

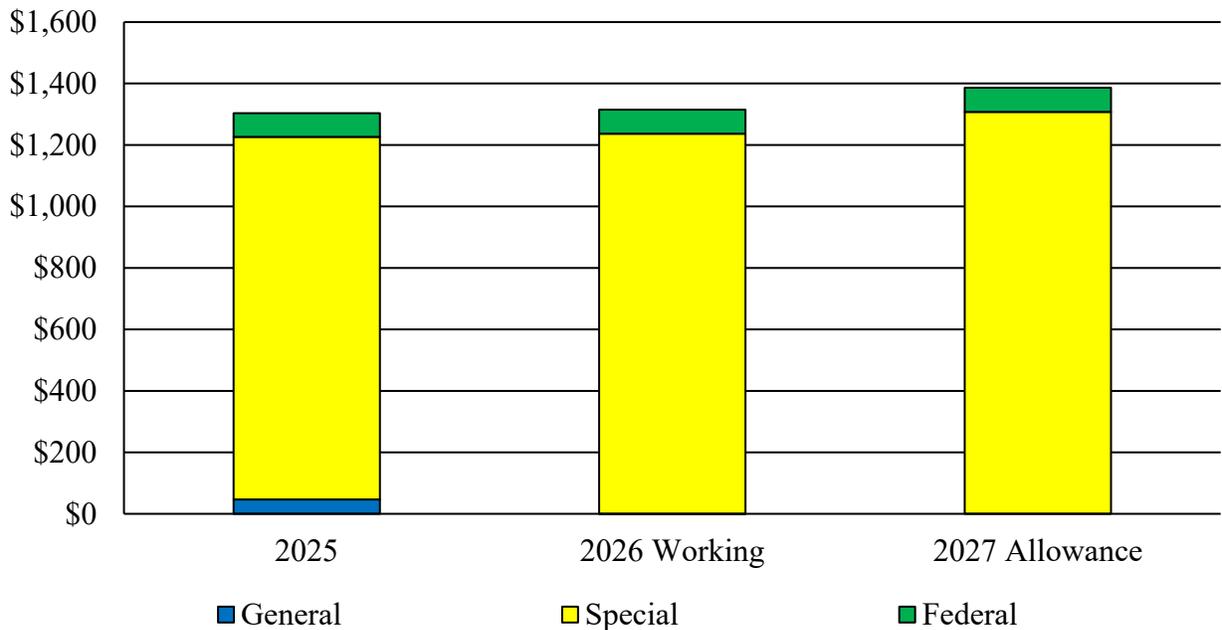
J00H01
Maryland Transit Administration
Maryland Department of Transportation

Executive Summary

The Maryland Transit Administration (MTA) is responsible for the construction, operation, and maintenance of the Baltimore metropolitan area transit system and commuter services in suburban areas of the State. Transit modes include the Baltimore Metro, light rail, bus (local and commuter), and commuter rail.

Operating Budget Summary

Fiscal 2027 Budget Increases \$71.1 Million, or 5.4%, to \$1.4 Billion
(\$ in Millions)

