

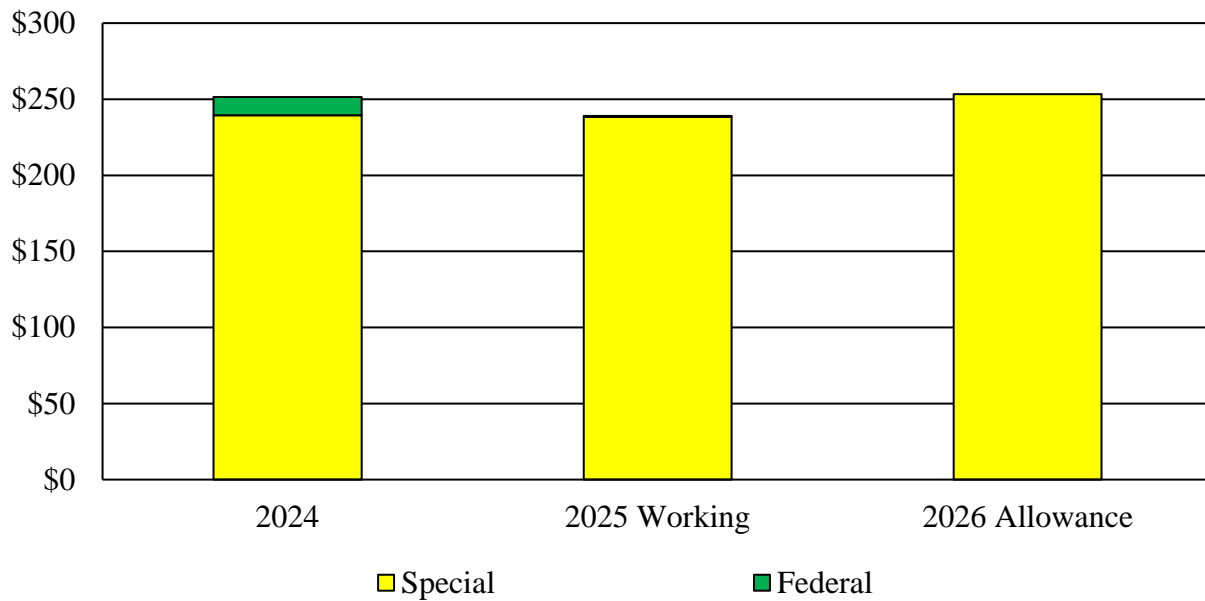
J00I00
Maryland Aviation Administration
Maryland Department of Transportation

Executive Summary

The Maryland Aviation Administration (MAA) has the responsibility of fostering and developing aviation activity throughout the State as well as the operation, maintenance, protection, and development of the two State-owned airports – Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) and Martin State Airport (MTN).

Operating Budget Summary

**Fiscal 2026 Budget Increases \$14.2 Million, or 6.0%, to \$253.3 Million
(\$ in Millions)**

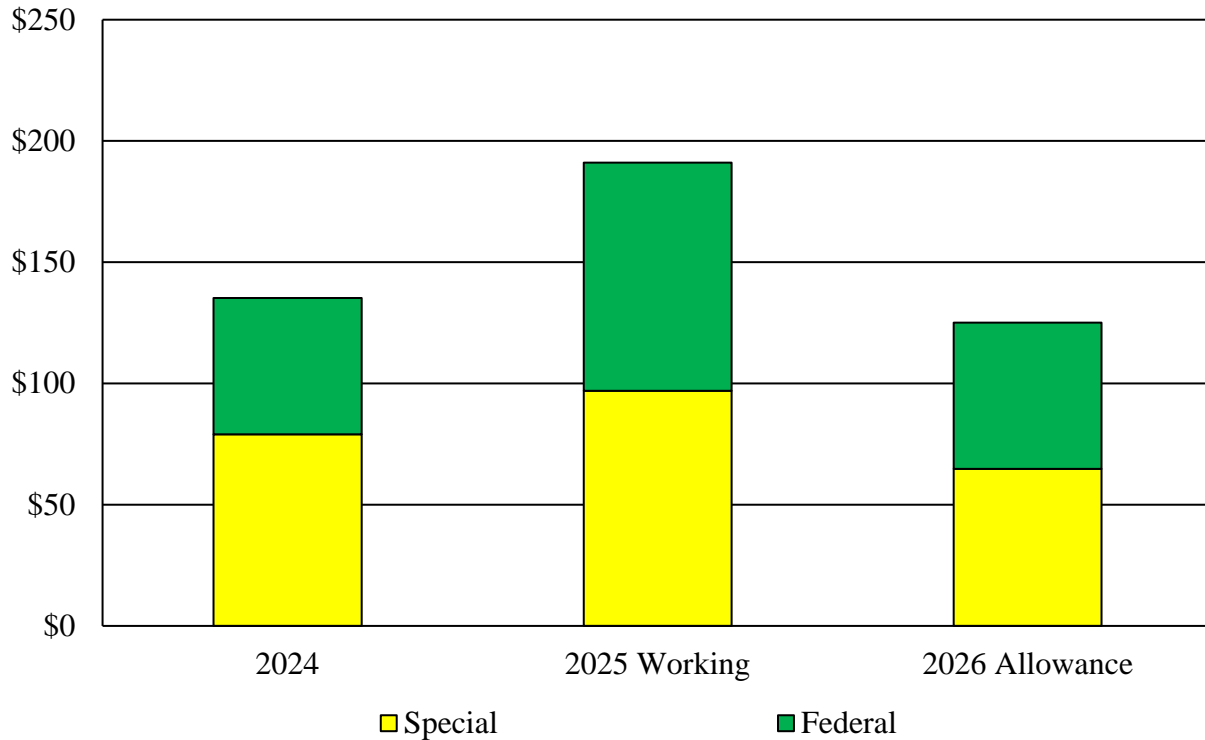


Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The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

- Federal funds in fiscal 2024 were greater than normal due to \$11.4 million added in the fiscal year closing amendment of federal American Rescue Plan Act concession relief grant passthrough funding to eligible BWI Marshall Airport concessionaires.

PAYGO Capital Budget Summary

**Fiscal 2026 Budget Decreases \$66.1 Million, or 34.6%, to \$125.0 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.

Key Observations

Operating Budget Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete funding for a new information technology tech support position, the agency should reclassify an existing vacancy instead.	-\$ 122,476	-1.0
Total Net Change	-\$ 122,476	1.0

PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

Updates

- Board of Public Works (BPW) consideration of a concessions contract for BWI Marshall Airport deferred to Future Meeting.

