

**J00B01**  
**State Highway Administration**  
**Maryland Department of Transportation**

***Executive Summary***

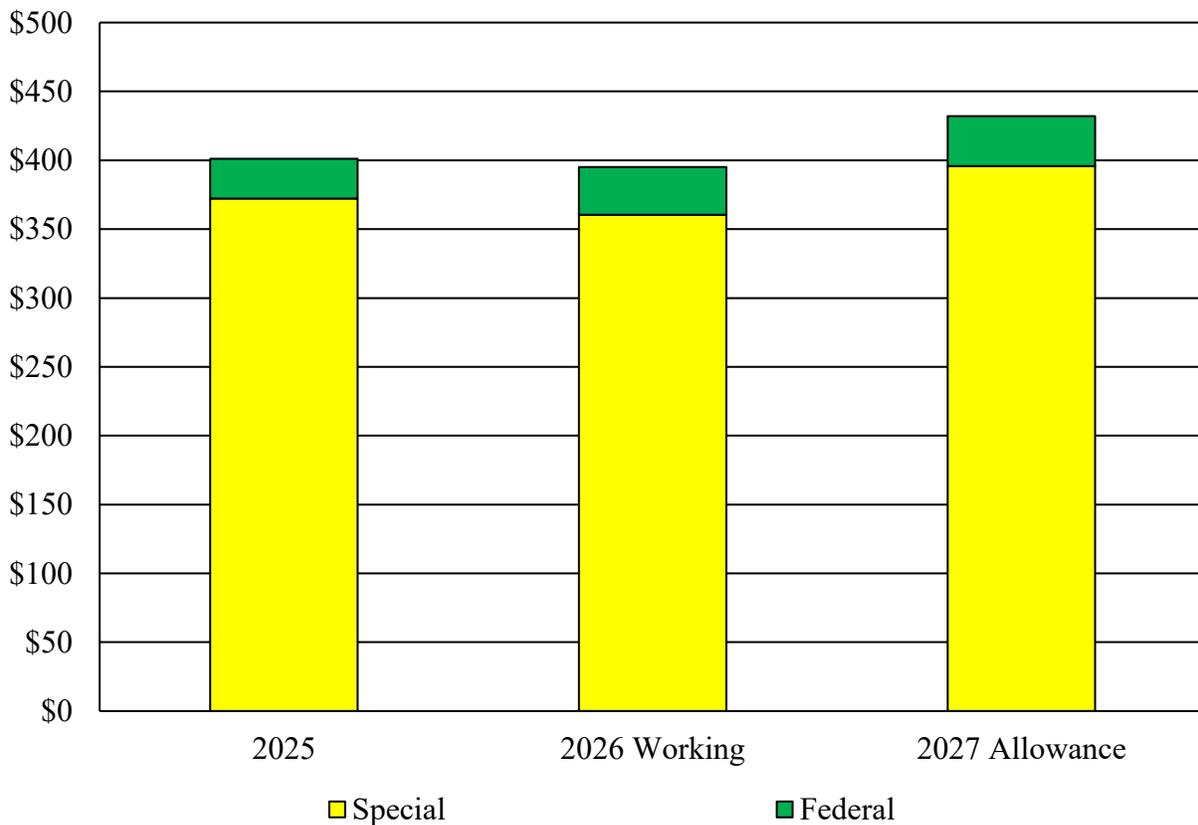
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The State Highway Administration (SHA) is responsible for building and maintaining Maryland’s numbered highways and bridges outside Baltimore City. This includes operation of traffic and roadway monitoring and management, incident management, traveler information, and snow removal.

***Operating Budget Summary***

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**Fiscal 2027 Budget Increases \$36.9 Million, or 9.3%, to \$432.1 Million  
(\$ in Millions)**



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

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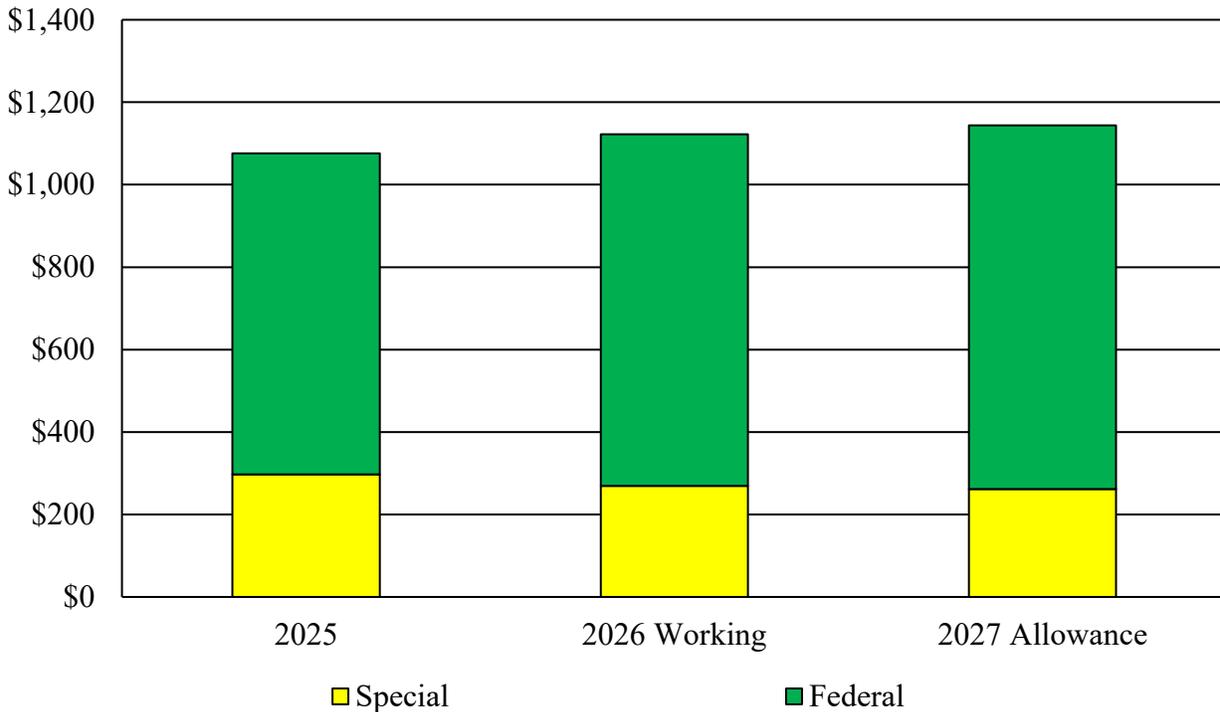
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- The fiscal 2026 working appropriation includes two proposed deficiency appropriations to provide \$2.6 million in special funds to support higher electricity costs for roadway lighting and \$10 million for operations of the Work Zone Safety Program due to a change in accounting for program expenses. With this deficiency, the program budget accounts for the amount of gross revenues from the program coming into the Transportation Trust Fund (TTF) as revenues, the operating expenses in SHA to administer the program, the transfer to the Department of State Police (DSP), and the amount for SHA highway safety initiatives.
- SHA operating increases are driven by two factors in the fiscal 2027 allowance. Service contracts increase by an additional \$19.9 million due to increased spending on items such as road maintenance equipment rental, building and road repair, and engineering. Personnel expenses increase by \$9.6 million.

***PAYGO Capital Budget Summary***

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**Fiscal 2027 Budget Increases \$21.2 Million, or 1.9%, to \$1,143.6 Million  
(\$ in Millions)**



Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

- Language in the fiscal 2027 Budget Bill makes \$10 million of the special fund appropriation contingent on the enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund (SEIF). Language related to authorizing this appropriation is contained both in the Budget Reconciliation and Financing Act (BRFA) of 2026 and SB 386/HB 897. The language in SB 386/HB 897 authorizes the funds to be used for a study on determining which rights-of-way are appropriate for placing electric transmission lines and battery energy storage systems along State and interstate highways or Maryland Department of Transportation (MDOT) property. The language in the BRFA of 2026 makes the funds available for establishing processes, a model leasing framework, and creating safety guidelines for right-of-way transmission infrastructure.

## ***Key Observations***

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- ***Federal Fund Reimbursements for Capital Projects:*** The Office of Legislative Audits (OLA) documented in its fiscal compliance audit of SHA and the Statewide Review of Budget Closeout Transactions for Fiscal Year 2025 that SHA had recorded projects receiving federal funds above the initial authorized award without documentation to support receiving said federal funds. OLA is concerned that without the expected federal funding, SHA may have to use the TTF or general funds.
- ***Lack of Stability of Federal Funds:*** Federal funds for projects have become less dependable due to executive orders, internal memos, and the rescission of federal funds. States, including Maryland, have countered federal actions with lawsuits, but federal funds for State projects continue to be unstable in the foreseeable future.

## **Operating Budget Recommended Actions**

1. Adopt committee narrative on the State Highway Administration’s ability to recover federal reimbursements for expenditures exceeding the initial authorized amount.

## **PAYGO Budget Recommended Actions**

1. Modify contingent language on the special fund appropriation to more closely align with the applicable provision.

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**State Highway Administration**  
**Maryland Department of Transportation**

***Budget Analysis***

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**Program Description**

SHA is responsible for nearly 5,200 miles of interstate, primary, and secondary roads and over 2,500 bridges. SHA employees plan, design, build, and maintain these roads and bridges to safety and performance standards while paying attention to social, ecological, and economic concerns.

SHA employs personnel in seven engineering districts throughout the State and at its Baltimore City headquarters. Each district encompasses a number of adjacent counties with a district office serving as its headquarters. There is at least one maintenance facility in each county. The districts are responsible for the management of highway and bridge construction contracts and maintenance functions, such as pavement repairs, bridge repairs, snow removal, roadside management, equipment maintenance, and traffic engineering operations.

SHA attempts to manage traffic and congestion through the Coordinated Highways Action Response Team (CHART) program. CHART provides information about traffic conditions and clears incidents on major roadways.

The highway safety program funds the Motor Carrier Division. The Motor Carrier Division manages the State's enforcement of truck weight and age limits by inspecting drivers, trucks, and cargo as well as auditing carriers.

The administration shares the key goals identified by MDOT:

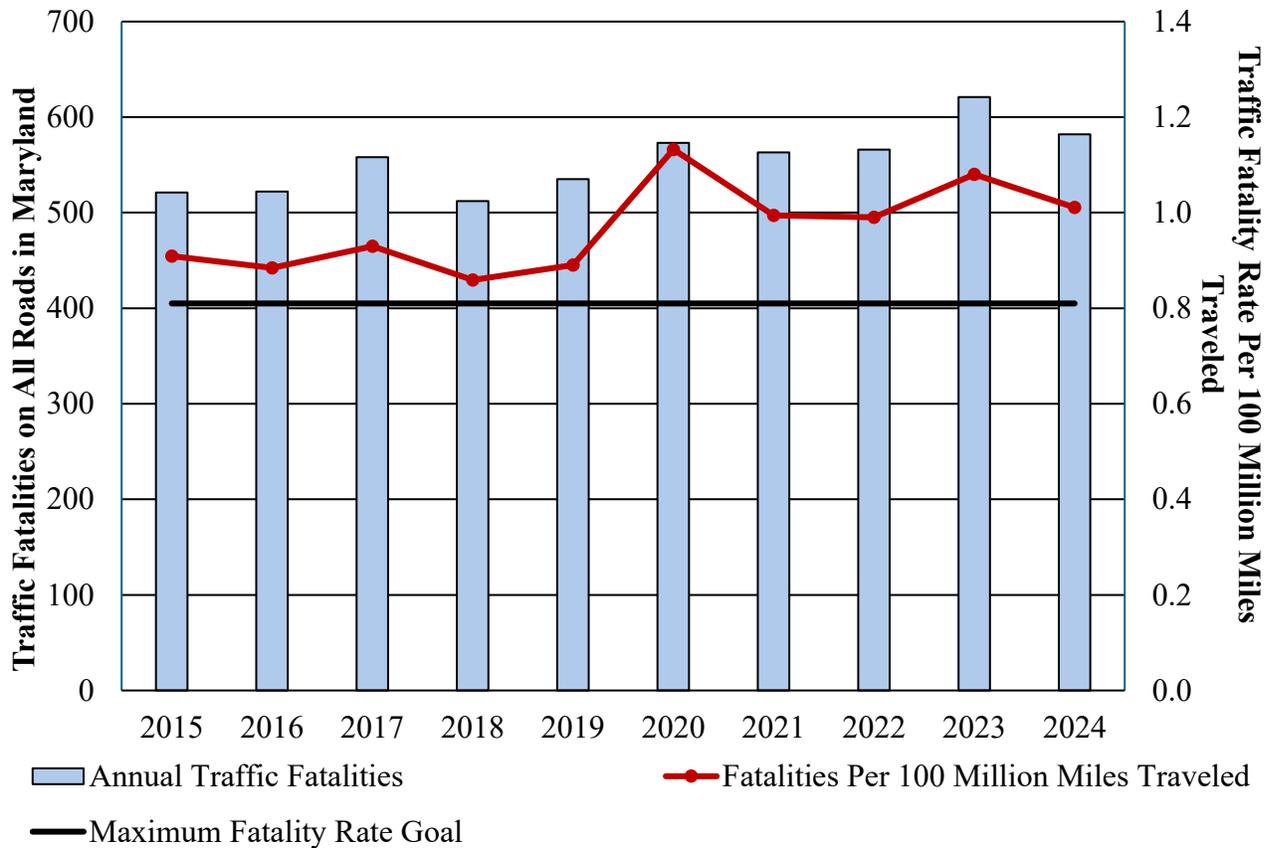
- ensuring a safe, secure, and resilient transportation system;
- maintaining a high standard and modernizing Maryland's multimodal transportation system;
- improving the quality and efficiency of the transportation system to enhance the customer experience;
- providing better transportation choices and connections;
- facilitating economic opportunity and reducing congestion in Maryland through strategic system expansion;
- ensuring environmental protection and sensitivity; and
- promoting fiscal responsibility.

