

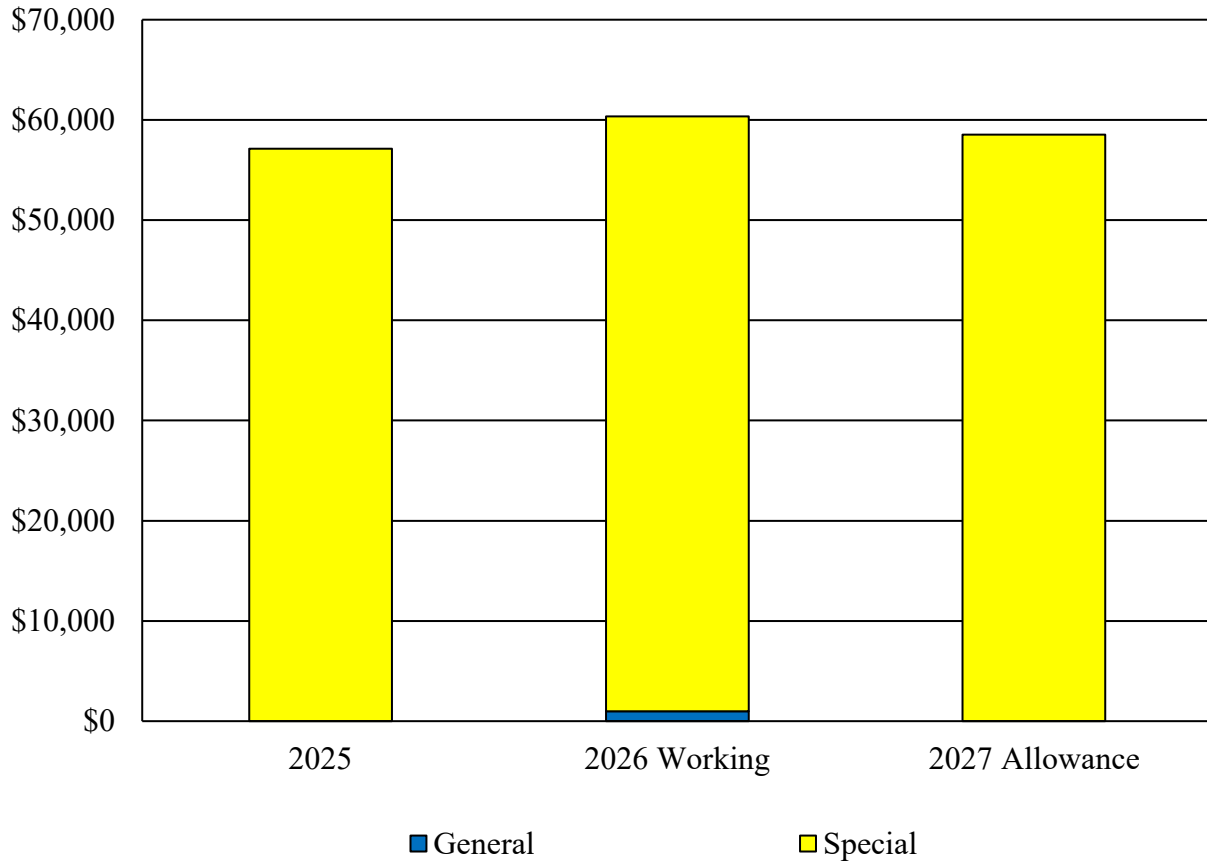
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Maryland Port Administration
Maryland Department of Transportation

Executive Summary

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

Operating Budget Summary

Fiscal 2027 Budget Decreases \$1.8 Million, or 3.0%, to \$58.5 Million
(\$ in Thousands)



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.

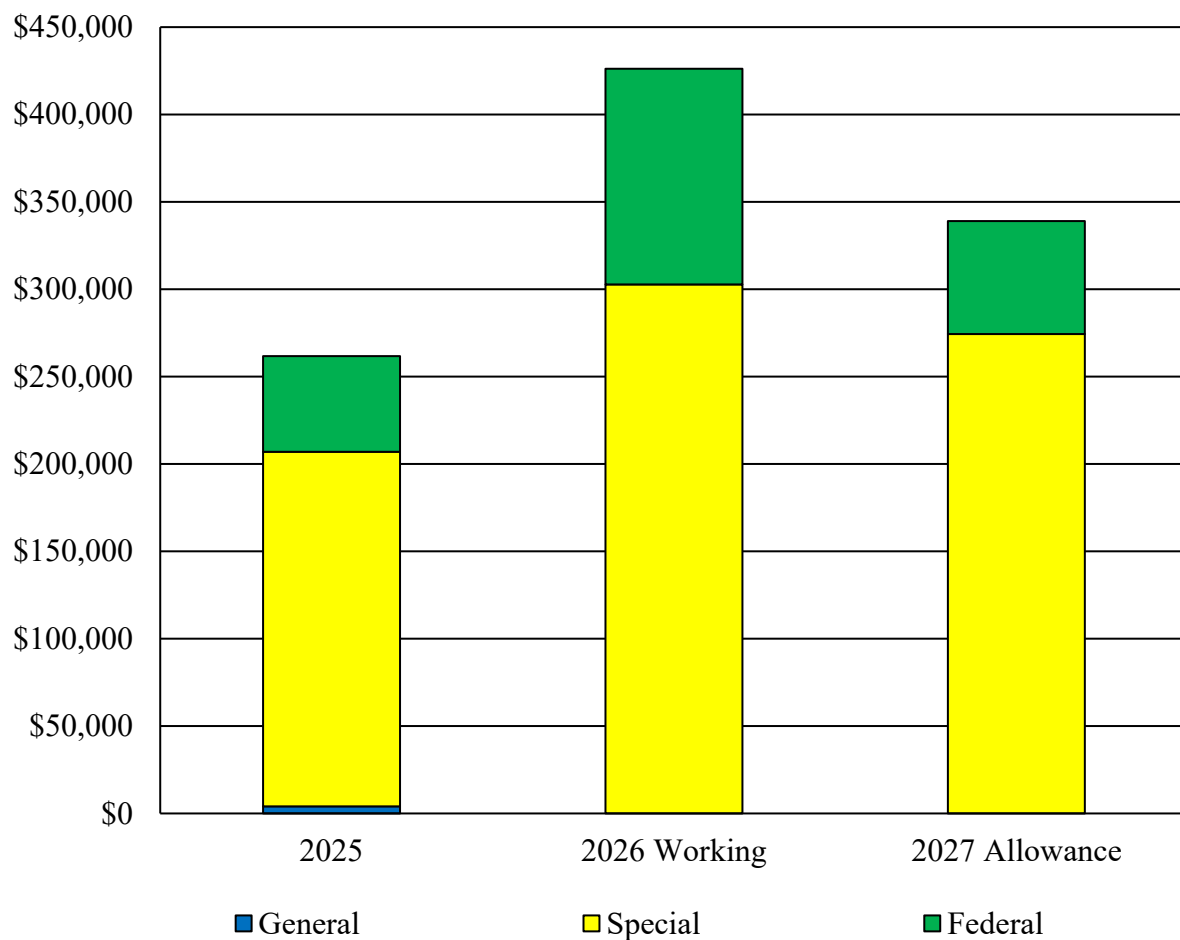
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- The fiscal 2027 allowance decreases by \$1.8 million compared to the fiscal 2026 working appropriation after accounting for proposed deficiency appropriations; the majority of this decrease is a \$1.0 million decrease in general funds due to a one-time addition in § 21 of the fiscal 2026 Budget Bill to provide a grant to Sail Baltimore in fiscal 2026. Excluding this change, the remainder of the budget decreases by \$825,660 in special funds.

PAYGO Capital Budget Summary

Fiscal 2027 Budget Decreases \$87.2 Million, or 20.5%, to \$339.0 Million (\$ in Thousands)



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.

Key Observations

- ***Port Recovery Following Temporary Closure in Calendar 2024 Due to the Francis Scott Key Bridge (Key Bridge) Collapse:*** During calendar 2025, the Port saw increases in foreign and general cargo volumes compared to calendar 2024; however, cargo volumes generally remained below calendar 2023 levels, which were the highest ever for the Port. However, the Port did set new records in calendar 2025 for the total number of cargo vessel visits and the total number of shipping containers handled at the Seagirt Marine Terminal. Cruise ship activities also recovered, with a full year of cruises returning to Baltimore City in calendar 2025.
- ***Federal Clean Ports Program and Other Federal Grant Funding:*** MPA was awarded a total of \$147 million in federal grants under the Clean Ports Program in December 2024 and January 2025 for the deployment of zero-emission technology and air quality improvement strategy and comprehensive community engagement plan development. As of December 2025, MPA had received federal reimbursements of approximately \$585,000 from these grants for the purchase of zero-emission cargo handling equipment. In addition to these two grants, MPA also has grant agreements with the federal government for four other awarded grants from which it is currently seeking federal reimbursement.

Operating Budget Recommended Actions

1. Adopt narrative requesting quarterly progress reporting on the Howard Street Tunnel project.
2. Adopt narrative requesting reports on the status of the Clean Ports Program and other federal grant awards.

PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

Updates

- Construction on the Howard Street Tunnel project continues to progress toward completion, with three out of five project packages located in Maryland at over 90% complete and all project packages located in Delaware and Pennsylvania complete. MPA projects that double-stack clearance will be achieved at all Maryland locations by mid-2026, and the project will be fully complete by early 2027.

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Budget Analysis

Program Description

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

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

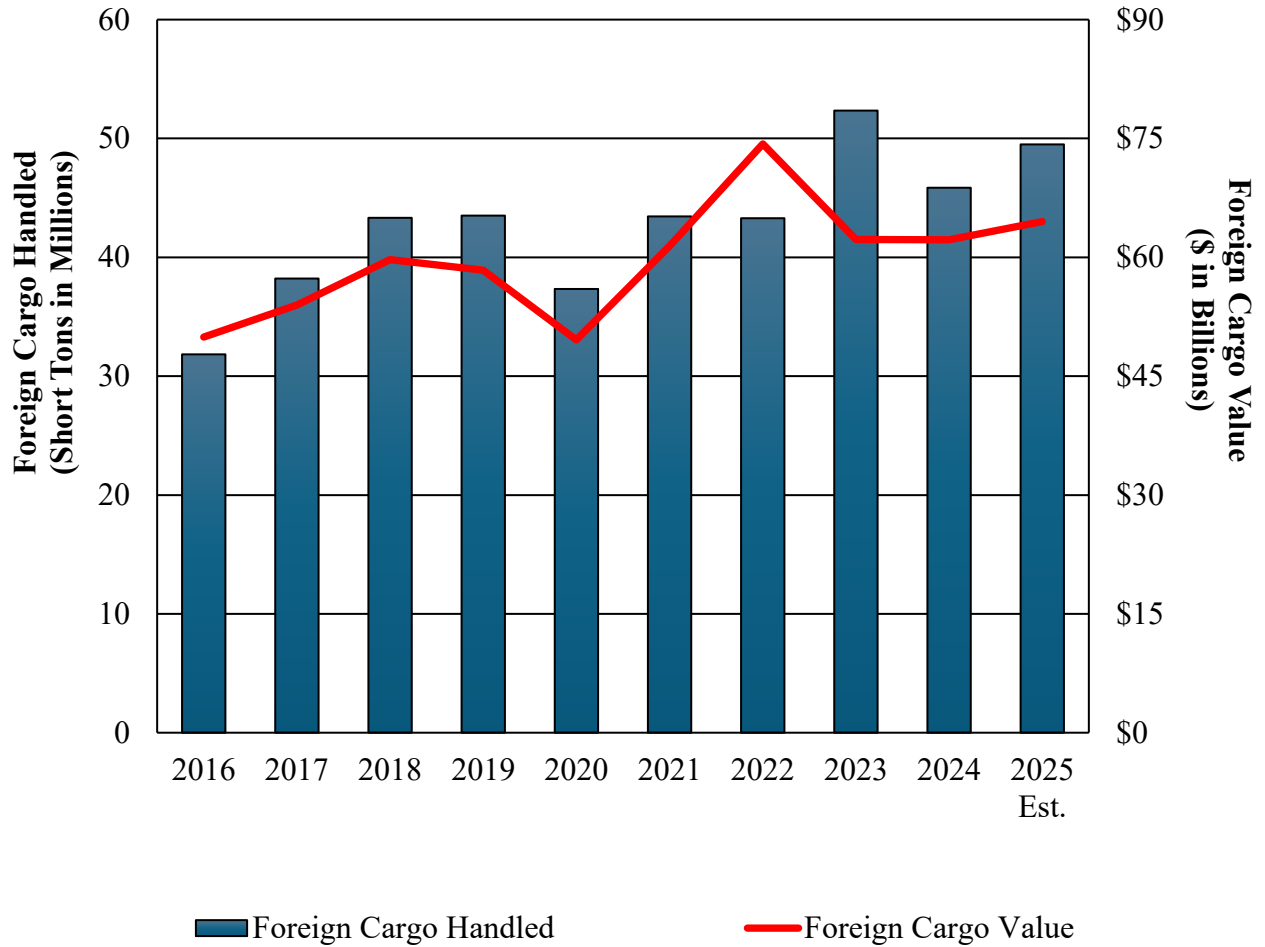
- maximization of cargo throughput, terminal efficiency, and economic benefit generated by the Port;
- operation of MPA to ensure revenue enhancements and optimization of operating expenses;
- preservation and enhancement of the Port's infrastructure to maintain cargo capacities while ensuring adequate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

Performance Analysis: Managing for Results

1. Foreign Cargo

The Port is a vast industrial complex that encompasses approximately 45 miles of shoreline and 3,403 waterfront acres. Unlike many State entities, the Port operates in a highly competitive market with direct competition not only from private industry but also from other ports up and down the East Coast as well as some Canadian ports. As shown in **Exhibit 1**, foreign cargo tonnage at the Port rebounded from the COVID-19 pandemic in calendar 2021 and 2022 and reached its highest annual total ever in calendar 2023 at 52.3 million tons. In calendar 2024, foreign cargo tonnage dropped approximately 12.4% to 45.9 million tons due to the temporary closure of the main shipping channel into the Port caused by the collapse of the Key Bridge. However, despite these challenges, calendar 2024 still achieved what was at that time the second-highest ever foreign cargo tonnage behind calendar 2023. In calendar 2025, foreign cargo tonnage is projected to have increased by 7.9% to 49.5 million tons.

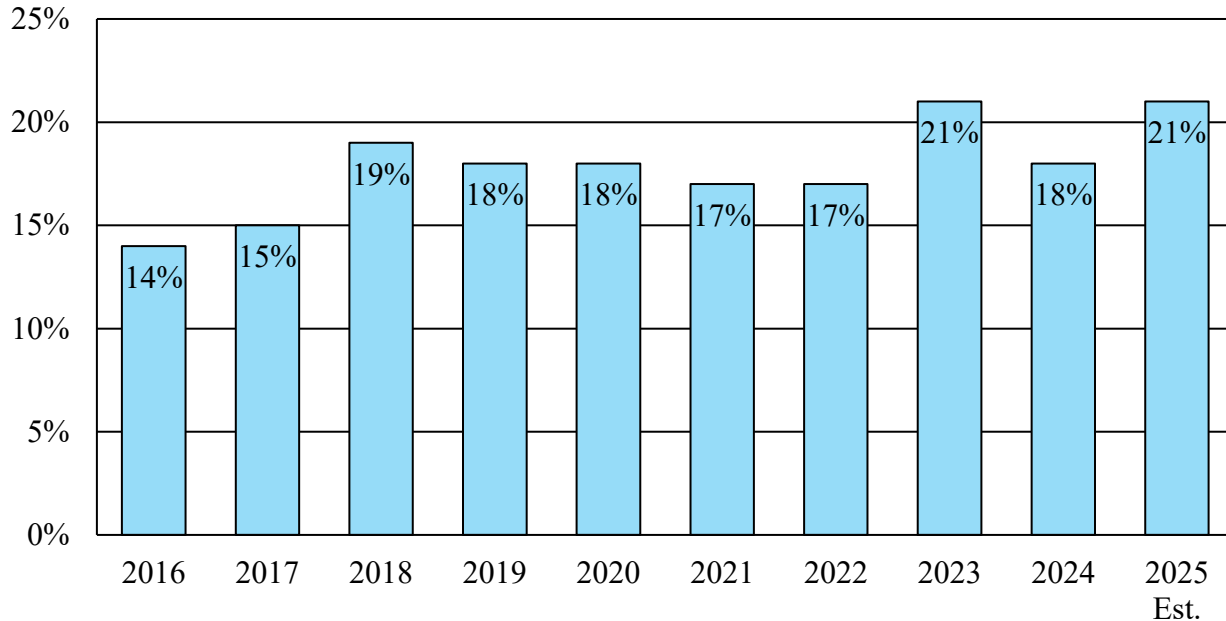
Exhibit 1
Total Foreign Cargo Handled
Calendar 2016-2025 Estimated



Source: Maryland Port Administration; Department of Legislative Services

The Port competes with other East Coast ports, especially ports in New York, Norfolk, and Philadelphia. The Port is currently ranked as the tenth largest U.S. port in terms of foreign cargo tonnage and eleventh largest in terms of dollar value of cargo. As shown in **Exhibit 2**, the Port market share for the Mid-Atlantic region in calendar 2025 is projected to have returned to its calendar 2023 level of 21% after declining to 18% in calendar 2024 due to the temporary closure of the Port.