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Budget Analysis

Program Description

MAA has the responsibility of fostering and developing aviation activity throughout the State. In addition, MAA is responsible for the operation, maintenance, protection, and development of both BWI Marshall Airport – a major center of commercial air carrier service in the State – and MTN – a general aviation reliever facility as well as a support facility for the Maryland Air National Guard and the Maryland State Police. MAA has identified the following key goals:

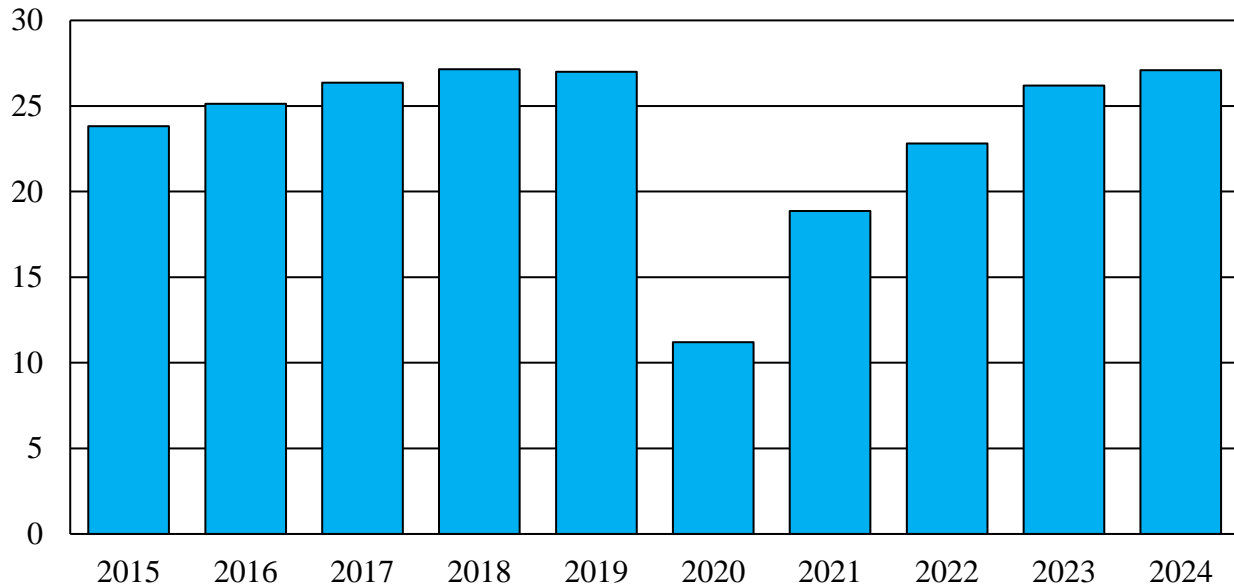
- keeping BWI Marshall Airport passengers, tenants, and facilities safe;
- operating BWI Marshall Airport efficiently and effectively;
- attracting, maintaining, and expanding air service; and
- providing exceptional service.

Performance Analysis: Managing for Results

1. BWI Marshall Airport Traffic in 2024 Exceeds Prepandemic Levels

Exhibit 1 shows the number of total passengers at BWI Marshall Airport from fiscal 2015 through 2024 and clearly shows the impact of the COVID-19 pandemic. In fiscal 2024, total passengers exceeded prepandemic levels.

Exhibit 1
Total Passengers at BWI Marshall Airport
Calendar 2015-2024
(Passengers in Millions)



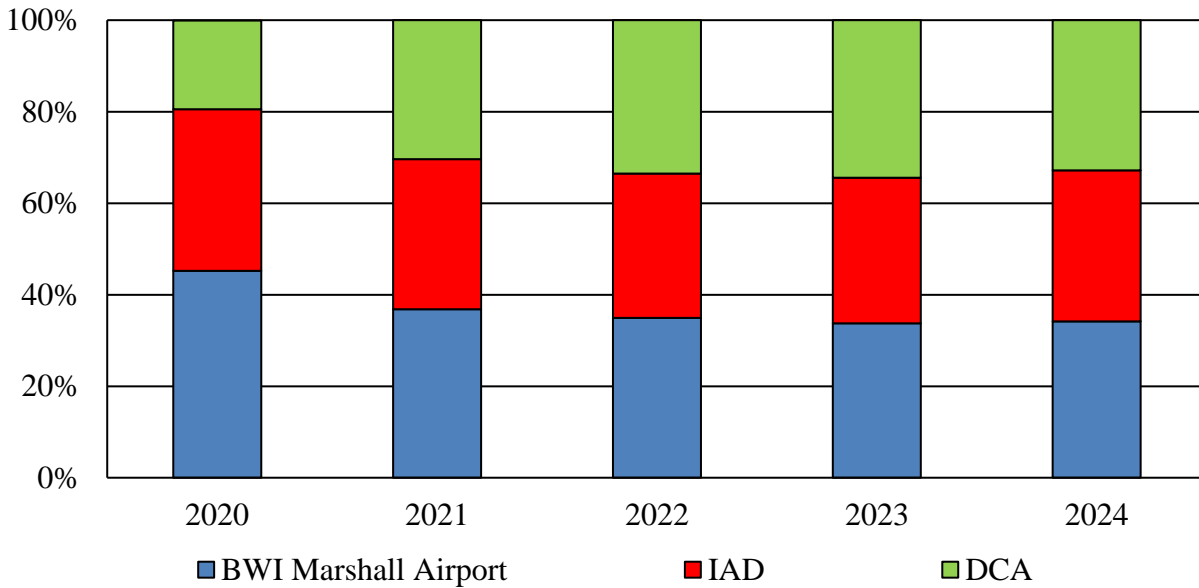
BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

Source: Maryland Aviation Administration; Department of Legislative Services

2. BWI Marshall Airport Regional Market Share Increases in Fiscal 2023

In order for BWI Marshall Airport to experience growth in business and continue to be an economic engine for the State, it must remain competitive with other airports both nationally and internationally. The Baltimore-Washington region features three airports that compete for the local market share for commercial passengers, commercial air operations, freight, and mail transport: BWI Marshall Airport; Washington Dulles International Airport (IAD) and Ronald Reagan Washington National Airport (DCA). Each regional airport differs in the type of passengers it attracts: IAD tends to serve the most international travelers, with a large United Airlines presence; DCA serves business travelers in close proximity to federal government facilities; and BWI Marshall Airport serves primarily leisure travelers, given the strong presence of Southwest Airlines and other low-fare carriers. As shown in **Exhibit 2**, BWI Marshall Airport’s market share increased slightly relative to IAD and DCA, moving from 33.7% in fiscal 2023 to 34.1% in the fiscal 2024 estimate.

Exhibit 2
Passenger Market Share
Fiscal 2020-2024



BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport
DCA: Ronald Reagan Washington National Airport
IAD: Washington Dulles International Airport

Note: Data for BWI Marshall Airport is reported on a fiscal year basis.

