

**J00D00**  
**Maryland Port Administration**  
**Maryland Department of Transportation**

***Executive Summary***

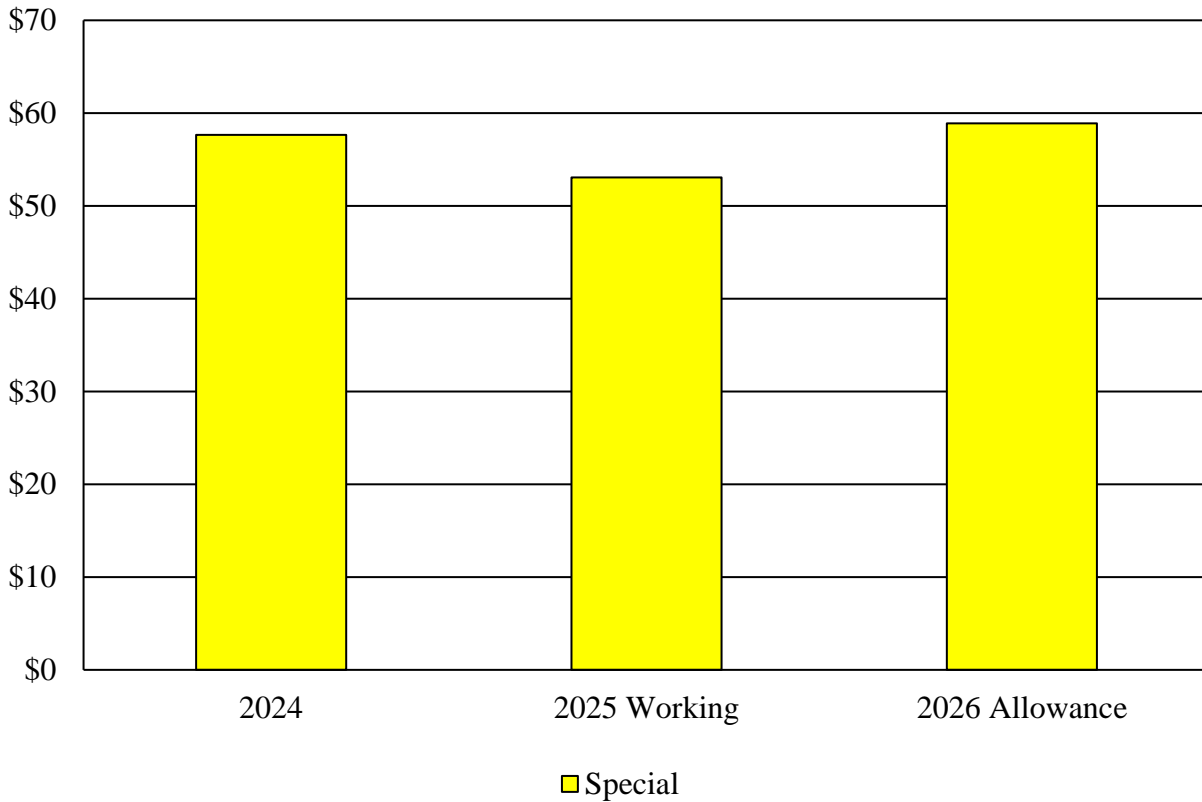
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The Maryland Port Administration (MPA) promotes efforts to increase waterborne commerce in the State and manages the State-owned facilities at the Helen Delich Bentley Port of Baltimore (Port).

***Operating Budget Summary***

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**Fiscal 2026 Budget Increases \$5.8 Million, or 10.9%, to \$58.9 Million**  
**(\$ in Millions)**



Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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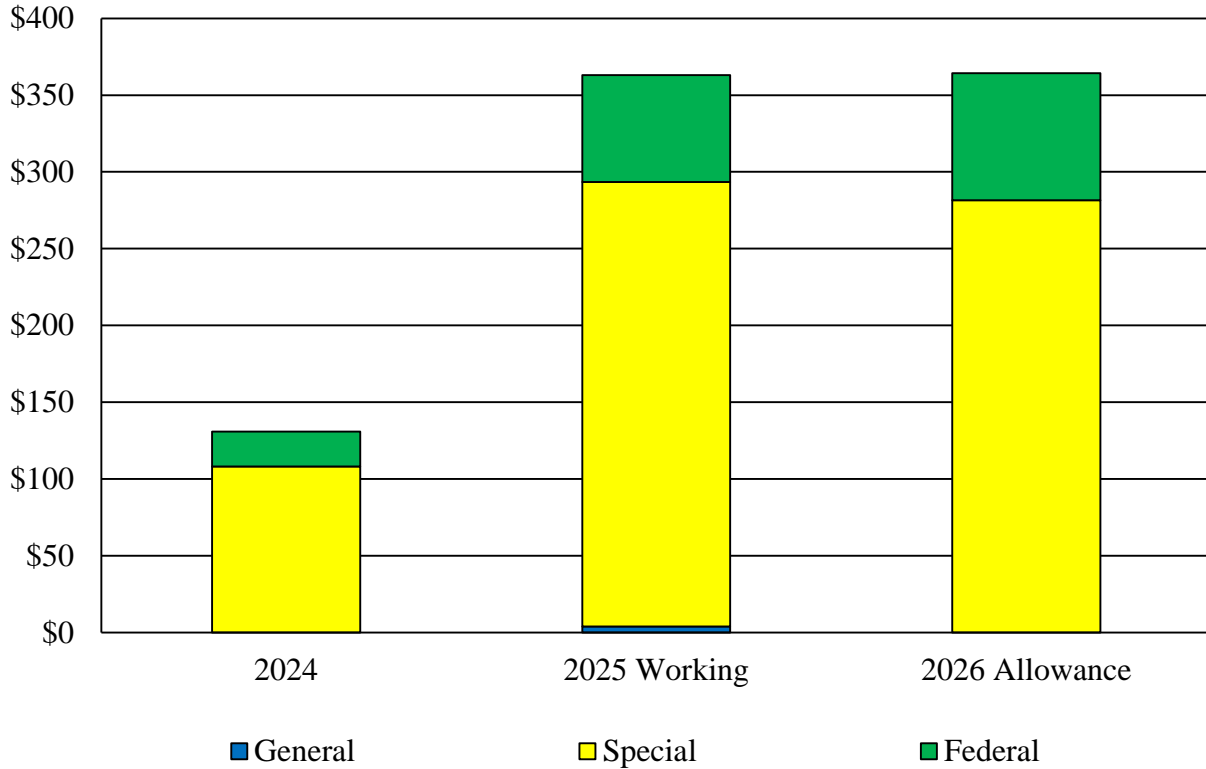
For further information contact: Steven D. McCulloch

steve.mcculloch@mlis.state.md.us

## ***PAYGO Capital Budget Summary***

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**Fiscal 2026 Budget Increases \$1.1 Million, or 0.3%, to \$364.2 Million  
(\$ in Millions)**



Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

## ***Key Observations***

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- ***Collapse of Francis Scott Key Bridge Impacts Port Operations:*** Most Managing for Results (MFR) measures show declines in calendar 2024 due to the impact of the collapse of the Francis Scott Key bridge and the resulting temporary closure of the shipping channel to the Port.

## **Operating Budget Recommended Actions**

	<b><u>Funds</u></b>	<b><u>Positions</u></b>
1. Delete funding for new cybersecurity position; the agency should reclassify an existing vacant position instead.	-\$ 143,348	-1.0
2. Adopt narrative on quarterly progress reporting for the Howard Street Tunnel project.		
<b>Total Net Change</b>	<b>-\$ 143,348</b>	<b>1.0</b>

## **PAYGO Budget Recommended Actions**

1. Concur with Governor’s allowance.

## **Updates**

- Update on the progress of the Howard Street Tunnel project.

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***Budget Analysis***

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**Program Description**

MPA functions under Title 6 of the Transportation Article. MPA's main responsibilities are the promotion of waterborne commerce in the State for the economic benefit of Maryland's citizens and the management of State-owned facilities at the Port.