## Performance Analysis: Managing for Results

### 1. Safety and Security

Maryland has adopted the Vision Zero goal of having zero vehicle-related deaths or serious injuries by calendar 2030. **Exhibit 1** shows the number of traffic fatalities and the traffic fatality rate by calendar year for 2015 through 2024. In calendar 2024, total vehicle miles traveled decreased by 400 million compared to calendar 2023, and traffic-related fatalities decreased by 39 to 582. The fatality rate, which is a measure of the number of fatalities per 100 million miles traveled, decreased from 1.08 to 1.01. The resulting rate is below the pandemic era peak of 1.13 in calendar 2020. However, the fatality rate remains higher than the prepandemic average of 0.89 and above the agency’s goal of 0.81.

**Exhibit 1**  
**Traffic Fatalities and Fatality Rates**  
**Calendar 2015-2024**

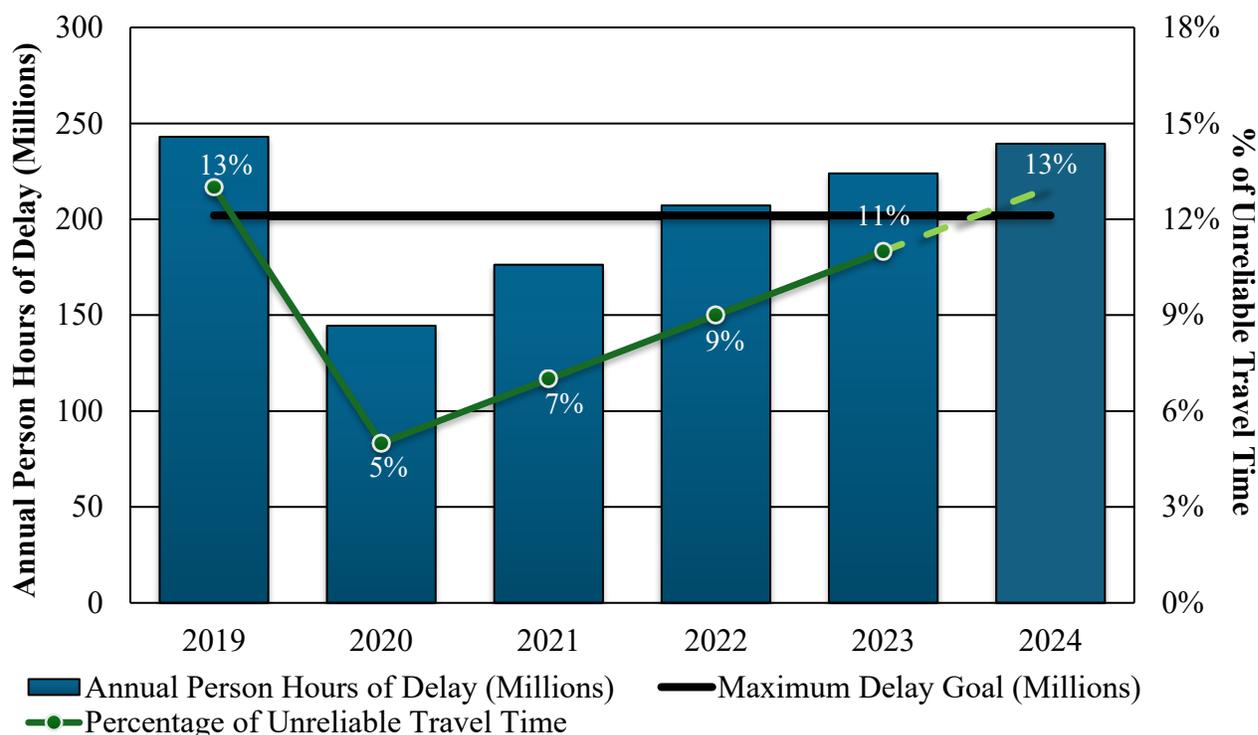


Source: Maryland Department of Transportation; Department of Legislative Services

## 2. Congestion

For many years, the Washington, DC and Baltimore metropolitan regions have been rated as having some of the highest levels of roadway congestion in the country. **Exhibit 2** shows the annual person hours of delay and the percentage of unreliable travel time on Maryland roads. The reduction in vehicle miles traveled in calendar 2020 and 2021 due to the COVID-19 pandemic resulted in significant reductions in the hours of delay and improvements in travel time reliability. Between calendar 2022 and 2024 estimated, the annual hours of delay exceeded the goal of 202 million hours as the maximum number of hours of delay. This data is provided in the Annual Attainment Report on Transportation System Performance. Typically, the reports have included projected data for the most recent calendar year. However, the 2026 report revised the data for calendar 2023 and 2024, but did not provide data for 2025. **The agency should provide an estimate of the calendar 2025 metrics.**

**Exhibit 2**  
**Annual Person Hours of Delay and**  
**Travel Time Reliability on Maryland Roads**  
**Calendar 2019-2024**

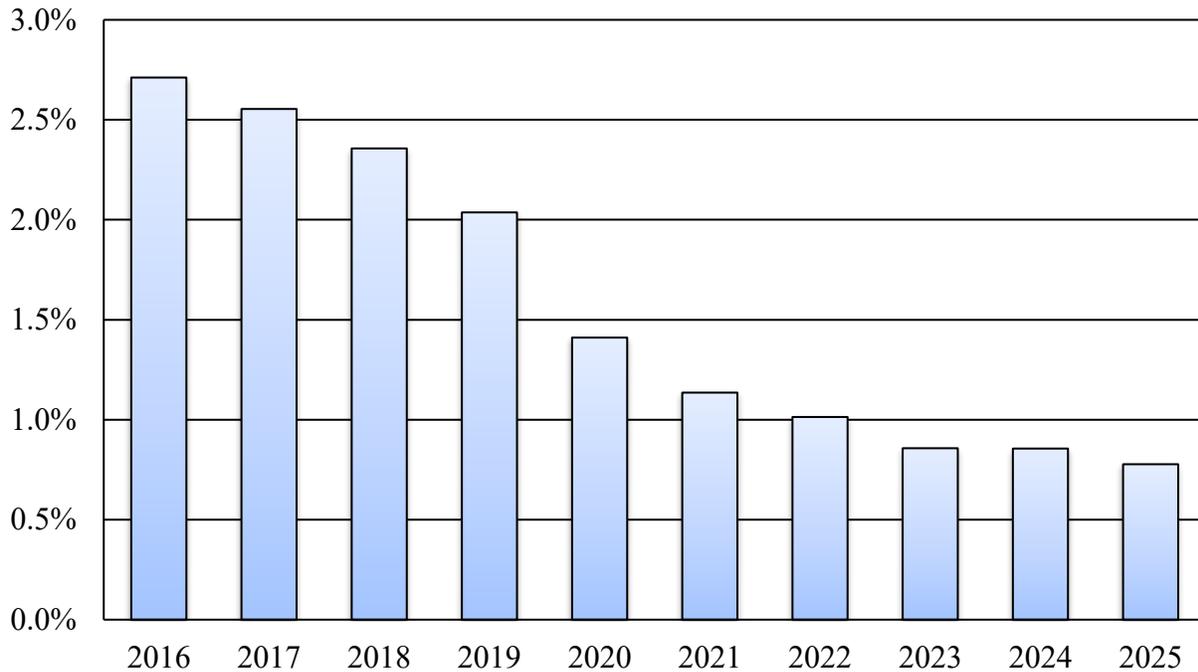


Source: 2026 Annual Attainment Report on Transportation System Performance, Maryland Department of Transportation; Department of Legislative Services

### 3. System Preservation and Maintenance – Bridges with Components Rated Poor or Worse

One objective under SHA’s goal of system preservation and maintenance is to preserve and maintain State-owned or State-funded bridges in a state of good repair (SOGR). **Exhibit 3** shows the percentage of bridges in the State highway network having one or more component (deck, superstructure, substructure, or culvert) rated in poor or worse condition for calendar 2016 through 2025. A rating of poor does not mean that a bridge is unsafe, a condition that would lead to the closing of the bridge, but rather that one or more elements need to be addressed in order to reestablish a SOGR. As shown in Exhibit 3, the percentage of bridges with components with a poor or worse rating has decreased steadily over the past 10 years. The percentage of bridges rated as poor or worse decreased from 0.9% in calendar 2024 to 0.8% in calendar 2025. Maryland’s performance on this measure is much better than that of most other states.

**Exhibit 3**  
**Percentage of Bridges in the State Highway Network with**  
**One or More Components Rated as Poor or Worse**  
**Calendar 2016-2025**

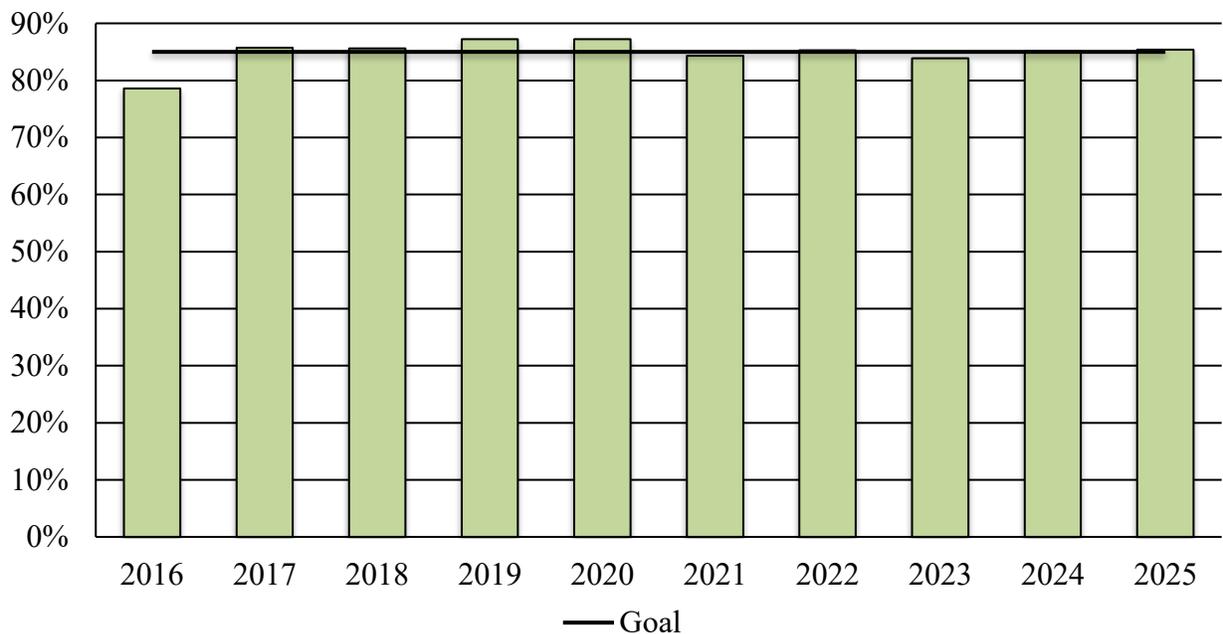


Source: U.S. Department of Transportation, Federal Highway Administration; Department of Legislative Services

#### 4. System Preservation and Maintenance – Highway Maintenance Condition

Another objective of the system preservation and maintenance goal is to improve and maintain at least 85% of the highway network in an overall preferred maintenance condition. As shown in Exhibit 4, SHA met this goal in 7 out of the past 10 calendar years, including in calendar 2025.