Exhibit 2
Port of Baltimore Mid-Atlantic Market Share
Calendar 2016-2025 Estimated

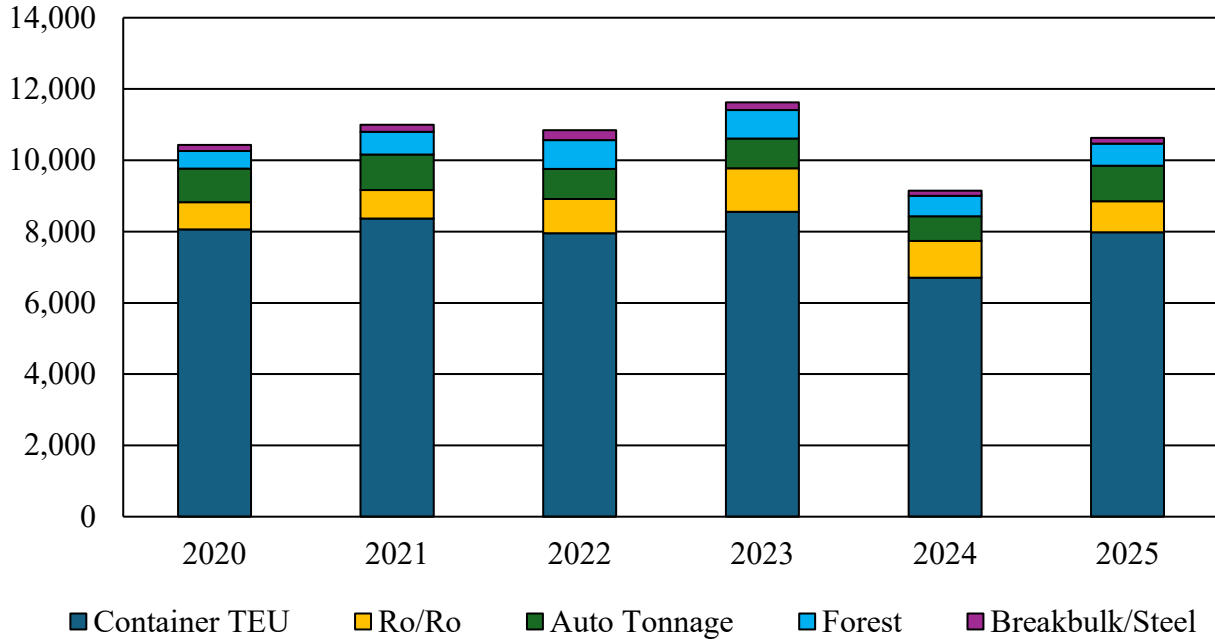


Source: Maryland Port Administration; Department of Legislative Services

2. General Cargo Tonnage

General cargo is defined as automobiles, breakbulk, containerized products, forest products, and roll on/roll off (Ro/Ro). Ro/Ro includes construction and farm equipment as well as other cargo that is driven on or off a ship, excluding automobiles. **Exhibit 3** provides data on general cargo commodities handled at the MPA terminals. The temporary closure of the Port in fiscal 2024 resulted in overall declines in general cargo of about 21.3% compared to fiscal 2023 totals, from 11.6 million tons to 9.1 million tons. A lag in recovery for some cargo types, especially among larger vessels returning to the Port, persisted following the Port’s reopening because vessel schedules are set well in advance and are not easily changed. It was unknown if some cargo that was temporarily diverted to other East Coast ports during the closure would continue on a long-term or permanent basis. By category, fiscal 2024 declines were 15.7% for Ro/Ro, 17.2% for auto tonnage, 21.6% for container 20-foot equivalent units (TEU), 27.3% for forest products, and 36.5% for breakbulk/steel. In fiscal 2025, general cargo tonnage increased by 16.2% overall to 10.6 million tons. All categories of general cargo increased from 2024 totals except for Ro/Ro, which declined by an additional 15.6%. Auto tonnage saw the largest growth in fiscal 2025, increasing by 43.7%, and was the only category to exceed fiscal 2023 levels.

**Exhibit 3
General Cargo Tonnage Handled
Fiscal 2020-2025
(in Thousands)**



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

Source: Maryland Port Administration; Department of Legislative Services

Despite calendar 2025 cargo tonnages remaining below calendar 2023 record levels, on January 29, 2026, Governor Wes Moore announced that the Port set new records in calendar 2025 for the total number of cargo vessel visits and container activity. The Port handled 2,223 cargo ship visits in 2025, surpassing the previous record of 2,137 cargo ship visits set in calendar 2023. The Port handled 1.11 million TEU shipping containers at the Seagirt Marine Terminal in calendar 2025, which exceeded the calendar 2023 record by more than 5,000.

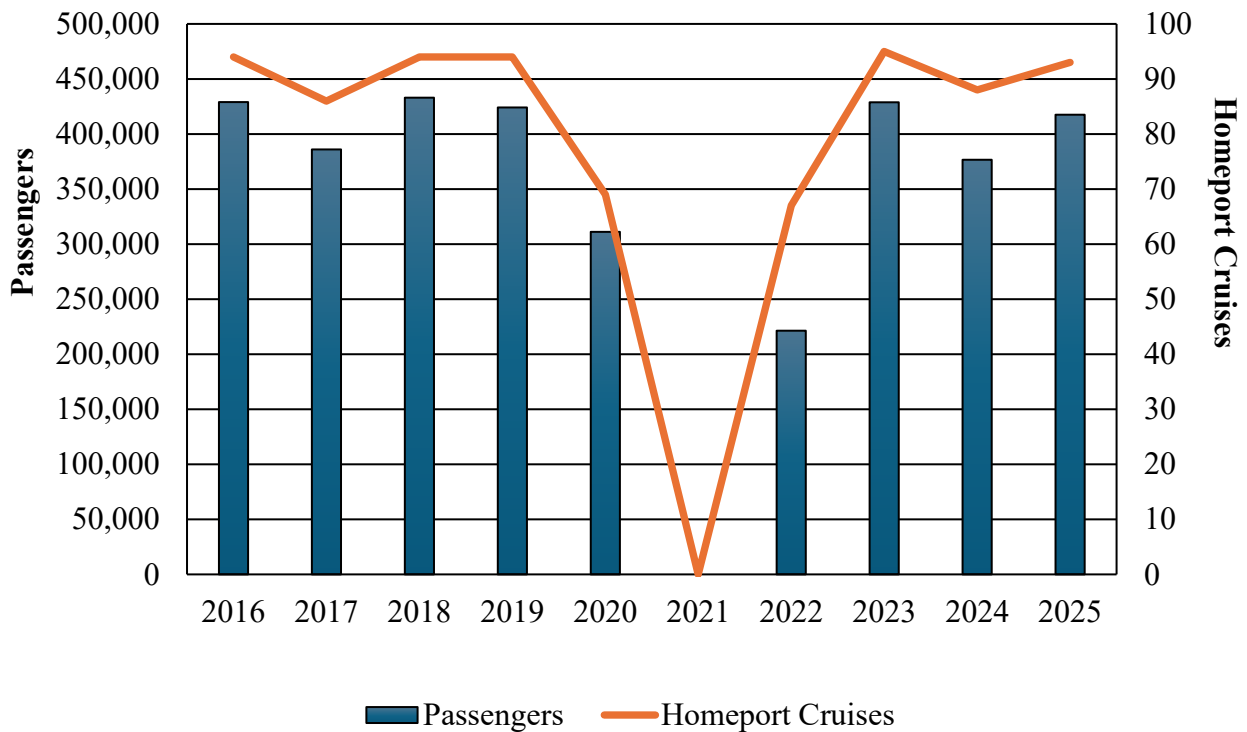
Committee narrative in the 2025 *Joint Chairmen’s Report (JCR)* requested that MPA prepare a report providing an update on the progress that the Port made in recovering from the temporary closure in calendar 2024. MPA projects that the ongoing recovery of the Port will be positively impacted in the future due to the progression of several major capital projects that will enhance import and export capacity and business opportunities, including the Howard Street Tunnel project, which will allow for double-stack rail shipping capacity to and from the Port; the Seagirt Marine Terminal Loop Channel project, which will facilitate improved access for larger

container ships through wider and deeper channels; and other projects within the Port’s Dredged Materials Management Program, which will maintain the shipping channels leading into the Port.

3. Cruise Ship Operations

In addition to handling cargo, the Port plays a vital role in Maryland’s cruise industry. **Exhibit 4** shows the total number of homeport cruises and passengers that utilized the Port’s cruise terminal. The COVID-19 pandemic severely impacted cruise operations, with no cruises operating for an 18-month period between March 2020 and September 2021. Passenger counts quickly returned to prepandemic levels in fiscal 2023, but the temporary closure of the Port in fiscal 2024 due to the Key Bridge collapse led to a 12% decline in passenger counts. Passenger counts rebounded in fiscal 2025 due to the return of a full year schedule of cruises at the Port, increasing by 10.9%, but remained about 2.6% lower than the fiscal 2023 level.