MPA identifies the following key goals in furtherance of its main responsibilities:

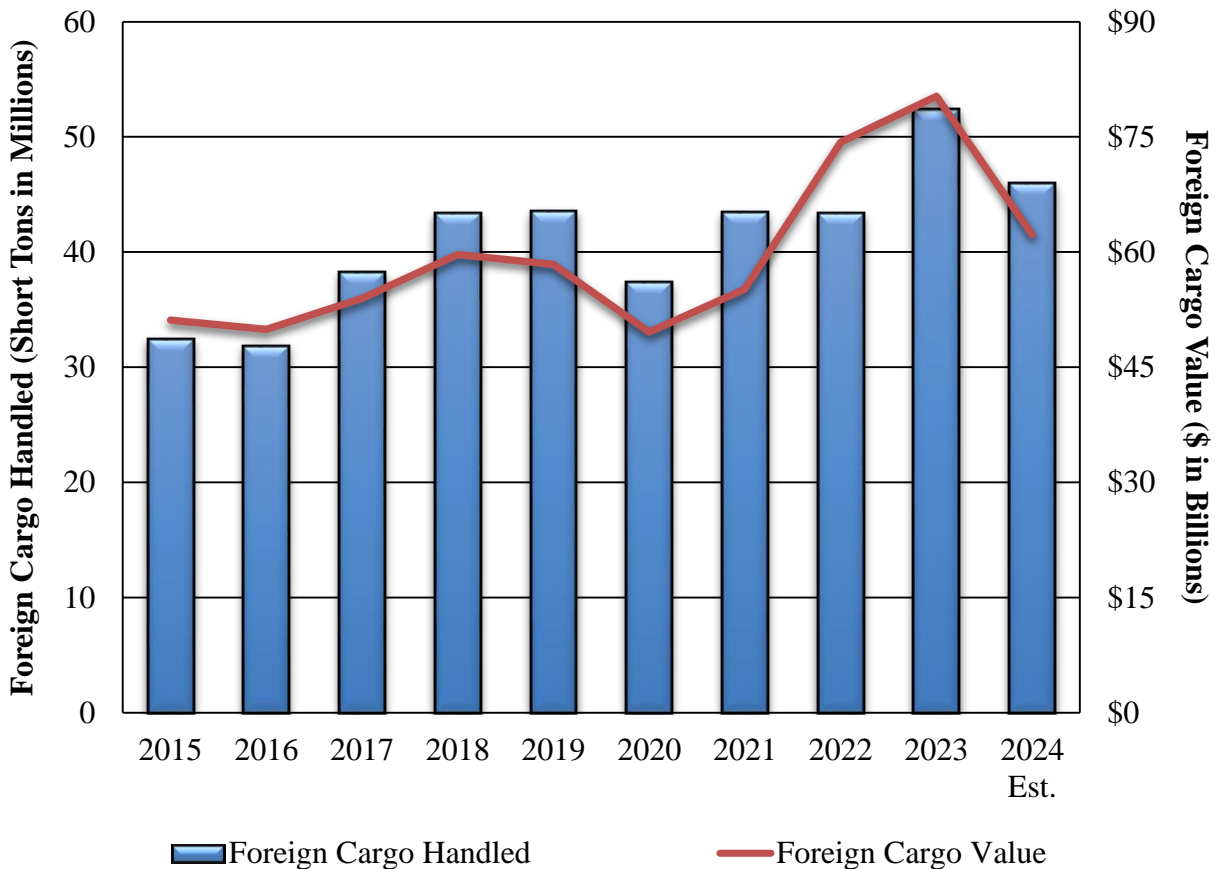
- maximization of cargo throughput, terminal efficiency, and economic benefit generated by the Port;
- operation of MPA to ensure revenue enhancements and optimization of operating expenses;
- preservation and enhancement of the Port's infrastructure to maintain cargo capacities while ensuring adequate security and environmental stewardship; and
- maintenance and improvement of the shipping channels in the Port and in the Maryland waters of the Chesapeake Bay for safe, unimpeded access to the Port.

## Performance Analysis: Managing for Results

### 1. Foreign Cargo

The Port is a vast industrial complex that encompasses approximately 45 miles of shoreline and 3,403 waterfront acres. Unlike many State entities, the Port operates in a highly competitive market with direct competition not only from private industry but also from other ports up and down the East Coast as well as some Canadian ports. As shown in **Exhibit 1**, foreign cargo tonnage at the Port returned to prepandemic levels in calendar 2021 and 2022 and exceeded all previous years in calendar 2023 but dropped in calendar 2024 due to the temporary closure of the Port caused by the collapse of the Francis Scott Key bridge.

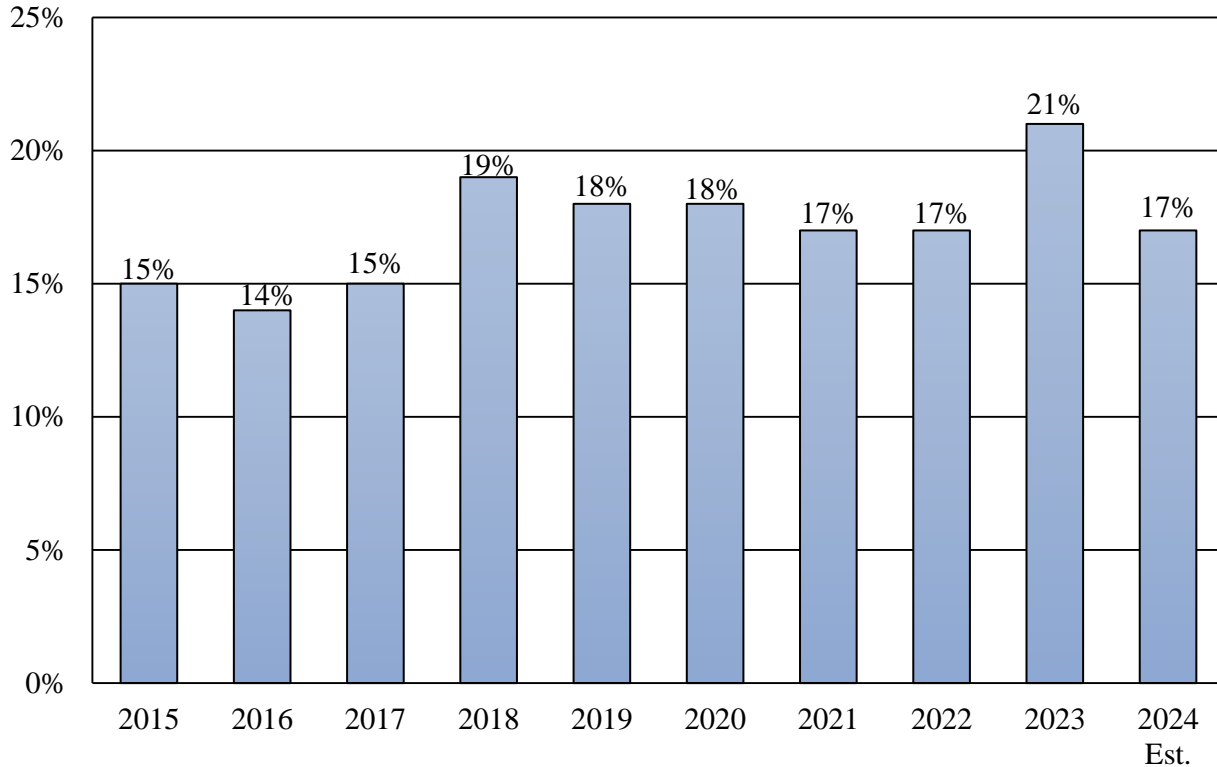
**Exhibit 1**  
**Total Foreign Cargo**  
**Calendar 2015-2024 Est.**



Source: Maryland Port Administration; Department of Legislative Services

The Port competes with other East Coast ports, especially ports in New York, Norfolk, and Philadelphia. As shown in **Exhibit 2**, the Port market share in calendar 2024 declined from the prior year, reflecting the temporary closure of the Port.