**Exhibit 4**  
**Percentage of Highway Network in Overall Preferred Maintenance Condition**  
**Calendar 2016-2025**



Source: Maryland Department of Transportation; Department of Legislative Services

#### Federal Rescissions

The One Big Beautiful Bill Act (OBBBA) rescinded unobligated funds provided in the Inflation Reduction Act (IRA) of 2022 in certain US Department of Transportation (USDOT) programs: Fueling Aviation’s Sustainable Transition Grant; Low-Carbon Transportation Materials Grants; Neighborhood Access and Equity Grant; and Environmental Review Implementation funds. The Low-Carbon Transportation Materials Grant promoted the use of low-emissions construction materials in projects related to federal-aid highways and various transportation

facilities. The Neighborhood Access and Equity Grant program provided grants to (1) improve walkability, safety, and affordable transportation access; (2) mitigate environmental impacts from surface transportation facilities on disadvantaged communities; and (3) support planning and capacity-building related to pollution assessment and transportation equity in disadvantaged communities. SHA had three grant awards totaling \$36.2 million rescinded as a result of the OBBBA. Those grant awards were:

- \$31,933,577 from the Low-Carbon Transportation Materials Grants program awarded in November 2024 to accelerate the adoption of low-carbon materials and products with lower embodied greenhouse gas emissions on federal aid eligible construction projects in the State;
- \$3,309,759 from the Neighborhood Access and Equity Grant for enhancing access on US 50 in Easton awarded in March 2024 to construct a series of traffic calming, safety and active transportation improvements that would benefit neighborhood activity, access, and safety for all roadway users; and
- \$950,000 from the Neighborhood Access and Equity Grant on behalf of the Town of Berlin related to a pedestrian crossing on US 113.

**SHA should discuss the status of the projects for which the grant funding has been rescinded and include whether the projects will be completed with other funds.**

## **Fiscal 2026**

### **Proposed Deficiency**

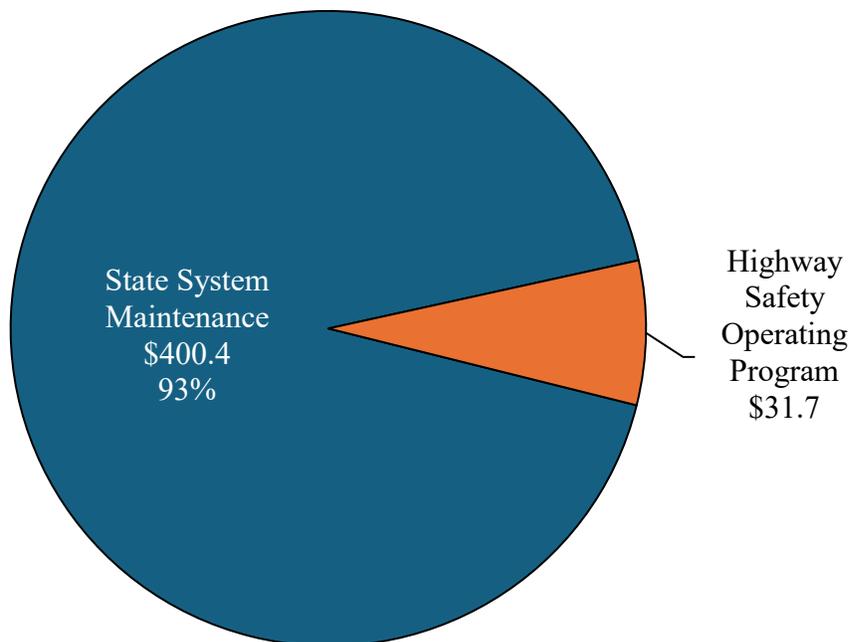
The fiscal 2027 budget includes two proposed deficiency appropriations for SHA totaling \$12.6 million. One of these proposed deficiency appropriations totaling \$2.6 million in special funds would support increased electricity costs for roadway lighting under the State System Maintenance program.

An additional proposed deficiency appropriation of \$10 million in special funds in the Highway Safety Operating program provides funding for the Work Zone Safety program, due to a change in accounting for program expenses. The change in accounting was to provide more transparency following changes made to the program. These changes include (1) increasing the fine amounts (Chapter 505 of 2025) and (2) altering the distribution of revenues from the program between the TTF (for highway safety initiatives) and DSP (Chapter 17 of 2024). The program accounting now shows the amount of gross revenues from the program coming into the TTF as revenues, the operating expenses in SHA to administer the program, the transfer to DSP, and the amount for SHA highway safety initiatives. **SHA should discuss the new accounting practices that prompted the need for this proposed deficiency.**

## Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance is \$432.1 million. As shown in **Exhibit 5**, 93% of SHA’s operating budget is for State System Maintenance. The Highway Safety Operating program comprises the remaining 7% of the allowance.

**Exhibit 5**  
**Overview of Agency Spending**  
**Fiscal 2027 Allowance**  
**(\$ in Millions)**



Note: The fiscal 2027 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 2027 Budget Books; Department of Legislative Services

## Proposed Budget Change

As shown in **Exhibit 6**, the fiscal 2027 allowance for SHA increases by \$36.9 million compared to the fiscal 2026 working appropriation after accounting for proposed deficiency appropriations. Over 50% of the increase is due to contractual services (\$19.9 million). Personnel expenses account for approximately 26% of the increase (\$9.6 million).

**Exhibit 6**  
**Proposed Budget**  
**Maryland Department of Transportation – State Highway Administration**  
**(\$ in Thousands)**

| <b>How Much It Grows:</b>  | <b>Special<br/>Fund</b> | <b>Federal<br/>Fund</b> | <b>Total</b> |
|----------------------------|-------------------------|-------------------------|--------------|
| Fiscal 2025 Actual         | \$372,281               | \$28,741                | \$401,022    |
| Fiscal 2026 Working        | 360,394                 | 34,782                  | 395,176      |
| Fiscal 2027 Allowance      | 395,793                 | 36,279                  | 432,072      |
| Fiscal 2026-2027 \$ Change | \$35,400                | \$1,496                 | \$36,896     |
| Fiscal 2026-2027 % Change  | 9.8%                    | 4.3%                    | 9.3%         |

| <b>Where It Goes:</b>   | <b>Change</b>   |
|---|-----------------|
| <b>Personnel Expenses</b>   |                 |
| Employee and retiree health insurance .....   | \$7,055         |
| Salary and fringe benefit adjustments.....  | 2,918           |
| Additional assistance .....   | 2,266           |
| Overtime .....  | -3,215          |
| Other fringe benefit adjustments .....  | 590             |
| <b>Other Changes</b>  |                 |
| Road maintenance equipment rental.....  | 8,735           |
| Supplies and materials for snow removal.....  | 7,000           |
| Building and road repair .....  | 6,339           |
| Engineering contractual services .....  | 2,254           |
| Vehicle maintenance and repair related to winter maintenance .....  | 1,000           |
| Janitorial services.....  | 962             |
| Work Zone Safety Program accounting changes.....  | 934             |
| Motor Carrier Safety Program federal grant and matching special funds .....   | 554             |
| In state travel meal allowance costs during snow removal operations.....  | 505             |
| Office of Transportation Mobility and Operations’ Intelligent Transportation<br>Systems operations and maintenance..... | 409             |
| Miss utility checks for projects.....   | 360             |
| Maryland State Police Traffic Incident Management Unit.....   | 304             |
| Equipment repairs and maintenance .....   | -500            |
| Final payment of Energy Conservation Loan in fiscal 2026 .....  | -1,830          |
| Other changes .....   | 255             |
| <b>Total</b>  | <b>\$36,896</b> |

Note: Numbers may not sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

## Winter Maintenance and Snow Removal

Language in the fiscal 2020 Budget Bill for SHA stated the intent of the General Assembly that SHA increase the amount that it budgets for snow removal expenses by \$5 million each fiscal year until the budgeted amount reflects the rolling five-year average of actual snow removal expenditures. The fiscal 2027 allowance of \$79.6 million complies with this intent. As of February 18, 2026, SHA had expended \$21.8 million over its \$64.2 million fiscal 2026 snow removal budget, for a total of \$86 million. **SHA should address how they will address the higher than expected snow removal expenditures in fiscal 2026.**

## Operating and PAYGO Personnel Data

|                                    | <b>FY 25</b>         | <b>FY 26</b>          | <b>FY 27</b>            | <b>FY 26-27</b>      |
|------------------------------------|----------------------|-----------------------|-------------------------|----------------------|
|                                    | <b><u>Actual</u></b> | <b><u>Working</u></b> | <b><u>Allowance</u></b> | <b><u>Change</u></b> |
| Regular Operating Budget Positions | 1,409.50             | 1,423.50              | 1,408.50                | -15.00               |
| Regular PAYGO Budget Positions     | <u>1,509.50</u>      | <u>1,542.00</u>       | <u>1,508.00</u>         | <u>-34.00</u>        |
|                                    | <b>2,918.50</b>      | <b>2,965.60</b>       | <b>2,916.50</b>         | <b>-49.00</b>        |
| Operating Budget FTEs              | 11.40                | 11.00                 | 11.00                   | 0.00                 |
| PAYGO Budget FTEs                  | <u>28.06</u>         | <u>32.00</u>          | <u>30.00</u>            | <u>-2.00</u>         |
| <b>Total FTEs</b>                  | <b>39.46</b>         | <b>43.00</b>          | <b>41.00</b>            | <b>-2.00</b>         |
| <b>Total Personnel</b>             | <b>2,957.96</b>      | <b>3,008.50</b>       | <b>2,957.50</b>         | <b>-51.00</b>        |

### *Vacancy Data: Regular Positions*

|  |  |        |       |
|--|--|--------|-------|
| Turnover and Necessary Vacancies, Excluding      |  |        |       |
| New Positions                                    |  | 98.46  | 3.32% |
| Positions and Percentage Vacant as of 12/31/2025 |  | 156.00 | 5.35% |
| Vacancies Above Turnover                         |  | 57.54  |       |

- SHA’s operating positions decrease by a net of 15 positions in fiscal 2027. Pay-as-you-go (PAYGO) positions decrease by 34 positions with an additional 2 contractual full-time equivalents eliminated in the fiscal 2027 allowance. The fiscal 2027 allowance transfers a total of 59 positions to the Secretary’s Office (TSO). This transfer is part of MDOT’s efforts to consolidate the modes’ information technology (IT) functions.

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- The fiscal 2027 allowance creates 8 new regular positions to support federal aid processing and are expected to help address the issues raised by OLA.
- In October 2025, the Board of Public Works approved the abolition of 502.7 positions statewide, including vacant positions and positions associated with the Voluntary Separation Program (VSP). The fiscal 2026 budget as enacted included 2,984.5 regular positions for SHA. Of these positions, 11 were abolished. All 11 positions were abolished through the VSP. Of these, 2 positions were originally expected to be transferred to TSO as part of the IT consolidation.

## **PAYGO Capital Program**

### **Program Description**

The State System Construction program provides funds for the capital program of SHA. Financing is available from current revenues, federal aid, and bond proceeds for construction and reconstruction projects on the State highway system, program-related planning and research, acquisition of major capital equipment, and all other capital expenditures. Funding is also provided for local capital programs through the State Aid in Lieu of Federal Aid program and various federal grants, including bridge replacement and rehabilitation and the national highway system.

The *Consolidated Transportation Program* (CTP) includes a development and evaluation (D&E) program and a construction program. Generally, projects are first added to the D&E program, at which stage they are evaluated by planners and engineers, and rights-of-way may be purchased. SHA also typically completes the National Environmental Policy Act requirements for projects in the D&E program. These studies examine alternatives that include a no-build option and a number of different alternatives. Spending on a project while in the D&E program is usually less than 15% of the total project cost. When SHA wants to move a project forward, it is moved into the construction program.

### **State Aid – Mandated Capital Grants**

State aid to local governments, commonly referred to as Highway User Revenues, is provided to counties and municipalities in the form of mandated capital grants, in amounts set by statutory formula expressed as percentages of the balance of the Gasoline and Motor Vehicle Revenue Account (GMVRA) in the TTF. The percentage of GMVRA going to local governments has varied over the years. Chapter 240 of 2022 establishes 15.6% of the GMVRA as the new base amount for local governments beginning in fiscal 2024 and provides for temporary increases to 18% in fiscal 2025 and to 20% in fiscal 2026 and 2027. In fiscal 2028, the amount will return to 15.6%.

**Exhibit 7** shows the mandated capital grant amount for fiscal 2025 through 2027. The \$211,172 increase in funding in fiscal 2027 results primarily from the percentage for locals

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provided by Chapter 240 remaining level with fiscal 2026. The amount going to Baltimore City is much greater than the amounts for the counties and municipalities because Baltimore City maintains all the roads within the city limits except for the Maryland Transportation Authority toll facilities, whereas SHA maintains State roads in all counties.