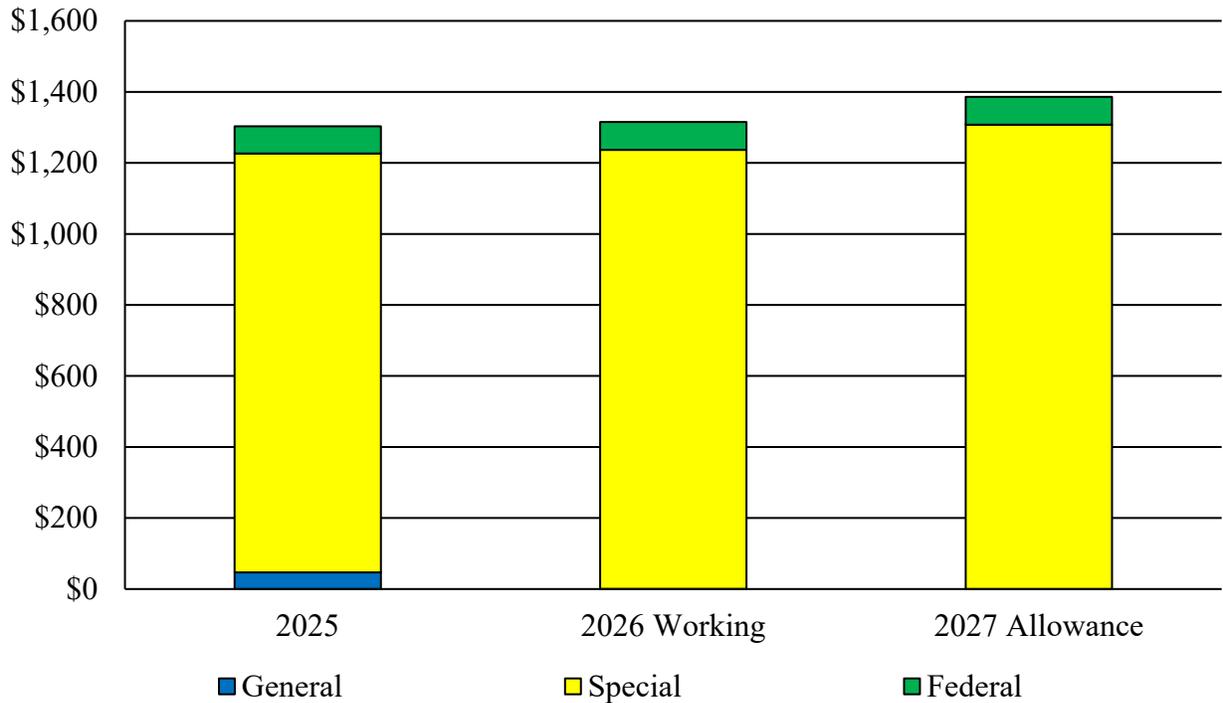


Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

- MTA operating increases are driven by two factors in the fiscal 2027 allowance. Personnel expenses increase by \$33.7 million due to a net increase of 104 positions. Service contracts for the provision of transit services increase by an additional \$28.9 million.

PAYGO Capital Budget Summary

**Fiscal 2027 Budget Increases \$125.9 Million, or 15.8%, to \$921.6 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.

- Approximately \$93.9 million of the increase in the fiscal 2027 pay-as-you-go (PAYGO) allowance is attributable to increases in construction funding for two projects, the Frederick Douglass Tunnel Project and the Light Rail Modernization Program.

Key Observations

- ***New Positions in MTA:*** The fiscal 2027 allowance includes a net increase of 104 positions. These position changes reflect the addition of 134 MTA police positions to allow for recruitment to begin in preparation for the opening of the Purple Line and the addition of 5 positions in the MTA apprenticeship program, which is partially offset by the transfer of 32 positions from MTA to the Maryland Department of Transportation (MDOT) Secretary's Office as part of an agencywide consolidation of information technology services.
- ***Status of Major Transportation Projects:*** Construction on the Purple Line is ongoing and is approximately 87% complete. An adjustment to the project schedule results in a roughly one month delay in the projected opening date, from December 2027 to January 2028. The federal permitting process for the Red Line was paused in June 2025, although preliminary design and engineering activities by MTA are ongoing. The Light Rail Modernization Program, which will include a major overhaul of the MTA light rail system, has begun preliminary procurements and construction activities.
- ***Workgroup on the Reorganization of MTA:*** The workgroup met during the 2025 interim and submitted a report to the General Assembly in December 2025, in which it recommended that two new boards should be created within MTA to govern Baltimore core services and commuter services, including MARC train and commuter bus services.
- ***MTA Capital Needs Inventory (CNI) Report:*** MTA submitted its 10-Year CNI and Prioritization report in July 2025, which is required to be updated every 3 years and describes the levels of capital investment that are needed over the 10-year period of 2026 through 2035, including investments necessary to reach and maintain a state of good repair. The report identifies a total of \$6.6 billion in state of good repair needs over the 10-year period, of which approximately \$5.1 to \$6.1 billion in funding is projected to be available.