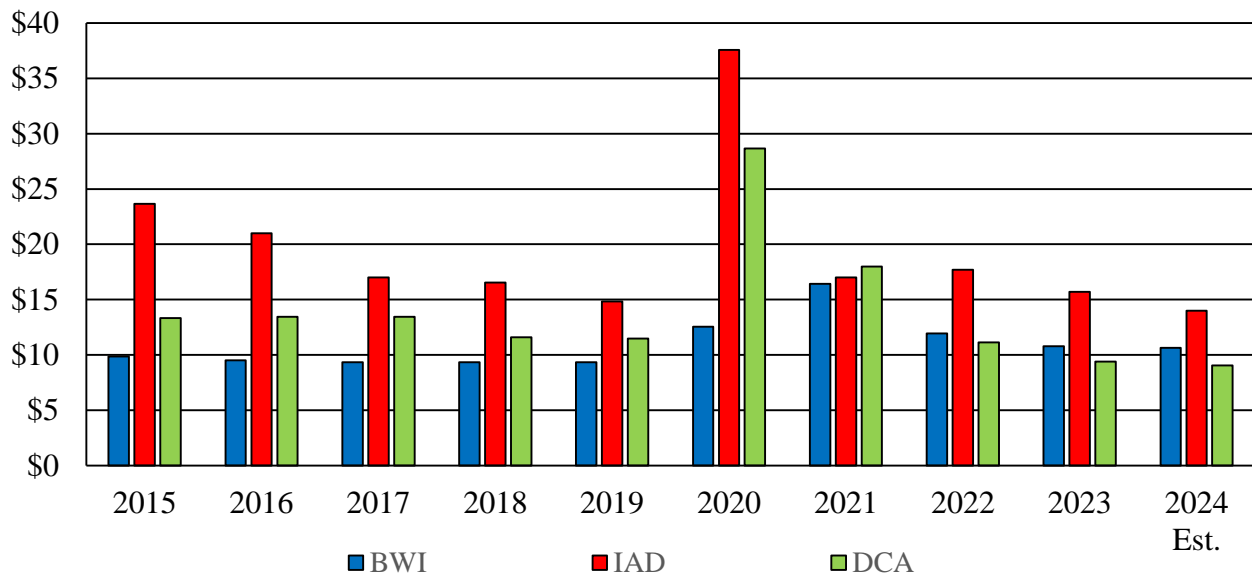
Source: Maryland Aviation Administration; Department of Legislative Services

3. Cost Per Enplaned Passenger

An important financial calculation considered by airlines when deciding where to fly is the cost per enplaned passenger (CPE) at a given airport. CPE costs are the total of terminal and airfield costs related to flight activities, which are paid by the airport and subsequently reimbursed by the airlines. CPE is an industry ratio, and while not calculated using a definitive standard due to variations in the negotiated operating agreements specific to the airports, it typically includes such costs as (1) landing fees; (2) terminal rental fees; (3) aircraft parking fees; and (4) boarding bridges. Serving more passengers reduces these costs per person thereby reducing CPE. Airports universally try to reduce CPE to be more competitive in the market. Therefore, both MAA and the airlines have an interest in keeping operating costs as low as possible.

Exhibit 3 shows the CPE for BWI Marshall Airport, IAD and DCA. Between fiscal 2015 and 2021, BWI Marshall Airport had the lowest CPE of the three major airports in the Baltimore-Washington metro area. The large increases in 2020 were due to the COVID-19 pandemic during which passenger travel fell dramatically. BWI Marshall Airport’s estimated CPE in fiscal 2024 was \$10.65, down from \$10.79 in fiscal 2023.

Exhibit 3
Cost Per Enplaned Passenger
Fiscal 2015-2024 Est.



BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport
 DCA: Ronald Reagan Washington National Airport
 IAD: Washington Dulles International Airport

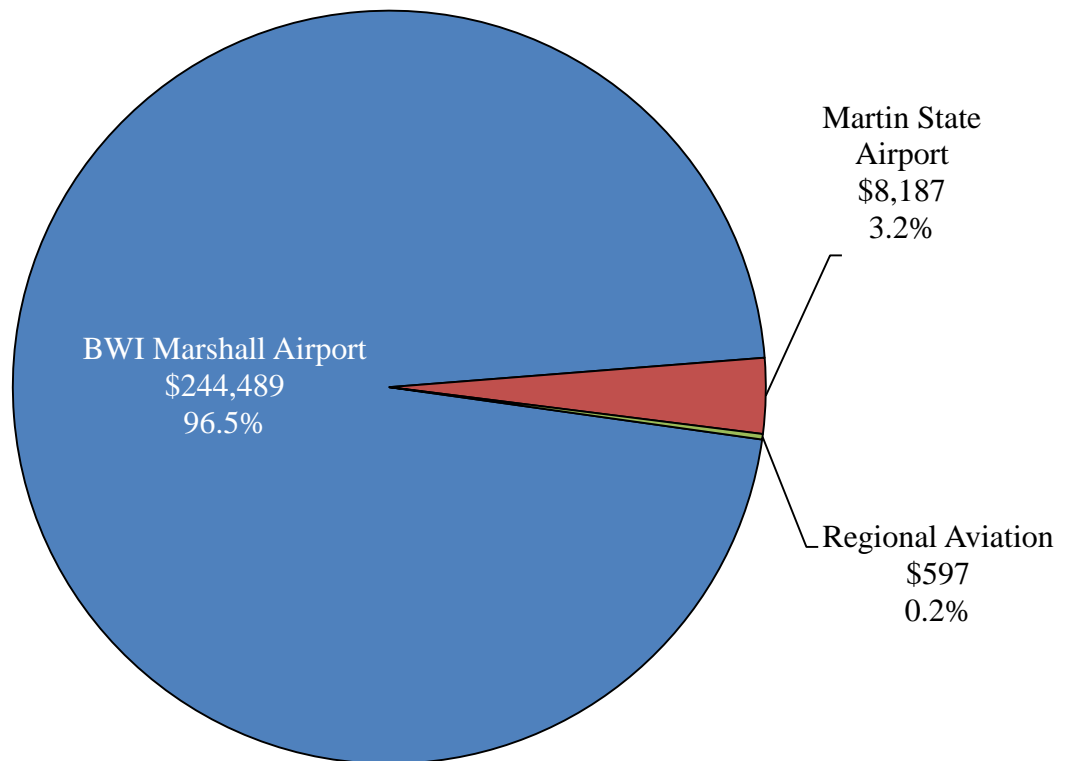
Note: Cost per enplaned passenger (CPE) for IAD and DCA is based on data for signatory airlines only whereas CPE for BWI is based on data for signatory and non-signatory airlines. CPE signatory only for BWI was \$10.48 and \$10.40 in fiscal 2023 and 2024, respectively. Fiscal 2024 CPE for BWI Marshall Airport is the actual.

Source: Maryland Aviation Administration; Department of Legislative Services

Fiscal 2026 Overview of Agency Spending

As shown in **Exhibit 4**, nearly 97% of MAA’s operating budget is for operations of BWI Marshall Airport. MTN operations comprise 3.2% of the fiscal 2026 allowance and regional aviation comprises 0.2% of total operating spending in the allowance.

