

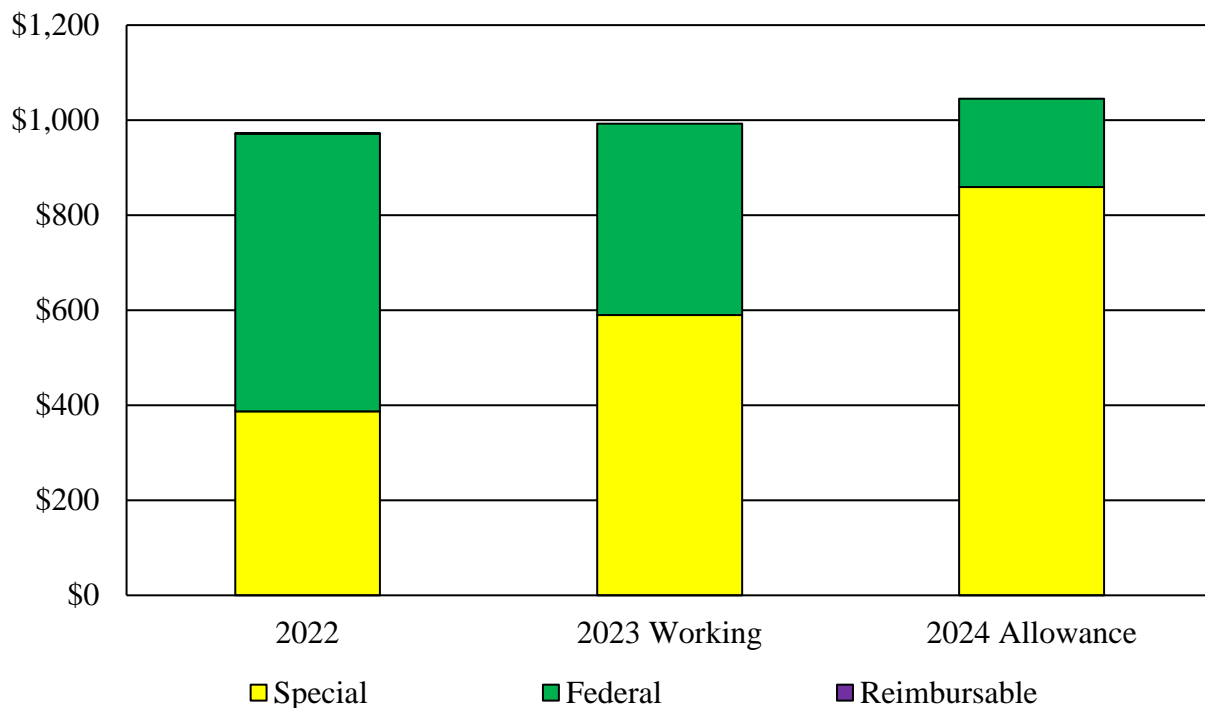
J00H01
Maryland Transit Administration
Maryland Department of Transportation

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

**Fiscal 2024 Budget Increases \$52.8 Million, or 5.3%, to \$1,045.4 Million
(\$ in Millions)**



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

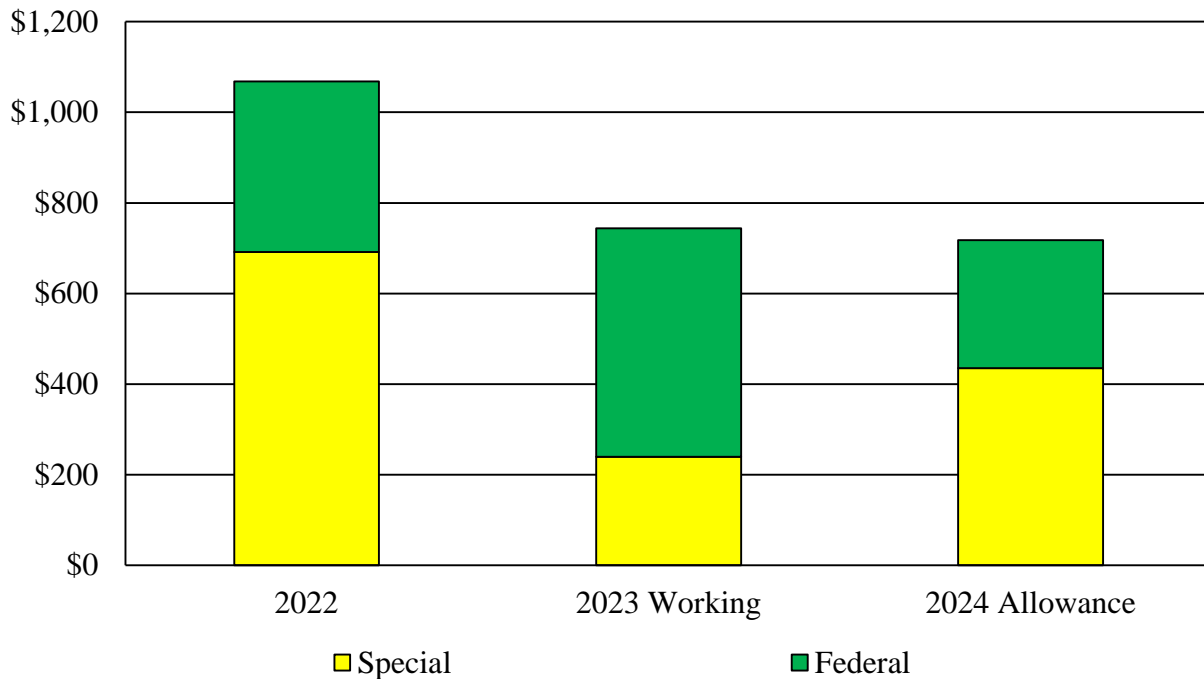
- Federal COVID-19 relief and stimulus funding, which serves as revenue replacement due to decreased ridership, is expected to significantly decrease in the fiscal 2024 allowance, requiring increased special funds to maintain service levels.

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PAYGO Capital Budget Summary

**Fiscal 2024 Budget Decreases \$25.7 Million, or 3.5%, to \$717.9 Million
(\$ in Millions)**



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

Key Observations

- ***Ridership Recovery:*** Ridership for core bus and paratransit services is nearly back to prepandemic levels, while all other modes struggle to recover.
- ***Major Transit Projects:*** The Purple Line project faces another potential setback, and studies of central Maryland transit options are ongoing.
- ***Paratransit Service Improves:*** Several agency interventions led to substantial improvements in on-time paratransit service after significant issues in calendar 2021.

Operating Budget Recommended Actions

1. Add language requesting reports on Purple Line progress.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

- The agency is procuring a vendor to provide cellular and broadband service in underground transit stations, where service is currently unavailable.

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Budget Analysis

Program Description

The Maryland Department of Transportation (MDOT) supports transit in Maryland through 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 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.

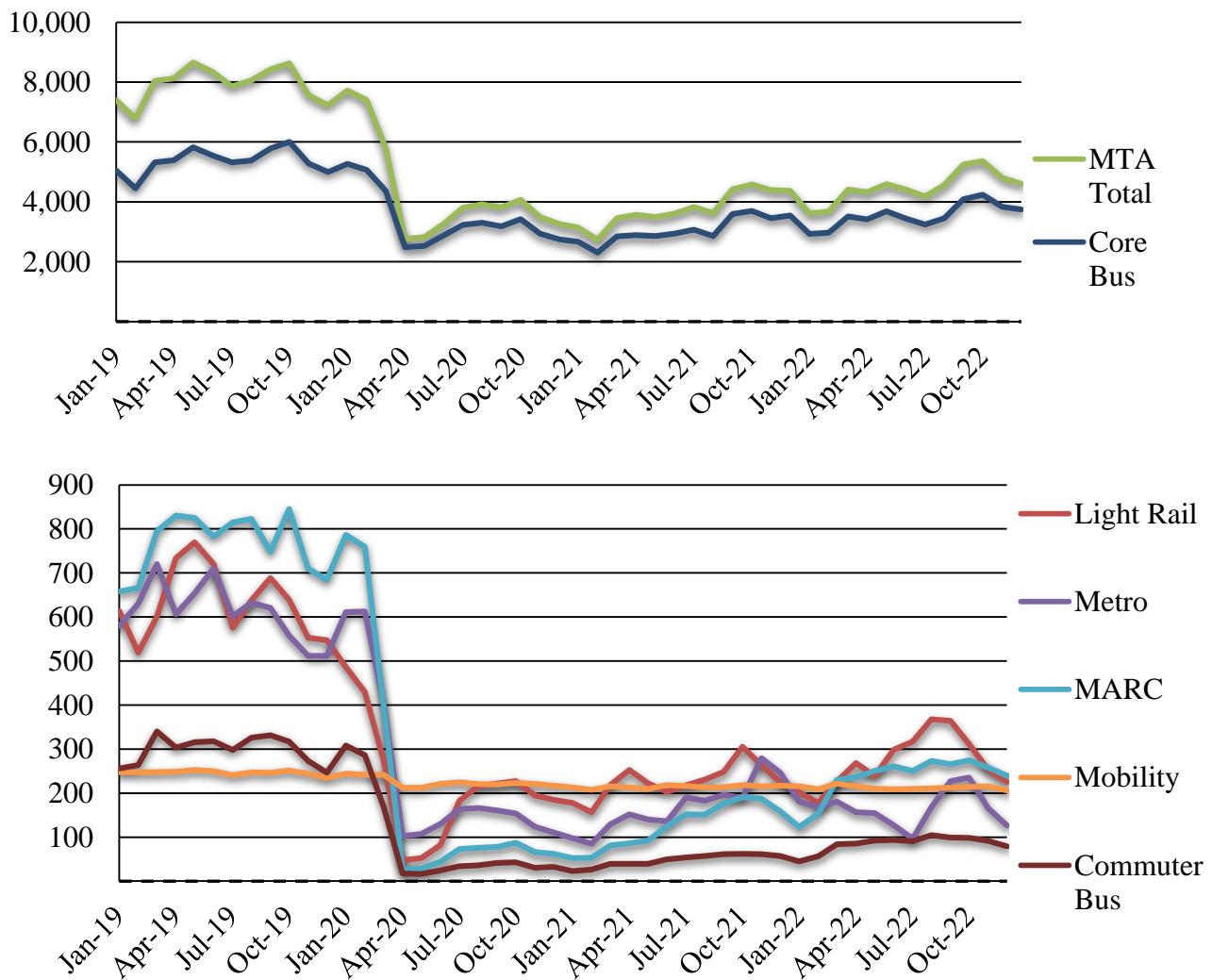
The administration shares the key goals identified by MDOT:

- 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.

COVID-19 Impacts

The COVID-19 pandemic had a substantial impact on transit, with ridership plummeting in spring 2020, as shown in **Exhibit 1**. Ridership recovery has been uneven among the different modes, because some modes, such as core bus and mobility, serve individuals' everyday transportation needs, while others mostly serve commuters, whose needs now differ with increased telework flexibility.

Exhibit 1
Monthly Ridership
Calendar 2019-2022
(Riders in Thousands)



Source: Maryland Transit Administration

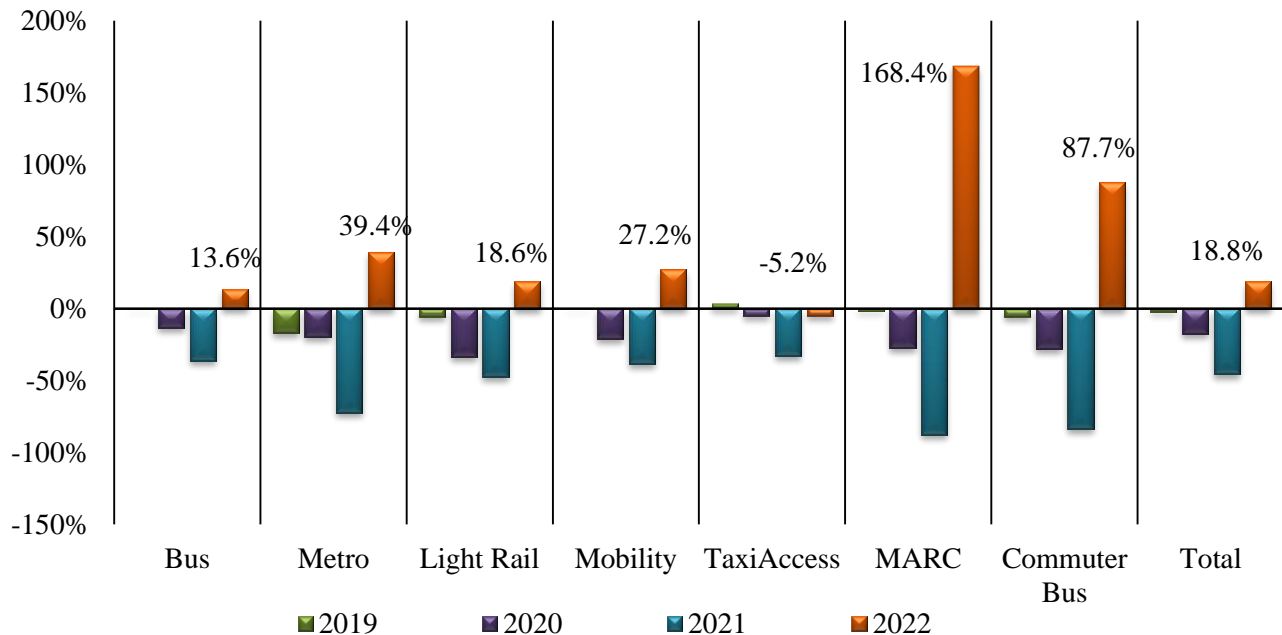
Reduced revenues from decreased ridership have not had a substantive impact on budgeting or operational funding. MTA used federal relief funds, which will continue through fiscal 2024, to offset reduced revenues, and can also make up the balance of their needs through the Transportation Trust Fund (TTF). MTA currently projects that fiscal 2019 prepandemic revenues will be exceeded by fiscal 2026.