Operating Budget Recommended Actions

	<u>Amount Change</u>
1. Delete funding for 5 new apprenticeship positions; the agency should reclassify existing vacant positions instead.	-\$280,819
2. Adopt committee narrative requesting bimonthly construction status reports for the Purple Line project.	
3. Adopt committee narrative requesting a report on the status, timeline, and funding needs of the Red Line project.	
Total Net Change to Fiscal 2027 Allowance	-\$280,819

PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

Updates

- The 2025 Central Maryland Regional Transit Plan (RTP) was released by MTA in November 2025. Developed in collaboration with the Baltimore Regional Transit Commission, the RTP outlines a 25-year plan to improve transportation in the central Maryland region and builds upon the initial version of the RTP that was released in 2020.
- MTA released the MARC Growth and Transformation Plan in June 2025, which outlines a long-term vision for the expansion of MARC service to new destinations beyond its current routes and through increased frequency of trains. MTA is currently in progress with the design and construction of several capital projects that will facilitate expanded or more frequent service on the MARC Brunswick and Penn lines.
- MTA experienced a cybersecurity incident in August 2025 that impacted some mobility/paratransit services and information systems, including real-time tracking information, for metro, light rail, and bus service. However, the majority of MTA core services were not substantially impacted and were able to continue to operate normally.

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Budget Analysis

Program Description

MDOT supports transit in Maryland through MTA. MTA consists of the following operating budget programs:

- **Transit Administration** provides executive direction and support services for MTA;
- **Bus Operations** manages bus services in Baltimore City and surrounding counties. These services include the operation of fixed route and paratransit lines and contracts with commuter bus and paratransit service providers;
- **Rail Operations** includes the Baltimore Metro heavy rail line and the Baltimore light rail line as well as the management of the MARC service operated on rail lines owned by Amtrak and CSX Transportation; and
- **Statewide Programs Operations** provides technical assistance and operating grants to local jurisdictions' transit services, including Montgomery County's "Ride-On," Prince George's County's "The Bus," and Baltimore City's "Charm City Circulator" services. Assistance is also provided to several short-line freight railroads to support the maintenance of State-owned rail lines.

MTA shares key goals identified by MDOT to advance its mission of being a customer driven leader that delivers safe, sustainable, intelligent, exceptional, and inclusive transportation solutions in order to connect customers to life's opportunities:

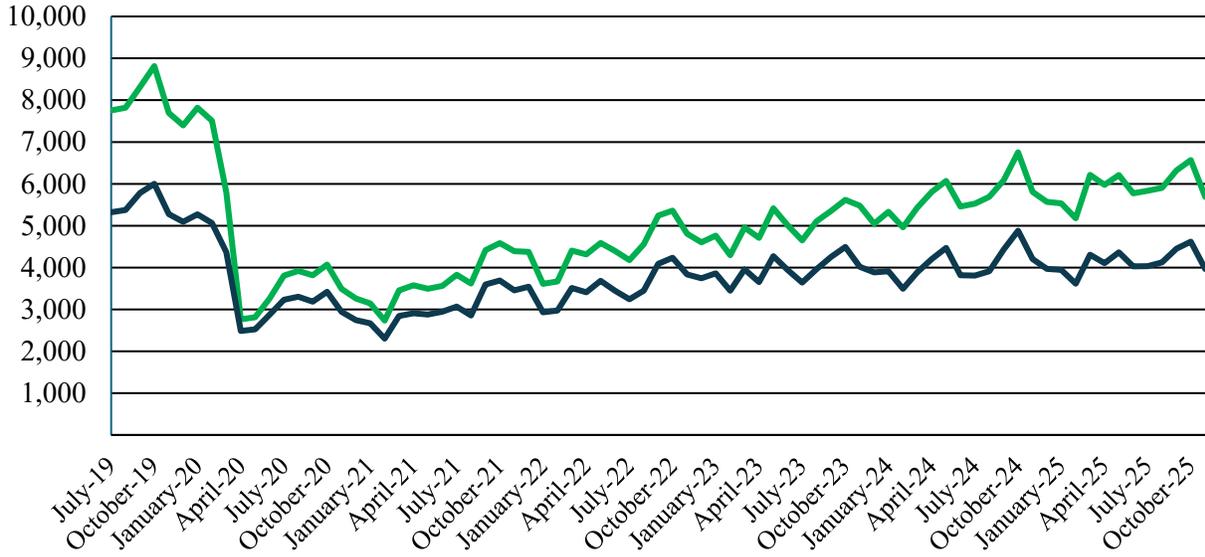
- enhance safety and security in order to protect the safety and security of all residents, workers, and visitors;
- deliver system quality through the delivery of a reliable, high-quality integrated transportation system;
- serve communities and support the economy through the expansion of transportation options to allow Maryland's diverse communities to access opportunities and to support the movement of goods; and
- promote environmental stewardship by minimizing and mitigating the environmental effects of transportation.