Exhibit 4
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Thousands)



Note: The fiscal 2026 allowance accounts for contingent reductions. 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: Maryland State Budget; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 5**, MAA’s fiscal 2026 allowance increases \$14.2 million (6.0%) over the current year working appropriation. Personnel expenses increase by 1.7% over the current year working appropriation and represent 7.3% of the overall increase in fiscal 2026. The largest increase in the allowance is for restoration of contractual services that were reduced in fiscal 2025 as a cost containment measure. This restoration accounts for \$13.6 million of the increase in the allowance.

Exhibit 5
Proposed Budget
MDOT – Maryland Aviation Administration
(\$ in Thousands)

How Much It Grows:	Special Fund	Federal Fund	Total
Fiscal 2024 Actual	\$239,526	\$11,978	\$251,504
Fiscal 2025 Working Appropriation	238,402	646	239,047
Fiscal 2026 Allowance	<u>253,273</u>	<u>0</u>	<u>253,273</u>
Fiscal 2025-2026 Amount Change	\$14,872	-\$646	\$14,226
Fiscal 2025-2026 Percent Change	6.2%	-100.0%	6.0%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Salary increases and associated fringe benefits, including fiscal 2025 cost-of-living adjustments and increments	\$2,810
New cybersecurity position.....	122
Workers’ compensation	-15
Employee and retiree health insurance	-1,872
Operations	
Restoration of consulting services funds from fiscal 2025 cost containment....	13,597
Housekeeping, uniforms and other supplies	2,518
Building and facilities repair and maintenance at below fiscal 2024 actual	2,494
Restoration of telecommunications funding reduced in fiscal 2025 as cost containment.....	943
Wireless telecommunication expenses budgeted at average expenditure levels in recent years	431
Travel – restoration of funds from fiscal 2025 cost containment	429
Motor vehicle gas and oil	338
Restoration of motor vehicle funds from fiscal 2025 cost containment	300

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Where It Goes:	<u>Change</u>
Motor vehicle insurance	18
Employee awards	-35
Motor vehicle maintenance and repair	-48
Pension contributions for Baltimore City firefighters.....	-80
Clerical and legal service support	-254
Data processing supplies	-435
Energy conservation project loan repayment.....	-802
Realignment of consulting services spending to contractual services	-1,151
Insurance	-1,567
Debt service payments on Certificates of Participation	-1,724
Fuel and utilities	-2,186
Other changes.....	395
Total	\$14,226

MDOT: Maryland Department of Transportation

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. Numbers may not sum to total due to rounding.

Operating Revenues

MAA generates operating revenues through flight activities, concessions, and other operations at BWI Marshall Airport and MTN. While MAA’s revenues flow into the Transportation Trust Fund (TTF) and do not directly subsidize its own expenses, **Exhibit 6** shows net revenues, net income, and net total income/loss for illustrative purposes. MAA revenue more than covers its operating expenses and in some years covers its capital expenses as well.

Exhibit 6
Special Fund Revenues and Expenditures
Fiscal 2024-2026
(\$ in Millions)

<u>Operating Revenues</u>	<u>Actual</u> <u>2024</u>	<u>Working</u> <u>2025</u>	<u>Allowance</u> <u>2026</u>	<u>Change</u> <u>2025-2026</u>
BWI Marshall Airport – Flight Activities	\$72.5	\$73.2	\$76.6	\$3.5
BWI Marshall Airport – Rents and User Fees	94.0	104.8	116.9	\$12
BWI Marshall Airport – Concessions	138.3	168.3	171.8	\$3
BWI Marshall Airport – Other	5.5	10.9	5.1	-\$6
MTN – Rents, Concessions	11.1	10.6	11.2	\$1
Total	\$321.4	\$367.7	\$381.5	\$13.8
Revenue Bonds Debt Service	-\$28.3	-\$34.3	-\$41.3	-\$6.9
Net Operating Revenues	\$293.0	\$333.4	\$340.3	\$6.9
Capital Reimbursements to TTF	\$5.9	\$0.0	\$0.0	\$0.0
Operating Expenditures (Special)	\$239.5	\$238.4	\$253.3	\$14.9
Net Operating Income	\$59.4	\$95.0	\$87.0	-\$8.0
Capital Expenditures (Special)	\$79.0	\$96.9	\$64.7	-\$32.2
Net Income/Loss	-\$19.6	-\$1.9	\$22.3	\$24.2

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

MTN: Martin State Airport

TTF: Transportation Trust Fund

Source: Maryland Aviation Administration; Department of Legislative Services

Operating and PAYGO Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Operating Budget Positions	469.50	469.50	470.50	1.00
Regular PAYGO Budget Positions	<u>38.00</u>	<u>38.00</u>	<u>39.00</u>	<u>1.00</u>
Total Regular Positions	507.50	507.50	509.50	2.00
Operating Budget FTEs	3.00	2.00	2.00	0.00
PAYGO Budget FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total FTEs	3.00	2.00	2.00	0.00
Total Personnel	510.50	509.50	511.50	2.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	36.15	7.11%
Positions and Percentage Vacant as of 12/31/24	36.30	7.16%

Vacancies Below Turnover 0.15

- The allowance includes one new information technology tech support position in the operating budget and an executive V position to help support MAA’s capital program. **The Department of Legislative Services recommends deleting funding for the new regular operating position, as MAA should instead reclassify an existing vacant position.**

Infrastructure Investment and Jobs Act Funding

MAA has been awarded three discretionary grants in the past year under the Infrastructure Investment and Jobs Act totaling \$21.8 million. **Exhibit 7** lists the federal program and purpose of the grants.

Exhibit 7 Discretionary Grant Awards under the IIJA over the Past Year (\$ in Millions)

<u>Program</u>	<u>Purpose</u>	<u>Amount</u>
Airport Terminal Program	BWI Marshall Airport passenger movement modernization-boarding bridges.	\$14.6
Contract Tower Competitive Grant Program	Martin State Airport air traffic control tower replacement.	6.4
Rebuilding American Infrastructure with Sustainability and Equity	Multi-modal ground transportation center and automated people mover planning study.	0.8

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport
IIJA: Infrastructure Investment and Jobs Act

Source: Maryland Department of Transportation; Department of Legislative Services