Exhibit 4
Cruise Ship Operations
Fiscal 2016-2025

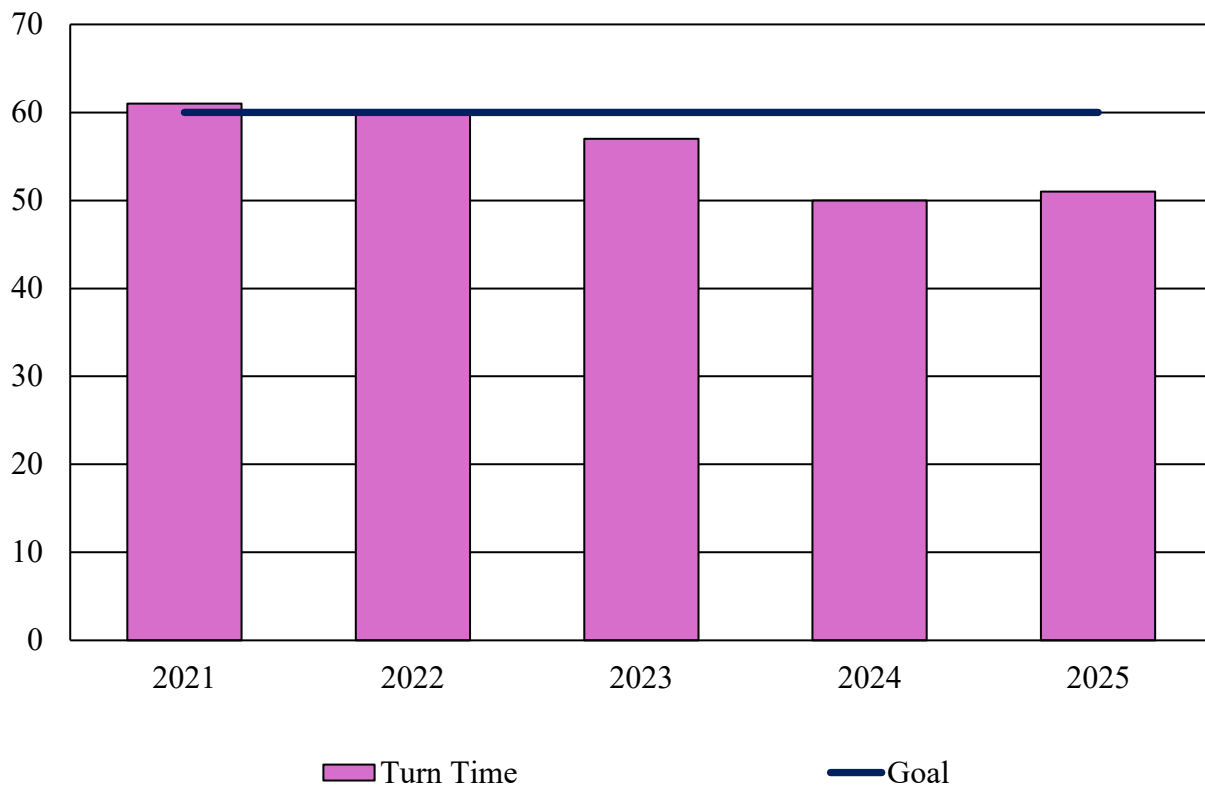


Source: Maryland Port Administration; Department of Legislative Services

4. Seagirt Truck Turn Times

Truck turn times are a measure of the efficiency and operations of the Seagirt Marine Terminal. Reducing turn times improves throughput capacity and results in incremental environmental benefits. Truck turn time is very important to drivers, shipping companies, and cargo owners and demonstrates the level of efficiency of moving freight off the terminals and into the broader economy. **Exhibit 5** shows the average truck turn time by calendar year against the 60-minute goal. Improvements, such as the use of weigh-in motion scales, have helped reduce turn times in recent years. In calendar 2025, average truck turn time increased slightly to 51 minutes, but remained at or below the 60-minute goal for the fourth consecutive year.

Exhibit 5
Average Truck Turn Times at Seagirt Marine Terminal
Calendar 2021-2025
(Time in Minutes)



Source: Maryland Port Administration; Department of Legislative Services

Fiscal 2026

Status of Legislative Additions

Section 21 of the fiscal 2026 Budget Bill added \$1 million in general funds to the appropriation for MPA to provide a grant to Sail Baltimore for maintenance dredging in the Baltimore Harbor in preparation for the Sail 250 events in celebration of the two-hundred-fiftieth anniversary of the U.S. Declaration of Independence. The Maryland Department of Transportation (MDOT) indicates that a Right of Entry agreement has been executed with MPA, Sail Baltimore, and Baltimore City and that the funds will be expended to cover the tipping fees associated with the Baltimore Harbor dredging once it has been completed, which is anticipated in the coming months.

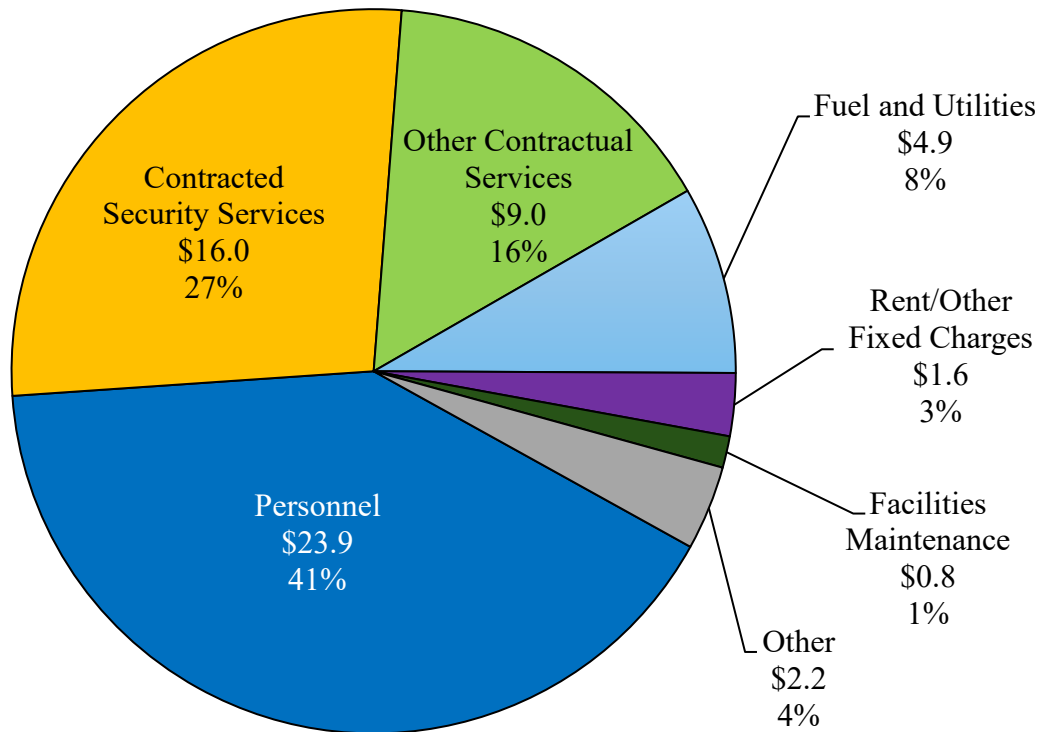
Proposed Deficiency

The fiscal 2027 Budget Bill contains a proposed deficiency appropriation for fiscal 2026 for MPA totaling \$681,198 in special funds for software licenses.

Fiscal 2027 Overview of Agency Spending

The MPA fiscal 2027 operating budget totals \$58.5 million and is funded entirely by special funds from the Transportation Trust Fund (TTF). Approximately 68% of the fiscal 2027 allowance supports personnel expenses and contracted security services. Contracted security personnel are responsible for controlling access to MPA-regulated marine terminals, where a security credential issued by the federal Transportation Security Administration and U.S. Coast Guard or an escort is required to enter or exit. Contracted security services also include Maryland Transportation Authority Police, who provide law enforcement functions at MPA-regulated marine terminals through an agreement with MPA. **Exhibit 6** provides a breakout of the allowance by category of spending for MPA's operations.

Exhibit 6
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 7**, the fiscal 2027 operating allowance for MPA decreases by \$1.8 million compared to the fiscal 2026 working appropriation. The largest components of this decrease are one-time expenses in fiscal 2026 for the \$1 million grant to Sail Baltimore and a proposed deficiency appropriation of \$681,198 for software licensing costs. Personnel expenses decrease by a net total of \$619,034, mainly due to the transfer of 11 positions to the Secretary's Office as part of an agencywide consolidation of information technology (IT) positions. These decreases more than offset increases in operating expenses, of which the largest is an increase of \$580,000 for fuel and utility costs.

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

How Much It Grows:	General Fund	Special Fund	Total
Fiscal 2025 Actual	\$0	\$57,138	\$57,138
Fiscal 2026 Working	1,000	59,347	60,347
Fiscal 2027 Allowance	0	58,522	58,522
Fiscal 2026-2027 \$ Change	-\$1,000	-\$826	-\$1,826
Fiscal 2026-2027 % Change	-100.0%	-1.4%	-3.0%
Where It Goes:			<u>Change</u>
Personnel Expenses			
Employee and retiree health insurance			\$635
Workers’ compensation premium assessment.....			19
Turnover adjustment from 5.23% to 6.05%			-84
Salary and associated fringe benefits, including 11 positions transferred to the Secretary’s Office.....			-1,190
Other Changes			
Water and sewage utilities projected above fiscal 2025 actual			450
Electricity and natural gas/propane utilities budgeted at fiscal 2025 actual.....			130
Insurance coverage paid to the State Treasurer			18
Energy Performance Contract conclusion of loan repayment in fiscal 2026			-168
One-time deficiency appropriation for software license costs			-681
One-time fiscal 2026 grant to Sail Baltimore			-1,000
Other			45
Total			-\$1,826

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.