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**Exhibit 7**  
**Highway User Revenues Capital Grants**  
**Fiscal 2025-2027**  
**(\$ in Millions)**

|                | <u>2025 Actual</u> | <u>2026 Working</u> | <u>2027 Allowance</u> | <u>Change</u> |
|----------------|--------------------|---------------------|-----------------------|---------------|
| Baltimore City | \$236.8            | \$266.8             | \$267.0               | \$0.1         |
| Counties       | 92.6               | 105.0               | 105.0                 | 0.1           |
| Municipalities | 58.1               | 65.6                | 65.6                  | 0.0           |
| <b>Total</b>   | <b>\$387.5</b>     | <b>\$437.4</b>      | <b>\$437.6</b>        | <b>\$0.2</b>  |

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

Source: Governor's Fiscal 2027 Budget Books

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**Exhibit 8** provides, by county, the fiscal 2027 allocations for counties, municipalities, and Baltimore City.

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**Exhibit 8**  
**Highway User Revenues Capital Grants by Jurisdiction**  
**Fiscal 2027**  
**(\$ in Millions)**

|                  | <u>Counties</u> | <u>Municipalities</u> | <u>Total</u> |
|------------------|-----------------|-----------------------|--------------|
| Allegany         | \$1.9           | \$3.1                 | \$5.0        |
| Anne Arundel     | 11.1            | 3.6                   | 14.6         |
| Baltimore County | 15.3            | 0.0                   | 15.3         |
| Calvert          | 2.5             | 0.8                   | 3.2          |
| Caroline         | 1.5             | 1.2                   | 2.7          |
| Carroll          | 4.2             | 4.0                   | 8.2          |
| Cecil            | 2.5             | 1.9                   | 4.4          |
| Charles          | 3.8             | 1.1                   | 4.9          |
| Dorchester       | 1.7             | 1.5                   | 3.1          |

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|                 | <u>Counties</u> | <u>Municipalities</u> | <u>Total</u>   |
|-----------------|-----------------|-----------------------|----------------|
| Frederick       | 5.4             | 7.6                   | 13.0           |
| Garrett         | 2.0             | 1.0                   | 3.0            |
| Harford         | 5.3             | 3.0                   | 8.3            |
| Howard          | 6.2             | 0.0                   | 6.2            |
| Kent            | 0.9             | 0.7                   | 1.5            |
| Montgomery      | 14.2            | 9.9                   | 24.0           |
| Prince George's | 11.3            | 13.5                  | 24.8           |
| Queen Anne's    | 2.1             | 0.5                   | 2.6            |
| St. Mary's      | 3.1             | 0.4                   | 3.4            |
| Somerset        | 1.1             | 0.5                   | 1.5            |
| Talbot          | 1.2             | 1.9                   | 3.1            |
| Washington      | 3.4             | 4.0                   | 7.4            |
| Wicomico        | 2.5             | 3.6                   | 6.1            |
| Worcester       | 2.0             | 2.1                   | 4.1            |
| <b>Subtotal</b> | <b>\$105.0</b>  | <b>\$65.6</b>         | <b>\$170.7</b> |
| Baltimore City  | \$267.0         | \$0.0                 | \$267.0        |
| <b>Total</b>    | <b>\$372.0</b>  | <b>\$65.6</b>         | <b>\$437.6</b> |

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

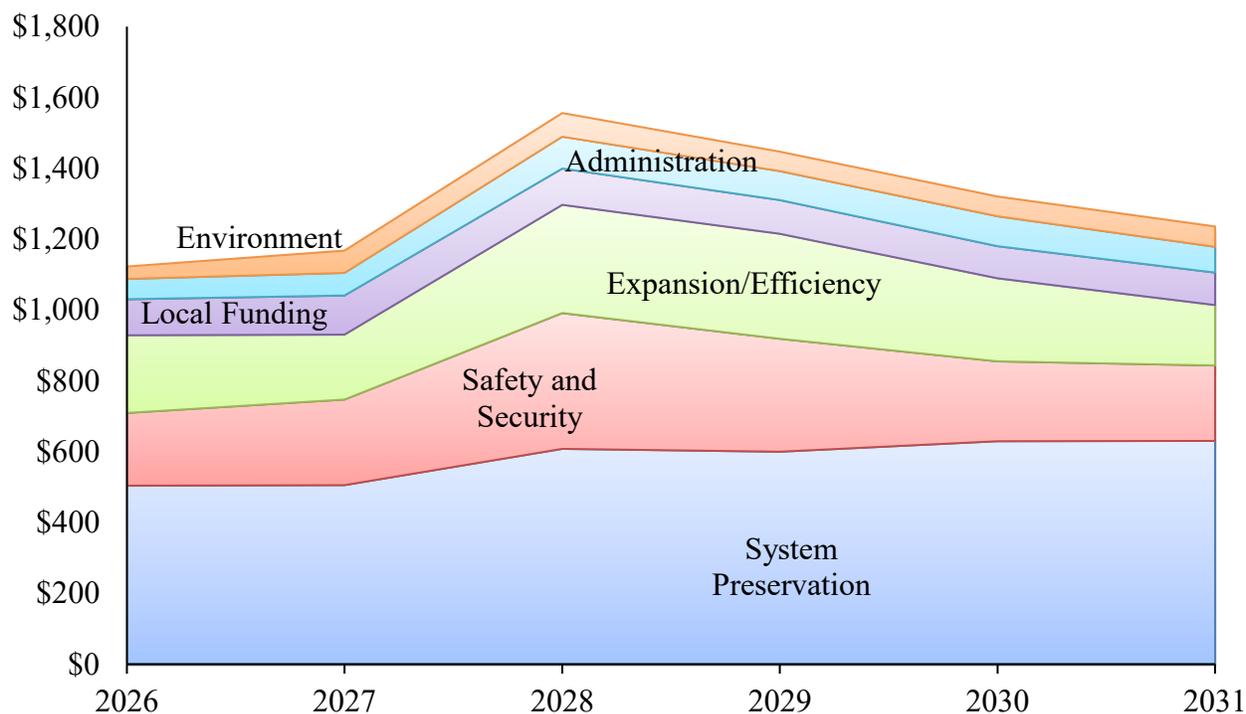
Source: Governor's Fiscal 2027 Budget Books; Department of Legislative Services

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**Fiscal 2026 to 2031 Consolidated Transportation Program**

SHA's six-year capital program (fiscal 2026 to 2031), including other funds that do not flow through the State budget, totals \$7.8 billion, which is \$1 billion more than the prior six-year program. **Exhibit 9** shows the six-year funding by investment category.

**Exhibit 9**  
**Capital Funding by Investment Category**  
**Fiscal 2026-2031**  
**(\$ in Millions)**



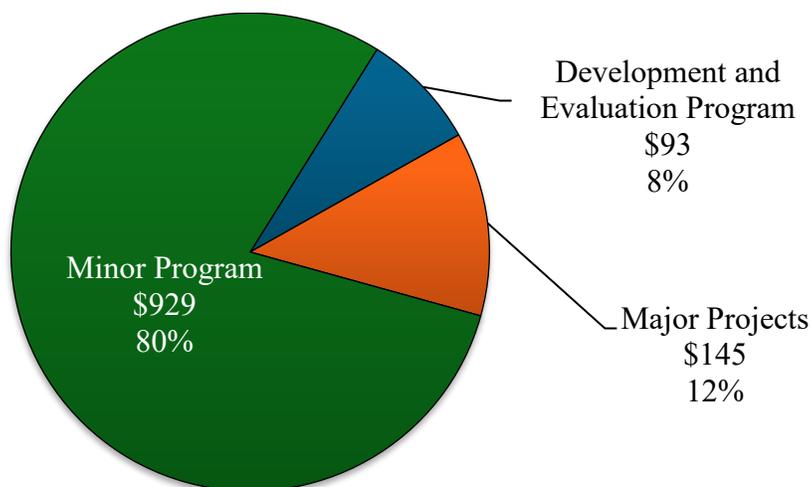
Note: Excludes the \$10 million contingent appropriation in fiscal 2027, which is not reflected as part of the *Consolidated Transportation Program*.

Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

**Fiscal 2027 Capital Allowance**

SHA’s fiscal 2027 capital allowance, including other funds that do not flow through the budget, totals \$1.17 billion, an increase of \$44.9 million compared to the fiscal 2026 working appropriation. The fiscal 2027 allowance includes \$23.5 million, representing the programmed spending of general obligation bond funds for the construction of a full interchange at the Greenbelt Metro Station to facilitate the relocation of the Federal Bureau of Investigation headquarters. **Exhibit 10** shows that the majority of the allowance (80%) is for projects in the minor program.

**Exhibit 10**  
**Fiscal 2027 Allowance by Program**  
**(\$ in Millions)**



Note: Includes the \$10 million contingent appropriation in fiscal 2027, which is not reflected as part of the *Consolidated Transportation Program*.

Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

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## Contingent Appropriation

Language in the fiscal 2027 Budget Bill makes \$10 million of the special fund appropriation in the State System Construction and Equipment program contingent on the enactment of legislation expanding the allowable uses of the SEIF. The relevant expansion is contained in two pieces of language with slightly different authorizations/purposes.

SB 386/HB 897 are Administration bills that would require electric companies in the State that own or operate transmission lines designed to carry voltage over 69,000 volts to participate in a regional transmission organization. In addition, the bills define advanced transmission technology as grid-enhancing technologies and high-performance conductors. Under the bills, each transmission utility would be required to submit an advanced transmission technology implementation report to the Public Service Commission (PSC). The bills authorize PSC to provide performance-based incentives for the deployment and operation of advanced transmission technologies. SB 386/HB 897 also require MDOT to (1) develop and establish a model leasing framework for transmission to be located within existing rights-of-way along State and interstate highways or MDOT property; (2) develop an expedited approval process for the siting of these lines; and (3) authorize the Secretary of MDOT to approve or disapprove these types of projects, with projects approved being subject to certain conditions. In addition, MDOT would be required,

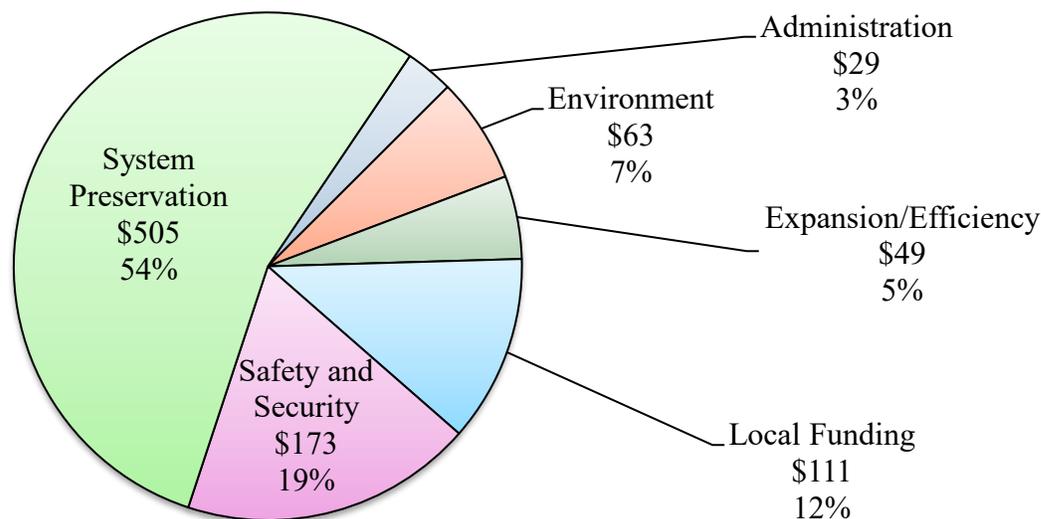
in consultation with the Maryland Energy Administration (MEA) and the Power Plant Research Program, to conduct a study to determine which existing rights-of-way along State and interstate highways and MDOT property may be suitable for the siting of electric transmission or distribution lines and battery energy storage systems. SB 386/HB 897 contain language to authorize a budget amendment of \$10 million from the SEIF to fund the study. However, as noted, the funds are provided in the budget bill rather than requiring a budget amendment.

The BRFA of 2026 also contains language to authorize, in fiscal 2027, the expansion of allowable uses from the SEIF to include \$10 million to (1) establish a process for rights-of-way for transmission infrastructure; (2) establish a model leasing framework for the infrastructure; and (3) create associated safety guidelines. The Administration bills contain the necessary authorization, so the Department of Legislative Services (DLS) has recommended striking the BRFA provision in the MEA analysis. This would resolve any potential duplication or conflicting outcomes including that the authorizing language for the \$10 million does not precisely align across the legislation. **DLS recommends adding more specific language to the contingency language to more closely align with the provisions expanding the allowable uses of the SEIF for these purposes.**

**Exhibit 11** breaks out the \$929 million in minor program funding for fiscal 2027 by investment category. **Exhibit 12** shows how this funding is distributed by project type.