PAYGO Capital Program

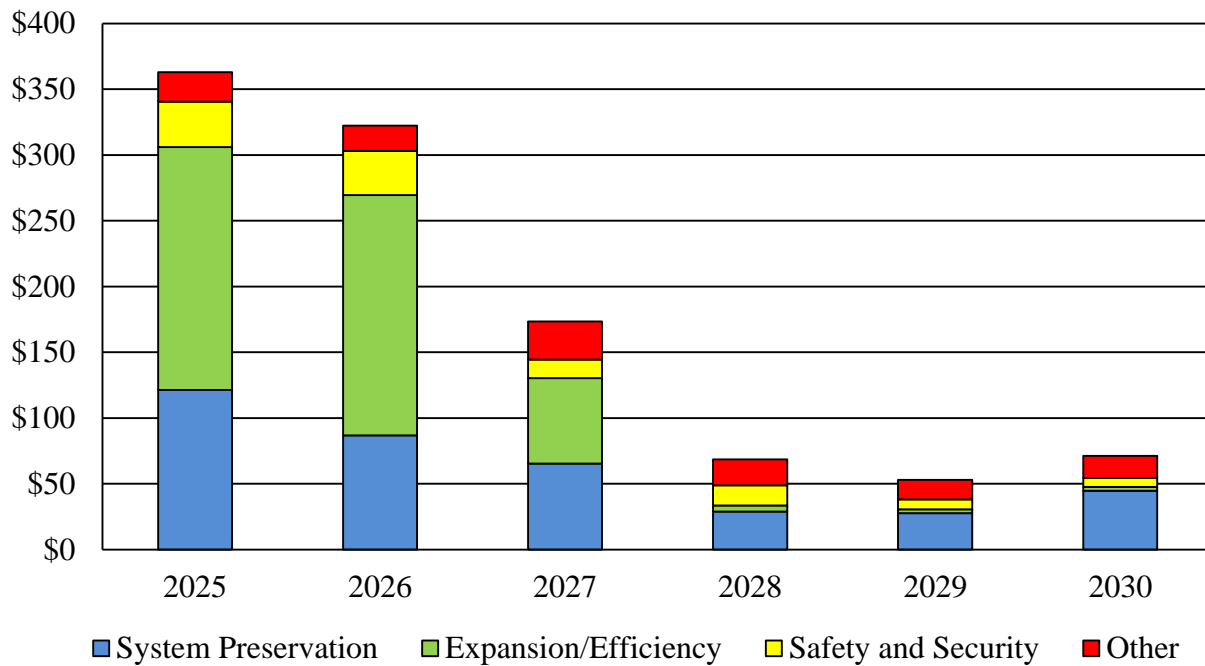
Program Description

The MAA capital program provides for the development and maintenance of facilities at BWI Marshall Airport and MTN. MAA undertakes projects that meet the demands of commercial and general aviation for both passenger and cargo activities at BWI Marshall Airport. At MTN, capital investments consist of facility improvements and rehabilitation activities, such as runway and taxiway improvements, building and system renovations, and various maintenance projects.

Fiscal 2025 to 2030 Consolidated Transportation Program

As shown in **Exhibit 8**, MAA’s six-year capital program (fiscal 2025-2030) totals nearly \$1.1 billion. Nearly 36% 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. Expansion/efficiency projects account for a further 42% of programmed spending and nearly 12% is devoted to projects addressing safety and security.

Exhibit 8
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, local funding 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 MAA capital program, including other funds that do not flow through the MPA budget, totals \$322 million. **Exhibit 9** shows the fiscal 2026 capital program for MAA by project and program along with the total estimated project costs and six-year funding included in the *Consolidated Transportation Program (CTP)*.

Exhibit 9
Maryland Aviation Administration Fiscal 2026 Capital Program
(\$ in Millions)

<u>Project/Program Title</u>	<u>2026</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Projects			
Consolidated Rental Car Facility Improvements at BWI Marshall Airport	\$11.2	\$36.1	\$36.1
Taxiway T Reconstruction at BWI Marshall Airport	14.0	40.4	26.8
Concourse A/B Connector and Baggage Handling System Replacement at BWI Marshall Airport	125.8	490.9	267.3
Taxiway F Relocation at BWI Marshall Airport	17.2	50.1	28.3
BC Apron Reconstruction, Infill & Taxiway Improvements at BWI Marshall Airport	8.1	77.4	53.3
Fuel Storage Tank Additions at BWI Marshall Airport	2.6	26.1	11.2
Air Operations Area Fence Upgrade at BWI Marshall Airport	2.9	9.6	8.8
DX/DY Apron Pavement Rehab at BWI Marshall Airport	15.0	36.3	35.6
15L/33R & Associated Taxiways – Pavement Rehabilitation at BWI Marshall Airport	0.8	14.2	14.2
Concourse A/B Bag Claim 0-5 Reconfiguration at BWI Marshall Airport	17.3	30.6	30.4
Concourse E Baggage Handling System Expansion at BWI Marshall Airport	14.3	43.5	41.6
Electrical Substations Reconstruction at BWI Marshall Airport	6.2	29.4	18.7
Snow Removal Equipment Shelter at BWI Marshall Airport	2.7	17.9	17.7
Passenger Movement Modernization at BWI Marshall Airport	9.5	31.4	30.5
Snow Equipment Replacement at BWI Marshall and Martin State Airports	4.8	19.5	11.6
Ticket Counter Expansion Program at BWI Marshall Airport	7.0	25.5	25.1
MUFIDS Replacement at BWI Marshall Airport	5.0	10.0	10.0
Taxiway F Extension at Martin State Airport	1.6	5.3	5.3
Runway Improvement Program at Martin State Airport	1.9	51.4	38.1
Air Traffic Control Tower at Martin State Airport	6.6	23.8	21.6

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<u>Project/Program Title</u>	<u>2026</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Master Plan and Airport Layout Plan Update for BWI Marshall Airport	1.9	7.1	5.0
Air Traffic Control Tower, Concourse C/D Baggage Handling System and Connector Project at BWI Marshall Airport	0.0	4.0	0.4
Roof Replacement Program at BWI Marshall Airport	0.1	5.8	5.3
<i>Subtotal – Projects</i>	<i>\$276.5</i>	<i>\$1,086.0</i>	<i>\$743.0</i>
Programs			
Minor Program	\$24.2	n/a	\$178.7
Capital Salaries and Wages	6.4	n/a	38.4
Regional Aviation Assistance	3.0	n/a	20.6
Residential Sound Insulation Program	12.1	n/a	29.5
<i>Subtotal – Programs</i>	<i>\$45.7</i>		<i>\$267.2</i>
Total – Projects and Programs	\$322.2	\$1,086.0	\$1,010.2