Performance Analysis: Managing for Results

1. Bus and Paratransit Ridership Nearly Recovered; Other Modes Still Far Behind

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 2** shows the percent change in boardings from the prior year for fiscal 2019 through 2022. For all modes of MTA service, there were 50.2 million boardings in fiscal 2022, representing a 16% increase from the prior year, but only 53% of total boardings in fiscal 2019, the year before the pandemic began. Substantial improvements were seen in several modes, particularly in MARC, which more than doubled its boardings in fiscal 2022 when compared to fiscal 2021. Still, fiscal 2022 MARC boardings were only 25% of 2019 levels.

Exhibit 2
Change in Boardings by Mode
Fiscal 2019-2022



Source: Managing for Results

As shown in **Exhibit 3**, core bus and mobility paratransit services have had the strongest ridership recovery, reaching 66% and 86%, respectively, of calendar 2019 levels in calendar 2022. However, Light Rail, Metro, MARC, and Commuter Bus are all still struggling to recover riders. In calendar 2022, these services had an average of 43% or less of their 2019 average ridership.

Exhibit 3
Ridership by Mode Compared to 2019
Calendar 2022 Average

| <u>Core Bus</u> | <u>Light Rail</u> | <u>Metro</u> | <u>MARC</u> | <u>Mobility</u> | <u>Commuter Bus</u> | <u>MTA Total</u> |
|------------------------|--------------------------|---------------------|--------------------|------------------------|----------------------------|-------------------------|
| 66% | 43% | 27% | 31% | 86% | 28% | 57% |

MTA: Maryland Transit Administration

Note: Mobility includes mobility paratransit combined with taxi access/call-a-ride service.

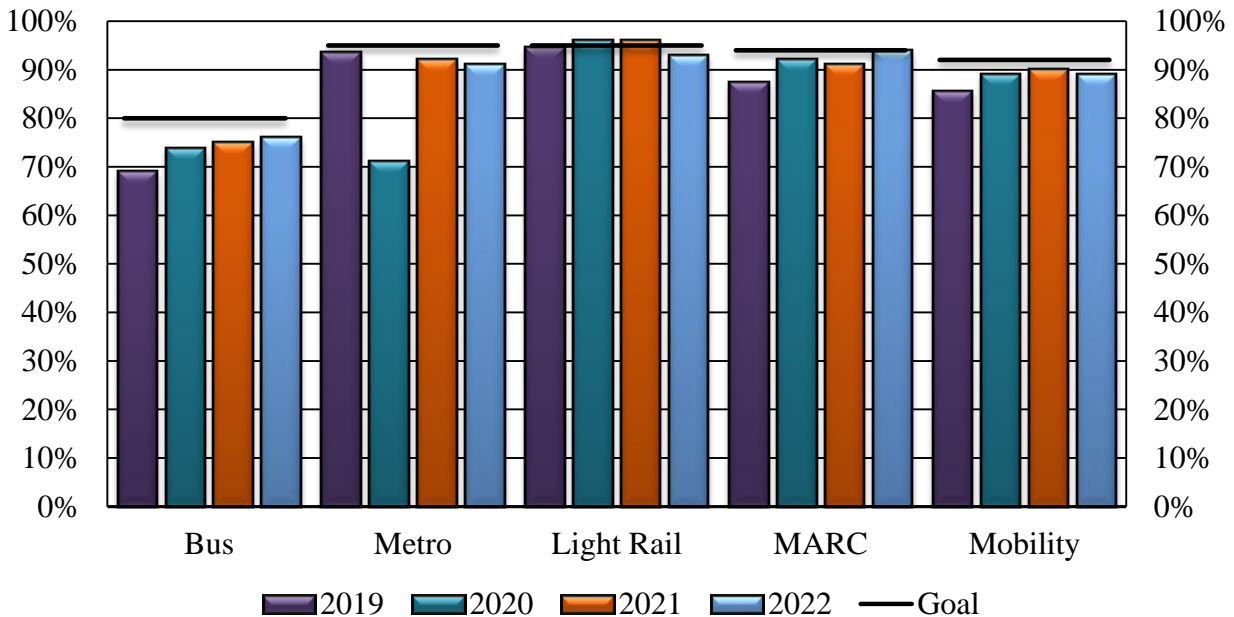
Source: Maryland Transit Administration

Despite the slow recovery on some modes, the agency notes that it has not considered scaling back the frequency of transit routes, noting the nearly 20% increase in overall ridership from fiscal 2021 to 2022. The agency believes that ridership will continue to increase and that a robust transit system is necessary to support desired regional growth. Further, the benefit of transit extends beyond ridership alone, including decreased emissions from reduction of single occupancy vehicles, economic mobility for riders, and regional business development.

2. MARC Only Service to Meet On-time Performance Goal in Fiscal 2022

As part of its goal to enhance the customer experience, MTA strives to provide high on-time performance with goals of 80% on-time performance for core bus service, 95% for Metro and Light Rail service, 94% for MARC service, and 92% for Mobility services. Each mode also has a different threshold that is considered “on-time”, generally within 10 minutes of the scheduled time. Mobility paratransit service is considered on-time if the ride arrives within 30 minutes of the scheduled pickup time. **Exhibit 4** shows the percentage of on-time service by mode for fiscal 2019 through 2022. MARC was the only mode to meet its service goal in fiscal 2022 and the percentage of on-time performance for Metro and Light Rail decreased from fiscal 2021 to 2022.

**Exhibit 4
On-time Performance
Fiscal 2019-2022**



Source: Managing for Results

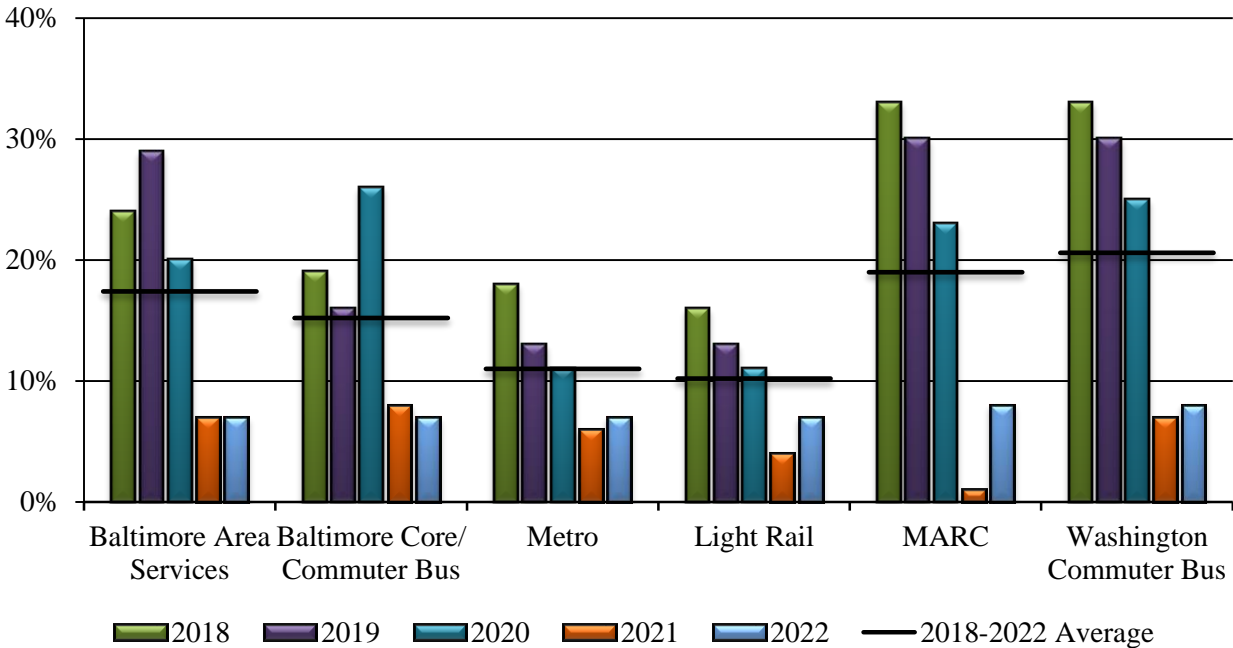
In calendar 2021, MobilityLink on-time performance suffered, with an average of 75% of rides arriving within the on-time threshold and a low of just 59% of on-time trips in September 2021. While MTA did not achieve their goal of 92% in calendar 2022, on-time service improved dramatically to an average of 89%. Further discussion of paratransit performance challenges can be found in Key Observation 2 of this analysis.

3. Farebox Recovery

Farebox recovery illustrates the percentage of operating costs for a particular transit mode that are recovered through passenger fares. The number of paying passengers and the operating costs per revenue mile are both important factors for this measure. Although there is no longer a farebox recovery goal set in statute, one of MTA’s objectives is to optimize farebox recovery for the Baltimore area core services and MARC service. **Exhibit 5** compares the farebox recovery rates by mode of transit and for the Baltimore area services as a whole for fiscal 2018 through 2022 to the average rates for the five-year period ending with fiscal 2022. The farebox recovery rates fell dramatically in fiscal 2021 compared to the prior year for all modes, reflecting decreased

ridership due to the COVID-19 pandemic. While the rate increased in fiscal 2022 for Baltimore core/commuter bus due to increased ridership, farebox recovery for all modes remains well below the five-year average.