Performance Analysis: Managing for Results

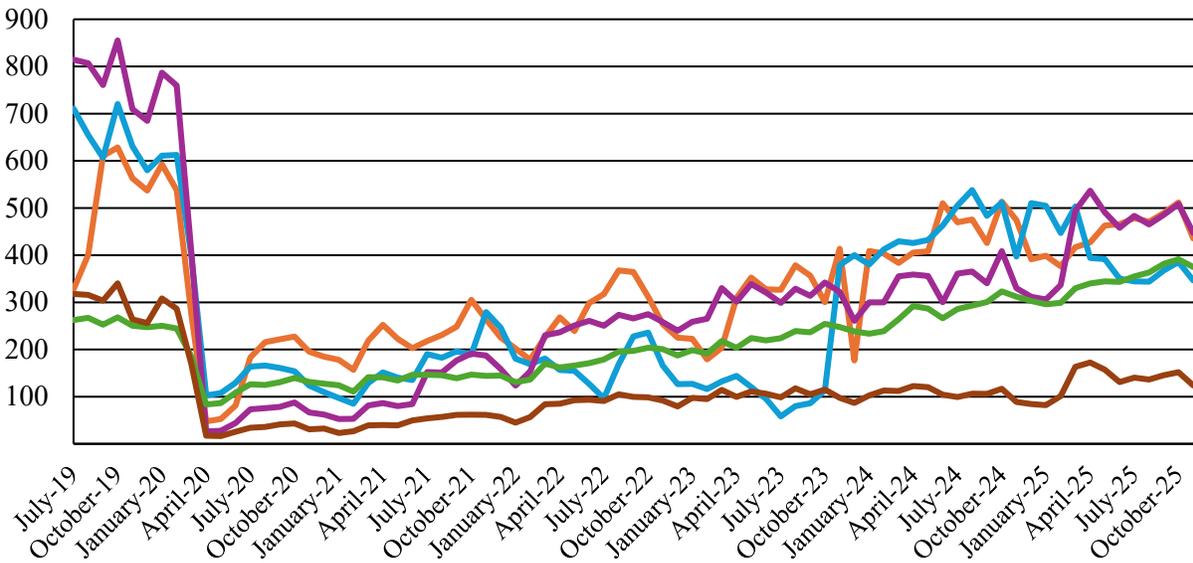
1. MTA Ridership Improves

MTA has a goal to encourage transit ridership. For all modes of MTA service, there were 70.3 million boardings in fiscal 2025, representing a 9% increase from the prior year. However, total MTA boardings in fiscal 2025 were only 75% of total boardings in fiscal 2019, the year before the COVID-19 pandemic began, when there were over 94 million boardings. **Exhibit 1** shows total ridership by MTA mode from July 2019 through November 2025. Ridership recovery has been uneven among the different modes because some modes, such as core bus and mobility, serve individuals' everyday transportation needs, while others mostly serve commuters, whose needs now differ with increased telework flexibility that has been in place since the pandemic.