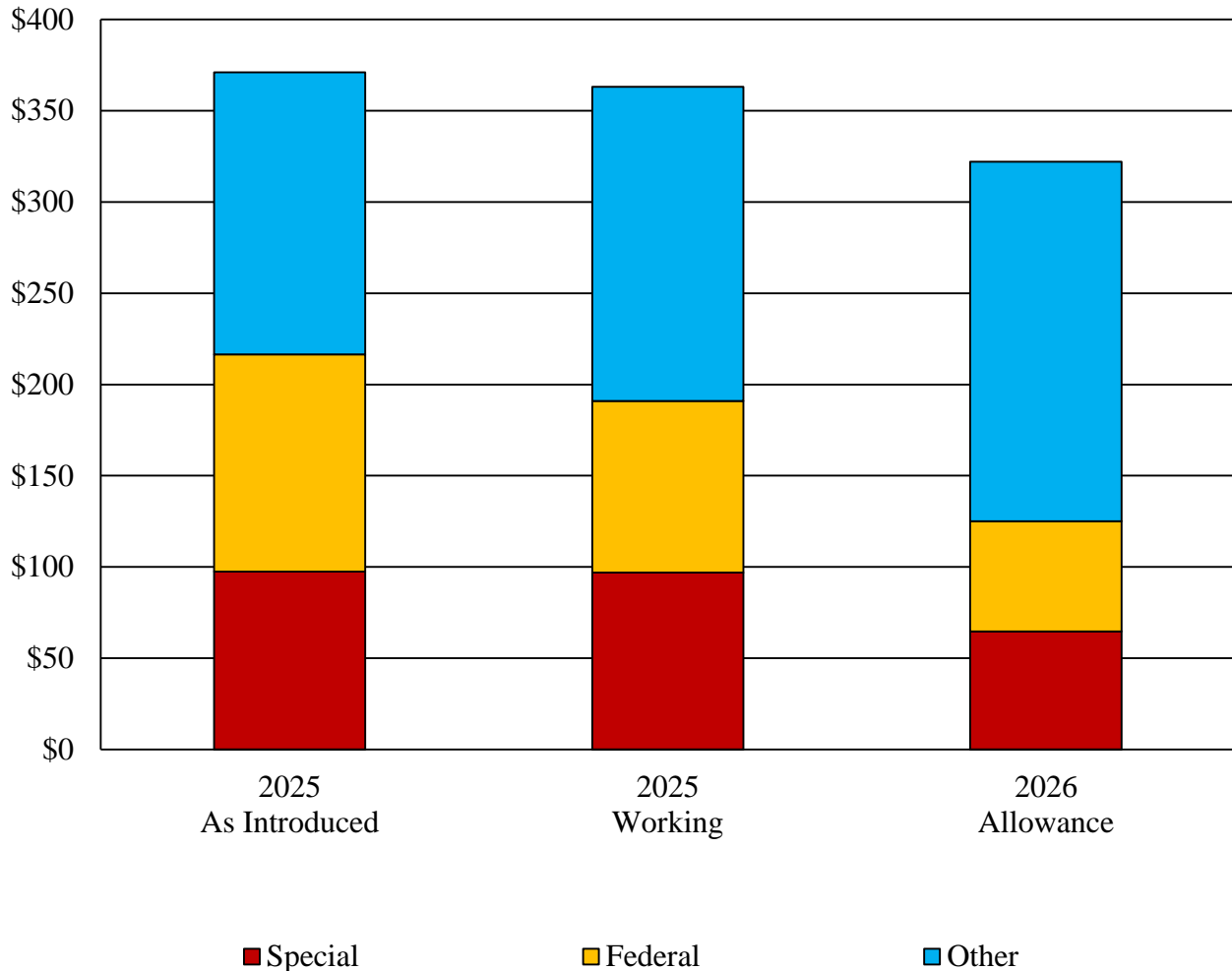
BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport
MUFIDS: Multi Use Flight Information Display Systems

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

Fiscal 2025 and 2026 Cash Flow Analysis

Exhibit 10 shows the changes in MAA capital funding, including other funds that do not flow through the MAA 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 10
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 11**, the fiscal 2025 working appropriation is a net \$8.0 million lower than the fiscal 2025 budget as introduced during the 2024 session.

Exhibit 11
Cash Flow Changes
Fiscal 2025 as Introduced to Fiscal 2025 Working Appropriation
(\$ in Millions)

	<u>Project</u> <u>Change</u>	<u>Category</u> <u>Change</u>
Major Construction Program		-\$9.3
Concourse A/B Connector and Baggage Handling System Replacement at BWI Marshall Airport	\$15.5	
Consolidated Rental Car Facility Improvements at BWI Marshall Airport	8.4	
Passenger Movement Modernization at BWI Marshall Airport	3.6	
Residential Sound Insulation Program	2.7	
Aircraft Maintenance Facility Infrastructure at BWI Marshall Airport	2.7	
Regional Aviation Assistance	2.2	
Ticket Counter Expansion Program at BWI Marshall Airport	1.9	
Air Traffic Control Tower at Martin State Airport	1.4	
Restroom Improvement Program at BWI Marshall Airport	0.9	
Snow Equipment Replacement at BWI Marshall and Martin State Airports	0.8	
Runway 10/28 Rehabilitation at BWI Marshall Airport	0.4	
Concourse A/B Bag Claim 0-5 Reconfiguration at BWI Marshall Airport	0.3	
Air Operations Area Fence Upgrade at BWI Marshall Airport	0.2	
Snow Removal Equipment Shelter at BWI Marshall Airport	0.2	
Shuttle Bus Service Fleet Replacement and Electric Bus Infrastructure at BWI Marshall Airport	0.2	
Concourse E Baggage Handling System Expansion at BWI Marshall Airport	0.0	
15L/33R & Associated Taxiways – Pavement Rehabilitation at BWI Marshall Airport	-0.8	
Taxiway F Extension at Martin State Airport	-1.3	
Taxiway F Relocation at BWI Marshall Airport	-2.4	
Fuel Storage Tank Additions at BWI Marshall Airport	-2.7	
Taxilanes N and N1 Reconstruction at BWI Marshall Airport	-3.6	
DX/DY Apron Pavement Rehab at BWI Marshall Airport	-3.9	
Taxiway T Reconstruction at BWI Marshall Airport	-4.5	
Electrical Substations Reconstruction at BWI Marshall Airport	-5.3	
D/E Bag Claim Expansion at BWI Marshall Airport	-6.2	
BC Apron Reconstruction, Infill & Taxiway Improvements at BWI Marshall Airport	-8.4	

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	<u>Project Change</u>	<u>Category Change</u>
Runway Improvement Program at Martin State Airport	-11.6	
Development and Evaluation Program		\$3.6
Master Plan and Airport Layout Plan Update for BWI Marshall Airport	\$1.9	
Roof Replacement Program at BWI Marshall Airport	1.3	
Air Traffic Control Tower, Concourse C/D Baggage Handling System and Connector Project at BWI Marshall Airport	0.4	
Minor Program		-\$2.4
Capital Salaries and Wages		\$0.1
Total Change		-\$8.0

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

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 12**, fiscal 2026 capital funding, including other funds, decreases by a net \$40.7 million from the current year working appropriation.