**Exhibit 5
Farebox Recovery
Fiscal 2018-2022**



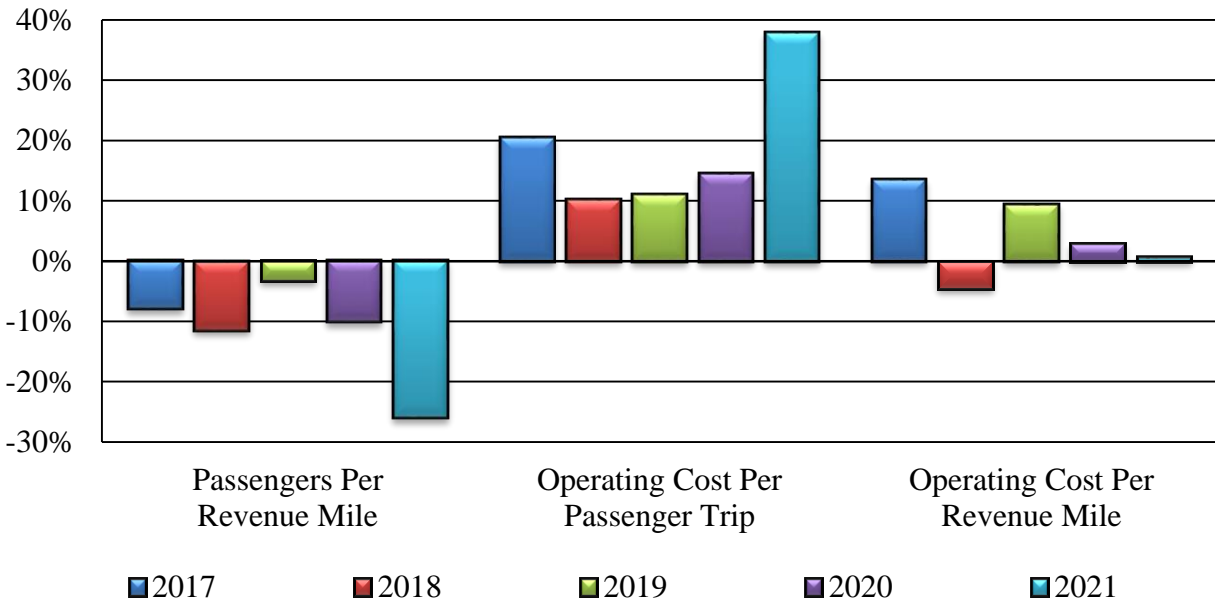
Source: Managing for Results

4. Transit Performance Measures

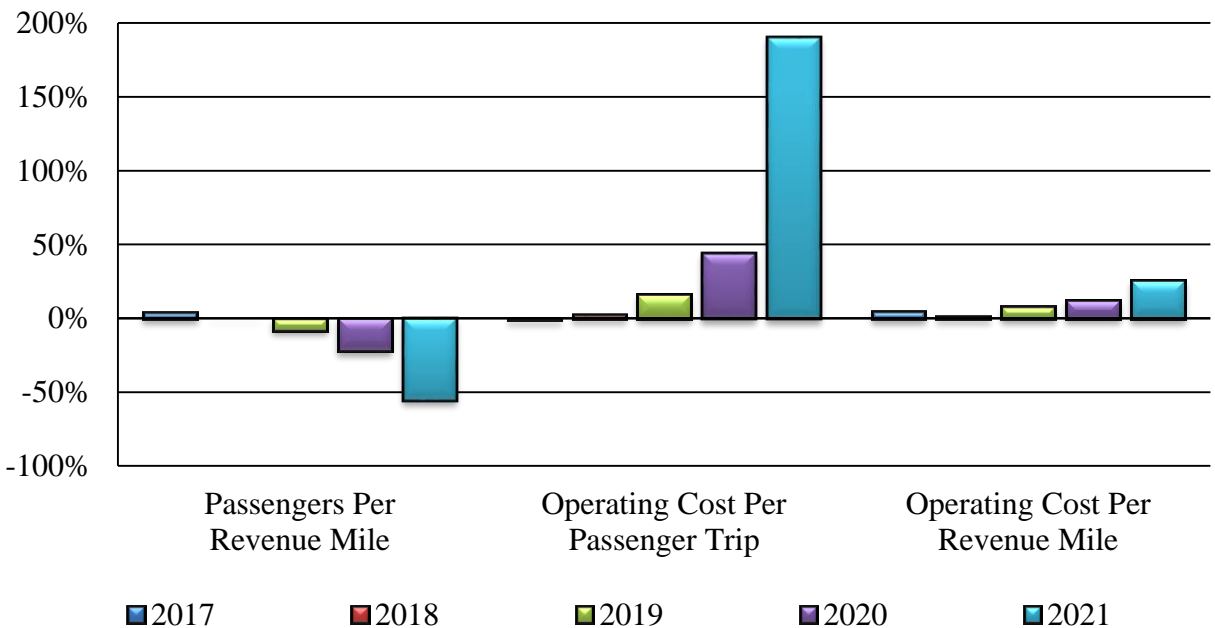
Section 7-208 of the Transportation Article requires MTA to report performance measures by mode for passenger trips per vehicle revenue mile and operating expenses per passenger trip and per vehicle revenue mile. As a recipient of federal transit funding, MTA is also required to report this and other performance data to the Federal Transit Administration. **Exhibit 6** shows the percent change from the prior year for these performance measures for core bus, Light Rail, and Metro services for fiscal 2017 through 2021, the most recent year for which data is available. The operating cost per passenger trip increased dramatically in fiscal 2021, particularly for Light Rail and Metro. This increase is due to the significant decrease in ridership during the pandemic, coupled with little change in operating expenses as the frequency of service was not reduced.

**Exhibit 6
Transit Performance Measures
Fiscal 2017-2021**

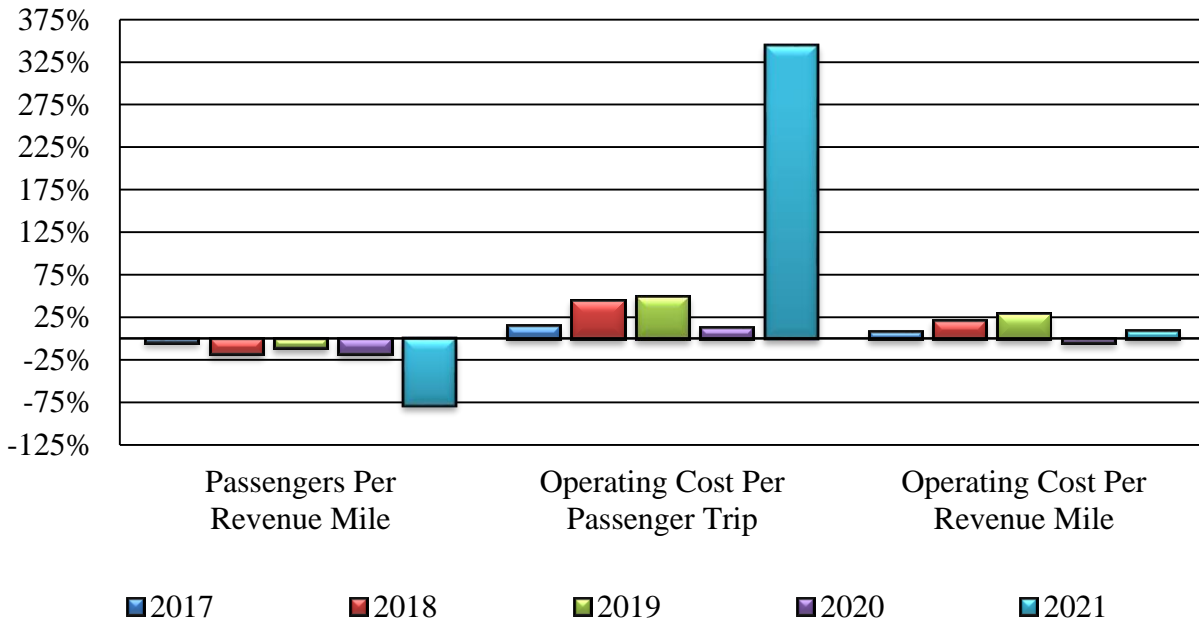
Core Bus



Light Rail



Metro



Note: For measures with the same value in each year, the percent change is zero and it appears as if the bar is missing.

Source: Federal Transit Administration, National Transit Database (2021); Department of Legislative Services

5. MTA Performance Compared to Peer Systems

MTA is required by statute to submit an annual report that compares itself to other similar transit systems nationwide. **Exhibit 7** 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 2021 data, the most recent year for which data is available. MTA’s performance compares favorably on all three measures, scoring better than or the same as the group average. It had the third best performance on operating expenses per passenger trip and the number of passenger trips per revenue mile. On the operating expenses per vehicle revenue mile measure, however, four of the peer systems had better performance than MTA.

Exhibit 7
Local Bus Performance Compared to Peer Systems
Fiscal 2021

| | <u>Operating Expenses Per Vehicle Revenue Mile</u> | <u>Operating Expenses Per Passenger Trip</u> | <u>Passenger Trips Per Vehicle Revenue Mile</u> |
|----------------|--|--|---|
| Baltimore | \$16.62 | \$8.38 | 2.0 |
| Average | 17.63 | 13.07 | 2.0 |
| Atlanta | 9.65 | 9.17 | 1.1 |
| Dallas | 11.69 | 14.56 | 0.8 |
| Houston | 11.59 | 7.00 | 4.9 |
| New York | 34.04 | 6.47 | 5.0 |
| Pittsburgh | 17.51 | 16.96 | 1.0 |
| San Jose | 21.57 | 27.12 | 0.8 |
| Seattle | 18.96 | 14.20 | 1.3 |
| Salt Lake City | 10.05 | 13.06 | 0.8 |
| Washington, DC | 24.63 | 13.75 | 1.8 |

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

Source: Federal Transit Administration, National Transit Database (2021); Department of Legislative Services

Fiscal 2022

Federal Stimulus Funds

In fiscal 2022, MTA received \$527.5 million in operating federal relief funding to support general operations and to replace lost revenue from ridership declines associated with the COVID-19 pandemic. An additional \$106.3 million was added to the capital program for the Purple Line project, awarded from the New Starts program of the American Rescue Plan Act (ARPA).

Fiscal 2023

Federal Stimulus Funds

MTA received \$340 million in federal stimulus funds in fiscal 2023 to support the operating program. The decrease illustrates the reduction in federal funds available for revenue replacement as ridership continues to recover in the post-pandemic period.

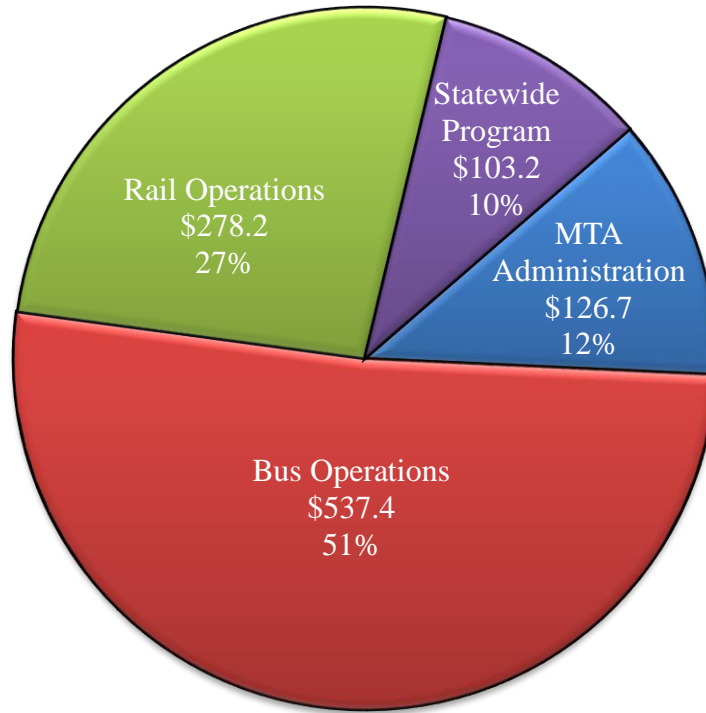
Proposed Deficiency

The agency has a proposed deficiency of \$14.6 million in the fiscal 2023 budget for the rapid bus transit grant program. The funding, which will be added to the TTF (special funds), will be allocated from the State Lottery Fund per Chapter 61 of 2022. The law requires that any time a deposit is made to the Maryland Stadium Facilities Fund, an amount equaling that deposit, not to exceed \$27 million, must be paid to MDOT MTA for the bus rapid transit grants.

Fiscal 2024 Overview of Agency Spending

Exhibit 8 shows the share of the fiscal 2024 operating budget for each of the units within MTA. Bus operations account for over half of MTA operating spending, and rail operations make up more than a quarter of total operating spending in fiscal 2024.

Exhibit 8
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Millions)



MTA: Maryland Transit Administration

Source: Governor’s Fiscal 2024 Budget Books; Department of Legislative Services:

Proposed Budget Change

As shown in **Exhibit 9**, personnel costs increase by a net \$5.3 million in the fiscal 2024 allowance, largely due to the MTA pension system and workers’ compensation costs. The agency budgeted an additional \$28.8 million for contracts that provide paratransit, MARC, and commuter bus services. The increase from the previous year is largely due to increased ridership following the pandemic and anticipated increased costs as contracts are renewed. An additional \$5.1 million is planned for efficiency and safety improvements, including continuing efforts to allow real-time tracking capabilities for bus operators and passengers. The agency also substantially increases its aid for locally operated transit systems in fiscal 2024 with the reinstatement of the Montgomery County Washington Area Transit Grants, following a decrease in support in fiscal 2021 as the county instead leveraged available federal relief funds.

Exhibit 9
Proposed Budget
Maryland Department of Transportation – Maryland Transit Administration
(\$ in Thousands)

| How Much It Grows: | <u>Special</u> <u>Fund</u> | <u>Federal</u> <u>Fund</u> | <u>Reimb.</u> <u>Fund</u> | <u>Total</u> |
|--|---------------------------------------|---------------------------------------|--------------------------------------|----------------------|
| Fiscal 2022 Actual | \$387,308 | \$584,692 | \$59 | \$972,059 |
| Fiscal 2023 Working Appropriation | 590,087 | 402,532 | 0 | 992,620 |
| Fiscal 2024 Allowance | <u>859,441</u> | <u>185,980</u> | <u>0</u> | <u>1,045,420</u> |
| Fiscal 2023-2024 Amount Change | \$269,353 | -\$216,553 | \$0 | \$52,801 |
| Fiscal 2023-2024 Percent Change | 45.6% | -53.8% | | 5.3% |
| Where It Goes: | | | | <u>Change</u> |
| Personnel Expenses | | | | |
| MTA pension system | | | | \$1,639 |
| Workers' compensation premium assessment | | | | 1,545 |
| Employee and retiree health insurance..... | | | | 1,164 |
| Increments and other compensation..... | | | | 1,159 |
| Annualization of November 2022 4.5% COLA..... | | | | 956 |
| LEO pension system..... | | | | 945 |
| Employee retirement system | | | | 832 |
| Other miscellaneous adjustments | | | | 9 |
| Turnover adjustments | | | | -2,948 |
| Transit Service Contracts | | | | |
| Paratransit..... | | | | 16,900 |
| MARC | | | | 13,100 |
| Commuter bus | | | | 800 |
| Taxi call-a-ride | | | | -2,000 |
| Efficiency and Safety Improvements | | | | |
| Real-time vehicle tracking and analytics | | | | 2,700 |
| Safety cameras..... | | | | 1,000 |
| Internet connectivity on buses to improve technical information and tracking (Bus USA project)..... | | | | 780 |
| Communications software and Bus USA..... | | | | 600 |
| Other Vehicle Costs | | | | |
| Fuel costs (inflation cost increases for diesel) | | | | 3,399 |
| Bus electrification | | | | 1,300 |
| COVID-19 related sanitizing costs | | | | -\$25 |

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| | |
|---|-----------------|
| Miscellaneous repairs..... | -204 |
| Insurance | -1,271 |
| Regular maintenance costs shifted to capital program..... | -2,091 |
| Other Changes | |
| Grant funding for locally operated transit systems | 9,722 |
| Contract management consultant | 1,200 |
| Increased rent and lease costs..... | 778 |
| Occupational Health Monitoring System consultant | 550 |
| Cost allocations | 305 |
| Other changes | -43 |
| Total | \$52,801 |

COLA: cost-of-living adjustment
 LEO: law enforcement officer
 MTA: Maryland Transit Administration