Net Operating Revenues

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

Exhibit 8
Net Operating Revenues
Fiscal 2025-2027
(\$ in Thousands)

	2025	2026	2027	2026-2027	2026-2027
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>\$ Change</u>	<u>% Change</u>
Operating					
Revenues	\$53,157	\$54,000	\$55,080	\$1,080	2.0%
Expenditures	57,138	60,347	58,522	-1,826	-3.0%
Net Income/Loss	-\$3,981	-\$6,347	-\$3,442	\$2,906	
Capital					
Special Fund Expenditures	\$203,004	\$302,790	\$274,412	-\$28,378	-9.4%
Total Net Income/Loss	-\$206,985	-\$309,137	-\$277,854	\$31,283	-10.1%

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

Operating and PAYGO Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Operating Budget Positions	162.00	172.00	161.00	-11.00
Regular PAYGO Budget Positions	<u>42.00</u>	<u>43.00</u>	<u>43.00</u>	<u>0.00</u>
Total Regular Positions	204.00	215.00	204.00	-11.00
Operating Budget FTEs	5.50	4.50	4.50	0.00
PAYGO FTEs	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.00</u>
Total FTEs	6.00	5.00	5.00	0.00
Total Personnel	210.00	220.00	209.00	-11.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	11.88	5.82%
Positions and Percentage Vacant as of 12/31/25	23.00	10.70%
Vacancies Above Turnover	11.12	

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- In October 2025, the Board of Public Works approved the abolition of 502.7 positions statewide, including 170.7 vacant positions and 332.0 positions associated with the Voluntary Separation Program (VSP). In MPA, 3 positions were abolished due to the VSP.
- The fiscal 2027 allowance reflects a decrease of 11 regular positions in the operating budget due to a transfer of these positions to the MDOT Secretary’s Office as part of a departmentwide consolidation of IT services.

PAYGO Capital Program

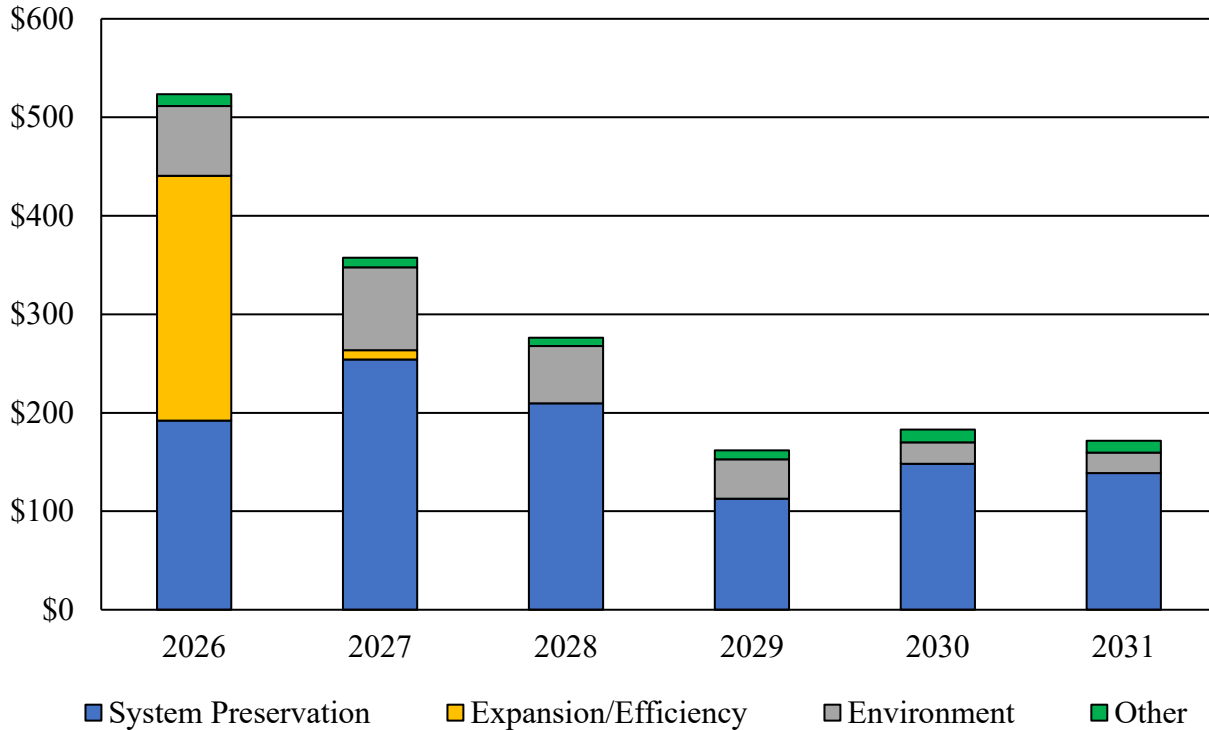
Program Description

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

Fiscal 2026 to 2031 Consolidated Transportation Program

MPA’s six-year capital program (fiscal 2026 through 2031) totals \$1.7 billion. Just over 63% of the six-year spending is programmed to address system preservation needs to maintain existing facilities in, or bring them into, a state of good repair. Remaining spending is planned for expansion/efficiency projects and projects addressing environmental, safety and security, and administration needs as well as to cover capital program salaries and wages. **Exhibit 9** shows six-year programmed spending by investment category.

Exhibit 9
Six-year Programmed Capital Spending by Investment Category
Fiscal 2026-2031
(\$ in Millions)



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

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

Fiscal 2027 Capital Allowance

The fiscal 2027 allowance for the MPA capital program, including other funds that do not flow through the MPA budget, totals \$357.5 million. **Exhibit 10** shows the fiscal 2027 capital program for MPA by project and program along with the total estimated project costs and six-year funding included in the 2026 *Consolidated Transportation Program* (CTP).

Exhibit 10
Maryland Port Administration Capital Program
Fiscal 2027
(\$ in Millions)

<u>Project/Program Title</u>	<u>2027</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Projects			
Mid-Chesapeake Bay Island Ecosystem Restoration Project	\$146.4	\$373.6	\$284.7
Climate Solutions Now Act and Related Projects	57.2	226.0	202.0
Masonville Dredged Material Containment Facility Expansion and Related Projects	20.4	351.5	64.0
Reduced Emission Locomotives for CSX Curtis Bay Yard	17.4	23.2	23.2
Cox Creek Dredged Material Containment Facility Expansion and Related Projects	12.7	244.0	67.3
World Trade Center	9.0	76.0	44.0
Howard Street Tunnel Project	8.8	495.0	250.9
Dredged Material Placement and Monitoring	8.7	166.4	59.4
Paul S. Sarbanes Ecosystem Restoration Project at Poplar Island	7.8	228.9	48.0
Port of Baltimore Rail Capacity Modernization Project	6.2	22.4	22.4
Chrome Ore Processing Residue Remediation	5.0	104.8	34.9
Cox Creek Sediment Technology and Reuse Facility Remediation	5.0	75.0	68.2
Seagirt Marine Terminal Modernization – Loop Channel Improvements	4.9	10.7	9.4
Innovative Reuse and Beneficial Use of Dredged Material	4.5	37.3	27.2
Dundalk Marine Terminal Resiliency and Flood Mitigation	4.3	71.5	62.1
Dundalk Marine Terminal Electrification	3.6	23.1	12.6
Hart-Miller Island Related Projects	2.2	107.6	13.6
Interconnector Bridge	1.9	10.4	10.4
Fairfield Marine Terminal Stormwater Management Program	1.5	4.3	4.3
South Locust Point Cruise Maryland Terminal	1.5	23.3	21.7
Enterprise Information Technology Capital Program – Maryland Port Administration – OTTS	1.0	20.9	5.5
Dundalk Marine Terminals Berths 11-13	0.7	115.0	113.1
Subtotal – Projects	\$330.8	\$2,811.0	\$1,448.9

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<u>Project/Program Title</u>	<u>2027</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Programs			
Minor Program	\$19.2	n/a	\$175.6
Capital Salaries and Wages	7.5	n/a	47.9
<i>Subtotal – Programs</i>	<i>\$27.6</i>		<i>\$223.5</i>
Total – Projects and Programs	\$357.5	\$2,811.0	\$1,672.4