Exhibit 12
Cash Flow Changes
Fiscal 2025 Working Appropriation to Fiscal 2026 Allowance
(\$ in Millions)

	<u>Project Change</u>	<u>Category Change</u>
Major Construction Program		-\$11.8
DX/DY Apron Pavement Rehab at BWI Marshall Airport	\$10.7	
Concourse A/B Bag Claim 0-5 Reconfiguration at BWI Marshall Airport	7.4	
Taxiway F Relocation at BWI Marshall Airport	6.0	
Passenger Movement Modernization at BWI Marshall Airport	6.0	
Air Traffic Control Tower at Martin State Airport	5.2	
Ticket Counter Expansion Program at BWI Marshall Airport	5.1	
MUFIDS Replacement at BWI Marshall Airport	5.0	
Concourse E Baggage Handling System Expansion at BWI Marshall Airport	4.5	
Consolidated Rental Car Facility Improvements at BWI Marshall Airport	2.8	
BC Apron Reconstruction, Infill & Taxiway Improvements at BWI Marshall Airport	2.8	
Snow Removal Equipment Shelter at BWI Marshall Airport	2.5	
Taxiway T Reconstruction at BWI Marshall Airport	1.7	
Taxiway F Extension at Martin State Airport	1.3	
15L/33R & Associated Taxiways – Pavement Rehabilitation at BWI Marshall Airport	0.4	
Shuttle Bus Service Fleet Replacement and Electric Bus Infrastructure at BWI Marshall Airport	-0.2	
Runway 10/28 Rehabilitation at BWI Marshall Airport	-0.4	
Regional Aviation Assistance	-0.6	
Restroom Improvement Program at BWI Marshall Airport	-0.9	
D/E Bag Claim Expansion at BWI Marshall Airport	-1.9	
Snow Equipment Replacement at BWI Marshall and Martin State Airports	-2.0	
Air Operations Area Fence Upgrade at BWI Marshall Airport	-3.0	
Electrical Substations Reconstruction at BWI Marshall Airport	-4.2	
Residential Sound Insulation Program	-4.5	
Aircraft Maintenance Facility Infrastructure at BWI Marshall Airport	-5.7	
Fuel Storage Tank Additions at BWI Marshall Airport	-6.0	
Taxilanes N and N1 Reconstruction at BWI Marshall Airport	-6.7	

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	<u>Project Change</u>	<u>Category Change</u>
Concourse A/B Connector and Baggage Handling System Replacement at BWI Marshall Airport	-14.6	
Runway Improvement Program at Martin State Airport	-22.6	
Development and Evaluation Program		-\$1.6
Master Plan and Airport Layout Plan Update for BWI Marshall Airport	\$0.0	
Air Traffic Control Tower, Concourse C/D Baggage Handling System and Connector Project at BWI Marshall Airport	-0.4	
Roof Replacement Program at BWI Marshall Airport	-1.1	
Minor Program		-\$27.4
Capital Salaries and Wages		\$0.0
Total Change		-\$40.7

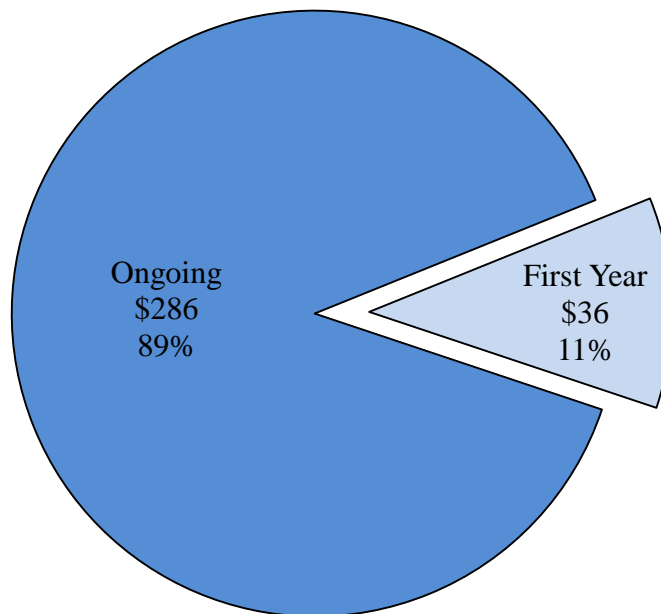
BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport
MUFIDS: Multi-Use Flight Information Display Systems

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

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 13**, \$36 million, or 11%, of MAA’s fiscal 2026 capital funding, which totals \$322 million, is first-year funding. The MAA capital projects receiving first-year funding in fiscal 2025 and 2026 are listed in **Exhibit 14**.

Exhibit 13
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

Exhibit 14
Projects Receiving First-year Construction and Design Funding
Fiscal 2025-2026
(\$ in Thousands)

	<u>2025</u>	<u>2026</u>	<u>2025-2026</u>
Construction			
Consolidated Rental Car Facility Improvements at BWI Marshall Airport	\$6,950	\$11,006	\$17,956
Passenger Movement Modernization at BWI Marshall Airport	1,507	5,848	7,355
Ticket Counter Expansion Program at BWI Marshall Airport	0	7,008	7,008
Multi-Use Flight Information Display Systems Replacement at BWI Marshall Airport	0	5,000	5,000
Snow Removal Equipment Shelter at BWI Marshall Airport	0	2,702	2,702
Regional Aviation Assistance Program	2,259	0	2,259
Taxiway F Relocation at BWI Marshall Airport	237	0	237
Restroom Improvement Program at BWI Marshall Airport	53	0	53
Design			
Concourse A/B Bag Claim 0-5 Reconfiguration at BWI Marshall Airport	2,564	2,568	5,132
Master Plan and Airport Layout Plan Update for BWI Marshall Airport	1,904	1,875	3,779
Consolidated Rental Car Facility Improvements at BWI Marshall Airport	841	165	1,006
Runway Improvement Program at Martin State Airport	730	50	780
Ticket Counter Expansion Program at BWI Marshall Airport	435	0	435
Runway 10/28 Rehabilitation at BWI Marshall Airport	368	0	368
Taxiway F Relocation at BWI Marshall Airport	165	0	165
Residential Sound Insulation Program	139	0	139
Concourse A/B Connector and Baggage Handling System Replacement at BWI Marshall Airport	81	0	81
Passenger Movement Modernization at BWI Marshall Airport	42	3	45
Air Traffic Control Tower, Concourse C/D Baggage Handling System and Connector Project at BWI Marshall Airport	\$11	\$0	\$11

J00100 – MDOT – Maryland Aviation Administration

	<u>2025</u>	<u>2026</u>	<u>2025-2026</u>
Total	\$18,284	\$36,225	\$54,509
State (Special)			\$13,330
Federal			8,105
Other			33,074
Total			\$54,509

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

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

Significant Changes from the Previous CTP

Exhibit 15 shows changes to major projects in the 2025 CTP.