**Exhibit 2**  
**Port of Baltimore Mid-Atlantic Market Share**  
**Calendar 2015-2024 Est.**

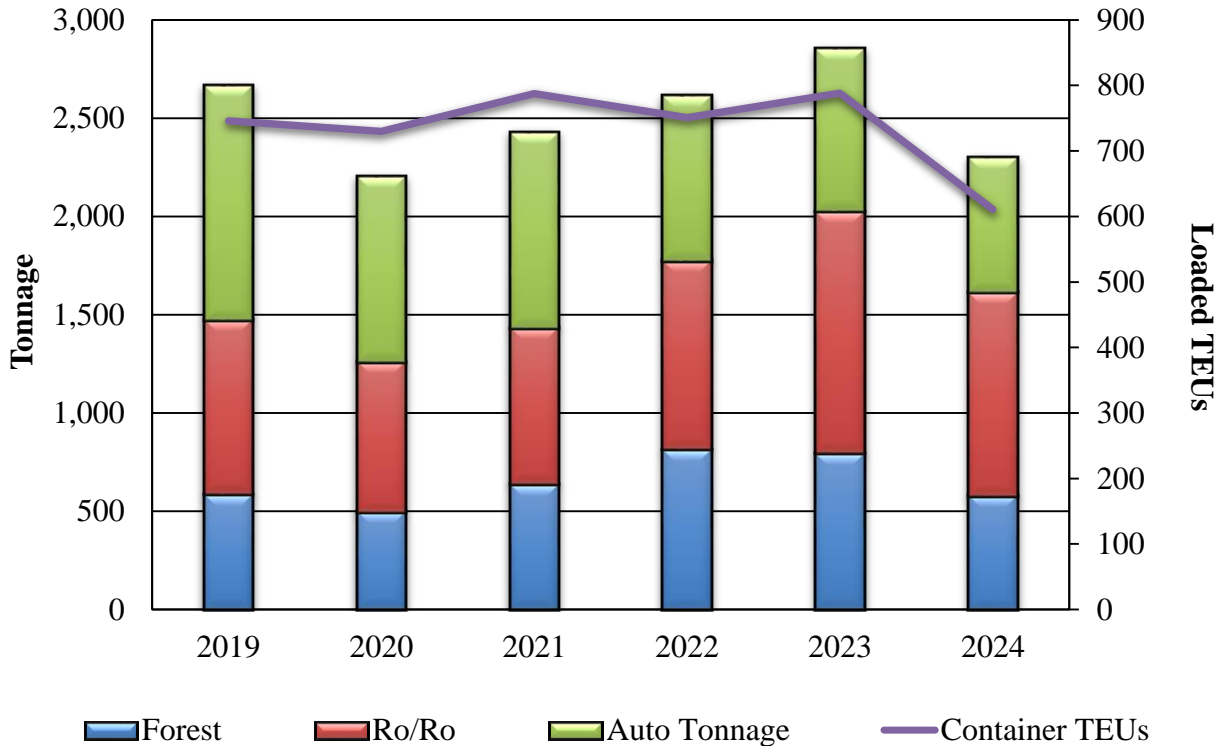


Source: Maryland Port Administration; Department of Legislative Services

## 2. General Cargo Tonnage

General cargo is defined as automobiles, break bulk, containerized products, forest products, and roll on/roll off (Ro/Ro). Ro/Ro includes construction and farm equipment as well as other cargo that is driven on or off a ship, excluding automobiles. **Exhibit 3** provides data on selected general cargo commodities handled at the Port. The temporary closure of the Port led to declines in 2024 of 15.7% for Ro/Ro, 17.2% for auto tonnage, 22.5% for container 20-foot equivalent units, and 27.3% for forest products.

**Exhibit 3**  
**General Cargo Volume by Type at State-owned Facilities**  
**Fiscal 2019-2024**  
**(in Thousands)**



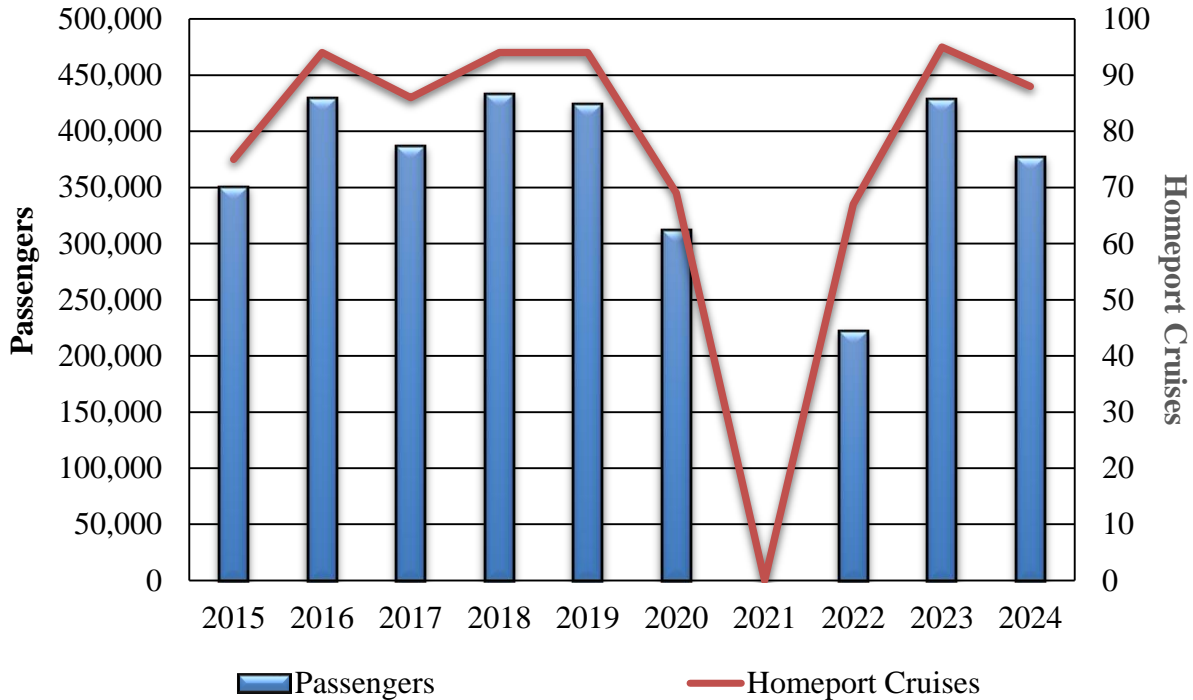
Ro/Ro: roll on/roll off  
 TEU: 20-foot equivalent unit (an industry standard for measuring containers)

Source: Maryland Port Administration; Department of Legislative Services

### 3. Cruise Ship Operations

In addition to handling cargo, the Port plays a vital role in Maryland’s cruise industry. **Exhibit 4** shows the total number of homeport cruises and passengers that utilized the Port’s cruise terminal. The COVID-19 pandemic severely impacted cruise operations. After 18 months of no cruises, the Port resumed cruise operations in September 2021. Passenger counts returned to pre-pandemic levels in fiscal 2023, but the temporary closure of the Port led to a 12% decline in passenger counts in fiscal 2024.

**Exhibit 4  
Cruise Ship Operations  
Fiscal 2015-2024**



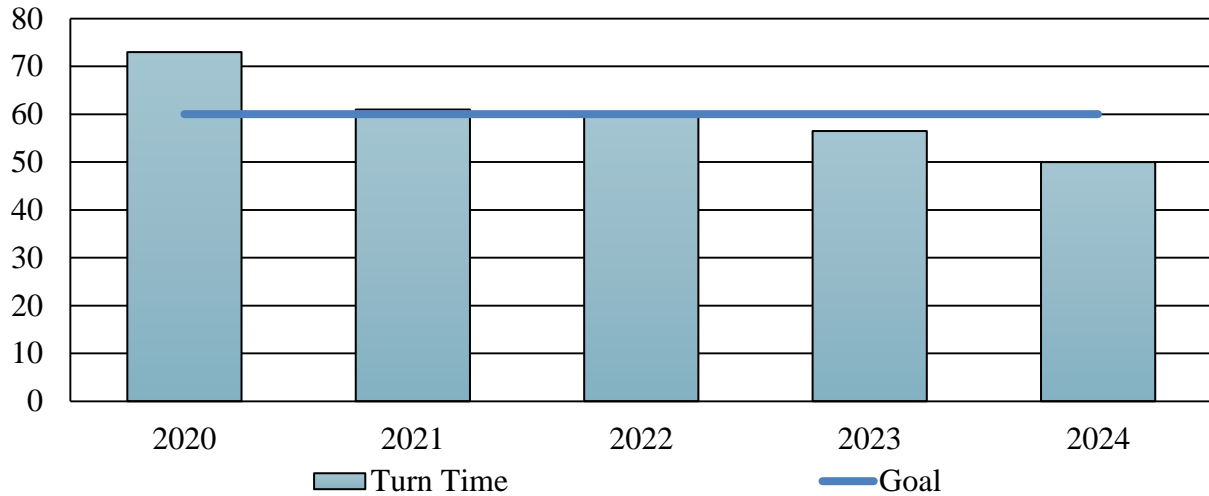
Source: Maryland Port Administration; Department of Legislative Services

**4. Seagirt Truck Turn Times**

Truck turn times are a measure of the efficiency and operations of the Seagirt Marine Terminal. Reducing turn times improves throughput capacity and results in incremental environmental benefits. Truck turn time is very important to drivers, shipping companies, and cargo owners and demonstrates the level of efficiency of moving freight off the terminals and into the broader economy. **Exhibit 5** shows the average truck turn time by calendar year against the 60-minute goal. Improvements, such as the use of weigh-in-motion scales, have helped reduce turn times.