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**Exhibit 11**  
**Minor Program Funding by Investment Category**  
**Fiscal 2027**  
**(\$ in Millions)**



Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

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**Exhibit 12**  
**Minor Program Funding by Project Type**  
**Fiscal 2027**  
**(\$ in Millions)**

| <u><b>Project Type</b></u>   | <u><b>Amount</b></u>  |
|--|-----------------------|
| <b>Safety, Congestion Relief, Highway and Bridge</b>                 |                       |
| Bridge Replacement/Rehabilitation                                    | \$208.4               |
| Resurfacing and Rehabilitation                                       | 195.3                 |
| Safety and Spot Improvement  | 67.9                  |
| Statewide Planning and Research                                      | 64.5                  |
| Traffic Management   | 34.5                  |
| Sidewalk Program   | 29.9                  |
| Quick Response   | 28.7                  |
| Drainage Improvements  | 25.9                  |
| Coordinated Highways Action Response Team                            | 12.9                  |
| 34-CARBON-Local  | 12.2                  |
| Bicycle Retrofit   | 11.8                  |
| Americans with Disabilities Act Retrofit                             | 9.7                   |
| Railroad Crossings   | 8.5                   |
| Neighborhood Conservation  | 4.9                   |
| Workforce Development  | 2.9                   |
| Emergency  | 2.3                   |
| Commuter Action Improvements   | 2.0                   |
| Environmental Projects   | 1.7                   |
| Intersection Capacity  | 0.5                   |
| <b><i>Safety, Congestion Relief, Highway and Bridge Subtotal</i></b> | <b><i>\$724.5</i></b> |
| State Aid in Lieu of Federal Funds                                   | \$78.3                |
| Total Maximum Daily Load Compliance                                  | 55.9                  |
| Transportation Enhancements  | 20.1                  |
| Facilities   | 11.6                  |
| System Preservation Program Reimbursables                            | 11.0                  |
| Equipment  | 8.9                   |
| Truck Weight   | 8.6                   |
| Major Information Technology Projects                                | 5.1                   |
| Noise Barriers   | 2.6                   |
| Environmental Compliance   | 2.3                   |
| <b>Total</b>   | <b>\$928.9</b>        |

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

Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

**Fiscal 2026 and 2027 Cash Flow Analysis**

**Exhibit 13** shows the changes in SHA capital funding, including funds that do not flow through the budget, by category between the fiscal 2026 budget as introduced and the working appropriation and between the working appropriation and the fiscal 2027 allowance.

**Exhibit 13**  
**Cash Flow Changes**  
**Fiscal 2026-2027**  
**(\$ in Millions)**

|  | <u>2026</u><br><u>As Introduced</u> | <u>2026</u><br><u>Working</u>   | <u>Change</u> |
|--|-------------------------------------|---------------------------------|---------------|
| Major Projects                           | \$172.1                             | \$172.9                         | \$0.8         |
| Major Development and Evaluation Program | 40.4                                | 39.2                            | -1.2          |
| Minor Program                            | 860.1                               | 910.3                           | 50.2          |
| <b>Total</b>                             | <b>\$1,072.6</b>                    | <b>\$1,122.4</b>                | <b>\$49.8</b> |
|  | <u>2026</u><br><u>Working</u>       | <u>2027</u><br><u>Allowance</u> | <u>Change</u> |
| Major Projects                           | \$172.9                             | \$145.5                         | -\$27.4       |
| Development and Evaluation Program       | 39.2                                | 92.9                            | 53.7          |
| Minor Program                            | 910.3                               | 928.9                           | 18.6          |
| <b>Total</b>                             | <b>\$1,122.4</b>                    | <b>\$1,167.3</b>                | <b>\$44.9</b> |

Note: Numbers may not sum to total due to rounding. Excludes the \$10 million contingent appropriation in fiscal 2027, which is not reflected as part of the *Consolidated Transportation Program*.

Source: Maryland Department of Transportation, 2025 and 2026 *Consolidated Transportation Programs*; Department of Legislative Services

**Exhibit 14** provides a list of SHA projects in the construction or D&E program receiving funding of at least \$1 million in fiscal 2027 or \$5 million or more over the six-year program.