OTTS: Office of Transportation Technology Services

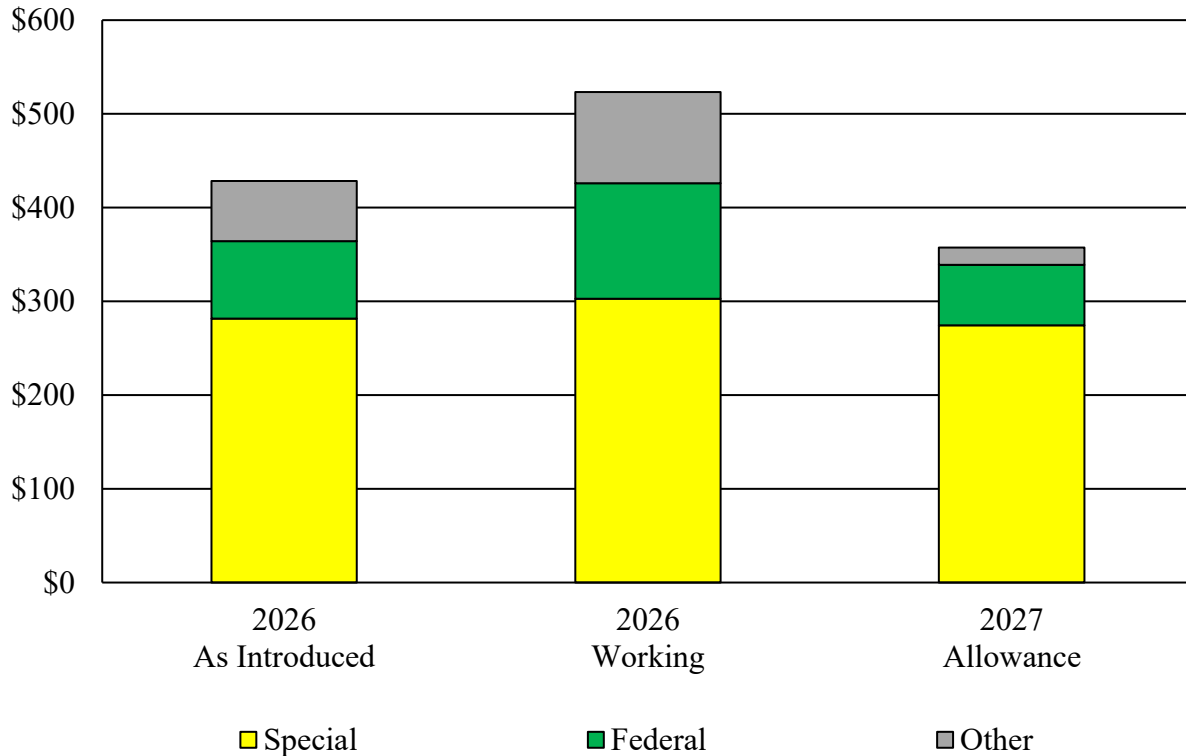
Note: Numbers may not sum to total due to rounding.

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

Fiscal 2026 and 2027 Cash Flow Analysis

Exhibit 11 shows the changes in MPA capital funding, including other funds that do not flow through the MPA budget, between the fiscal 2026 budget as introduced during the 2025 session and the working appropriation as well as between the working appropriation and the fiscal 2027 allowance.

**Exhibit 11
Capital Cash Flow Changes
Fiscal 2026-2027
(\$ in Millions)**



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

Cash Flow Analysis – Fiscal 2026 Changes

As shown in **Exhibit 12**, the fiscal 2026 working appropriation is a net \$95.1 million higher than the fiscal 2026 budget as introduced during the 2025 session. The largest increases are in spending on the Howard Street Tunnel project, the Climate Solutions Now Act and related projects, and the Dundalk Marine Terminal resiliency and flood mitigation project. The largest decrease in spending was on the Mid-Chesapeake Bay Island ecosystem restoration project.

Exhibit 12
Capital Cash Flow Changes
Fiscal 2026 as Introduced to Fiscal 2026 Working Appropriation
(\$ in Millions)

	<u>Project Change</u>	<u>Category Change</u>
Major Construction Program		\$81.6
Howard Street Tunnel Project	\$122.3	
Climate Solutions Now Act and Related Projects	30.2	
Dundalk Marine Terminal Resiliency and Flood Mitigation	27.2	
Cox Creek Dredged Material Containment Facility Expansion and Related Projects	8.3	
World Trade Center	8.3	
Reduced Emission Locomotives for CSX Curtis Bay Yard	4.5	
Dredged Material Placement and Monitoring	3.0	
Chrome Ore Processing Residue Remediation	2.5	
Masonville Dredged Material Containment Facility Expansion and Related Projects	2.1	
Enterprise Information Technology Capital Program – Maryland Port Administration – OTTS	1.3	
Innovative Reuse and Beneficial Use of Dredged Material	1.0	
Paul S. Sarbanes Ecosystem Restoration Project at Poplar Island	0.3	
Hart-Miller Island Related Projects	0.1	
Port of Baltimore Rail Capacity Modernization Project	0.0	
North Locust Point Marine Terminal Preservation Projects	-0.1	
Fairfield Marine Terminal Pier 4 Reconstruction	-0.2	
South Locust Point Cruise Maryland Terminal	-1.3	
Dundalk Marine Terminal Electrification	-2.5	
Fairfield Marine Terminal Stormwater Management Program	-2.5	
Interconnector Bridge	-3.5	
Cox Creek Sediment Technology and Reuse Facility Remediation	-4.9	
Mid-Chesapeake Bay Island Ecosystem Restoration Project	-114.6	
Development and Evaluation Program		\$6.1
St. Helena Property	\$5.0	
Dundalk Marine Terminals Berths 11-13	0.7	
North Locust Point Marine Terminal Preservation Projects	0.5	
Seagirt Marine Terminal Modernization – Loop Channel Improvements	0.1	

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	<u>Project Change</u>	<u>Category Change</u>
Dundalk Marine Terminal Berths 1-2	-0.2	
Minor Program		\$7.3
Capital Salaries and Wages		\$0.0
Total Change		\$95.1

OTTS: Office of Transportation Technology Services

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

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

Cash Flow Analysis – Fiscal 2026 to 2027 Changes

As shown in **Exhibit 13**, fiscal 2027 capital funding, including other funds, decreases by a net \$165.9 million from the current year working appropriation. Decreases in spending for the Howard Street Tunnel project, the Dundalk Marine Terminal resiliency and flood mitigation project, and other projects more than offset increased spending on the Mid-Chesapeake Bay Island ecosystem restoration project.

Exhibit 13
Capital Cash Flow Changes
Fiscal 2026 Working Appropriation to Fiscal 2027 Allowance
(\$ in Millions)

	<u>Project Change</u>	<u>Category Change</u>
Major Construction Program		-\$157.9
Mid-Chesapeake Bay Island Ecosystem Restoration Project	\$135.5	
Reduced Emission Locomotives for CSX Curtis Bay Yard	11.6	
Masonville Dredged Material Containment Facility Expansion and Related Projects	6.7	
Climate Solutions Now Act and Related Projects	3.0	
Dundalk Marine Terminal Electrification	2.6	
Fairfield Marine Terminal Stormwater Management Program	1.5	
South Locust Point Cruise Maryland Terminal	1.3	
Hart-Miller Island Related Projects	-0.1	

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	<u>Project Change</u>	<u>Category Change</u>
Enterprise Information Technology Capital Program – Maryland Port Administration – OTTS	-0.3	
Paul S. Sarbanes Ecosystem Restoration Project at Poplar Island	-0.4	
Cox Creek Sediment Technology and Reuse Facility Remediation	-0.5	
Innovative Reuse and Beneficial Use of Dredged Material	-0.5	
Fairfield Marine Terminal Pier 4 Reconstruction	-1.2	
World Trade Center	-2.0	
Chrome Ore Processing Residue Remediation	-2.2	
Cox Creek Dredged Material Containment Facility Expansion and Related Projects	-2.4	
Interconnector Bridge	-6.6	
Dredged Material Placement and Monitoring	-7.2	
Port of Baltimore Rail Capacity Modernization Project	-9.9	
Dundalk Marine Terminal Resiliency and Flood Mitigation	-53.5	
Howard Street Tunnel Project	-233.3	
Development and Evaluation Program		-\$1.0
Seagirt Marine Terminal Modernization – Loop Channel Improvements	\$4.5	
Dundalk Marine Terminals Berths 11-13	0.0	
Dundalk Marine Terminal Berths 1-2	0.0	
North Locust Point Marine Terminal Preservation Projects	-0.5	
St. Helena Property	-5.0	
Minor Program		-\$7.5
Capital Salaries and Wages		\$0.5
Total Change		-\$165.9

OTTS: Office of Transportation Technology Services

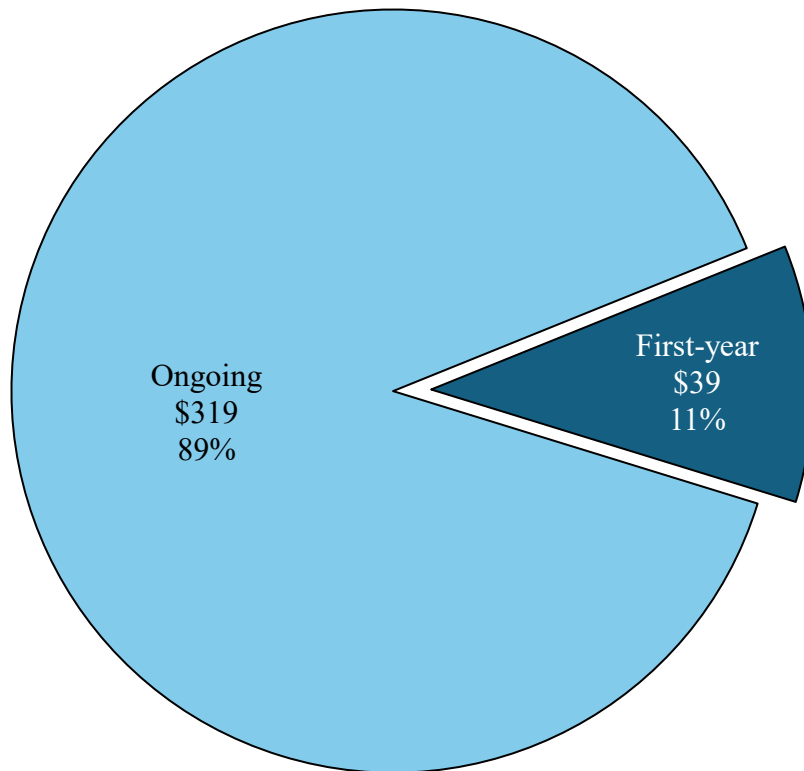
Note: Numbers may not sum to total due to rounding.