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

Operating and PAYGO Personnel Data

| | <u>FY 22</u> | <u>FY 23</u> | <u>FY 24</u> | <u>FY 23-24</u> |
|------------------------------------|----------------------|-----------------------|-------------------------|------------------------|
| | <u>Actual</u> | <u>Working</u> | <u>Allowance</u> | <u>Change</u> |
| Regular Operating Budget Positions | 3,276.50 | 3,275.50 | 3,276.50 | 1.00 |
| Regular PAYGO Budget Positions | <u>89.00</u> | <u>90.00</u> | <u>89.00</u> | <u>-1.00</u> |
| Total Regular Positions | 3,365.50 | 3,365.50 | 3,365.50 | 0.00 |
| Operating Budget FTEs | 4.50 | 15.00 | 15.00 | 0.00 |
| PAYGO Budget FTEs | <u>0.90</u> | <u>1.00</u> | <u>1.00</u> | <u>0.00</u> |
| Total FTEs | 5.40 | 16.00 | 16.00 | 0.00 |
| Total Personnel | 3,370.90 | 3,381.50 | 3,381.50 | 0.00 |

Vacancy Data: Regular Positions

| | | |
|--|--------|-------|
| Turnover and Necessary Vacancies, Excluding New Positions | 116.38 | 3.46% |
| Positions and Percentage Vacant as of 1/1/22 | 295.0 | 8.77% |
| Vacancies Above Turnover | 178.62 | 5.31% |

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- The fiscal 2024 allowance increases the budgeted turnover rate from 2.52% to 3.46%, reflecting approximately 116 necessary vacancies. As of January 1, 2023, the agency had a vacancy rate of 8.8%, with 178.62 vacancies above turnover.
- In response to language restricting funds, MTA prepared a report on hiring and retention efforts and comparisons to peer jurisdictions. Vacancy challenges in transit are not unique to Maryland; according to a survey conducted by the American Public Transportation Association, public transit agencies nationwide are facing workforce shortages, with 96% of responding agencies reporting workforce shortages, and 84% of those stating that workforce challenges were affecting the ability to provide service.
- While MTA’s vacancy rate is roughly double the rate from before the pandemic, it remains below MDOT as a whole (10.4%) and, as of October 1, 2022, well below the average of peer agencies that were evaluated in the report (13.0%). The agency noted that challenges arise from both vacancies and absenteeism in operator, maintenance, and management/professional roles. In January 2023, MTA implemented a new Leave and Absence Management program directive in an effort to improve employee attendance.
- The agency notes that vacancies are especially high in frontline positions, particularly maintenance workers. Vacancies in management positions are also a concern to ensure smooth operations and efficient service. MTA supplements existing State personnel with consultants, who, in some non-operational divisions of the agency, comprise over 50% of total staff.
- The agency also compared salary rates for over 25 select positions with peer agencies. MTA’s salaries were lower than peer agencies for nearly every analyzed comparable position and were often lower by more than 30%.
- The agency is participating in several initiatives to support recruitment and retention, including:
 - MDOT-wide efforts to partner with trade schools and recruit for skilled trade positions;
 - apprenticeships in the Transportation Maryland workgroup;
 - reviewing regulations, labor agreements, and hiring procedures to reduce barriers to recruitment and retainment and hiring a senior level official that will ensure equity throughout the outreach and hiring processes; and
 - partnering with the Baltimore City Mayor’s Office of Employment and Development.

- **MTA should comment on its efforts to supplement salaries and wages to make the agency more competitive with peer transit agencies. The agency should also be prepared to discuss how absenteeism affects transit service and details of the new Leave and Absence Management directive.**

PAYGO Capital Program

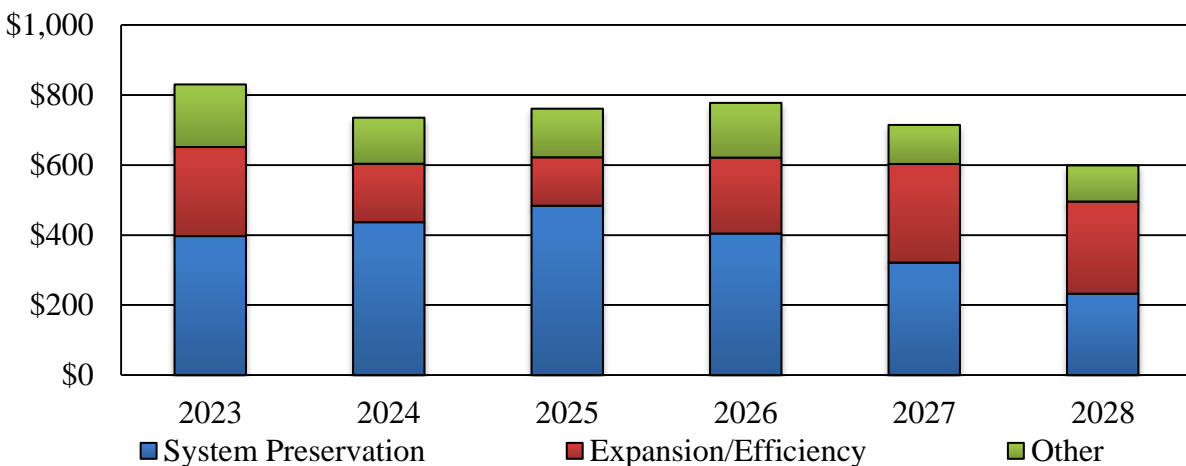
Program Description

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 2023 to 2028 Consolidated Transportation Program

The fiscal 2023 to 2028 capital program for MTA totals \$4.4 billion, a decrease of \$184.7 million from the previous year’s program. **Exhibit 10** shows funding by investment category for each year of the program. Over the six years, system preservation comprises 52% of spending and expansion/efficiency spending comprises 30%. The “Other” category comprises projects addressing safety and security, the environment, nonpublic facilities for MTA, capital salaries and wages, and funding provided to local governments.

Exhibit 10
Program Capital Spending by Category
Fiscal 2023-2028
(\$ in Millions)



Source: Maryland Department of Transportation, 2023-2028 Consolidated Transportation Program

Infrastructure Investment and Jobs Act Funding Enhancements

The Infrastructure Investment and Jobs Act (IIJA), which was signed into law on November 15, 2021, is the current federal authorization that provides federal funding for transit and other transportation projects. The IIJA provides both formula funding and competitive discretionary funding. MTA has been pursuing competitive funding available through various programs, including the Rebuilding American Infrastructure with Sustainability and Equity and the Low or No Emission Vehicle programs, and has planned for several projects to receive IIJA funding. The agency has programmed \$236.1 million in IIJA funding over a six-year period, \$25.9 million of which is included in the fiscal 2024 allowance. This funding will enable major projects that appear in the fiscal 2023 to 2028 *Consolidated Transportation Program* (CTP). The projects and programmed funding over time can be found in **Appendix 2**.

Fiscal 2024 Capital Allowance

MTA’s capital program in fiscal 2024, including other funds that do not flow through MTA’s budget, totals \$732 million, a \$94.6 million decrease from the current year working appropriation. **Exhibit 11** shows the programmed fiscal 2024 spending for projects and programs along with the estimated total project cost and six-year funding included in the CTP.

Exhibit 11
PAYGO Capital Projects
Fiscal 2024
(\$ in Thousands)

| <u>Project/Program Title</u> | <u>2024</u> | <u>Total Cost</u> | <u>Six-year Total</u> |
|---|-------------|-------------------|-----------------------|
| Projects | | | |
| Metro Railcar and Signal System Overhauls and Replacement | \$84.4 | \$545.3 | \$291.8 |
| Purple Line | 64.5 | 2,843.5 | 630.2 |
| Light Rail Systems Overhauls and Replacement | 30.7 | 147.8 | 98.5 |
| MARC Improvements on Penn Line | 28.7 | 384.1 | 196.5 |
| Light Rail Vehicle Overhaul | 23.5 | 222.0 | 55.5 |
| Fast Forward | 22.8 | 49.6 | 44.1 |
| Eastern Bus Facility | 21.4 | 293.5 | 292.1 |
| Metro Station Rehabilitation and Lighting Program | 16.1 | 54.5 | 54.2 |
| Metro and Light Rail Maintenance of Way | 13.9 | 182.3 | 84.4 |
| Fare Collection System and Equipment Replacement | 13.2 | 99.0 | 71.7 |
| Zero Emission Bus Infrastructure and Program Management | 13.1 | 112.8 | 111.4 |

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| <u>Project/Program Title</u> | <u>2024</u> | <u>Total Cost</u> | <u>Six-year Total</u> |
|---|-----------------------|--------------------------|------------------------------|
| Projects | | | |
| Bus Facilities Preservation and Improvements | \$12.1 | \$32.2 | \$29.8 |
| Metro Interlocking Renewals | 11.6 | 103.9 | 56.3 |
| MARC Coaches – Overhauls and Replacement | 11.1 | 134.2 | 98.1 |
| MARC Locomotives – Overhauls and Replacements | 10.9 | 98.2 | 90.2 |
| MARC Maintenance, Layover & Storage Facilities | 9.8 | 94.7 | 48.6 |
| Zero Emission Bus Pilots | 9.3 | 22.1 | 21.4 |
| Metro Maintenance Facility Improvements | 7.3 | 29.3 | 25.3 |
| D&E: MARC Stations and Service Studies | 6.5 | 13.0 | 13.0 |
| MARC Improvements on Camden and Brunswick Lines | 6.0 | 165.2 | 41.2 |
| Major Information Technology Infrastructure Improvements | 5.9 | 32.4 | 27.7 |
| D&E: Regional Transit Plan Corridor Studies | 5.8 | 22.9 | 21.8 |
| Metro Systems Overhauls and Replacements | 5.8 | 35.0 | 34.5 |
| D&E: Southern Maryland Rapid Transit Study | 5.3 | 14.9 | 10.0 |
| Purple Line – Third-Party Funded Projects | 4.2 | 116.4 | 75.5 |
| Light Rail Trackwork Overhauls and Replacement | 3.9 | 64.6 | 64.0 |
| Metro Tunnel Repairs and Improvements | 3.4 | 42.1 | 21.9 |
| Bus Hub at Baltimore Arena | 2.3 | 3.1 | 2.4 |
| MARC Odenton Station Renovation | 2.2 | 2.6 | 2.5 |
| East-West Bus Priority Corridor (RAISE) | 2.0 | 51.3 | 50.9 |
| Agencywide Radio and Telecommunications Upgrade | 1.8 | 18.4 | 5.9 |
| D&E: Penn Station Investments | 1.7 | 14.7 | 14.7 |
| MARC Laurel Platform Replacement | 1.6 | 3.3 | 3.3 |
| Bus Network Improvements | 1.6 | 24.6 | 8.5 |
| D&E: Susquehanna River Bridge Replacement | 1.5 | 3.0 | 3.0 |
| Homeland Security | 1.5 | 16.6 | 9.1 |
| Howard Street Rail Replacement | 0.5 | 35.4 | 33.0 |
| Transit Innovation Grant | 0.5 | 5.0 | 4.3 |
| D&E: Agency Future Montgomery County Priority Transit Project | 0.4 | 0.8 | 0.8 |
| D&E: MARC Penn-Camden Connector | 0.3 | 2.0 | 1.1 |
| Beyond the Bus Stop | 0.1 | 5.5 | 4.0 |
| <i>Subtotal – Projects</i> | <i>\$469.3</i> | <i>\$6,141.8</i> | <i>\$2,753.2</i> |

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| <u>Project/Program Title</u> | <u>2024</u> | <u>Total Cost</u> | <u>Six-year Total</u> |
|---|--------------------|--------------------------|------------------------------|
| Programs | | | |
| System Preservation and Minor Projects | \$134.1 | n/a | \$600.9 |
| Bus Procurement | 44.8 | n/a | 126.0 |
| Locally Operated Transit Systems Capital Procurement Projects | 24.5 | n/a | 193.7 |
| Mobility Vehicle Procurement | 18.2 | n/a | 55.7 |
| Capital Salaries and Wages | 14.0 | n/a | 87.5 |
| Agencywide Elevator and Escalator Rehabilitation | 13.9 | n/a | 206.8 |
| Freight Rail Program | 6.2 | n/a | 14.2 |
| Assistance to Private Non-profit Agencies for the Transportation of the Elderly and Persons with Disabilities | 4.5 | n/a | 32.6 |
| Montgomery County Local Bus Program | 1.1 | n/a | 14.4 |
| D&E: Agency Innovation and Technology Initiatives | 0.8 | n/a | 5.7 |
| Prince George’s County Local Bus Program | 0.5 | n/a | 10.9 |
| D&E: LOTS Transit Development Plan | 0.2 | n/a | 2.6 |
| <i>Subtotal – Programs</i> | \$262.8 | | \$1,351.0 |
| Total – Projects and Programs | \$732.0 | \$6,141.8 | \$4,104.3 |