**Exhibit 14**  
**Select Major Projects**  
**Fiscal 2027-2031**  
**(\$ in Millions)**

| <u>County</u> | <u>Project</u>  | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|---------------|---|-------------|-------------------|--------------------------|
| Allegany      | I-68 Cumberland Viaduct: Deck replacement and rehabilitation of Bridge No. 0109600 (the Cumberland Viaduct).  | \$1.0       | \$51.9            | \$3.3                    |
| Allegany      | MD 51, Old Town Road: Replacement of Bridge No. 0104700 on MD 51 over Town Creek.   | 0.0         | 17.5              | 15.7                     |
| Allegany      | MD 144, Naves Cross Road: Replacement of Bridge No. 0109100 on MD 144 over Evitts Creek   | 2.0         | 10.3              | 8.6                      |
| Allegany      | US 220, McMullen Highway: Roadway and intersection improvements Along US 220, MD 53, and MD 636 in Cresaptown, including turn lanes and additional sidewalk connectivity.   | 2.6         | 6.8               | 5.9                      |
| Anne Arundel  | I-97, US 50 to MD 32: Enhance safety and improve mobility between US 50 and MD 32.  | 3.8         | 119.8             | 95.6                     |
| Anne Arundel  | MD 2, Ritchie Highway: This project will improve safety, accessibility, and operations along northbound MD 2 from US 50 to Arnold Road by providing a continuous third lane and a sidewalk along northbound MD 2 from Chautaugua Road to Arnold Road and along Arnold Road from the B&A Trail to MD 2.  | 2.2         | 17.7              | 12.8                     |
| Anne Arundel  | MD 3, Robert Crain Highway: This project will improve safety, accessibility, and operations along MD 3 northbound from St. Stephens Church Road to MD 175 and along MD 3 southbound from MD 32 Ramp to Waugh Chapel Road/ Riedel Road by providing a third continuous lane in each direction, a shared-use path along MD 3 from MD 175 to Waugh Chapel Road/ Riedel Road which will provide a connection to the South Shore Trail, and sidewalk and crosswalk improvements at the MD 3 and MD 175 intersection. | 4.1         | 39.8              | 37.4                     |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u> | <u>Project</u>  | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|---------------|---|-------------|-------------------|--------------------------|
| Anne Arundel  | MD 2, Ritchie Highway: Safety Improvements in the MD 2 corridor from MD 177 to MD 648. Improvements include shared-use paths on both sides of MD 2 and along eastbound MD 648. Roadway geometric improvements throughout the project limits, including pavement removal to be implemented to increase safety for vulnerable road users. Shared use path connections between MD 2 and the nearby B&A Trail are also included.  | 3.7         | 21.1              | 19.1                     |
| Anne Arundel  | MD 170, Telegraph Road: This project will provide additional northbound and southbound through lanes along MD 170 from Norcross Lane to Wicker Road, and a raised median to control left turn movements. This project also includes bicycle and pedestrian improvements, stormwater management facilities, road resurfacing, installation of traffic signs and pavement markings, traffic signal reconstruction, and landscaping.   | 1.1         | 22.6              | 18.1                     |
| Anne Arundel  | MD 175, Annapolis Road: Widen MD 175 from Sellner Road/ Race Road to McCarron Court from two lanes to six lanes and reconfigure ramps at the MD 295 interchange to create signalized left turns at MD 175. Bicycle and pedestrian accommodations will be provided.  | 10.3        | 85.8              | 28.6                     |
| Anne Arundel  | MD 214, Central Avenue: The project will address current and projected traffic and safety needs along MD 214 from the intersection with MD 468 to Camp Letts Road. These traffic and safety needs will be addressed by widening from a two-lane roadway to a four-lane section, adding a shared use path, and adding a two-lane roundabout at the intersection with Loch Haven Road. The project includes full depth widening, pavement resurfacing, intersection improvements at MD 468 and Loch Haven Road, culvert replacements, stream relocation, guardrail upgrades, drainage improvements, stormwater management facilities, installation of traffic signs and pavement markings, lighting, and landscaping. | 2.6         | 21.4              | 17.7                     |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u> | <u>Project</u>  | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|---------------|---|-------------|-------------------|--------------------------|
| Baltimore     | I-695, Baltimore Beltway: The work on I-695 is a TSMO project involving lane controls, intelligent traffic monitoring and other features to improve safety and reduce congestion along the I-695 inner and outer loops between I-70 and east of White Marsh Boulevard.  | 22.4        | 191.9             | 85.9                     |
| Baltimore     | I-695, Baltimore Beltway: Replacement of Bridge No. 0317400 on Putty Hill Avenue over I-695.  | 6.0         | 29.7              | 23.3                     |
| Baltimore     | I-70, MD 32 to I-695: Geometric modifications to improve safety and peak period traffic operations along I-70 from MD 32 to I-695.  | 1.7         | 7.6               | 7.2                      |
| Baltimore     | I-795, Northwest Expressway: Project to construct an interchange at Dolfield Boulevard. Includes widening and operational improvements along I-795 from Owings Mills Boulevard (MD 940) to Franklin Boulevard. Southbound access to I-795 will be provided by ramps connecting to Red Run Boulevard. Northbound access to I-795 will be provided through a directional on-ramp from Dolfield Boulevard. The northbound off-ramp will connect to a new roundabout along Tollgate Road. A shared-use path will be constructed on Dolfield Boulevard between Red Run Boulevard and Tollgate Road. Sidewalks will be provided along Tollgate Road from Dolfield Boulevard to Hewitt Farms Road. | 2.2         | 19.9              | 9.0                      |
| Calvert       | MD 4, Patuxent Beach Road and Solomons Island Road: Study to upgrade MD 4 between MD 2 and MD 235 (4.0 miles), including the Governor Thomas Johnson Memorial Bridge (bridge 04019) over the Patuxent River and the intersection at 235. MD 4 is planned to become a four-lane divided highway with wide shoulders, a shared used path, and sidewalk accommodations where appropriate.  | 1.5         | 7.9               | 2.0                      |
| Carroll       | MD 26, Liberty Road: Bridge Deck Replacement of Bridge Nos. 0600100 and 0600200 over Liberty Reservoir.   | 0.2         | 46.4              | 45.6                     |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u> | <u>Project</u>   | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|---------------|--|-------------|-------------------|--------------------------|
| Charles       | MD 225, Hawthorne Road: Replacement of Bridge No. 0802100 on MD 225 over Mattawoman Creek.   | 1.5         | 5.7               | 3.8                      |
| Charles       | MD 6, Charles Street: Safety and accessibility improvements between US 301 and Willow Lane. Improvements will include mountable roundabouts that will calm traffic, improve safety, and still allow for heavy vehicle and emergency vehicle access.  | 1.4         | 6.3               | 4.1                      |
| Frederick     | US 15, Frederick Freeway, and US 40, Frederick Freeway: Project to construct safety and mainline operational improvements along US 15 and US 40 from I-70 to MD 26 (4 miles). The project includes adding a third through lane (inside widening) in each direction along US 15 and the reconstruction and widening of seven structures. Significant noise mitigation will be included. | 5.8         | 197.5             | 164.5                    |
| Frederick     | US 340, Jefferson National Pike: Extension of acceleration lanes on US 340 at MD 17, MD 180, and US 15 NB.   | 8.1         | 17.1              | 15.3                     |
| Garrett       | US 219, Garrett Highway: Replacement of Bridge No. 1102400 over the Youghiogheny River (0.04 miles).   | 6.2         | 16.4              | 12.5                     |
| Garrett       | US 219, Chestnut Ridge Road: Project to relocate US 219 from Old Salisbury Road to the Pennsylvania State line (1.0 mile). This project represents Maryland's portion of the bi-state US 219 corridor between I-68/ US 40 and Meyersdale, Pennsylvania.  | 4.9         | 22.7              | 15.5                     |
| Harford       | US 1, Belair Road: Replacement of Bridge No. 1206600 on US 1 over Tollgate Road and Bridge No. 1206500 on US 1 over Winters Run.   | 4.7         | 22.5              | 21.8                     |
| Howard        | MD 32, Patuxent Freeway: Construct capacity and safety improvements along MD 32 from north of Linden Church Road to I-70 (6.6 miles).  | 1.0         | 130.9             | 9.4                      |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u>   | <u>Project</u>   | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|-----------------|--|-------------|-------------------|--------------------------|
| Howard          | US 1, Washington Boulevard: Safety and accessibility improvements in the US 1 corridor from the Prince George’s County line to Gorman Road. Improvements include upgrades to existing, and installation of new, Americans with Disabilities Act compliant sidewalks, curbs, ramps, medians, crosswalks, grass buffers, lighting and traffic signals. A 2-foot monolithic median on Bridge No. 16001 will also be included.   | 4.1         | 25.1              | 22.9                     |
| Howard          | I-70, MD 32 to I-695: Geometric modifications to improve safety and peak period traffic operations along I-70 from MD 32 to I-695.   | 1.7         | 7.6               | 7.2                      |
| Montgomery      | MD 97, Georgia Avenue: Safety and accessibility improvements to MD 97 in Montgomery Hills between MD 192 and MD 390. Improvements include a new raised median; 11-foot-wide outside lanes where needed for bus operations; left-turn lanes on MD 97 at Forest Lane, Flora Lane, and Seminary Place; and I-495 ramp modifications to address safety issues. Sidewalks on both sides of MD 97 with a signalized pedestrian crossing at Flora Lane and a protected two-way cycle track on the west side of MD 97 will also be included. | 4.0         | 49.9              | 21.9                     |
| Prince George’s | I-95/I-495, Capital Beltway: Construct a full interchange along I-95/I-495 at Greenbelt Metro Station in coordination with WMATA, Prince George’s County, Greenbelt, and other stakeholder agencies to support FBI headquarters relocation and transit-oriented development.   | 30.0        | 265.3             | 250.0                    |
| Prince George’s | I-95/I-495, Capital Beltway: Replacement of Bridge Nos. 1615905 and 1615906 on I-495 over MD 4. This is a PLA candidate project.   | 11.3        | 64.8              | 59.8                     |
| Prince George’s | MD 4, Pennsylvania Avenue: Construct a new interchange at MD 4 and Suitland Parkway. Bicycles and pedestrians will be accommodated where appropriate. (BRAC Related).  | 40.9        | 269.2             | 149.8                    |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u>   | <u>Project</u>  | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|-----------------|---|-------------|-------------------|--------------------------|
| Prince George's | MD 4, Pennsylvania Avenue and MD 717 Water Street: Replacement of Bridge Nos. 1609903 and 1609904 on MD 4 over MD 717, Bridge Nos. 1610803 and 1610804 on MD 4 over Race Track Road, and Bridge No. 1610900 on MD 717 over Western Branch. This is a PLA candidate project.   | 3.6         | 52.4              | 47.0                     |
| Prince George's | MD 410, East-West Highway: Safety and accessibility improvements in the MD 410 corridor from Adelphi Road/MD 500 to MD 212. Improvements include the elimination of channelized right-turn lanes, sidewalk construction, pedestrian refuge areas and curb extensions.   | 1.9         | 18.2              | 16.8                     |
| Prince George's | MU 227, Riverdale Road: Replacement of Bridge No. 1609000 on Riverdale Road over the Northeast Branch of Anacostia River.   | 0.4         | 11.2              | 9.3                      |
| Prince George's | I-95/I-495, Capital Beltway: Project to upgrade the existing I-95/I-495 interchange at Medical Center Drive (formerly Arena Drive). A shared-use path will be provided along Medical Center Drive with fully protected crossings at all ramps.  | 3.8         | 16.2              | 11.1                     |
| Prince Georges  | MD 210, Indian Head Highway: Project to improve safety and mobility along MD 210 and provide grade-separated interchanges from I-95/I-495 to MD 228 (10.0 miles). Bicycles and pedestrians will be accommodated through the provision of a facility consisting of bicycle lanes, a separated shared-use path adjacent to MD 210, and various other treatments that will extend from I-95/I-495 to MD 373. | 3.0         | 15.6              | 9.2                      |
| Prince George's | US 1, Baltimore Avenue: Reconstruct US 1 from MD 193 to Sunnyside Avenue. This is Segments 2 and 3 (1.9 miles) of a 3-segment project to upgrade US 1 from College Avenue to Sunnyside Avenue. Bicycle and pedestrian facilities will be included.  | 2.0         | 10.2              | 8.8                      |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u> | <u>Project</u>  | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|---------------|---|-------------|-------------------|--------------------------|
| Queen Anne's  | US 301, Blue Star Memorial Highway: Replacement of Bridge No. 1701102 on US 301 Southbound over MD 290.   | 4.3         | 9.1               | 8.3                      |
| St. Mary's    | MD 5, Point Lookout Road: Upgrade MD 5 from MD 471 to MD 246 in Great Mills, including replacing Bridge No.1800600 over the St, Mary's River (0.3 miles).   | 3.6         | 32.9              | 21.5                     |
| St. Mary's    | MD 4, Patuxent Beach Road and Solomons Island Road: Study to upgrade MD 4 between MD 2 and MD 235 (4.0 miles), including the Governor Thomas Johnson Memorial Bridge (bridge 04019) over the Patuxent River and the intersection at MD 235. MD 4 is planned to become a four-lane divided highway with wide shoulders, a shared used path, and sidewalk accommodations where appropriate. | 1.5         | 7.9               | 2.0                      |
| Somerset      | MD 413 Trail: Construction of a paved bike/pedestrian trail with parking areas and plantings along the MD 413 corridor. The project will continue the improvements to complete the 12-mile corridor for the shared used path between Crisfield and Westover.  | 4.2         | 22.2              | 15.5                     |
| Washington    | I-70, Eisenhower Memorial Highway: Deck replacement and rehabilitation of Bridge Nos. 2107303 and 2114100 on I-70 over I-81 and Bridge Nos. 2111303 and 2111304 on I-70 over Norfolk Southern Railroad. Replacement of Bridge Nos. 2111203 and 2111204 on I-70 over US 11.  | 17.6        | 62.1              | 47.0                     |
| Washington    | I-70, Eisenhower Memorial Highway: Replacement of Bridge Nos. 2110203 and 21102014 on I-70 over St. Paul Road.  | 11.5        | 23.7              | 22.1                     |
| Washington    | I-70, Eisenhower Highway: Replacement of Dual Bridge Nos. 2111503 and 2111504 on I-70 over MD 632.  | 2.1         | 32.0              | 28.7                     |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u> | <u>Project</u>   | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|---------------|--|-------------|-------------------|--------------------------|
| Washington    | I-81, Maryland Veterans Memorial Highway: Project to upgrade and widen I-81 to a six-lane divided highway from MD 63/MD 68 to the CSX railroad bridges north of Halfway Boulevard (4.0 miles). Two noise barrier systems will be provided as part of the project.  | 11.1        | 174.8             | 164.5                    |
| Washington    | US 40, National Pike: Rehabilitation of Bridge No. 2101200 over Conococheague Creek.   | 9.6         | 24.1              | 20.0                     |
| Wicomico      | US 13 Business, Salisbury Boulevard: Replacement of Bridge No. 2200400 over East Branch Wicomico River.  | 1.9         | 17.4              | 7.3                      |
| Worcester     | MD 90, Ocean City Expressway: Project to improve MD 90 operations from US 50 to MD 528, including Bridge No. 2302000 over the St. Martin River and Bridge No. 2302100 over Assawoman Bay. Additional travel lanes, interchange and at-grade intersections to be evaluated, along with pedestrian and bicycle needs throughout the corridor.  | 2.0         | 12.7              | 10.8                     |
| Statewide     | CHART: CHART is SHA’s Traffic Incident Management Emergency Response program designed to respond to lane-blocking roadway incidents and disabled motorists. It also includes installation of ITS along Interstates, US, and major MD routes. ITS include cameras, traffic detectors, weather sensors, dynamic message signs, websites, and telecommunication networks.                             | 8.1         | 125.6             | 44.9                     |
| Statewide     | Sidewalk Program: This program provides matching funds for the construction of sidewalks adjacent to SHA highways.   | 29.9        | 292.3             | 240.6                    |
| Statewide     | TMDL: Plan, design, and construct storm water controls and alternative water quality improvement strategies in Maryland counties in order to meet the US EPA Chesapeake Bay TMDL requirements. These strategies support the goal of protecting and restoring the Chesapeake Bay watershed. The implementation will follow the State of Maryland’s commitment in its Watershed Implementation Plan. | 55.9        | 498.3             | 255.3                    |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u> | <u>Project</u>  | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|---------------|---|-------------|-------------------|--------------------------|
| Statewide     | NEVI Program: The NEVI Program will create a network of convenient, reliable, affordable, and equitable electric vehicle chargers along Maryland’s designated alternative fuel corridors, which are major highways, and within communities along public roads or publicly accessible locations. Contributions from third parties will be utilized to match federal funds.   | 4.9         | 68.3              | 67.9                     |
| Statewide     | Carbon Reduction Program: Carbon Reduction Program funds projects that contribute to the reduction of transportation emissions from on-road highway sources.  | 14.2        | 94.4              | 89.1                     |
| Statewide     | Complete Streets Program: The Maryland Complete Streets Program consists of a range of context driven approaches to deploying engineering countermeasures across the State’s transportation network. This includes SHA’s implementation of the Pedestrian Safety Action Plan, Vulnerable Road User Assessment projects, District Pedestrian Safety projects, and Complete Streets Quick Build projects. Through these efforts, priority locations for vulnerable user safety investments are identified and addressed to support Maryland’s safety and accessibility goals. | 63.7        | 227.9             | 198.7                    |
| Statewide     | PROTECT Program: The PROTECT funds surface transportation projects with a focus on resilience to natural hazards and disasters.   | 16.5        | 107.3             | 102.8                    |
| Statewide     | Traffic Relief Plan (Phase 2) Smart Traffic Signals: The Smart Signal system uses real-time traffic conditions and computer software that adjusts the timing of traffic signals, synchronizes the entire corridor, and effectively deploys artificial intelligence to keep traffic moving smoothly.   | 5.9         | 38.9              | 17.0                     |

*J00B01 – MDOT – State Highway Administration*

| <u>County</u> | <u>Project</u>  | <u>2027</u> | <u>Total Cost</u> | <u>Six-year Spending</u> |
|---------------|---|-------------|-------------------|--------------------------|
| Statewide     | I-270, Eisenhower Memorial Highway and I-495 Capital Beltway – Phase 1 South: This project will replace the American Legion Bridge and other bridges in the corridor to today’s standards, provide 3 miles of accessible sidewalks, 3 miles of accessible shared use paths, and 3 miles of bike lanes, provide new ramp connections to support interstate transit, provide 9 miles of new and extended sound barriers and reconstruct 5 miles of existing sound barriers, rehabilitate existing general-purpose lanes, ramps, and side roads, upgrade seven interchanges, and provide high-occupancy toll lanes to support carpooling and transit. This is a PLA candidate project. | 22.4        | 201.0             | 74.9                     |
| Statewide     | I-270, Eisenhower Memorial Highway and I-495 Capital Beltway – Phase 1 North: This study will consider a range of equitable and environmentally sensitive transportation solutions including transit and transportation demand management options for near term, mid-term, and long-term implementation that address the transportation needs of the corridor.  | 0.9         | 25.0              | 24.7                     |

B&A: Baltimore and Annapolis  
 BRAC: Base Realignment and Closure  
 CHART: Coordinated Highways Action Response Team  
 EPA: Environmental Protection Agency  
 FBI: Federal Bureau of Investigation  
 ITS: Intelligent Transportation Systems  
 NEVI: National Electric Vehicle Infrastructure  
 PLA: Project Labor Agreement

PROTECT: Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation  
 SHA: State Highway Administration  
 TMDL: Total Maximum Daily Load  
 TSMO: Transportation System Management and Operations  
 WMATA: Washington Metropolitan Area Transit Authority

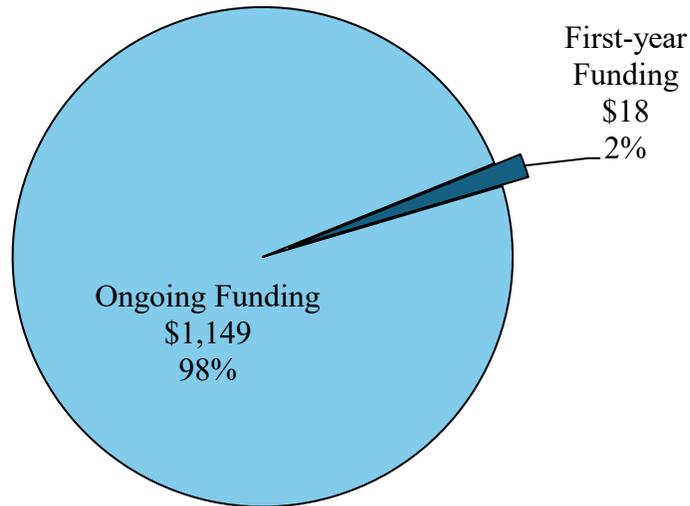
Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

### First-year Construction and Design Funding

The CTP is required 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**, \$18 million, or 2%, of SHA’s fiscal 2027 capital funding, which totals \$1.2 billion, is first-year funding. The SHA capital projects receiving first-year funding in fiscal 2026 and 2027 are listed in **Exhibit 16**.