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

First-year Construction and Design Funding

Statute requires the CTP to include tables listing projects receiving first-year funding for design or construction either in the budget year or the current year (if the funding was not shown in the budget year in the prior year CTP). As shown in **Exhibit 14**, \$39 million, or 11% of MPA’s fiscal 2027 capital funding of \$357.5 million, is first-year funding. The MPA capital projects receiving first-year funding in fiscal 2026 and 2027 are shown in **Exhibit 15**.

Exhibit 14
First-year and Ongoing Programmed Spending – All Funds
Fiscal 2026
(\$ in Millions)



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

Exhibit 15
Projects Receiving First-year Construction and Design Funding
Fiscal 2026-2027
(\$ in Thousands)

	<u>2026</u>	<u>2027</u>	<u>2026-2027</u>
Construction			
Clean Ports Program: Zero Emission Deployment	\$613	\$1,526	\$2,139
Implement Enhanced Cybersecurity Resilience for Critical Services	363	290	653
Tree Planting – Atlantic Conservation Coalition Grant	250	250	500
North Locust Point Marine Terminal Pier 10 Repairs	500	0	500
Cox Creek Dredged Materials Containment Facility Expansion Construction	0	117	117
Deployment of CCTV Field Distribution Box Protection Mechanisms – Phase 1	50	0	50
Subtotal Construction	\$1,776	\$2,183	\$3,959
Design			
Clean Ports Program: Zero Emission Deployment	\$41,112	\$35,973	\$77,085
Upgrades to the Howard Street Tunnel	2,198	92	2,290
Clean Ports Program: Air Quality Improvements and Engagement	1,080	621	1,701
Subtotal Design	\$44,390	\$36,686	\$81,076
Total	\$46,166	\$38,869	\$85,035

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

Significant Changes from the Previous CTP

There were no projects added to or removed from the construction or development and evaluation program for MPA.

Issues

1. Clean Ports Program and Other MPA Federal Grant Funding

The federal Inflation Reduction Act authorized a total of \$3 billion in grants through the U.S. Environmental Protection Agency (EPA) for the Clean Ports Program to fund zero-emission port equipment and infrastructure as well as climate and air quality planning at U.S. ports. Key goals of the grant program include building a foundation for the U.S. port sector to eventually transition to fully zero-emission operations, reduce diesel pollution in communities near ports, and ensure community engagement and emissions reduction planning are port industry standard practice.

Committee narrative in the 2025 JCR requested that MPA prepare a report on the federal grant funding that it was awarded under the Clean Ports Program. Through awards made in December 2024 and January 2025, MPA was awarded approximately \$147 million under the program for zero-emission technology deployment and air quality improvement strategy and comprehensive community engagement plan development. Private-sector partners of MPA who are subrecipients of grant funding have committed an additional \$36 million to the projects planned to be supported through the federal grant, resulting in over \$182 million in total funding.

The Clean Ports Program consists of two main project components: Zero Emission Technology (deployment grant); and Air Quality Improvement Strategy and Comprehensive Community Engagement Plan Development (planning grant). Under the deployment grant, MPA plans to procure new zero-emission vehicles and equipment, including cargo handling cranes and trucks, to improve air quality surrounding the Port and adjacent communities. MPA is partnering with six private-sector subrecipients for these procurements. Under the planning grant, MPA will develop an updated and expanded emissions inventory, an alternative energy analysis with emissions reduction strategy plan, a workforce analysis, and a comprehensive community engagement plan.

Of the total federal grant funds awarded to MPA through the two components of the Clean Ports Program, as of December 2025, MPA had received approximately \$585,000 in disbursed federal funds, with ongoing reimbursement requests expected from MPA and its private-sector partners as procurements and project implementation continues. MPA anticipates that initial uses of federal grant funding will be to reimburse expenditures made by MPA and its private-sector partners for procurements of new forklifts received prior to the end of calendar 2025. Invoices for these procurements total approximately \$3 million to \$3.5 million. Additional equipment orders have been placed, with expected delivery occurring in spring 2026. Additionally, MPA has advertised the solicitation of a planned utility infrastructure upgrade, which is planned for construction beginning in calendar 2026 and will utilize additional federal grant funding.

Other Federal Grant Funding Awarded or Received by MPA

Since federal fiscal 2021, MPA has been awarded nine discretionary federal grants under the Infrastructure Investment and Jobs Act totaling \$210.6 million, including the two grants awarded through the Clean Ports Program. MPA has applications pending for an additional two grants. **Exhibit 16** lists the grant awards by program and purpose.

Exhibit 16
Discretionary Grants Pending and Awarded Under the IIJA
Federal Fiscal 2021-2025
(\$ in Millions)

<u>Program</u>	<u>Purpose</u>	<u>Amount</u>	<u>Year</u>
Pending			
Port Infrastructure Development Program	Upgrade Berths I and II of the Seagirt Marine Terminal to accommodate Ultra Large Container Vessels	\$25.00	2025
Federal Lands Access Program	Advance construction of a shared use path along Frankfurst Avenue in Baltimore City to provide pedestrian and bicycle access to the Masonville Cove Urban Wildlife Refuge Partnership and Environmental Education Center	3.80	2026
Total – Pending		\$28.80	
Awarded			
EPA Clean Ports Program	Equipment Electrification and Terminal Decarbonization Application Project	\$145.66	2024
Multimodal Project Discretionary Grant	Dundalk Marine Terminal Berth 11-13, Phase 1 Reconstruction Project	30.90	2024
Consolidated Rail Infrastructure and Safety Improvements	Build four new working rail tracks and two crane rail beams at Seagirt Marine Terminal	15.68	2021
Consolidated Rail Infrastructure and Safety Improvements	Replace three nonregulated emission diesel-electric switching locomotives with three new battery electric locomotives and one battery charger	11.58	2022
EPA Diesel Emissions Reduction Act Grant	Port of Baltimore – Reducing Emissions for a Sustainable Future Project	3.47	2023

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<u>Program</u>	<u>Purpose</u>	<u>Amount</u>	<u>Year</u>
EPA Clean Ports Program	Air Quality Improvement Strategy and Comprehensive Community Engagement Plan Development Project	1.97	2024
Reduction of Truck Emissions at Port Facilities	Replacement of a diesel-powered vehicle with a zero-emission vehicle and to research and promote development of more robust electric power take off units	0.64	2023
FEMA Port Security Grant Program	Implementation of Cybersecurity Resilience Enhancements for Critical Services	0.49	2024
FEMA Building Resilient Infrastructure and Communities	Conduct a vulnerability assessment and mapping for improving coastal resilience at Maryland Port Administration terminals and facilities	0.15	2021
Total – Awarded		\$210.55	

EPA: U.S. Environmental Protection Agency
 FEMA: Federal Emergency Management Agency
 IIA: Infrastructure Investment and Jobs Act

Source: Maryland Department of Transportation; Department of Legislative Services

Committee narrative in the 2025 JCR also requested quarterly reports on the status of all federal funds awarded to MPA, including any withdrawals of federal funds previously awarded and any impacts caused by these withdrawals. According to the most recent quarterly report submitted by MPA in January 2026, MPA currently has six grant agreements executed with federal agencies. Additionally, a seventh grant agreement is pending with the U.S Department of Transportation (USDOT) Maritime Administration (MARAD) for an Infrastructure for Rebuilding America (INFRA) grant award for the Dundalk Marine Terminal Berth 11-13, Phase 1 Reconstruction project. Of the six grant agreements currently in place, two are with EPA for the Clean Ports Program grants previously discussed. The remaining four grant agreements include the following:

- A \$125 million grant awarded under the INFRA program through USDOT Federal Railroad Administration in federal fiscal 2018 for the federal fund component of the Howard Street Tunnel project. MPA has received approximately \$85.0 million in federal reimbursements to date under this grant. Additional funding for this project includes \$229.1 million in State funds, \$120.2 million from CSX Transportation, and \$20.7 million from the Pennsylvania Department of Transportation for project components located within that state. Additional discussion of the Howard Street Tunnel project can be found in the Updates section of this analysis.

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- A \$10 million grant awarded under the Better Utilizing Investments to Leverage Development program through the USDOT MARAD in federal fiscal 2020 for the Dundalk Marine Terminal Resiliency and Flood Mitigation project. MPA has received approximately \$349,000 in federal reimbursements to date under this grant. This project will increase the capacity of the existing rain collection system to protect from flooding during extreme weather events and storm surge to reduce risks of related cargo loss and increase the efficiency of cargo movement at the terminal.
- A \$337,500 grant awarded under the Port Security Grant Program (PSGP) through the U.S. Department of Homeland Security Federal Emergency Management Agency (FEMA) in federal fiscal 2022 for the Application Software Cybersecurity Assessment and Remediation project. MPA has received all federal reimbursements awarded under this grant. This project develops and implements methods and processes on existing application software and future software development to ensure functionality is as intended while mitigating cybersecurity vulnerabilities.
- A \$489,600 grant awarded under the PSGP through FEMA in federal fiscal 2024 for the Implementation of Cybersecurity Resilience Enhancements for Critical Services project. MPA has received approximately \$37,000 in federal reimbursements to date under this grant. This cybersecurity project enables the analysis of interdependencies between operating and critical infrastructure and associated cybersecurity workflows to identify areas where gaps exist which hinder cybersecurity remediation.