D&E: development and evaluation

LOTS: Locally Operated Transit Systems

PAYGO: pay-as-you-go

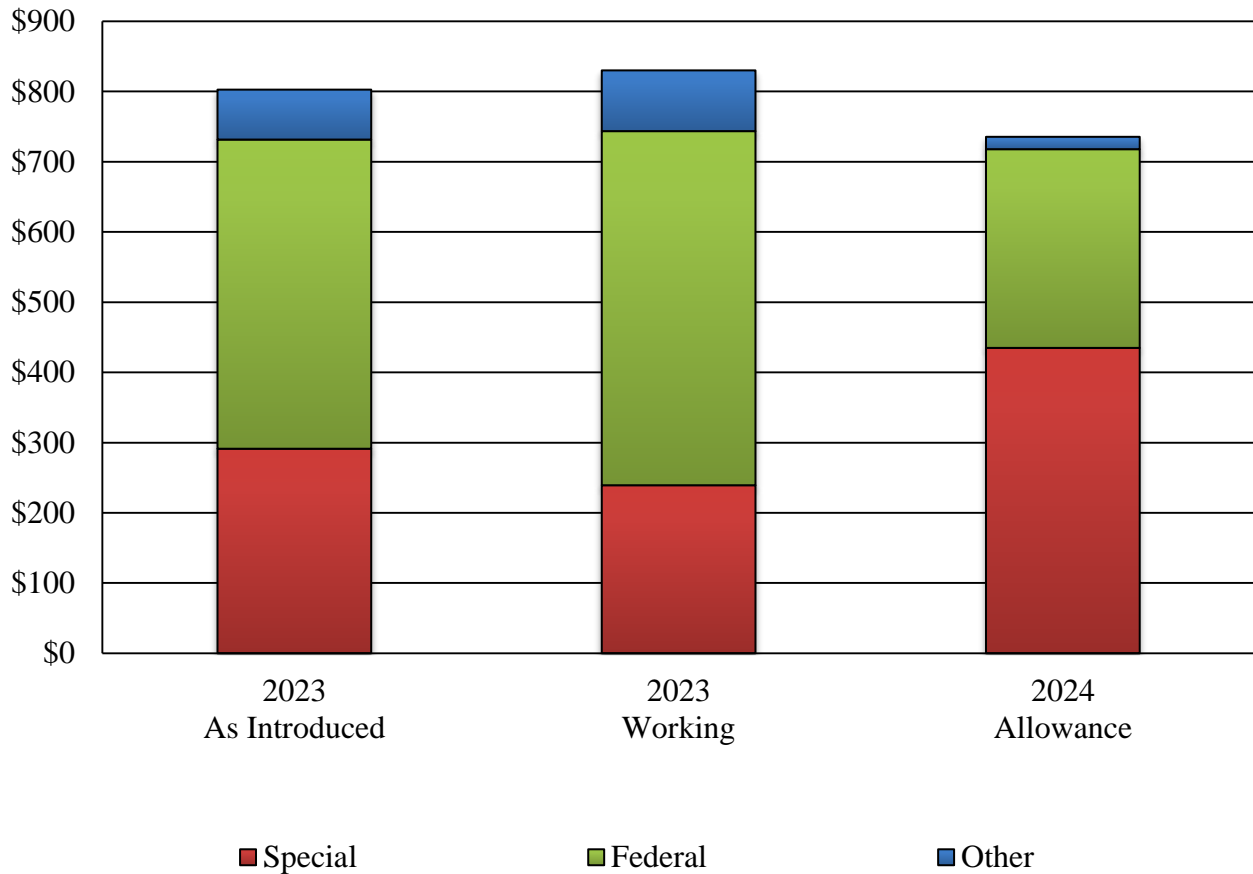
RAISE: Rebuilding American Infrastructure with Sustainability and Equity

Source: Maryland Department of Transportation, 2023-2028 *Consolidated Transportation Program*

Fiscal 2023 and 2024 Cash Flow Analysis

Exhibit 12 shows the changes in MTA capital funding, including other funds that do not flow through the MTA budget, between the fiscal 2023 budget as introduced and the working appropriation and between the working appropriation and the fiscal 2024 allowance. From the 2023 working appropriation to the 2024 allowance, there is a \$221.3 million decrease in federal funds, which leads to a corresponding increase in special funds from the TTF to balance the program. The projected decrease in federal funds is attributable to the remaining federal funding for the Purple Line project being applied in 2023, and the MARC Riverside Heavy Maintenance Building project, which was 80% federally funded, completing construction in fiscal 2023.

Exhibit 12
Capital Cash Flow Changes
Fiscal 2023-2024
(\$ in Millions)



Source: Maryland Department of Transportation, 2023-2028 *Consolidated Transportation Program*

Cash Flow Changes – Fiscal 2023 as Introduced Compared to Working Appropriation

As shown in **Exhibit 13**, the fiscal 2023 working appropriation is \$230.9 million higher than the fiscal 2023 budget as introduced during the 2022 session. Due to the complexity of major projects, cash flow changes occur for various reasons including procurement schedules, favorable or unfavorable weather conditions, environmental permitting, or other logistical considerations.

Exhibit 13
Capital Cash Flow Changes
Fiscal 2023 as Introduced Compared to Working Appropriation
(\$ in Millions)

| | <u>Change</u> | |
|--|---------------|----------------|
| Major Projects | | \$178.7 |
| Locally Operated Transit Systems Capital Procurement Projects | \$44.1 | |
| Purple Line – Third-party Funded Projects | 30.6 | |
| MARC Improvements on Penn Line | 23.9 | |
| Metro and Light Rail Maintenance of Way | 17.1 | |
| Major IT Infrastructure Improvements | 15.8 | |
| Fast Forward | 15.3 | |
| Light Rail Trackwork Overhauls and Replacement | 12.8 | |
| Bus Procurement | 11.6 | |
| Zero Emission Bus Pilots | 9.6 | |
| Light Rail Systems Overhauls and Replacement | 8.1 | |
| Eastern Bus Facility | 8.0 | |
| Fare Collection System and Equipment Replacement | 7.8 | |
| Bus Facilities Preservation and Improvements | 7.8 | |
| Assistance to Private Non-profit Agencies for the Transportation of the Elderly and Persons with Disabilities | 7.5 | |
| Prince George’s County Local Bus Program | 7.3 | |
| Metro Tunnel Repairs and Improvements | 6.8 | |
| Metro Systems Overhauls and Replacements | 5.7 | |
| Zero Emission Bus Infrastructure and Program Management | 5.1 | |
| Freight Rail Program | 4.8 | |
| Metro Station Rehabilitation and Lighting Program | 4.6 | |
| Kirk Bus Facility Replacement | 4.0 | |
| MARC Positive Train Control | 3.6 | |
| Beyond the Bus Stop | 3.4 | |
| Montgomery County Local Bus Program | 2.8 | |
| Purple Line | 2.8 | |
| MARC Locomotives – Overhauls and Replacements | 2.2 | |
| Bus Network Improvements | 1.8 | |
| MARC Laurel Platform Replacement | 1.7 | |
| MARC BWI Station Upgrades and Repairs | 1.1 | |
| East-West Bus Priority Corridor (RAISE) | 1.0 | |
| Homeland Security | 0.9 | |
| Metro Maintenance Facility Improvements | 0.8 | |
| Transit Innovation Grant | 0.7 | |
| MARC Odenton Station Renovation | 0.3 | |
| Light Rail Vehicle Overhaul | 0.2 | |
| Bus Hub at Baltimore Arena | 0.1 | |

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| | <u>Change</u> | |
|---|----------------------|----------------|
| MARC Coaches – Overhauls and Replacement | -0.1 | |
| Mobility Vehicle Procurement | -1.5 | |
| North Avenue Rising | -2.0 | |
| Bus Communications Systems Upgrade | -3.2 | |
| Agencywide Radio and Telecommunications Upgrade | -4.0 | |
| Metro Interlocking Renewals | -5.0 | |
| Agencywide Elevator and Escalator Rehabilitation | -5.1 | |
| MARC Maintenance, Layover & Storage Facilities | -13.2 | |
| Howard Street Rail Replacement | -16.9 | |
| MARC Improvements on Camden and Brunswick Lines | -22.2 | |
| Metro Railcar and Signal System Overhauls and Replacement | -29.6 | |
| Development and Evaluation Projects | | \$9.8 |
| D&E: MARC Stations and Service Studies | \$2.7 | |
| D&E: Susquehanna River Bridge Replacement | 1.5 | |
| D&E: Central MD Regional Coordination Studies | 1.4 | |
| D&E: Regional Transit Plan Corridor Studies | 1.2 | |
| D&E: Agency Innovation and Technology Initiatives | 0.8 | |
| D&E: Patapsco Ave Pedestrian/Bicycle Bridge | 0.8 | |
| D&E: LOTS Transit Development Plan | 0.7 | |
| D&E: Agency Future Montgomery County Priority Transit Project | 0.4 | |
| D&E: Southern Maryland Rapid Transit Study | 0.20 | |
| D&E: Frederick Douglass Tunnel | 0.14 | |
| D&E: Corridor Cities Transitway | 0.00 | |
| D&E: MARC Penn-Camden Connector | -0.02 | |
| System Preservation and Minor Projects | | \$39.1 |
| Capital Salaries and Wages | | \$3.4 |
| Total Change | | \$230.9 |

BWI: Baltimore/Washington International Thurgood Marshall Airport

D&E: development and evaluation

IT: information technology

LOTS: Locally Operated Transit Systems

RAISE: Rebuilding American Infrastructure with Sustainability and Equity

Source: Maryland Department of Transportation, 2023-2028 *Consolidated Transportation Program*, 2022–2027 *Consolidated Transportation Program*

Cash Flow Changes – Fiscal 2023 to 2024

As shown in **Exhibit 14**, fiscal 2024 capital funding, including other funds, decreases by \$97 million from the current year working appropriation.

Exhibit 14
Capital Cash Flow Changes
Fiscal 2023 Working to Fiscal 2024 Allowance
(\$ in Millions)

| | <u>Change</u> | |
|---|---------------|-----------------|
| Major Projects | | -\$115.8 |
| Light Rail Systems Overhauls and Replacement | \$22.6 | |
| Metro Railcar and Signal System Overhauls and Replacement | 22.2 | |
| Eastern Bus Facility | 13.4 | |
| Mobility Vehicle Procurement | 12.5 | |
| Metro Station Rehabilitation and Lighting Program | 11.5 | |
| Zero Emission Bus Infrastructure and Program Management | 8.0 | |
| Fast Forward | 7.5 | |
| Metro Interlocking Renewals | 7.3 | |
| Agencywide Elevator and Escalator Rehabilitation | 6.9 | |
| Light Rail Vehicle Overhaul | 5.8 | |
| MARC Improvements on Penn Line | 4.8 | |
| Bus Facilities Preservation and Improvements | 4.3 | |
| Fare Collection System and Equipment Replacement | 3.0 | |
| MARC Locomotives – Overhauls and Replacements | 2.8 | |
| Bus Hub at Baltimore Arena | 2.2 | |
| MARC Odenton Station Renovation | 1.9 | |
| East-West Bus Priority Corridor (RAISE) | 1.0 | |
| Metro Maintenance Facility Improvements | 0.5 | |
| Homeland Security | 0.4 | |
| Howard Street Rail Replacement | 0.2 | |
| Bus Procurement | 0.2 | |
| Metro Systems Overhauls and Replacements | 0.1 | |
| MARC Laurel Platform Replacement | -0.1 | |
| Agencywide Radio and Telecommunications Upgrade | -0.3 | |
| Bus Communications Systems Upgrade | -0.8 | |
| MARC BWI Station Upgrades and Repairs | -1.1 | |
| Transit Innovation Grant | -1.3 | |
| Freight Rail Program | -1.8 | |
| North Avenue Rising | -2.0 | |
| Bus Network Improvements | -2.6 | |
| Zero Emission Bus Pilots | -2.8 | |
| Metro and Light Rail Maintenance of Way | -3.1 | |
| MARC Coaches – Overhauls and Replacement | -3.2 | |
| Metro Tunnel Repairs and Improvements | -3.3 | |
| MARC Positive Train Control | -3.6 | |
| Beyond the Bus Stop | -3.8 | |
| Kirk Bus Facility Replacement | -4.0 | |

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| | <u>Change</u> | |
|--|---------------|----------------|
| Montgomery County Local Bus Program | -4.2 | |
| MARC Improvements on Camden and Brunswick Lines | -5.2 | |
| Prince George’s County Local Bus Program | -7.9 | |
| Assistance to Private Non-profit Agencies for the Transportation of the Elderly and Persons with Disabilities | -8.9 | |
| Light Rail Trackwork Overhauls and Replacement | -9.0 | |
| Major IT Infrastructure Improvements | -9.9 | |
| MARC Maintenance, Layover & Storage Facilities | -18.7 | |
| Locally Operated Transit Systems Capital Procurement Projects | -39.2 | |
| Purple Line | -55.6 | |
| Purple Line – Third-Party Funded Projects | -62.7 | |
| Development and Evaluation Projects | | \$10.4 |
| D&E: Southern Maryland Rapid Transit Study | \$5.1 | |
| D&E: Regional Transit Plan Corridor Studies | 3.9 | |
| D&E: MARC Stations and Service Studies | 3.8 | |
| D&E: Penn Station Investments | 1.7 | |
| D&E: Agency Innovation and Technology Initiatives | -0.1 | |
| D&E: Frederick Douglass Tunnel | -0.1 | |
| D&E: Patapsco Ave Pedestrian/Bicycle Bridge | -0.8 | |
| D&E: LOTS Transit Development Plan | -1.2 | |
| D&E: Central MD Regional Coordination Studies | -1.8 | |
| System Preservation and Minor Projects | | \$10.3 |
| Capital Salaries and Wages | | -\$1.9 |
| Total Change | | -\$97.0 |