Exhibit 15
Changes from the Previous *Consolidated Transportation Program*
(\$ in Millions)

New Construction Program Projects	<u>Total Cost</u>
Runway 10/28 Rehabilitation at BWI Marshall Airport	\$13.5
Air Traffic Control Tower at Martin State Airport	23.8
Consolidated Rental Car Facility Improvements at BWI Marshall Airport	36.1
Passenger Movement Modernization at BWI Marshall Airport	31.4
Snow Removal Equipment Shelter at BWI Marshall Airport	17.9
Ticket Counter Expansion Program at BWI Marshall Airport	25.5
Multi Use Flight Information Display Systems Replacement at BWI Marshall Airport	10.0
New D&E Program Projects	
Roof Replacement Program at BWI Marshall Airport	\$5.8
Air Traffic Control Tower, Concourse C/D Baggage Handling System and Connector Project at BWI Marshall Airport	4.0
Master Plan and Airport Layout Plan Update for BWI Marshall Airport	7.1

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport
D&E: development and evaluation

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

Operating Budget Recommended Actions

	<u>Amount Change</u>		<u>Position Change</u>
1. Delete funding for a new information technology tech support position (PIN J00I00089224). The Maryland Aviation Administration had 36 vacant positions as of January 1, 2025, and should reclassify a vacant position instead of adding a new position.	-\$ 122,476	SF	-1.0
Total Special Fund Net Change	-\$ 122,476		-1.0

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Board of Public Works Consideration of a Concessions Contract for BWI Marshall Airport Deferred to Future Meeting

MDOT submitted an agenda item for BPW to consider at its January 29, 2025 meeting for approval of a contract for a vendor to manage all retail, restaurant, and concessions space at BWI Marshall Airport on behalf of MAA. The item was withdrawn from the agenda for the January 29 meeting to allow BPW members more time for review, but it is expected to be resubmitted for approval at the next BPW meeting. The new contract would finalize an effort that began in May 2022 and included cancellation of the first solicitation due to a lawsuit and issuance of a second request for proposals in September 2023, which led to the selection of the incumbent as the vendor under the new contract. The contract is for 23 years from the Notice to Proceed and includes a 1-year development phase, 2-year renovation phase, and 20-year operation and management period. Under the new contract, the vendor has committed to a 90% revenue share to MAA. A year 4 pro forma analysis projects just over \$39 million will be provided in the first year of the operations and maintenance period. The vendor will cause its sublessees to enter into labor peace agreements with all labor organizations that represent at least 25 food and/or retail works at BWI Marshall Airport.

**Appendix 1
Audit Findings**

Audit Period for Last Audit:	December 17, 2018 - January 31, 2023
Issue Date:	March 2024
Number of Findings:	4
Number of Repeat Findings:	1
% of Repeat Findings:	25%
Rating: (if applicable)	N/A

Finding 1: MAA did not establish formal guidelines on acceptable marketing fund expenses incurred by its concession management vendor. Our review of the vendor’s reported expenditures disclosed that it used the fund for certain expenses which did not appear to support the intended purpose of the fund.

Finding 2: MAA did not obtain available supporting documentation to verify the propriety of amounts paid on two contracts for janitorial and shuttle bus services.

Finding 3: MAA did not adequately justify a contract modification that significantly changed the financial terms and removed the Airport Concessions Disadvantaged Business Enterprise (ACDBE) requirements for Site 1. Our review of the support for the modification disclosed that the changes may not have been in the best interest of the State.

Finding 4: MAA did not monitor the vendor's compliance with ACDBE requirements and did not sufficiently verify the propriety of rent payments made by the vendor for Site 2.

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

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

Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Pending	\$2,941,746	Special	Increase special and federal funds for statewide salary actions, including cost-of-living adjustments, an increment, annual salary reviews for certain classifications, and an Executive Pay Plan merit increase.
Pending	\$4,950,000	Special	Increase special fund appropriations to sustain operations.

Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$223,537	Special	Increase special and federal funds for statewide salary actions, including cost-of-living adjustments, an increment, annual salary reviews for certain classifications, and an Executive Pay Plan merit increase.
Pending	-\$537,826	Special	Adjusts the amended appropriation to agree with the fiscal 2025-2030 <i>Consolidated Transportation Program</i> .
	-24,824,887	Federal	
	-25,362,713	Total	

Appendix 3
Object/Fund Difference Report
MDOT – Maryland Aviation 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>
Positions					
01 Regular	469.50	469.50	470.50	1.00	0.2%
02 Contractual	3.00	2.00	2.00	0.00	0%
Total Positions	472.50	471.50	472.50	1.00	0.2%
Objects					
01 Salaries and Wages	\$ 63,936,431	\$ 61,213,662	\$ 62,258,632	\$ 1,044,970	1.7%
02 Technical and Special Fees	3,001,093	2,533,617	1,097,156	-1,436,461	-56.7%
03 Communication	1,400,264	1,130,606	2,550,254	1,419,648	125.6%
04 Travel	503,714	96,210	525,421	429,211	446.1%
06 Fuel and Utilities	15,007,861	17,271,983	14,284,298	-2,987,685	-17.3%
07 Motor Vehicles	2,732,382	2,437,343	3,044,610	607,267	24.9%
08 Contractual Services	122,043,646	128,781,270	142,664,399	13,883,129	10.8%
09 Supplies and Materials	9,299,075	6,375,570	8,476,520	2,100,950	33.0%
10 Equipment – Replacement	242,356	0	0	0	0.0%
11 Equipment – Additional	282,649	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	1,074,333	1,109,528	1,070,801	-38,727	-3.5%
13 Fixed Charges	19,805,131	9,468,406	6,177,952	-3,290,454	-34.8%
14 Land and Structures	12,175,428	8,629,182	11,123,393	2,494,211	28.9%
Total Objects	\$ 251,504,363	\$ 239,047,377	\$ 253,273,436	\$ 14,226,059	6.0%
Funds					
03 Special Fund	\$ 239,525,927	\$ 238,401,877	\$ 253,273,436	\$ 14,871,559	6.2%
05 Federal Fund	11,978,436	645,500	0	-645,500	-100.0%
Total Funds	\$ 251,504,363	\$ 239,047,377	\$ 253,273,436	\$ 14,226,059	6.0%

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 4
Fiscal Summary
MDOT Maryland Aviation 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>
02 Airport Operations	\$ 251,504,363	\$ 239,047,377	\$ 253,273,436	\$ 14,226,059	6.0%
03 Airport Facilities and Capital Equipment	135,268,994	191,054,683	125,027,652	-66,027,031	-34.6%
Total Expenditures	\$ 386,773,357	\$ 430,102,060	\$ 378,301,088	-\$ 51,800,972	-12.0%
Special Fund	\$ 318,551,413	\$ 335,311,078	\$ 318,003,410	-\$ 17,307,668	-5.2%
Federal Fund	68,221,944	94,790,982	60,297,678	-34,493,304	-36.4%
Total Appropriations	\$ 386,773,357	\$ 430,102,060	\$ 378,301,088	-\$ 51,800,972	-12.0%

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.