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**Exhibit 15**  
**First-year and Ongoing Programmed Spending**  
**Fiscal 2027**  
**(\$ in Millions)**



Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

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**Exhibit 16**  
**Projects Receiving First-year Construction and Design Funding**  
**Fiscal 2026-2027**  
**(\$ in Thousands)**

|   | <u>2026</u>    | <u>2027</u>     | <u>2026-2027</u> |
|---|----------------|-----------------|------------------|
| <b>Construction</b>   | \$0            | \$3,126         | \$3,126          |
| MD 5, Point Lookout Road – Intersection Reconstruct –<br>MD 246 to MD 471 |                | 6,761           | 6,761            |
| I-81, Maryland Veterans Memorial Highway                                  |                |                 |                  |
| <b>Design</b>   |                |                 |                  |
| US 1, Baltimore Avenue from MD 193 to Sunnyside<br>Avenue                 | 720            | 1,600           | 2,320            |
| MD 170 Telegraph Road from Norcross Lane to Wiecker<br>Road               | 250            | 375             | 625              |
| MD 214 – From MD 468 to Camp Letts Road                                   | 1,236          | 1,236           | 2,472            |
| I-97, Multi-lane Freeway US 50 to MD 32                                   | 277            | 363             | 640              |
| Rethinking I-68 Viaduct – PEL   | 1,000          | 1,000           | 2,000            |
| <b>Total</b>  | <b>\$3,483</b> | <b>\$14,461</b> | <b>\$17,944</b>  |
| State (Special)   |                |                 | \$1,019          |
| Federal   |                |                 | 13,813           |
| Other   |                |                 | 3,112            |
| <b>Total</b>  |                |                 | <b>\$17,944</b>  |

PEL: Planning and Environmental Linkages

Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

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

**Exhibit 17** shows the significant changes to major projects from the 2025 CTP consisting of the six projects added to the construction program and seven projects moved from the D&E program to the construction program.

**Exhibit 17**  
**Major Project Significant Changes from the**  
**2025 Consolidated Transportation Program**  
**(\$ in Millions)**

|   | <b><u>Total<br/>Cost</u></b> |
|---|------------------------------|
| <b>New Construction Program Projects</b>  |                              |
| MD 2, Governor Ritchie Highway; MD 177 to MD 648 – Pedestrian safety improvements   | \$21.1                       |
| I-70, Eisenhower Highway – Bridge replacement over MD 632   | 32.0                         |
| US 340, Jefferson National Pike; MD 17, MD 180 and US 15 NB – Operational and safety improvements   | 17.1                         |
| US 1, Washington Boulevard; MD 177 to MD 648 – Pedestrian safety improvements   | 25.1                         |
| MD 410, East-West Highway; MD 500 to MD 212 – Pedestrian safety improvements  | 18.2                         |
| US 301, Blue Star Memorial Highway – Bridge replacement on Southbound US 301 over MD 290  | 9.1                          |
| <b>Projects Moved from Development and Evaluation to Construction Program</b>   |                              |
| MD 97, Georgia Avenue; MD 192 to MD390 – Safety and accessibility improvements  | 49.9                         |
| MD 5, Point Lookout Road; MD 471 to MD 246 – Operational, safety, and accessibility improvements  | 32.9                         |
| MD 170, Telegraph Road; Norcross Lane to Wieker Road – Capacity and safety improvements   | 22.6                         |
| MD 214, Central Avenue; MD 468 to the Summit School Entrance – Operational and safety improvements  | 21.4                         |
| MD 2, Governor Ritchie Highway; US 50 to Arnold Road – Operational, safety, and accessibility improvements  | 17.7                         |
| MD 3, Robert Crain Highway; Waugh Chapel Road/Riedel Road to MD 32 & St. Stephens Church Road to MD 175 – Operational, safety, and accessibility improvements | 39.8                         |
| I-97; US 50 to MD 32 – Safety and mobility improvements   | 119.8                        |

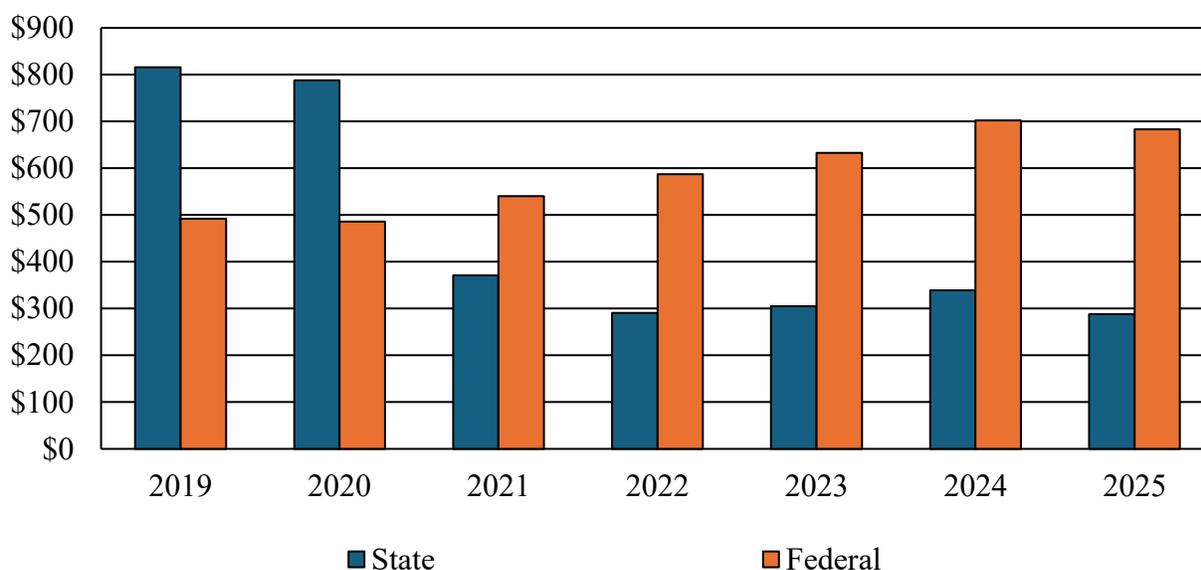
Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

## Issues

### 1. Office of Legislative Audits Concerns over SHA’s Federal Fund Accounting

Since fiscal 2020, MDOT has maximized its use of federal funds by expanding the categories and phases in which it uses federal funds. This expansion of federal funds is no more evident than in SHA’s capital funding. As shown in **Exhibit 18**, federal funds have outpaced State funds since fiscal 2021. In fiscal 2021, federal funds accounted for 59% of the capital budget, and by fiscal 2025, this share had risen to 70%.

**Exhibit 18**  
**Capital Budget Funding Sources**  
**Fiscal 2019-2025 Est.**  
**(\$ in Millions)**



Note: This exhibit only includes funding for the State System Construction Equipment program.

Source: State Highway Administration; Department of Budget and Management

MDOT’s strategy to maximize federal dollars has coincided with an increase in federal reimbursements above the initial authorized amount. In calendar 2025, OLA released a fiscal compliance audit of SHA. The audit noted that the increase in “unauthorized” federal funds rose from \$9.9 million in fiscal 2020 to \$358.7 million in fiscal 2025, a 3,500% increase. While that is a significant increase, it is not unexpected given MDOT’s strategy. The audit included two findings

related to federal funds. Finding 1 stated that SHA had expended \$358.7 million in federal funds above the initial authorized amount that had yet to be recovered as of August 2025. Finding 2 was that SHA could not provide proof of \$449 million of federal fund revenue entries at the end of fiscal 2024. In addition to the fiscal compliance audit, OLA's Statewide Review of Budget Closeout Transactions for Fiscal 2025 found similar issues with federal funds. SHA could not provide documentation to support federal fund revenue entries totaling \$600 million for fiscal 2025. Again, SHA could not provide documentation for the recovery of \$330.4 million in federal funds above the initial authorized grant.

In claiming federal funds above the initial authorized level, SHA is acting under Title 23 of the Federal Highway Administration's (FHWA) Code of Federal Regulations, which allows states to proceed with projects without using federal funds, with the option to be reimbursed. However, there is no guarantee that the funding will be reimbursed, raising questions about transparency in SHA's accounting practices. The audit raised questions about what will happen if federal funding is not recoverable and how that will affect the TTF or the General Fund. As of January 30, 2026, SHA has collected \$592.9 million in federal funds in fiscal 2026. **SHA should discuss how much of this total is for initial authorized amounts and how much is for overages, as well as whether these funds are only for fiscal 2026 or also for other fiscal years.**

## **2. Federal Funds Instability**

SHA has faced issues with the dependability of federal funding due to recent federal actions. In January 2025, Executive Order (EO)14154, known as Unleashing American Energy, paused the disbursements of funds authorized by the Infrastructure Investment and Jobs Act (IIJA) and the IRA. Programs targeted by EO 14154 included the National Electric Vehicle Infrastructure (NEVI) and the Charging and Fueling Infrastructure Program (CFI). *New York v. Trump* was filed March 10, 2025, and challenged the administration's ability to freeze awarded grant funds. Other states joined as plaintiffs, including Maryland. A court agreed with the plaintiffs' complaint and ordered the restoration of IRA and IIJA grant funds. Ultimately, the OBBBA rescinded unobligated IRA funds.

Despite the restoration of IIJA funds, the administration has refused new obligations of the CFI and the Electric Vehicle Charger Reliability and Accessibility Accelerator Program, both IIJA programs. In December 2025, Maryland joined 16 other states to sue USDOT and FHWA to access these funds. Additionally, there are delays in distribution of funds for programs such as NEVI and the Promoting Resilient Operations for Transformative, Efficient and Cost-saving Transportation.

In addition to EO 14154, USDOT suspended previously approved state NEVI plans, leading to another lawsuit, *State of Washington v. USDOT*, in May 2025. In January 2026, a federal judge ruled in favor of the plaintiffs. However, that ruling did not protect unobligated NEVI funds. The recently passed federal fiscal 2026 appropriations bill transferred \$879 million in NEVI funds to other FHWA programs.

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USDOT issued an internal policy memo to review all awards without grant agreements and partially obligated grant agreements for discretionary grant programs related to road safety, electric vehicle infrastructure, and transportation climate resilience to eliminate funding for projects that do not align with EOs. This policy means that the discretionary grants connected to the IIJA are not guaranteed funding unless they are already obligated.

In April 2025, the U.S. Secretary of Transportation issued a letter to all recipients of transportation funding that they must comply with federal laws to receive federal grant funds (*i.e.*, compliance with federal immigration enforcement is mandatory to receive transportation funds). In May 2025, 20 states, including Maryland, sued USDOT to block this precondition for federal transportation funding. In June 2025, a federal district court issued a preliminary injunction prohibiting the federal government from “taking adverse action against any state entity or local jurisdiction, including barring it from receiving or making it ineligible for federal funding, based on the Immigration Enforcement Condition, absent specific statutory authorization.”

**SHA should address how it is navigating the new federal environment and how it is planning to account for the lack of stability from its federal partners.**

## ***Operating Budget Recommended Actions***

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1. Adopt the following narrative:

**Federal Funding Reimbursements:** A recent fiscal compliance audit questioned the State Highway Administration’s (SHA) accounting practice of recording federal funding for projects that have yet to be reimbursed and are not guaranteed due to expenditures exceeding the initial authorized amount. The committees request that SHA submit a report on the ongoing process of collecting these federal reimbursements for fiscal 2024 and 2025. The report should include:

- the initial authorized amounts;
- the amount of additional reimbursement SHA requested from the federal government;
- how much of the additional reimbursement SHA was able to obtain;
- how SHA covered the amounts not reimbursed by the federal government; and
- how this affected capital spending and planning for the agency.

| <b>Information Request</b>                            | <b>Author</b> | <b>Due Date</b>  |
|---|---------------|------------------|
| Report on the recovery of federal fund reimbursements | SHA           | December 1, 2026 |

## ***PAYGO Budget Recommended Actions***

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

, provided that \$10,000,000 of this appropriation is contingent upon enactment of legislation expanding the uses of the Strategic Energy Investment Fund to include planning and studies related to rights-of-way transmission infrastructure and battery energy storage systems

**Explanation:** This language adds specificity to contingent language on the special fund appropriation to more closely align with the applicable provision.