BWI: Baltimore/Washington International Thurgood Marshall Airport

D&E: development and evaluation

IT: information technology

LOTS: Locally Operated Transit Systems

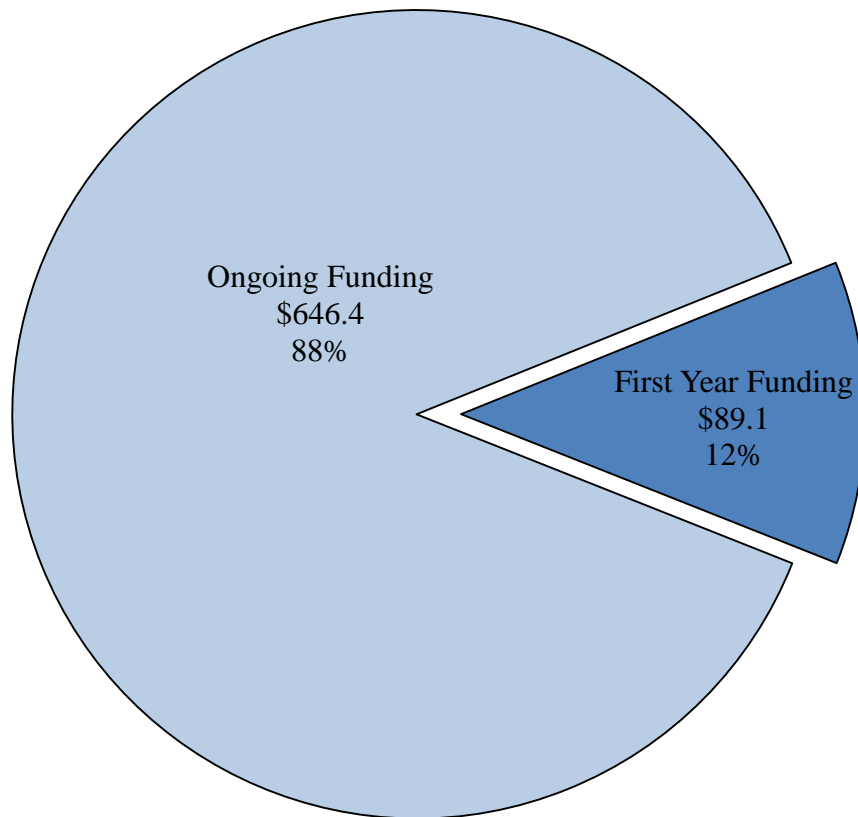
RAISE: Rebuilding American Infrastructure with Sustainability and Equity

Source: Maryland Department of Transportation 2023-2028 *Consolidated Transportation Program*

First-year Construction and Design Funding

Chapters 27 and 563 of 2022 require the CTP, beginning with the January 2023 CTP, to include tables listing projects receiving first-year funding for design or construction either in the budget year or the current year (if the funding was not shown in the budget year in the prior year CTP). As shown in **Exhibit 15**, \$89.1 million, or 12%, of MTA’s fiscal 2024 capital funding, which totals \$735.5 million, is first-year funding. The MTA capital projects receiving first-year funding in fiscal 2023 and 2024 are listed in **Exhibit 16**.

Exhibit 15
First Year Programmed and Ongoing Program Spending – All Funds
Fiscal 2024
(\$ in Millions)



Total Funding: \$735.5 Million

Source: Maryland Department of Transportation 2023-2028 *Consolidated Transportation Program*

Exhibit 16
Projects Receiving First-year Design and Construction Funding
Fiscal 2023-2024
(\$ in Thousands)

| | <u>2023</u> | <u>2024</u> | <u>Total</u> <u>2023-2024</u> |
|---|-------------|-------------|----------------------------------|
| Construction | | | |
| LOTS Capital Procurement Projects (Local Jurisdictions) | \$33,238 | \$4,336 | \$37,574 |
| Major IT Infrastructure Improvements | 14,129 | 7,240 | 21,369 |
| Light Rail Systems Overhauls and Replacements | 1,561 | 17,572 | 19,133 |
| Fast Forward | 2,974 | 9,221 | 12,195 |
| Mobility Vehicle Replacement | 2,500 | 7,600 | 10,100 |
| Zero Emission Bus Pilots | 5,036 | 3,115 | 8,151 |
| Metro Station Rehabilitation and Lighting Program | 160 | 7,765 | 7,925 |
| Prince George’s County Local Bus Program | 7,250 | 400 | 7,650 |
| Metro Systems Overhauls and Replacements | 2,954 | 2,530 | 5,484 |
| Montgomery County Local Bus Program | 5,200 | 0 | 5,200 |
| Zero Emission Bus Infrastructure and Program | | | |
| Management | 0 | 5,114 | 5,114 |
| Agencywide Elevator and Escalator Rehab | 393 | 3,000 | 3,393 |
| Metro Tunnel Repairs and Improvements | 1,284 | 1,286 | 2,570 |
| Fare Collection System and Equipment Replacement | 1,211 | 498 | 1,709 |
| Light Rail Vehicle Overhaul | 1,659 | 0 | 1,659 |
| Beyond the Bus Stop | 1,308 | 100 | 1,408 |
| Light Rail Trackwork Overhauls and Replacement | 1,396 | 0 | 1,396 |
| MARC Positive Train Control | 1,233 | 0 | 1,233 |
| Metro and Light Rail Maintenance of Way | 855 | 0 | 855 |
| Freight Rail Program | 150 | 700 | 850 |
| MARC BWI Rail Station Upgrades and Repairs | 753 | 0 | 753 |
| Metro Railcar and Signal System Overhauls and | | | |
| Replacement | 676 | 0 | 676 |
| MARC Maintenance, Layover, and Storage Facility | 400 | 0 | 400 |
| MARC Improvements on Camden and Brunswick Lines | 92 | 0 | 92 |
| Bus Facilities Preservation and Improvements | 59 | 0 | 59 |
| Bus Network Improvements | 56 | 0 | 56 |
| MARC Locomotives – Overhauls and Replacements | 47 | 0 | 47 |
| Design | | | |
| MARC Stations and Service Studies | 2,728 | 6,504 | 9,232 |
| Southern Maryland Rapid Transit Study | 200 | 5,250 | 5,450 |
| Susquehanna River Bridge Replacement | 1,500 | 1,500 | 3,000 |
| Zero Emission Bus Infrastructure and Program | | | |
| Management | 2,351 | 600 | 2,951 |

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| | <u>2023</u> | <u>2024</u> | <u>Total</u> <u>2023-2024</u> |
|---|------------------|-----------------|----------------------------------|
| Metro Station Rehabilitation and Lighting Program | 2,850 | 15 | 2,865 |
| Freight Rail Program | 1,084 | 1,425 | 2,509 |
| Light Rail Trackwork Overhauls and Replacement | 1,668 | 350 | 2,018 |
| Penn Station Investments | 0 | 1,700 | 1,700 |
| Homeland Security | 250 | 1,097 | 1,347 |
| Metro Systems Overhauls and Replacements | 1,253 | 0 | 1,253 |
| Light Rail Systems Overhauls and Replacements | 1,252 | 0 | 1,252 |
| LOTS Capital Procurement Projects (Local Jurisdictions) | 839 | 0 | 839 |
| Fast Forward | 822 | 0 | 822 |
| MARC Maintenance, Layover, and Storage Facility | 512 | 0 | 512 |
| Regional Transit Plan Corridor Studies | 324 | 176 | 500 |
| MARC Locomotives – Overhauls and Replacements | 450 | 0 | 450 |
| Bus Network Improvements | 424 | 0 | 424 |
| Metro and Light Rail Maintenance of Way | 415 | 8 | 423 |
| Bus Facilities Preservation and Improvements | 200 | 140 | 340 |
| LOTS Transit Development Plan | 321 | 0 | 321 |
| Light Rail Vehicle Overhaul | 271 | 0 | 271 |
| MARC Positive Train Ctrl | 265 | 0 | 265 |
| Zero Emissions Bus Pilots | 171 | 0 | 171 |
| Metro Tunnel Repairs and Improvements | 153 | 0 | 153 |
| Fare Collection System and Equipment Replacement | 150 | 0 | 150 |
| Beyond the Bus Stop | 134 | 0 | 134 |
| Central MD Regional Coordination Studies | 125 | 0 | 125 |
| Agency Innovation and Technology Initiatives | 96 | 20 | 116 |
| Mobility Vehicle Procurement | 56 | 59 | 115 |
| Metro Maintenance Facility Improvements | 7 | 0 | 7 |
| Agencywide Elevator and Escalator Rehab | 5 | 0 | 5 |
| Total | \$107,450 | \$89,321 | \$196,771 |
| | | | |
| State (Special) | | | \$130,098 |
| Federal | | | 66,171 |
| Other | | | 504 |
| Total | | | \$196,773 |

BWI: Baltimore/Washington International Thurgood Marshall Airport

IT: information technology

LOTS: Locally Operated Transit Systems

Source: Maryland Department of Transportation, 2023-2028 *Consolidated Transportation Program*

Significant Changes from the Previous CTP

Exhibit 17 lists significant changes from the fiscal 2022-2027 CTP, which comprises additions to the construction and development and evaluation programs.

Exhibit 17
Major Project Significant Changes
From the 2022 Consolidated Transportation Program
(\$ in Millions)

Projects Added to the Construction Program

| | |
|--------------|--------|
| Fast Forward | \$49.6 |
|--------------|--------|

Projects Added to the Development and Evaluation Program

| | |
|--|--------|
| Penn Station Multimodal Access Investments | \$14.6 |
| MARC Stations and Service Studies | 13.0 |
| Susquehanna River Bridge Replacement | 3.0 |

Source: Maryland Department of Transportation, 2023-2028 *Consolidated Transportation Program*

Issues

1. Purple Line Project Challenges, Central MD Transit Studies Ongoing

The Purple Line light rail project is a 16.2-mile light rail line that will extend from Bethesda in Montgomery County to New Carrollton in Prince George’s County, with a total of 21 stations. It will provide a direct connection to the Metrorail Red, Green, and Orange lines at Bethesda, Silver Spring, College Park, and New Carrollton. The Purple Line will also connect to the MARC train service, Amtrak, and regional and local bus services.

In January 2022, the Board of Public Works (BPW) approved a contract for a new design-build contractor and amendments to the public-private partnership (P3) agreement for the Purple Line project. This followed the December 2020 approval of a settlement of the original P3 with Purple Line Transit Partners (PLTP).

As part of the settlement agreement, PLTP oversaw the procurement process for a replacement design-build contractor. With the support of MTA, PLTP selected Maryland Transit Solutions. BPW’s approval of the modified P3 agreement includes an increase of \$3.4 billion to the design-build contract and an extension of the P3 contract term until 2056. These increases result in a revised total agreement of \$9.3 billion (which includes the \$250 million settlement payment) and a term of just over 40 years. As of December 20, 2022, the overall project is 49% complete, and the completion for project components is as follows:

- Utility Relocation – 64%
- Civil Design – 98%
- Systems Design – 88%
- Property Acquisition – 100%
- Rail Installation – 0%
- Glendale Operations and Maintenance Facility and Yard/Storage Track – 73%
- Vehicles Ready to Ship – 88.5%
- Running total for expenditure (since new design build contract on April 15) – \$354.1 million.

Revenue service on the Purple Line, initially projected to start in March 2022, is now expected in fall 2026.

Utility Relocation Issues May Delay Project Further

In November 2022, a technical advisor to PLTP identified project challenges associated with utility relocation that could potentially cause an additional seven-month delay in the overall project schedule. As of this writing, there has been no change to the Revenue Service Availability date for passenger service. Once the project team has agreed upon and implemented a revised path forward, a schedule that includes any delay, if needed, will be determined. The agency noted that utility work is one of the highest risks on any infrastructure project in an urban area, given constraints such as using only contractors approved by the utility company and the logistical challenges of working in a densely populated area.

MTA further notes that, since a revised timeline has not yet been established, publicly reporting a delay would be premature. MTA, PLTP, and the design-build contractor, Maryland Transit Solutions, are working collaboratively alongside utility providers to avoid further delays to the project schedule. At the time of writing, the agency noted no changes to the revised cost agreement or remaining project milestones. There are, therefore, no costs yet associated with the potential delay. The total project cost, as reflected in this year's CTP, increased by \$313.1 million from the prior year's program due to expenses associated with the State-managed progression of utility relocations and the second payment required by the settlement agreement with the original design-build contractor.

New Transit Opportunities for Central Maryland

In December 2022, Governor Wes Moore publicly announced his intention to resurrect the Red Line transit project. The Red Line was a \$2.9 billion, 14-mile east-west transit project in Baltimore City, which had secured funding commitments from the federal government but had not yet begun construction. In 2015, former governor Lawrence J. Hogan, Jr. canceled the project, returning \$900 million in federal funding and redirecting earmarked State funds to other transportation projects. While there has been no official announcement from the MTA regarding the Red Line, ongoing transit studies may provide an opportunity to bring transit service to a similar area.

The Regional Transit Plan for Central Maryland is a 25-year plan to improve public transportation in central Maryland. The initial report, released by MTA in October 2020, describes specific needs, goals, and milestones for transit in the Baltimore metropolitan region, including identifying current transit options and areas for improvement. As a part of the plan's implementation, the MTA is undergoing two studies to examine transit opportunities in the east-west corridor (Bayview to Ellicott City) and north-south corridor (Towson to downtown Baltimore) in and around Baltimore City. The agency estimates a total cost of \$22.9 million for both studies, and capital funding is planned until fiscal 2027.