**Exhibit 5**  
**Average Truck Turn Time at Seagirt Marine Terminal**  
**Calendar 2020-2024**  
**(Time in Minutes)**



Source: Maryland Port Administration; Department of Legislative Services

**Fiscal 2024**

In the fiscal 2024 closeout, \$3,998,349 in general funds appropriated in MPA’s capital budget to help support the Howard Street Tunnel project were reverted in error. The fiscal 2026 budget submission includes a general fund deficiency of this amount to restore the funding.

**Fiscal 2025**

**Implementation of Legislative Priorities**

A legislative addition of \$1 million in special funds was provided for drone-based security at the Port. The July 2024 Board of Public Works cost containment reductions reduced this appropriation by \$250,000. A fiscal 2025 deficiency removes the remaining funding.

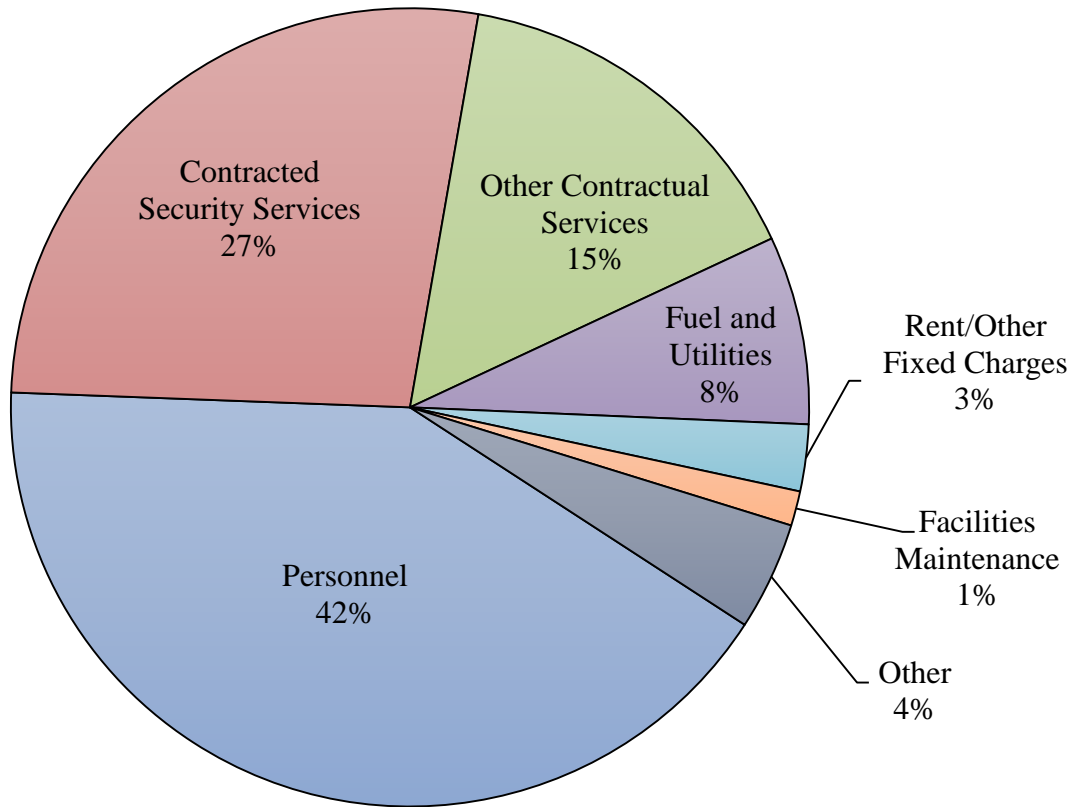
**Proposed Deficiency**

As mentioned above, an operating budget deficiency removes \$750,000 in general funds that were part of a \$1 million appropriation added by the legislature during the 2024 session for drone-based security at the Port.

## Fiscal 2026 Overview of Agency Spending

The MPA fiscal 2026 operating budget totals just under \$59 million and is funded by special funds from the Transportation Trust Fund (TTF). Nearly 69% of the fiscal 2026 allowance is slated to cover personnel expenses and provide security services. **Exhibit 6** provides a breakout of the allowance by category of spending for MPA’s operations.

**Exhibit 6**  
**Overview of Agency Spending**  
**Fiscal 2026 Allowance**  
**(\$ in Thousands)**



Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2026 Budget Books; Department of Legislative Services

**Proposed Budget Change**

As shown in **Exhibit 7**, the fiscal 2026 operating allowance for MPA increases by \$5.8 million over the current year working appropriation.

**Exhibit 7**  
**Proposed Budget**  
**Maryland Department of Transportation – Maryland Port Administration**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>Special Fund</b>	<b>Total</b>
Fiscal 2024 Actual	\$57,667	\$57,667
Fiscal 2025 Working Appropriation	53,081	53,081
Fiscal 2026 Allowance	<u>58,887</u>	<u>58,887</u>
Fiscal 2025-2026 Amount Change	\$5,806	\$5,806
Fiscal 2025-2026 Percent Change	10.9%	10.9%

<b>Where It Goes:</b>	<b><u>Change</u></b>
<b>Personnel Expenses</b>	
Salary increases and associated fringe benefits, including fiscal 2025 COLA and increments.....	\$1,532
Restoration of funds from cancellation of fiscal 2025 hiring freeze .....	1,296
New cybersecurity position .....	143
Workers’ compensation.....	-3
Employee and retiree health insurance .....	-1,019
<b>Port Oversight and Management</b>	
Security contractual services .....	2,132
Decarbonization initiative projects to meet Climate Solutions Now Act requirements .....	1,000
Planning, development, and implementation of projects required to meet updated municipal separate storm sewer system Phase II permit .....	260
Advertising and legal publications below fiscal 2024 actual .....	200
Other land and structures .....	200
Replacement equipment at 8% over fiscal 2024 actual .....	160
Restoration of travel funds reduced in fiscal 2025 as cost containment.....	140
Restoration of employee tuition reimbursement and job rotation assignment program funding reduced in fiscal 2025 as cost containment.....	86
Contractual FTE compensation increase (5 FTE) .....	14

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<b>Where It Goes:</b>	<b><u>Change</u></b>
Natural gas/propane at 2024 actual.....	10
Insurance charges paid to State Treasurer .....	-4
Electricity at fiscal 2024 actual.....	-342
<b>Total</b>	<b>\$5,806</b>

COLA: cost-of-living adjustment  
 FTE: full-time equivalent

Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget. Numbers may not sum to total due to rounding.

### Net Operating Revenues

Along with the Maryland Aviation Administration and the Maryland Transit Administration, MPA generates revenues that are deposited into the TTF and help offset expenditures. **Exhibit 8** shows that MPA generated revenue does not fully cover spending on operations and does not support any of its capital program.