MPA should update the committees on any significant changes to the amounts of federal reimbursements that it has received to date from these federal grants and if there have been any factors that have delayed the federal reimbursement process or the execution of a grant agreement for any federal grant that it has been awarded.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Howard Street Tunnel Quarterly Reporting: The committees are interested in monitoring the progress being made on the Howard Street Tunnel project as it nears completion and request that the Maryland Port Administration provide four quarterly reports on the status of the project, including percentage completion and any material changes to the project schedule or cost. The committees request that the first report be submitted by July 1, 2026, with subsequent reports submitted every three months thereafter.

Information Request	Author	Due Date
Status reports on the Howard Street Tunnel project	MPA	July 1, 2026 October 1, 2026 January 1, 2027 April 1, 2027

2. Adopt the following narrative:

Clean Ports Program and Other Federal Grants Update: The committees are interested in monitoring the status, receipt, and use of federal grant funding awarded to the Maryland Port Administration (MPA). The committees request that MPA submit two reports on the status of expenditures of and activities related to the two grants that it was awarded under the U.S. Environmental Protection Agency’s Clean Ports Program, in addition to any other federal grants awarded to MPA for which a grant agreement is in place with federal agencies as of the date of the reports. The reports should include the total amount of federal reimbursements received by MPA through these grants as of the date of each report. The first report should be submitted July 15, 2026, and the second report should be submitted December 1, 2026.

Information Request	Author	Due Date
Reports on Clean Ports Program and other federal grant awards	MPA	July 15, 2026 December 1, 2026

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Howard Street Tunnel Project Status

Committee narrative in the 2025 JCR requested quarterly status reports on the progress of the Howard Street Tunnel project. According to the January 2026 quarterly report, of the 10 total construction packages into which the project is divided, all 5 of the project packages located in Pennsylvania and Delaware are fully complete, and construction is over 90% complete at 3 of the 5 project packages located in Maryland. MPA projects that double-stack rail clearance will be achieved at all remaining locations in Maryland by mid-2026, and the project will be fully completed by early 2027.

In October 2024, CSX Transportation, who is managing the project as the owner of the rail line, achieved double-stack clearance at all locations in Pennsylvania and Delaware, along with bridges and tunnels north of Baltimore, allowing for the opening of a temporary northern double-stack route until the remainder of the project is completed. This temporary, longer route will run along the CSX network from the Port through Delaware, Pennsylvania, New Jersey, and New York into the Midwest and will operate until the remaining clearances in Maryland are achieved in calendar 2026. Once work is complete at all the Maryland sites, CSX's double-stack service will utilize the permanent and more efficient route through the Howard Street Tunnel to connect the Port with the Midwest.

On February 1, 2025, CSX fully closed the Howard Street Tunnel and several miles of adjacent track north of the tunnel to train traffic in order to facilitate 24-hour construction work to accelerate work within that area, which included clearance improvements to the Howard Street Tunnel itself and related track lowering. At that time, the Guilford Avenue Bridge was also removed, and clearance was achieved at that site. On September 26, 2025, CSX reopened the Howard Street Tunnel and the adjacent track north of the tunnel to single-stack train traffic. Single-stack train traffic will continue until double-stack clearance is achieved at the remaining bridges north of the Howard Street Tunnel. The two remaining bridges, the North Avenue and Harford Road Bridges, are anticipated to be cleared by mid-2026.

Appendix 1
2025 Joint Chairmen’s Report Responses from Agency

The 2025 JCR requested that MDOT – MPA prepare 12 reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Long-term Plan for Road Salt Import and Distribution Operations at the North Locust Point Terminal:*** Language added to MPA’s fiscal 2026 appropriation restricted funds pending the receipt of a report on MPA’s plans for facilitating the continued import and distribution of road salt at the Locust Point Marine Terminal in Baltimore City. MPA indicates that it recently conducted an engineering inspection survey on piers 4 and 5, where salt is imported, to determine necessary repairs for areas in poor condition. MPA is currently in communication with terminal tenants and assessing next steps and funding availability through the MPA capital program for conducting these repairs.
- ***Status Reports on the Howard Street Tunnel Project:*** Committee narrative in the 2025 JCR requested quarterly reports on the status of the Howard Street Tunnel project. MPA has submitted the July, October, and January reports. Further discussion of this data can be found in the Updates section of this analysis.
- ***Port Recovery Metrics Reports:*** Committee narrative in the 2025 JCR requested two reports providing updates on the progress that the Port is making in recovering from the temporary port closure in calendar 2024 caused by the collapse of the Key Bridge. Further discussion of this data can be found in the Performance Analysis section of this analysis.
- ***Quarterly Reports on Federal Funds:*** Committee narrative in the 2025 JCR requested quarterly reports on the status of federal funds awarded to MPA, including any withdrawals of federal funds previously awarded and any impacts caused by these withdrawals. Further discussion of this data can be found in the Issue 1 section of this analysis.
- ***Report on Clean Ports Program Awards:*** Committee narrative in the 2025 JCR requested a report on the status of expenditures of and activities related to two federal grants awarded to MPA through EPA’s Clean Ports Program. Further discussion of this data can be found in the Issue 1 section of this analysis.

Appendix 2
Budget Amendments for Fiscal 2026
Maryland Department of Transportation – Maryland Port Administration

Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Projected	\$21,300,258 40,741,038	SF	Adjusts special and federal fund appropriations to agree with anticipated expenditures for the current year as reflected in the Maryland Department of Transportation final fiscal 2026 through 2031 <i>Consolidated Transportation Program</i> .

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

<u>Object/Fund</u>	<u>FY25</u> <u>Actual</u>	<u>FY 26</u> <u>Work Approp.</u>	<u>FY 27</u> <u>Allowance</u>	<u>FY 26 – 27</u> <u>\$ Change</u>	<u>% Change</u>
Positions					
01 Regular	216.00	215.00	204.00	-11.00	-5.1%
02 Contractual	6.00	5.00	5.00	0.00	0.0%
Total Positions	222.00	220.00	209.00	-11.00	-5.0%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$32,386,472	\$31,101,804	\$30,767,078	-\$334,726	-1.1%
02 Technical and Special Fees	137,244	427,076	437,076	10,000	2.3%
03 Communications	138,400	200,353	200,353	0	0.0%
04 Travel	211,553	333,220	333,220	0	0.0%
06 Fuel and Utilities	5,010,450	4,493,219	4,905,184	411,965	9.2%
07 Motor Vehicle Operation and Maintenance	946,418	3,376,641	753,146	-2,623,495	-77.7%
08 Contractual Services	139,155,356	74,277,493	199,270,331	124,992,838	168.3%
09 Supplies and Materials	716,383	684,071	684,071	0	0.0%
10 Equipment – Replacement	421,274	434,814	434,814	0	0.0%
11 Equipment – Additional	587,708	105,351	105,351	0	0.0%
12 Grants, Subsidies, and Contributions	35,000	1,035,000	35,000	-1,000,000	-96.6%
13 Fixed Charges	1,551,604	1,600,400	1,649,094	48,694	3.0%
14 Land and Structures	137,516,680	368,489,671	157,996,571	-210,493,100	-57.1%
Total Objects	\$318,814,542	\$486,559,113	\$397,571,289	-\$88,987,824	-18.3%
Funds					
01 General Funds	\$3,998,349	\$1,000,000	\$0	-\$1,000,000	-100.0%
03 Special Funds	260,141,535	362,137,417	332,934,221	-29,203,196	-8.1%
05 Federal Funds	54,674,658	123,421,696	64,637,068	-58,784,628	-47.6%
Total Funds	\$318,814,542	\$486,559,113	\$397,571,289	-\$88,987,824	-18.3%

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

**Appendix 4
Fiscal Summary
Maryland Port Administration – Maryland Department of Transportation**

<u>Program/Unit</u>	FY25	FY 26	FY 27	FY 26 – 27	
	<u>Actual</u>	<u>Work Approp.</u>	<u>Allowance</u>	<u>\$ Change</u>	<u>% Change</u>
01 Port Operations	\$57,137,515	\$60,347,454	\$58,521,794	-\$1,825,660	-3.0%
02 Port Facilities and Capital Equipment	261,677,027	426,211,659	339,049,495	-87,162,164	-20.5%
Total Expenditures	\$318,814,542	\$486,559,113	\$397,571,289	-\$88,987,824	-18.3%
General Funds	\$3,998,349	\$1,000,000	\$0	-\$1,000,000	-100.0%
Special Funds	260,141,535	362,137,417	332,934,221	-29,203,196	-8.1%
Federal Funds	54,674,658	123,421,696	64,637,068	-58,784,628	-47.6%
Total Appropriations	\$318,814,542	\$486,559,113	\$397,571,289	-\$88,987,824	-18.3%

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