The feasibility final report for the east-west corridor study was released in December 2022. The next step is the Alternatives Analysis phase, during which the agency will present options for alignment, transit modes, and station locations for public engagement and feedback while also coordinating with advocacy groups, environmental agencies, and other stakeholders. The agency

expects this public engagement process to begin in spring or summer 2023. The Alternatives Analysis phase is expected to take one to two years to complete, depending on the number and complexity of alternatives included for study, and will ultimately result in the selection of one preferred alternative. The north-south corridor is still in the feasibility study process, and a final feasibility study report is expected in early spring 2023.

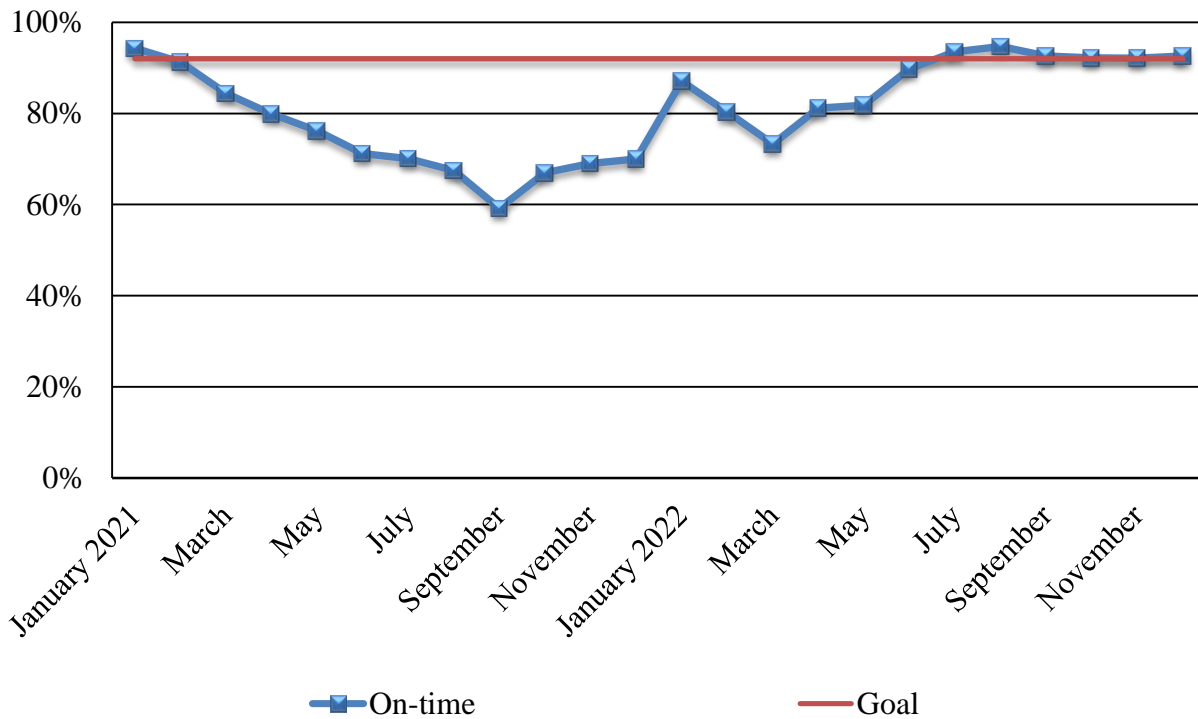
Due to development in the years since the project’s cancellation, it will be impossible to bring the Red Line alignment back exactly as initially planned. However, the east-west corridor study presents opportunities to ensure that similar populations can access transit service. The fiscal 2024 budget as introduced sets aside an additional \$500 million as a dedicated reserve to support strategic transportation priorities across the State that align with the State’s economic competitiveness goals. The agency notes that the funding is not earmarked for one specific project but could be used to support various transportation needs including east-west transit in Baltimore City, congestion relief in Montgomery County or Prince George’s County, or MARC enhancements. When identifying which transportation priorities to invest in, the agency examines all projects through the lenses of equity, environmental protection, and community engagement. **The agency should comment on efforts to keep the Purple Line project on schedule and maintain transparency if further delays arise. MTA should also be prepared to discuss how community engagement will be prioritized as the Regional Transit Plan for Central Maryland moves forward.**

2. Mobility Paratransit Performance Improves Following Significant Issues

Mobility paratransit is a service provided by MTA available to individuals with disabilities that live within 1.8 miles of any fixed route transit station, per federal requirements in the Americans with Disabilities Act. To gauge performance and strive toward excellent customer service, MTA establishes goals and thresholds for on-time service by mode. The goal for mobility paratransit is 92% of on-time service. A mobility paratransit ride is considered on time if it arrives within 30 minutes of the scheduled pickup time.

Despite this flexibility, on-time performance struggled throughout summer and fall 2021, reaching a low of only 59% of rides arriving on time in September 2021. As shown in **Exhibit 18**, performance began a consistent upward trend in March 2022 and, for the first time since January 2021, MTA met its goal of 92% of on-time service in July 2022. Calendar 2022 had an average of 88% of on-time service, a significant improvement of 75% in calendar 2021.

Exhibit 18
Mobility Paratransit On-time Performance
Calendar 2021-2022



Source: Maryland Transit Administration

In response to poor performance throughout calendar 2021, language restricted funds in the fiscal 2023 MTA budget pending a report on delayed paratransit services. If no further action is requested by the committees, the Department of Legislative Services recommends that the \$100,000 in withheld special funds be released.

COVID-19 Service Impacts and Mitigation Efforts

The agency notes that during the COVID-19 pandemic, demand for paratransit services declined significantly, and existing labor shortages in the transportation sector were exacerbated both in Maryland and around the country as operators sought alternative employment. Once demand increased in 2021, severe operator shortages resulted in the decrease of on-time performance. To address immediate demand needs, the agency issued emergency contracts to supplement remaining MTA operators, reducing delays and missed trips. The agency noted that this temporary solution was effective in preventing further declines in service and allowing time for larger systemic changes to take place. MTA also increased recruitment efforts by offering

hiring and recruitment bonuses, pushing for wage increases, and expanding advertising for open positions.

In April 2022, MTA awarded new service contracts that incentivized sufficient staffing levels. The contract included an increase in the minimum wage for operators, which led to increased applications for operator positions and resulting reductions in vacancies and service impacts. The current average starting pay for a Mobility driver is \$20 or \$21 per hour, compared to \$18 in 2021 and \$15, or less, prior to 2021. Ridership demand for mobility service has since nearly returned to prepandemic levels; in December 2022, ridership for mobility paratransit and Call-A-Ride service, also available to passengers with disabilities, was just 17% below average 2019 levels.

To provide additional flexibility for passengers, the agency also expanded the Call-A-Ride program, which is available to paratransit customers in the mobility service area where service is provided by MTA contractors. MTA increased the fare limit for this program from \$20 to \$40, reducing the amount of fare for which customers are responsible.

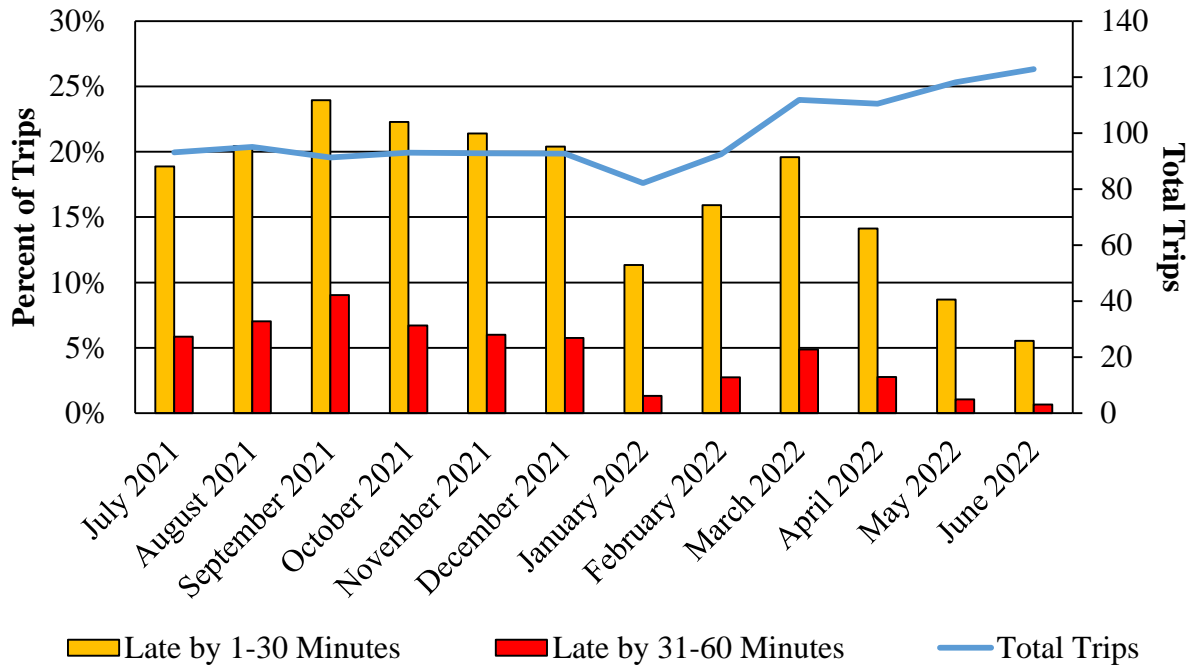
The agency also seeks to improve real-time tracking of vehicles so that passengers can more easily plan their day. In February 2023, MTA launched a new trip reservation system and website, along with a corresponding mobile application. The new system provides real-time trip information and allows the customer to see the location of the vehicle and receive arrival notifications.

Addressing Delayed Service

When customers experience a delay in service, they can contact the Late Line to speak with a live operator who will provide an estimate of the vehicle’s arrival time. While reservations for rides are only accepted during regular business hours, the Late Line is available 24 hours a day, 7 days a week.

The Mobility Operations Control Center (MOCC) monitors all trips and is alerted to excessively late service. MOCC dispatchers strive to find the quickest solution to late trips and optimize routing to prevent delays. When possible, on-call drivers are dispatched to restore service that is delayed from unforeseen incidents such as vehicle malfunctions, medical emergencies, and accidents. However, during peak hours, all available operators are already providing service. As seen in **Exhibit 19**, an average of 17% of trips were between 1 and 30 minutes late in fiscal 2022, and an average of 4% of trips were 31 to 60 minutes late. While this exhibit provides more precise information, when assessing on-time performance generally, the agency considers a mobility ride that arrives within 30 minutes of the scheduled pickup to be “on time.”

Exhibit 19
Mobility Paratransit Delayed Trips
Fiscal 2022
(Trips in Thousands)



Source: Maryland Transit Administration

Trips with significant delays were infrequent in fiscal 2022, with an average of only 2.6% of trips delayed by one hour or more. As required by the budget language, the agency provided data on the share of delayed trips in 30 minutes increments in fiscal 2023. More details can be found in **Appendix 3**.

To promote efficiency generally, MTA is working with a consultant to test recommended changes to routing and schedule algorithms and software programs. Due to the complex nature of the system, these recommendations are being implemented gradually to monitor any resulting changes or unforeseen adverse effects. The agency notes that the changes are already yielding positive effects. Implementation efforts will continue in the coming months to optimize performance, decrease delays, and ensure equity in service. **MTA should comment on the on-time threshold for mobility paratransit in relation to the other modes and if performance improvements may lead to a change in those benchmarks.**

Operating Budget Recommended Actions

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

, provided that \$100,000 of this appropriation made for the purpose of agency administration may not be expended until the Maryland Transit Administration submits five bimonthly construction status reports for the Purple Line project to the budget committees. The status reports shall provide:

- (1) the completion percentages for the project as a whole and for each major category of work;
- (2) the running total amount expended for construction; and
- (3) an explanation of any material change to the total construction cost estimate or construction schedule as set forth in the revised public-private partnership agreement as amended to add Maryland Transit Solutions as the replacement design-build contractor for the project.

The first status report shall be submitted by July 1, 2023, and subsequent reports shall be submitted every second month thereafter, and the budget committees shall have 45 days from the date of the receipt of the final report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: This language restricts funds pending regular construction progress reports for the Purple Line Light Rail Project.

| Information Request | Author | Due Date |
|--|---------------------------------|--|
| Reports on Purple Line construction progress | Maryland Transit Administration | July 1, 2023, and bimonthly thereafter ending with the March 1, 2024 report. |

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Cellular and Broadband Access in Transit Stations

Language added to MTA’s fiscal 2023 appropriation restricted funds pending a report on the level of cellular and broadband access in stations among transit rights-of-ways for MARC, Light RailLink, and Metro SubwayLink. The agency submitted a report citing Federal Communications Commission mapping that shows reliable cellular voice and data service availability from all three major telecommunication service providers along the MARC and Light Rail lines at very high levels. The report also acknowledged that underground stations and tunnels of the Metro SubwayLink system currently have no cellular coverage. The agency has selected a vendor to provide this coverage to underground stations and tunnels, and final contract negotiations are underway.