#### Exhibit 8 Net Operating Revenues Fiscal 2024-2026 (\$ in Thousands)

	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Working</u>	<u>2026</u> <u>Allowance</u>	<u>2025-2026</u> <u>Change</u>
<b>Operating</b>				
Revenues	\$50,789	\$53,000	\$54,060	\$1,060
Expenditures	57,667	53,081	58,887	5,806
<b>Net Income/Loss</b>	<b>-\$6,878</b>	<b>-\$81</b>	<b>-\$4,827</b>	<b>-\$4,746</b>
<b>Capital</b>				
Special Fund Expenditures	\$58,138	\$289,366	\$281,554	-\$7,812
<b>Total Net Income/Loss</b>	<b>-\$65,016</b>	<b>-289,447</b>	<b>-\$286,381</b>	<b>\$3,066</b>

Source: Governor’s Fiscal 2026 Budget Books; Department of Legislative Services

## ***Operating and PAYGO Personnel Data***

	<b><u>FY 24 Actual</u></b>	<b><u>FY 25 Working</u></b>	<b><u>FY 26 Allowance</u></b>	<b><u>FY 25-26 Change</u></b>
Regular Operating Budget Positions	174.00	174.00	175.00	1.00
Regular PAYGO Budget Positions	<u>42.00</u>	<u>42.00</u>	<u>43.00</u>	<u>1.00</u>
<b>Total Regular Positions</b>	<b>216.00</b>	<b>216.00</b>	<b>218.00</b>	<b>2.00</b>
Operating Budget FTEs	5.50	4.50	4.50	0.00
PAYGO Budget FTEs	<u>1.00</u>	<u>0.50</u>	<u>0.50</u>	<u>0.00</u>
<b>Total FTEs</b>	<b>6.50</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>
<b>Total Personnel</b>	<b>222.50</b>	<b>221.00</b>	<b>223.00</b>	<b>2.00</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	10.90	5.00%
Positions and Percentage Vacant as of 12/31/24	17.00	7.87%
Vacancies Above Turnover	6.10	

- The allowance includes 1 new regular operating position to support cybersecurity efforts and 1 capital position to help support project delivery. **The Department of Legislative Services recommends deleting funding for the new regular operating position, as MPA should instead reclassify an existing vacant position.**

## **PAYGO Capital Program**

### **Program Description**

The MPA capital program identifies and manages projects and funding for Port facilities that provide increased capacity for existing cargo and promotes the shipment of new cargo. Current projects focus on improving and modernizing existing State capital facilities, developing new facilities, and supporting the improvement of shipping channels through dredging activities conducted in cooperation with the U.S. Army Corps of Engineers.

## Infrastructure Investment and Jobs Act and Inflation Reduction Act Funding

MPA has been awarded eight discretionary grants under the Infrastructure Investment and Jobs Act. **Exhibit 9** lists the grant awards by program and purpose.

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### Exhibit 9 Discretionary Grant Awards under the IIJA (\$ in Millions)

<u>Program</u>	<u>Purpose</u>	<u>Amount</u>
Consolidated Rail Infrastructure and Safety Improvements	Build four new working rail tracks and two crane rail beams at Seagirt Marine Terminal.	\$15.7
EPA Clean Ports Program	Equipment Electrification and Terminal Decarbonization Application Project.	145.6
EPA Clean Ports Program	Air Quality Improvement Strategy and Comprehensive Community Engagement Plan Development Project.	1.9
EPA Diesel Emissions Reduction Act Grant	Helen Delich Bentley Port of Baltimore – Reducing Emissions for a Sustainable Future Project.	3.4
FEMA Building Resilient Infrastructure and Communities	Conduct a vulnerability assessment and mapping for improving coastal resilience at Maryland Port Administration terminals and facilities.	0.2
FEMA Port Security Grant Program	Implementation of Cybersecurity Resilience Enhancements for Critical Services.	0.5
Multimodal Project Discretionary Grant (INFRA)	Dundalk Marine Terminal Berth 11 Reconstruction Project.	30.9
Reduction of Truck Emissions at Port Facilities	Replacement of a diesel-powered vehicle with a zero-emission vehicle and research and promotion of development of more robust electric power take off units.	0.6

EPA: U.S. Environmental Protection Agency  
 FEMA: Federal Emergency Management Agency  
 IIJA: Infrastructure Investment and Jobs Act  
 INFRA: Infrastructure for Rebuilding America

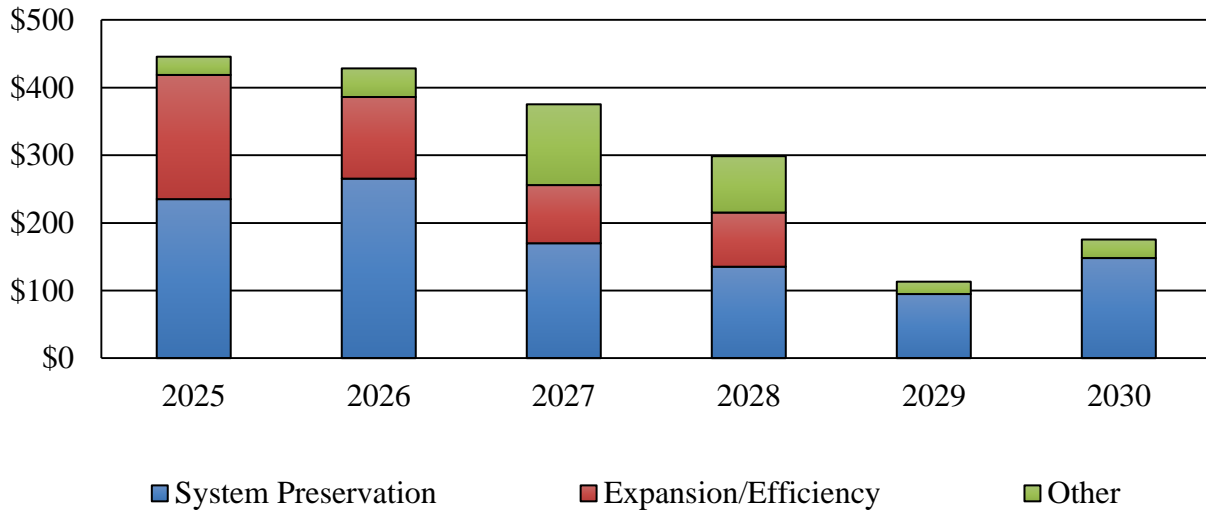
Source: Maryland Department of Transportation; Department of Legislative Services

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**Fiscal 2025 to 2030 Consolidated Transportation Program**

MPA’s six-year capital program (fiscal 2025-2030) totals \$1.8 billion. Just over 57% of the six-year spending is programmed to address system preservation needs to maintain existing facilities in, or bring them into, a state of good repair. An additional 26% of six-year spending is for expansion/efficiency projects, and the remaining spending is planned for projects addressing environmental, safety and security, and administration needs and to cover capital program salaries and wages. **Exhibit 10** shows six-year programmed spending by investment category.

**Exhibit 10**  
**Six-year Programmed Capital Spending by Investment Category**  
**Fiscal 2025-2030**  
**(\$ in Millions)**



Note: Other includes salaries and wages along with the investment categories of environment, safety and security, and administration.

Source: Maryland Department of Transportation, 2025 Consolidated Transportation Program; Department of Legislative Services

**Fiscal 2026 Capital Allowance**

The fiscal 2026 allowance for the MPA capital program, including other funds that do not flow through the MPA budget, totals \$428 million. **Exhibit 11** shows the fiscal 2026 capital program for MPA by project and program along with the total estimated project costs and six-year funding included in the *Consolidated Transportation Program (CTP)*.