**Appendix 1**  
**2025 Joint Chairmen’s Report Responses from Agency**

The 2025 *Joint Chairmen’s Report* (JCR) requested that SHA prepare seven reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Old Georgetown Road (MD 187) Bike Lanes:*** Committee narrative requested SHA to submit a report providing various data and metrics related to the bike lanes on Old Georgetown Road (MD 187). SHA submitted the report as requested. The report details bike lane utilization, traffic impacts of the bike lanes, vehicular traffic times, crash statistics for the area, vehicular volume, pedestrian usage of sidewalks, the impact of the bike lanes on first responders, winter maintenance, and overall cost of maintenance for the bike lanes.
- ***Addressing Road and Bridge Safety:*** Committee narrative requested SHA to submit a report on the agency’s plans to address the 22 bridges rated as poor and the I-795 bridges with components rated as fair. SHA lays out the plans to either replace or rehabilitate the “poor” bridges and monitor the conditions on I-795 and perform work as deemed necessary. The report includes details on SHA’s methods of prioritizing road and bridge work to minimize deferred maintenance.
- ***Roadwork and Utility Work Coordination:*** Committee narrative requested SHA to submit a report on how the agency coordinates road construction/road repair with utility companies and steps taken to reduce newly paved paths from being disturbed for utility work. SHA states that while it is unavoidable that paved surfaces will be disturbed through the 20 years of useful life, the agency does its best to coordinate with utility companies during the planning phase of projects, the design phase, the construction phase, through the use of permits, and additional meetings as necessary to make utility projects as undistruptive as possible. SHA has implemented Utility Risk Management into the project development process to reduce the possibility of utility work on newly completed projects. SHA suggested that legislation requiring utility companies to share facility location information, work plans, and estimates to SHA could improve coordination and planning to avoid the disturbance of newly paved roads and sidewalks.
- ***Report on Process and Timeline for Approving Speed Cameras:*** Language was added to the fiscal 2026 Budget Bill restricting \$100,000 of SHA’s appropriation for administration pending submission of a report on the process and timeline for approving speed cameras. Funds were released in October 2025. SHA submitted a report that detailed the process of a local jurisdiction applying for a speed camera along State highways. As a whole, from application to permit issuance, the process averages 90 days. SHA believes the best way to improve the process is to require the permit process to be handled by a local government official and not the hired speed camera vendor because communications shared with the vendor do not always make it to the locals.

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- ***Adopt-a-Road Program:*** Committee narrative requested SHA to submit a report on the handling of invasive weeds/vines along State highways and the role an Adopt-a-Road volunteer program could play in controlling invasive vegetation. SHA currently uses herbicides approved by the Maryland Department of Agriculture (MDA) to control invasive vegetation as needed. SHA’s Adopt-A-Highway (AAH) program is focused on litter and does not allow AAH volunteers to apply herbicide. SHA only allows MDA Certified Pesticide Applicators or MDA-Certified Responsible Employee under the supervision of an applicator to apply herbicides. There have been agreements with volunteers outside of the AAH program to tackle invasive plants. The agreements include MDA certification and proof of insurance if chemicals are planned to be used. SHA expended \$3.2 million in fiscal 2023 and \$3.6 million in fiscal 2024 on invasive vegetation.
- ***Rental Vehicles:*** Committee narrative adopted during the 2025 session requested SHA submit a report on rental vehicles used by the agency. SHA estimates that \$6.1 million was expended on rental vehicles for winter operations from fiscal 2023 to 2025. Approximately 16% of the fleet can be out of service for repairs.
- ***Traffic Signal Synchronization:*** Committee narrative adopted during the 2025 session requested SHA submit a report on traffic signal synchronization on MD 4 and MD 5 between the Maryland/District of Columbia line and southern Maryland. SHA details the patterns of congestion on both corridors and includes recommendations on how to provide congestion relief without jeopardizing safety of drivers and pedestrians.

**Appendix 2  
Audit Findings**

|                              |                                     |
|------------------------------|-------------------------------------|
| Audit Period for Last Audit: | November 1, 2020 – October 31, 2024 |
| Issue Date:                  | September 2025                      |
| Number of Findings:          | 6                                   |
| Number of Repeat Findings:   | 0                                   |
| % of Repeat Findings:        | 0%                                  |
| Rating: (if applicable)      | n/a                                 |

**Finding 1:** SHA routinely charged expenses to federal fund projects not authorized by the federal granting agency resulting in \$358.7 million in expenditures as of August 2025 that may need to be funded with the TTF or State general funds.

**Finding 2:** SHA could not support the propriety of accrued federal fund revenue entries totaling approximately \$449 million recorded at the end of fiscal year 2024 or the subsequent recovery of the funds.

**Finding 3:** SHA did not ensure payments to Architectural and Engineering vendors for contract management and inspection services were properly supported, and vendor personnel maintained required certifications.

**Finding 4:** SHA did not ensure each district and office had written policies to address authorization, limits, and monitoring of overtime. Additionally, SHA did not analyze this activity to identify employees with consistently high levels of overtime.

**Finding 5:** Redacted cybersecurity-related finding.

**Finding 6:** Redacted cybersecurity-related finding.

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

**Appendix 3**  
**Discretionary Grant Awards**  
**State Highway Administration**  
**(\$ in Millions)**

| <b><u>Program</u></b>   | <b><u>Purpose</u></b>   | <b><u>Amount</u></b> |
|---|---|----------------------|
| Rebuilding American Infrastructure with Sustainability and Equity Grant Program | Design and construction activities for a shared use path and additional bicycle infrastructure along MD 210, Oxon Hill Road, and Kerby Hill Road.   | \$11.9               |
| Pollinator-Friendly Practices on Roadsides and Highway Rights-of-Way Program    | Development of pollinator habitat plans for lands owned or managed by the State Highway Administration  | 0.2                  |
| Wildlife Crossings Pilot Program  | Reducing wildlife-vehicle collisions through planning, design, and technology.  | 0.4                  |
| Bridge Investment Program   | PEL study of the I-68 Viaduct   | 1.6                  |
| Reconnecting Communities and Neighborhoods                                      | A comprehensive suite of improvements that will increase access to essential destinations along US 50 that will include adding new sidewalks, pedestrian signals, and raised landscaped medians and removing challenging crossing areas to enhance the pedestrian experience and improve safety on an important corridor (US 50 from Dutchman’s Lane to Lomax Street in Easton) through a historically disadvantaged area | 3.3                  |
| Strengthening Mobility and Revolutionizing Transportation                       | To develop a real-time work zone speed management program, which would build upon multiple existing data sources, including roadside sensors, and include new data obtained from unmanned aircraft systems.   | 1.6                  |
| Advanced Transportation Technologies and Innovative Mobility Deployment         | To deploy new technologies and traffic sensors for traffic prediction, signal timing, curve warning and other messaging to improve safety and mobility along 113 miles of U.S. Route 50.  | 11.9                 |
| Building Resilient Infrastructure and Communities                               | Complete final design of a hybrid living shoreline for three sites along MD 249 on or near St. George Island in St. Mary’s County.  | 0.1                  |

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| <b><u>Program</u></b>                              | <b><u>Purpose</u></b>  | <b><u>Amount</u></b> |
|--|--|----------------------|
| Low-Carbon Transportation Materials Grants Program | Accelerate the adoption of low-carbon materials and products with lower embodied greenhouse gas emissions on federal-aid eligible construction projects in Maryland. | 31.9                 |

PEL: Planning and Environmental Linkages

**Appendix 4**  
**Budget Amendments for Fiscal 2026**  
**Maryland Department of Transportation**  
**State Highway Administration**

**Capital**

| <u>Status</u> | <u>Amendment</u> | <u>Fund</u> | <u>Justification</u>  |
|---------------|------------------|-------------|---|
| Pending       | \$9,266,611      | Special     | Adjusts special appropriations to agree with anticipated expenditures for the current year as reflected in MDOT's |
|               | \$57,580,527     | Federal     | Final Fiscal 2026 to 2031 CTP.  |

CTP: *Consolidated Transportation Program*  
MDOT: Maryland Department of Transportation

**Appendix 5**  
**Object/Fund Difference Report**  
**Maryland Department of Transportation – State Highway Administration**

| <u>Object/Fund</u>                         | <u>FY25</u><br><u>Actual</u> | <u>FY 26</u><br><u>Wrk Approp</u> | <u>FY 27</u><br><u>Allowance</u> | <u>FY 26 - 27</u><br><u>\$ Change</u> | <u>% Change</u> |
|--|------------------------------|-----------------------------------|----------------------------------|---------------------------------------|-----------------|
| <b>Positions</b>                           |                              |                                   |                                  |                                       |                 |
| 01 Regular                                 | 2,976.50                     | 2,965.50                          | 2,916.50                         | -49.00                                | -1.7%           |
| 02 Contractual                             | 39.46                        | 43.00                             | 41.00                            | -2.00                                 | -4.7%           |
| <b>Total Positions</b>                     | <b>3,015.96</b>              | <b>3,008.50</b>                   | <b>2,957.50</b>                  | <b>-51.00</b>                         | <b>-1.7%</b>    |
| <b>Objects</b>                             |                              |                                   |                                  |                                       |                 |
| 01 Salaries, Wages, and Fringe Benefits    | \$378,943,931                | \$366,376,838                     | \$385,941,613                    | \$19,564,775                          | 5.3%            |
| 02 Technical and Special Fees              | 22,554,903                   | 35,682,955                        | 34,969,481                       | -713,474                              | -2.0%           |
| 03 Communications                          | 3,557,568                    | 4,533,950                         | 4,657,710                        | 123,760                               | 2.7%            |
| 04 Travel                                  | 1,512,762                    | 830,359                           | 1,532,800                        | 702,441                               | 84.6%           |
| 06 Fuel and Utilities                      | 15,324,425                   | 16,462,075                        | 16,018,736                       | -443,339                              | -2.7%           |
| 07 Motor Vehicle Operation and Maintenance | 35,577,498                   | 37,228,118                        | 39,965,907                       | 2,737,789                             | 7.4%            |
| 08 Contractual Services                    | 426,125,471                  | 438,528,184                       | 486,688,229                      | 48,160,045                            | 11.0%           |
| 09 Supplies and Materials                  | 33,141,484                   | 22,845,280                        | 30,245,848                       | 7,400,568                             | 32.4%           |
| 10 Equipment – Replacement                 | 3,421,637                    | 3,222,505                         | 3,636,005                        | 413,500                               | 12.8%           |
| 11 Equipment – Additional                  | 2,523,778                    | 911,177                           | 1,547,536                        | 636,359                               | 69.8%           |
| 12 Grants, Subsidies, and Contributions    | 395,707,219                  | 445,544,173                       | 447,704,725                      | 2,160,552                             | 0.5%            |
| 13 Fixed Charges                           | 3,437,807                    | 3,402,134                         | 2,721,654                        | -680,480                              | -20.0%          |
| 14 Land and Structures                     | 542,833,605                  | 579,429,439                       | 557,680,738                      | -21,748,701                           | -3.8%           |
| <b>Total Objects</b>                       | <b>\$1,864,662,088</b>       | <b>\$1,954,997,187</b>            | <b>\$2,013,310,982</b>           | <b>\$58,313,795</b>                   | <b>3.0%</b>     |
| <b>Funds</b>                               |                              |                                   |                                  |                                       |                 |
| 03 Special Funds                           | \$1,057,008,916              | \$1,067,018,132                   | \$1,095,355,447                  | \$28,337,315                          | 2.7%            |
| 05 Federal Funds                           | 807,653,172                  | 887,979,055                       | 917,955,535                      | 29,976,480                            | 3.4%            |
| <b>Total Funds</b>                         | <b>\$1,864,662,088</b>       | <b>\$1,954,997,187</b>            | <b>\$2,013,310,982</b>           | <b>\$58,313,795</b>                   | <b>3.0%</b>     |

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 6  
Fiscal Summary  
Maryland Department of Transportation – State Highway Administration**

| <u>Program/Unit</u>                                  | <u>FY25</u>            | <u>FY 26</u>           | <u>FY 27</u>           | <u>FY 26 - 27</u>   |                 |
|--|------------------------|------------------------|------------------------|---------------------|-----------------|
|  | <u>Actual</u>          | <u>Wrk Approp</u>      | <u>Allowance</u>       | <u>\$ Change</u>    | <u>% Change</u> |
| 01 State System Construction and Equipment           | \$971,255,375          | \$1,039,091,000        | \$1,060,197,623        | \$21,106,623        | 2.0%            |
| 02 State System Maintenance                          | 381,765,645            | 367,124,494            | 400,378,738            | 33,254,244          | 9.1%            |
| 03 County and Municipality Capital Funds             | 100,327,002            | 78,300,000             | 78,300,000             | 0                   | 0.0%            |
| 04 Highway Safety Operating Program                  | 19,256,420             | 28,051,201             | 31,692,957             | 3,641,756           | 13.0%           |
| 05 County and Municipality Funds                     | 387,521,459            | 437,422,492            | 437,633,664            | 211,172             | 0.0%            |
| 08 Major Information Technology Development Projects | 4,536,187              | 5,008,000              | 5,108,000              | 100,000             | 2.0%            |
| <b>Total Expenditures</b>                            | <b>\$1,864,662,088</b> | <b>\$1,954,997,187</b> | <b>\$2,013,310,982</b> | <b>\$58,313,795</b> | <b>3.0%</b>     |
| Special Funds  | \$1,057,008,916        | \$1,067,018,132        | \$1,095,355,447        | \$28,337,315        | 2.7%            |
| Federal Funds  | 807,653,172            | 887,979,055            | 917,955,535            | 29,976,480          | 3.4%            |
| <b>Total Appropriations</b>                          | <b>\$1,864,662,088</b> | <b>\$1,954,997,187</b> | <b>\$2,013,310,982</b> | <b>\$58,313,795</b> | <b>3.0%</b>     |

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.