Appendix 1 2022 Joint Chairmen’s Report Responses from Agency

The 2022 *Joint Chairmen’s Report* (JCR) requested that MTA prepare 5 reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Cellular and Broadband Access in Transit Stations:*** Language added to MTA’s fiscal 2023 appropriation restricted funds pending a report on the level of cellular and broadband access in transit stations. The agency submitted a report that demonstrated high levels of service along MARC and Light Rail lines but no service in underground stations or tunnels of Metro. Further discussion of this issue, including an ongoing procurement for service, can be found in Update 1 of this analysis.
- ***Linthicum Heights Light Rail Crossing:*** Following a fatal accident in February 2022, MTA was asked to provide a report detailing regular inspection schedules for rail crossings, the results of a safety review at the Linthicum Heights Rail Crossing, and the prospect of converting the crossing to a grade-separated crossing. After a review that included observation of automobile, pedestrian, and cyclist behavior at the rail crossing; equipment functioning; and adherence to federal and state practices and law, the analysis concluded that the equipment functioned as designed, and the crossing infrastructure adhered to all relevant rules and regulations. The report also outlined several logistical and regulatory barriers to converting it to a grade separated crossing.
- ***Hiring and Retention Comparison Report:*** Language added to MTA’s fiscal 2023 appropriation restricted funds pending a report on hiring and retention challenges and comparisons to peer transit agencies. The agency submitted a report which compared its metrics to peer agencies and discussed barriers to recruiting and maintaining employees, including safety concerns, demands of front-line work, and the need for specialized training. The agency also described internal initiatives to ameliorate these issues. Hiring and retention efforts are covered in more detail in the Personnel section of this analysis.
- ***Delayed Paratransit Service Report:*** Language added to MTA’s fiscal 2023 appropriation restricted funds pending a report on delayed paratransit services, including how stranded riders can contact the dispatch center, on-time percentage by month in calendar 2022, number of total trips and delayed trips by severity in fiscal 2022, and how backup drivers and vehicles are made available. Further discussion of these issues can be found in Key Observation 2 of this analysis.
- ***Purple Line Progress Report:*** Language added to MTA’s fiscal 2023 appropriation restricted funds pending five bimonthly reports describing progress on the Purple Line project. The reports contained completion percentages for the project as a whole and major categories of work, total amount expended for construction, and material changes to the

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total construction cost estimate or schedule as described in the revised P3 agreement. Additional details about the Purple Line can be found in Key Observation 1 of this analysis.

**Appendix 2
IIJA-enabled Major Projects
Fiscal 2023-2028
(\$ in Thousands)**

| <u>Project Description</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>Six-Year Total</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------------------|
| Eastern Bus Division | | | | | | | |
| Reconstruction as Full Electric Bus Facility | \$4,185 | \$127 | \$3,999 | \$19,897 | \$22,575 | \$41,063 | \$91,846 |
| Zero Emission Bus | | | | | | | |
| Infrastructure at Kirk and Northwest Bus Divisions | 0 | 4,091 | 18,443 | 31,780 | 0 | 0 | 54,314 |
| Additional funding for Zero Emission Buses | 0 | 0 | -1,126 | -4,391 | 0 | 39,551 | 34,033 |
| Metro Fleet & Train Control | | | | | | | |
| Replacement Program | | | | | | | |
| Additional Work | -17,790 | 2,891 | 18,166 | 16,882 | 0 | 0 | 20,149 |
| Additional funding for Locally Operated Transit Systems | | | | | | | 19,000 |
| Additional Funding for Metro Station Rehabilitation & Lighting Program | 0 | 3,200 | 8,136 | 0 | 0 | 0 | 11,336 |
| Light Rail Vehicle Mid-life Overhaul | -8,189 | 12,289 | 5,903 | 0 | 0 | 0 | 10,003 |
| Additional funding for MARC Locomotives and Coaches Overhauls | 258 | 1,556 | 0 | 0 | 0 | 6,148 | 7,962 |
| MARC Martin State | | | | | | | |
| Airport Improvements | | | | | | | |
| Additional Work | 1,811 | 1,723 | 2,968 | 0 | 0 | 0 | 6,502 |
| Total | -\$19,725 | \$25,876 | \$56,489 | \$64,168 | \$22,575 | \$86,763 | \$236,146 |

Note: Negative figures denote cash flow adjustments made to reflect actual progress on these projects. The contractors associated with the Metro Fleet and Light Rail Fleet projects experienced delays in fiscal 2023 due to supply chain, labor availability, and other challenges. Electric bus procurement cash flows are adjusted as the agency monitors the market and adjusts their estimates.

Additional funding for locally operated transit systems is expected to total \$19 million throughout the six-year program, but the distribution between fiscal years has not yet been determined.

**Appendix 3
Mobility Paratransit Delayed Service by Severity
Fiscal 2022**

| <u>Month</u> | <u>Total Trips</u> | <u>Percent of On Time Trips</u> | <u>On Time Trips</u> | <u>Late by 1-30 Minutes</u> | <u>Late by 31-60 Minutes</u> | <u>Late by 61-90 Minutes</u> | <u>Late by 91-120 Minutes</u> | <u>Late by 121 Minutes or More</u> |
|----------------|--------------------|---------------------------------|----------------------|-----------------------------|------------------------------|------------------------------|-------------------------------|------------------------------------|
| July 2021 | 93,092 | 71.0% | 66,075 | 18.9% | 6% | 2.3% | 1.00% | 1.00% |
| August 2021 | 95,046 | 67.7% | 64,324 | 20.4% | 7% | 2.8% | 1.14% | 0.98% |
| September 2021 | 91,266 | 59.3% | 54,142 | 23.9% | 9% | 3.9% | 1.82% | 2.01% |
| October 2021 | 93,029 | 67.4% | 62,697 | 22.3% | 7% | 2.0% | 0.82% | 0.76% |
| November 2021 | 92,750 | 69.7% | 64,690 | 21.4% | 6% | 1.8% | 0.64% | 0.44% |
| December 2021 | 92,665 | 71.1% | 65,870 | 20.4% | 6% | 1.8% | 0.58% | 0.43% |
| January 2022 | 82,113 | 87.0% | 71,466 | 11.3% | 1% | 0.2% | 0.06% | 0.05% |
| February 2022 | 92,393 | 80.4% | 74,295 | 15.9% | 3% | 0.6% | 0.17% | 0.13% |
| March 2022 | 111,879 | 73.4% | 82,171 | 19.6% | 5% | 1.3% | 0.44% | 0.32% |
| April 2022 | 110,529 | 81.9% | 90,538 | 14.1% | 3% | 0.8% | 0.22% | 0.18% |
| May 2022 | 118,137 | 89.9% | 106,193 | 8.7% | 1% | 0.2% | 0.08% | 0.04% |
| June 2022 | 122,833 | 93.6% | 114,947 | 5.5% | 1% | 0.1% | 0.06% | 0.03% |
| July 2022 | 120,743 | 94.7% | 114,306 | 4.7% | 0% | 0.1% | 0.02% | 0.01% |
| August 2022 | 133,081 | 94.8% | 126,121 | 4.7% | 0% | 0.1% | 0.03% | 0.01% |
| September 2022 | 132,677 | 92.6% | 122,914 | 6.5% | 1% | 0.1% | 0.02% | 0.02% |
| October 2022 | 135,986 | 92.2% | 125,332 | 6.9% | 1% | 0.2% | 0.04% | 0.02% |
| November 2022 | 132,816 | 92.1% | 122,315 | 6.9% | 1% | 0.2% | 0.05% | 0.03% |
| December 2022 | 130,742 | 92.6% | 121,069 | 6.4% | 1% | 0.2% | 0.05% | 0.02% |

**Appendix 4
Audit Findings**

| | |
|------------------------------|-----------------------------------|
| Audit Period for Last Audit: | December 23, 2016 – June 30, 2020 |
| Issue Date: | March 2022 |
| Number of Findings: | 5 |
| Number of Repeat Findings: | 1 |
| % of Repeat Findings: | 20% |

Finding 1: **MTA had not established adequate controls over certain aspects of union personnel, payroll, and pension processes.**

- MTA agreed with the recommendation and noted that recommendations were completed by March 31, 2022.

Finding 2: MTA did not ensure that programming errors in its new cloud-based system were corrected or recover related overpayments.

- MTA disagreed in part with the finding but noted that errors that resulted in overpayments have been rectified.

Finding 3: MTA did not have sufficient procedures to ensure pension payments were not made to deceased individuals. The Office of Legislative Audits identified payments to 14 individuals totaling \$81,610 subsequent to their reported date of death.

- MTA agreed with the finding and is working with a vendor to conduct semi-annual reviews of those receiving pension payments and establish processes to recover improper payments. (The first review was completed June 30, 2022).

Finding 4: MTA lacked assurance that adequate information technology security and operational controls existed over its union payroll and pension processing system that was hosted, operated, and maintained by a service provider.

- MTA agreed with the finding and will request, review, and retain security operations center reports for future reference.

Finding 5: MTA did not perform an independent verification that all bus fare collections were subsequently deposited.

- MTA disagreed in part with the finding but agreed with the recommendation and revised procedure to provide additional independence in the reconciliation process.

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 5
Budget Amendments for Fiscal 2023
Maryland Department of Transportation
Maryland Transit Administration

Operating

| | | | |
|----------|-------------|---------|---|
| Approved | \$2,703,572 | Special | Increase for July 2023 cost-of-living adjustments for State employees. |
| Approved | 1,003,574 | Special | Increase for annualization of the January salary increment for eligible State employees. |
| Approved | 977,424 | Special | Increase for the salary increment for eligible State employees that was effective either July 2022 or January 2023, depending on employees' date of hire. |
| Pending | -40,000,000 | Special | Fund swap to reflect availability of ARPA funding for MTA operations. |
| | 40,000,000 | Federal | |

Capital

| | | | |
|----------|-------------|---------|---|
| Approved | \$406,549 | Special | Increase for July 2023 cost-of-living adjustment for eligible State employees. |
| Approved | 164,587 | Special | Increase for the salary increment for eligible State employees that was effective either July 2022 or January 2023, depending on employees' date of hire. |
| Approved | 160,081 | Special | Increase for annualization of the January 2022 salary increment for eligible State employees. |
| Pending | -52,755,926 | Special | Adjusts the amended appropriation to agree with anticipated expenditures for the current year as reflected in MDOT's Final Fiscal 2023 to 2028 CTP. |
| | 63,993,544 | Federal | |

\$16,653,405 Total

Appendix 6
Object/Fund Difference Report
MDOT – Maryland Transit Administration

| <u>Object/Fund</u> | <u>FY 22</u> <u>Actual</u> | <u>FY 23</u> <u>Working</u> <u>Appropriation</u> | <u>FY 24</u> <u>Allowance</u> | <u>FY 23 - FY 24</u> <u>Amount Change</u> | <u>Percent</u> <u>Change</u> |
|---|-------------------------------|--|----------------------------------|--|---------------------------------|
| Positions | | | | | |
| 01 Regular | 3,276.50 | 3,275.50 | 3,276.50 | 1.00 | 0% |
| 02 Contractual | 4.50 | 15.00 | 15.00 | 0.00 | 0% |
| Total Positions | 3,281.00 | 3,290.50 | 3,291.50 | 1.00 | 0% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 405,047,158 | \$ 416,260,450 | \$ 423,472,847 | \$ 7,212,397 | 1.7% |
| 02 Technical and Special Fees | 550,405 | 1,276,326 | 1,276,326 | 0 | 0% |
| 03 Communication | 2,411,303 | 2,430,718 | 3,210,718 | 780,000 | 32.1% |
| 04 Travel | 447,547 | 504,855 | 504,855 | 0 | 0% |
| 06 Fuel and Utilities | 14,427,249 | 13,543,176 | 13,639,401 | 96,225 | 0.7% |
| 07 Motor Vehicles | 72,037,459 | 73,867,906 | 73,815,294 | -52,612 | -0.1% |
| 08 Contractual Services | 348,563,547 | 375,224,156 | 411,116,181 | 35,892,025 | 9.6% |
| 09 Supplies and Materials | 6,835,226 | 7,033,653 | 7,008,688 | -24,965 | -0.4% |
| 10 Equipment – Replacement | 67,995 | 111,490 | 111,490 | 0 | 0% |
| 11 Equipment – Additional | 48,073 | 130,635 | 130,635 | 0 | 0% |
| 12 Grants, Subsidies, and Contributions | 113,758,023 | 78,094,177 | 102,453,421 | 24,359,244 | 31.2% |
| 13 Fixed Charges | 7,847,090 | 7,593,124 | 8,680,293 | 1,087,169 | 14.3% |
| 14 Land and Structures | 17,550 | 0 | 0 | 0 | 0.0% |
| Total Objects | \$ 972,058,625 | \$ 976,070,666 | \$ 1,045,420,149 | \$ 69,349,483 | 7.1% |
| Funds | | | | | |
| 03 Special Fund | \$ 387,308,336 | \$ 573,538,381 | \$ 859,440,582 | \$ 285,902,201 | 49.8% |
| 05 Federal Fund | 584,691,552 | 402,532,285 | 185,979,567 | -216,552,718 | -53.8% |
| 09 Reimbursable Fund | 58,737 | 0 | 0 | 0 | 0.0% |
| Total Funds | \$ 972,058,625 | \$ 976,070,666 | \$ 1,045,420,149 | \$ 69,349,483 | 7.1% |

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.

Analysis of the FY 2024 Maryland Executive Budget, 2023