**Exhibit 11**  
**Maryland Port Administration Fiscal 2026 Capital Program**  
**(\$ in Millions)**

<b><u>Project/Program Title</u></b>	<b><u>2026</u></b>	<b><u>Cost Total</u></b>	<b><u>Six-year Total</u></b>
<b>Projects</b>			
Chrome Ore Processing Residue Remediation	\$4.6	\$91.4	\$27.4
Cox Creek Dredged Material Containment Facility Expansion and Related Projects	6.9	215.8	45.3
Dundalk Marine Terminal Resiliency and Flood Mitigation	30.5	71.5	71.5
Fairfield Marine Terminal Pier 4 Reconstruction	1.4	19.7	7.2
Hart-Miller Island Related Projects	2.2	104.8	13.4
Howard Street Tunnel Project (INFRA)	119.7	566.0	462.1
Masonville Dredged Material Containment Facility Expansion and Related Projects	11.6	351.5	81.6
Mid-Chesapeake Bay Island Ecosystem Restoration Project	125.6	356.9	329.7
Paul S. Sarbanes Ecosystem Restoration Project at Poplar Island	7.8	219.0	45.8
Port of Baltimore Rail Capacity Modernization Project	16.2	22.4	22.4
Seagirt Marine Terminal Modernization Ph 2 Loop Channel Improvements	0.3	1.7	0.8
South Locust Point Cruise Terminal	1.5	4.2	2.8
Cox Creek Sediment Technology and Reuse Facility Remediation	10.3	75.0	68.8
Fairfield Marine Terminal Stormwater Management Program	2.5	4.5	4.5
North Locust Point Marine Terminal Preservation Projects	0.1	3.0	0.6
Dundalk Marine Terminal Electrification	3.5	26.0	15.8
World Trade Center	2.7	43.4	17.6
Climate Solutions Now Act and Related Projects	24.0	212.4	190.4
Dundalk Marine Terminals Berths 1-2	0.2	2.0	0.8
Zero Emission Locomotives for CSX Curtis Bay Yard	1.3	23.2	23.2
Interconnector Bridge	12.0	12.0	12.0
<b><i>Subtotal – Projects</i></b>	<b><i>\$385.0</i></b>	<b><i>\$2,426.2</i></b>	<b><i>\$1,443.4</i></b>



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<b><u>Project/Program Title</u></b>	<b><u>2026</u></b>	<b><u>Cost Total</u></b>	<b><u>Six-year Total</u></b>
<b>Programs</b>			
Minor Program	\$19.4	n/a	\$172.2
Dredged Material Placement and Monitoring	12.9	n/a	65.2
Innovative Reuse and Beneficial Use of Dredged Material	4.0	n/a	21.8
Capital Salaries and Wages	7.0	n/a	50.3
<b><i>Subtotal – Programs</i></b>	<b><i>\$43.3</i></b>	<b><i>n/a</i></b>	<b><i>\$309.5</i></b>
<b>Total – Projects and Programs</b>	<b>\$428.3</b>	<b>\$2,426.2</b>	<b>\$1,752.9</b>

INFRA: Infrastructure for Rebuilding America

Note: Numbers may not sum to total due to rounding

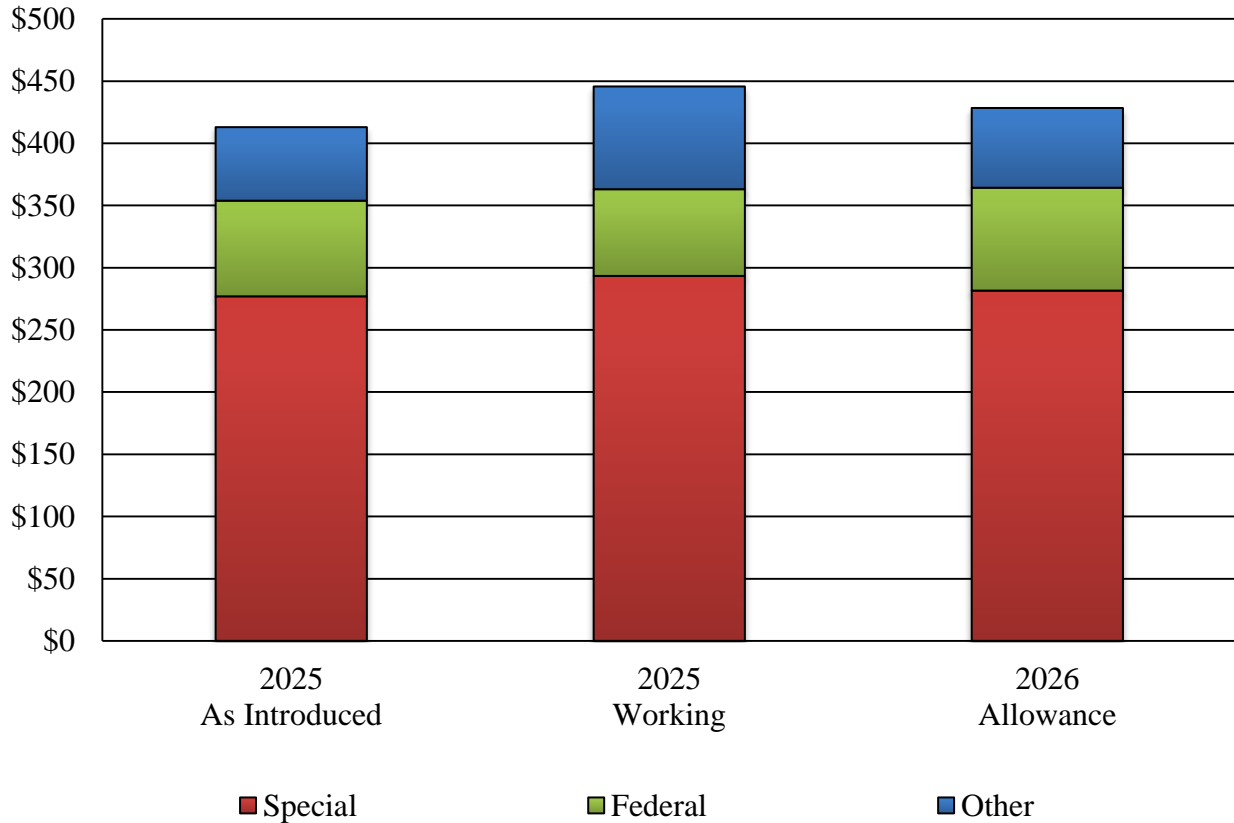
Source: Maryland Department of Transportation, 2025 *Consolidated Transportation Program*; Department of Legislative Services

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**Fiscal 2025 and 2026 Cash Flow Analysis**

**Exhibit 12** shows the changes in MPA capital funding, including other funds that do not flow through the MPA budget, between the fiscal 2025 budget as introduced during the 2024 session and the working appropriation as well as between the working appropriation and the fiscal 2026 allowance.

**Exhibit 12  
Capital Cash Flow Changes  
Fiscal 2025-2026  
(\$ in Millions)**



Source: Maryland Department of Transportation, 2024 and 2025 *Consolidated Transportation Programs*; Department of Legislative Services

**Cash Flow Analysis – Fiscal 2025 Changes**

As shown in **Exhibit 13**, the fiscal 2025 working appropriation is a net \$32.7 million higher than the fiscal 2025 budget as introduced during the 2024 session. The largest increases are in spending on the Howard Street Tunnel, the Cox Creek Dredged Material Containment Facility Expansion, and Zero Emission Locomotives for CSX Curtis Bay Yard projects.

**Exhibit 13**  
**Cash Flow Changes**  
**Fiscal 2025 as Introduced to Fiscal 2025 Working Appropriation**  
**(\$ in Millions)**

	<u>Project Change</u>	<u>Category Change</u>
<b>Major Construction Program</b>		<b>\$23.1</b>
Howard Street Tunnel Project (Infrastructure for Rebuilding America)	\$21.8	
Cox Creek Dredged Material Containment Facility Expansion and Related Projects	7.2	
Zero Emission Locomotives for CSX Curtis Bay Yard	4.5	
Dredged Material Placement and Monitoring	4.1	
Climate Solutions Now Act and Related Projects	2.8	
Masonville Dredged Material Containment Facility Expansion and Related Projects	2.6	
World Trade Center	2.5	
Mid-Chesapeake Bay Island Ecosystem Restoration Project	0.6	
Cox Creek Sediment Technology and Reuse Facility Remediation	0.4	
North Locust Point Marine Terminal Preservation Projects	0.3	
South Locust Point Cruise Terminal	0.3	
Hart-Miller Island Related Projects	0.2	
Chrome Ore Processing Residue Remediation	0.1	
Dundalk Marine Terminal Resiliency and Flood Mitigation	0.0	
Innovative Reuse and Beneficial Use of Dredged Material	-1.3	
Paul S. Sarbanes Ecosystem Restoration Project at Poplar Island	-1.8	
Fairfield Marine Terminal Pier 4 Reconstruction	-2.7	
Dundalk Marine Terminal Electrification	-3.8	
Port of Baltimore Rail Capacity Modernization Project	-5.5	
Seagirt Marine Terminal Modernization Terminal Improvements	-9.0	
<b>Development and Evaluation Program</b>		<b>\$6.8</b>
St. Helena Property	\$4.5	
Dundalk Marine Terminals Berths 11-13	1.7	
Dundalk Marine Terminals Berths 1-2	0.6	
Seagirt Marine Terminal Modernization Phase 2 Loop Channel Improvements	0.0	
<b>Minor Program</b>		<b>\$1.2</b>
<b>Capital Salaries and Wages</b>		<b>\$1.5</b>
<b>Total Change</b>		<b>\$32.6</b>

