ 955,481	1.1%
05 Federal Fund	9,996,765	13,287,385	13,553,131	265,746	2.0%
Total Funds	\$ 94,168,829	\$ 100,551,135	\$ 101,772,362	\$ 1,221,227	1.2%

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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

<u>Program/Unit</u>	<u>FY 21 Actual</u>	<u>FY 22 Wrk Approp</u>	<u>FY 23 Allowance</u>	<u>Change</u>	<u>FY 22 - FY 23 % Change</u>
01 Executive Direction	\$ 33,502,759	\$ 33,925,995	\$ 33,459,663	-\$ 466,332	-1.4%
02 Operating Grants-in-aid	14,930,270	18,678,095	19,115,037	436,942	2.3%
03 Facilities and Capital Equipment	32,248,994	51,860,106	38,363,432	-13,496,674	-26.0%
07 Office of Transportation Technology Services	45,735,800	47,947,045	49,197,662	1,250,617	2.6%
08 Major IT Development Projects	1,035,769	1,710,251	9,551,602	7,841,351	458.5%
Total Expenditures	\$ 127,453,592	\$ 154,121,492	\$ 149,687,396	-\$ 4,434,096	-2.9%
General Fund	\$ 0	\$ 8,700,000	\$ 0	-\$ 8,700,000	-100.0%
Special Fund	115,820,126	127,567,145	134,159,154	6,592,009	5.2%
Federal Fund	11,633,466	17,854,347	15,528,242	-2,326,105	-13.0%
Total Appropriations	\$ 127,453,592	\$ 154,121,492	\$ 149,687,396	-\$ 4,434,096	-2.9%

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.