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

Source: Maryland Department of Transportation, 2024 and 2025 *Consolidated Transportation Programs*; Department of Legislative Services

**Cash Flow Analysis – Fiscal 2025 to 2026 Changes**

As shown in **Exhibit 14**, fiscal 2026 capital funding, including other funds, decreases by a net \$17.3 million from the current year working appropriation. Large increases for the Mid-Chesapeake Bay Island Ecosystem Restoration Project, the Climate Solutions Now Act and Related Projects, the Port of Baltimore Rail Capacity Modernization Project, and the addition of the Interconnector Bridge project are more than offset by reductions in other projects, with the largest reduction occurring in the Howard Street Tunnel project due to peak spending on the project occurring in fiscal 2025.

**Exhibit 14**  
**Cash Flow Changes**  
**Fiscal 2025 Working Appropriation to Fiscal 2026 Allowance**  
**(\$ in Millions)**

	<u>Project</u> <u>Change</u>	<u>Category</u> <u>Change</u>
<b>Major Construction Program</b>		<b>-\$2.1</b>
Mid-Chesapeake Bay Island Ecosystem Restoration Project	\$29.1	
Climate Solutions Now Act and Related Projects	21.0	
Port of Baltimore Rail Capacity Modernization Project	16.2	
Interconnector Bridge	12.0	
Cox Creek Sediment Technology and Reuse Facility Remediation	7.9	
Dundalk Marine Terminal Electrification	2.7	
Fairfield Marine Terminal Stormwater Management Program	2.5	
South Locust Point Cruise Terminal	1.2	
Paul S. Sarbanes Ecosystem Restoration Project at Poplar Island	0.3	
Innovative Reuse and Beneficial Use of Dredged Material	0.2	
Hart-Miller Island Related Projects	-0.2	
North Locust Point Marine Terminal Preservation Projects	-0.4	
Chrome Ore Processing Residue Remediation	-1.2	
Dundalk Marine Terminal Resiliency and Flood Mitigation	-1.8	
Zero Emission Locomotives for CSX Curtis Bay Yard	-3.2	
World Trade Center	-4.2	
Fairfield Marine Terminal Pier 4 Reconstruction	-4.4	
Cox Creek Dredged Material Containment Facility Expansion and Related Projects	-7.5	
Dredged Material Placement and Monitoring	-7.9	
Masonville Dredged Material Containment Facility Expansion and Related Projects	-8.1	
Howard Street Tunnel Project (Infrastructure for Rebuilding America)	-56.5	

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	<u>Project Change</u>	<u>Category Change</u>
<b>Development and Evaluation Program</b>		<b>-\$7.4</b>
Seagirt Marine Terminal Modernization Phase 2 Loop Channel Improvements	-\$0.1	
Dundalk Marine Terminals Berths 1-2	-0.4	
Dundalk Marine Terminals Berths 11-13	-1.7	
St. Helena Property	-5.1	
<b>Minor Program</b>		<b>-\$7.4</b>
<b>Capital Salaries and Wages</b>		<b>-\$0.4</b>
<b>Total Change</b>		<b>-\$17.3</b>

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

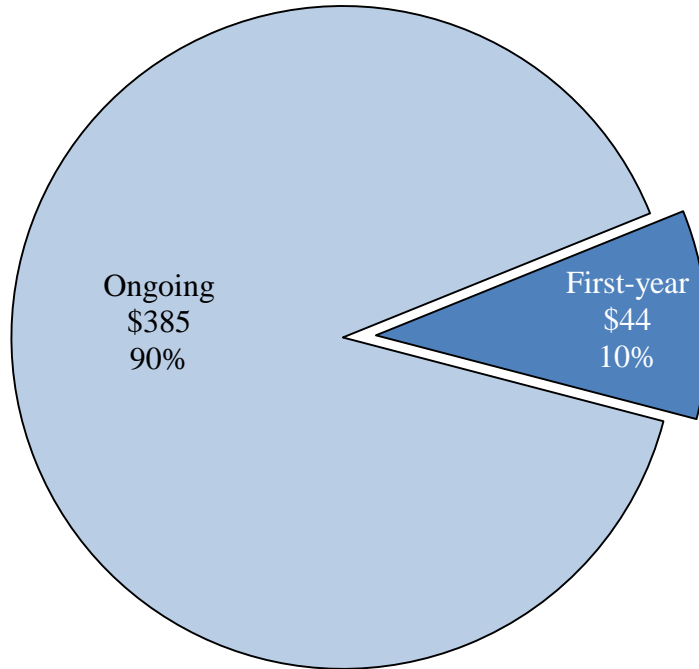
Source: Maryland Department of Transportation, 2025 *Consolidated Transportation Program*; Department of Legislative Services

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**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**, \$44 million, or 10%, of MPA’s fiscal 2026 capital funding, which totals \$428 million, is first-year funding. The MPA capital projects receiving first-year funding in fiscal 2025 and 2026 are listed in **Exhibit 16**.

**Exhibit 15**  
**First-year and Ongoing Programmed Spending – All Funds**  
**Fiscal 2026**  
**(\$ in Millions)**



Source: Maryland Department of Transportation, 2025 *Consolidated Transportation Program*; Department of Legislative Services

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**Exhibit 16**  
**Projects Receiving First-year Construction and Design Funding**  
**Fiscal 2025-2026**  
**(\$ in Thousands)**

	<u>2025</u>	<u>2026</u>	<u>2025-2026</u>
<b>Construction</b>			
Cruise Terminal HVAC and Ceiling Upgrades	\$0	\$1,500	\$1,500
Masonville Operations and Maintenance	3,858	3,400	7,258
Agencywide Utility Upgrades	0	705	705
Electric Sweeper	0	803	803
Clean Ports Program: Zero Emission Deployment	0	7,625	7,625
Interconnector Colgate Creek Bridge Repairs	0	12,000	12,000
Zero Emission Electric Locomotives for CSX Curtis Bay Yard	4,484	1,314	5,797
<b>Design</b>			
Dundalk – St Helena Property	\$452	\$309	\$761
Upgrades to Howard Street Tunnel	2,014	18	2,032
Cruise Terminal HVAC and Ceiling Upgrades	260	0	260
Clean Ports Program: Zero Emission Deployment	1,125	13,324	14,449
Seagirt Loop Channel	452	309	761
Dundalk Marine Terminal Electrical System Inspection and Engineering	325	225	550
Feasibility Study of Electrifying Car Carrier Fleet	180	0	180
Clean Ports Program: Air Quality Improvement and Engagement	90	1,500	1,590
Electric Vehicle Acquisition	0	558	558
<b>Total</b>	<b>\$13,239</b>	<b>\$43,589</b>	<b>\$56,828</b>
State (Special)			\$26,677
Federal			24,587
Other			5,564
<b>Total</b>			<b>\$56,828</b>

Source: Maryland Department of Transportation, 2025 *Consolidated Transportation Program*; Department of Legislative Services

**Significant Changes from the Previous Consolidated Transportation Program**

MPA has one project, the Interconnector Bridge between Dundalk Marine Terminal and Seagirt Marine Terminal, which was added to the construction program in the 2025 CTP.

## ***Issues***

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### **1. Temporary Port Closure Due to Collapse of the Francis Scott Key Bridge Impacts Cargo Volume and Cruise Operations in Calendar 2024**

The collapse of the Francis Scott Key bridge on March 26, 2024, resulted in the complete suspension of vessel traffic into and out of the Port’s public and private marine terminals, located north and west of the former Key Bridge, and ongoing disruption of vessel traffic until the full channel was reopened on June 10, 2024. As discussed in the previous MFR section, the temporary closure of the shipping channel negatively impacted cargo and cruise activities, as reflected in decreases in cargo, container, and cruise line performance measures in calendar 2024. While some MFR measures are projected to recover in calendar 2025, exceeding levels in calendar 2023, others are projected to remain below calendar 2023 levels, notably Ro/Ro tonnage, general cargo tonnage, and the number of cruise passengers embarking/debarking. **MPA should brief the committees on efforts to improve performance and when performance measures in areas lagging 2023 levels are expected to meet or exceed those 2023 levels.**



## Operating Budget Recommended Actions

	<u>Amount Change</u>	<u>Position Change</u>
1. Delete funding for a new cybersecurity position (PIN J00D01889810). The Maryland Port Administration had 17 vacant positions as of January 1, 2025, and should reclassify 1 vacant position instead of adding a new position.	-\$ 143,348 SF	-1.0

2. Adopt the following narrative:

**Howard Street Tunnel Project Quarterly Reporting:** The committees are interested in monitoring the progress being made on the Howard Street Tunnel project and request that the Maryland Port Administration (MPA) provide four quarterly reports on the status of the project, including percentage completion and any material changes to the project schedule or cost. The committees request that the first report be submitted by July 1, 2025, with subsequent reports submitted every three months thereafter.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Status reports on the Howard Street Tunnel project	MPA	July 1, 2025 October 1, 2025 January 1, 2026 April 1, 2026

<b>Total Special Fund Net Change</b>	<b>-\$ 143,348</b>	<b>-1.0</b>
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## PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

## ***Updates***

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### **1. Howard Street Tunnel Project Status**

The 2024 *Joint Chairmen’s Report* (JCR) requested quarterly status reports on the progress of the Howard Street Tunnel project. According to the January 2025 quarterly report, all 10 of the construction packages, into which the project was divided to allow faster completion of the entire project, have been awarded. The percentage of construction complete is as follows:

- < 10% – 3 packages;
- > 20% < 25% – 2 packages;
- > 90% < 100% – 2 packages; and
- 100% – 3 packages.

In fall 2024, CSX, which is managing the project as the owner of the rail line, completed the last clearance work at the sites in Delaware and Pennsylvania, which allowed CSX to begin double-stack operations to and from the Port in October 2024 via a temporary and longer route. This route utilized the CSX rail network in Delaware, Pennsylvania, New Jersey, and New York, into the Midwest. Once work is complete at all the Maryland sites, CSX’s double-stack service will utilize the permanent and more efficient route through the Howard Street Tunnel to access the Midwest. With this alternate route available, CSX has indicated it intends to shut down the Howard Street Tunnel on or around February 1, 2025, to allow 24-hours per day of construction instead of the 12-hour limit in place to allow single-stack track utilization for the other 12 hours. This change is expected to speed project completion, with all clearance work expected to be completed sometime in early calendar 2026. A more refined project schedule is expected to be included in the April 2025 quarterly status report.

**Appendix 1**  
**2024 Joint Chairmen’s Report Responses from Agency**

The 2024 JCR requested that MPA prepare four reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Howard Street Tunnel Project Quarterly Reporting:*** The 2024 JCR requested quarterly reports on the status of the Howard Street Tunnel project. MPA has submitted the July, October, and January reports. Further discussion of this data can be found in the Updates section of this analysis.

**Appendix 2**  
**Budget Amendments for Fiscal 2025**  
**Maryland Department of Transportation**  
**Maryland Port Administration**

**Operating**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	-\$250,000	General	Reduce general funds to the Maryland Port Administration under the provision of § 7-213 (a) of the State Finance and Procurement Article. (Approved by the Board of Public Works on July 17, 2024).
Pending	\$1,083,513	Special	Increase special and federal funds for statewide salary actions, including cost-of-living adjustments (COLA), an increment, annual salary reviews for certain classifications, and an Executive Pay Plan merit increase.
Pending	\$3,818,148	Special	Increase special fund appropriations to sustain operations.

**Capital**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$248,892	Special	Increase special and federal funds for statewide salary actions, including COLAs, an increment, annual salary reviews for certain classifications, and an Executive Pay Plan merit increase.
Pending	\$12,384,797	Special	Adjusts the amended appropriation to agree with the fiscal 2025-2030 <i>Consolidated Transportation Program</i> .
	-7,210,924	Federal	
	<b>\$5,173,873</b>	<b>Total</b>	

**Appendix 3**  
**Object/Fund Difference Report**  
**Maryland Department of Transportation – Maryland Port Administration**

<u>Object/Fund</u>	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Wrk Approp</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25 - FY 26</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	174.00	174.00	175.00	1.00	0.6%
02 Contractual	5.50	4.50	4.50	0.00	0%
<b>Total Positions</b>	<b>179.50</b>	<b>178.50</b>	<b>179.50</b>	<b>1.00</b>	<b>0.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 23,508,941	\$ 22,446,648	\$ 24,396,021	\$ 1,949,373	8.7%
02 Technical and Special Fees	105,463	246,185	346,185	100,000	40.6%
03 Communication	137,742	181,303	181,303	0	0%
04 Travel	199,877	128,034	268,034	140,000	109.3%
06 Fuel and Utilities	4,360,804	4,825,768	4,493,219	-332,549	-6.9%
07 Motor Vehicles	910,709	671,618	673,176	1,558	0.2%
08 Contractual Services	22,625,946	22,157,197	24,999,015	2,841,818	12.8%
09 Supplies and Materials	854,531	660,171	660,171	0	0%
10 Equipment – Replacement	299,892	164,814	324,814	160,000	97.1%
11 Equipment – Additional	96,828	92,851	92,851	0	0%
12 Grants, Subsidies, and Contributions	35,000	35,000	35,000	0	0%
13 Fixed Charges	3,745,945	1,596,782	1,592,320	-4,462	-0.3%
14 Land and Structures	785,102	624,843	824,843	200,000	32.0%
<b>Total Objects</b>	<b>\$ 57,666,780</b>	<b>\$ 53,831,214</b>	<b>\$ 58,886,952</b>	<b>\$ 5,055,738</b>	<b>9.4%</b>
<b>Funds</b>					
01 General Fund	\$ 0	\$ 750,000	\$ 0	-\$ 750,000	-100.0%
03 Special Fund	57,666,780	53,081,214	58,886,952	5,805,738	10.9%
<b>Total Funds</b>	<b>\$ 57,666,780</b>	<b>\$ 53,831,214</b>	<b>\$ 58,886,952</b>	<b>\$ 5,055,738</b>	<b>9.4%</b>

Note: The fiscal 2025 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2026 allowance does not include contingent reductions or cost-of-living adjustments.

**Appendix 4  
Fiscal Summary**

**Maryland Department of Transportation – Maryland Port Administration**

<u>Program/Unit</u>	<u>FY 24 Actual</u>	<u>FY 25 Wrk Approp</u>	<u>FY 26 Allowance</u>	<u>Change</u>	<u>FY 25 - FY 26 % Change</u>
01 Port Operations	\$ 57,666,780	\$ 53,831,214	\$ 58,886,952	\$ 5,055,738	9.4%
02 Port Facilities and Capital Equipment	130,788,835	359,096,113	364,234,361	5,138,248	1.4%
<b>Total Expenditures</b>	<b>\$ 188,455,615</b>	<b>\$ 412,927,327</b>	<b>\$ 423,121,313</b>	<b>\$ 10,193,986</b>	<b>2.5%</b>
General Fund	\$ 0	\$ 750,000	\$ 0	-\$ 750,000	-100.0%
Special Fund	165,804,706	342,447,310	340,440,655	-2,006,655	-0.6%
Federal Fund	22,650,909	69,730,017	82,680,658	12,950,641	18.6%
<b>Total Appropriations</b>	<b>\$ 188,455,615</b>	<b>\$ 412,927,327</b>	<b>\$ 423,121,313</b>	<b>\$ 10,193,986</b>	<b>2.5%</b>

Note: The fiscal 2025 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2026 allowance does not include contingent reductions or cost-of-living adjustments.