Exhibit 1
Monthly Ridership
Fiscal 2019-2026 (Through November 2025)
(In Thousands)



— Maryland Transit Administration Total — Core Bus



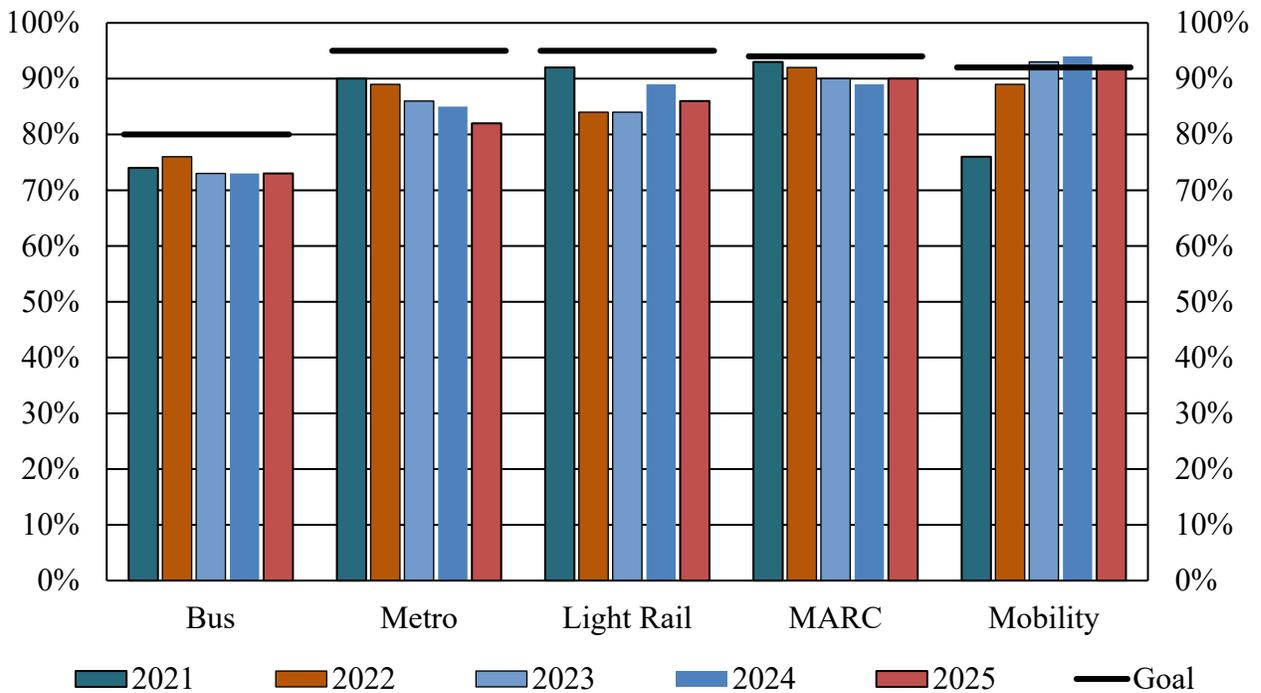
— Light Rail — Metro — MARC — Mobility — Commuter Bus

Source: Federal Transit Administration; Maryland Transit Administration; Department of Legislative Services

2. MTA On-time Performance Data

As part of its goal to enhance the customer experience, MTA strives to provide high on-time performance with goals of 80% on-time performance for core bus services, 95% for metro and light rail service, 94% for MARC service, and 92% for mobility services. Each mode also has a different threshold that is considered on-time, generally within 10 minutes of the scheduled time. Mobility paratransit service, which is on demand, is considered on-time if the ride arrives within 30 minutes of the scheduled pickup time. **Exhibit 2** shows the percentage of on-time service by mode for fiscal 2021 through 2025. Only MARC service and commuter bus saw increased or equal on-time performance in fiscal 2025, and only paratransit service achieved MTA’s goal for on-time performance. Paratransit service has maintained its improved performance for the fourth year in a row following significant service issues in fiscal 2021. Bus service had the lowest on-time performance in fiscal 2025, with only 73% of service being provided on-time.

Exhibit 2
On-time Performance
Fiscal 2021-2025

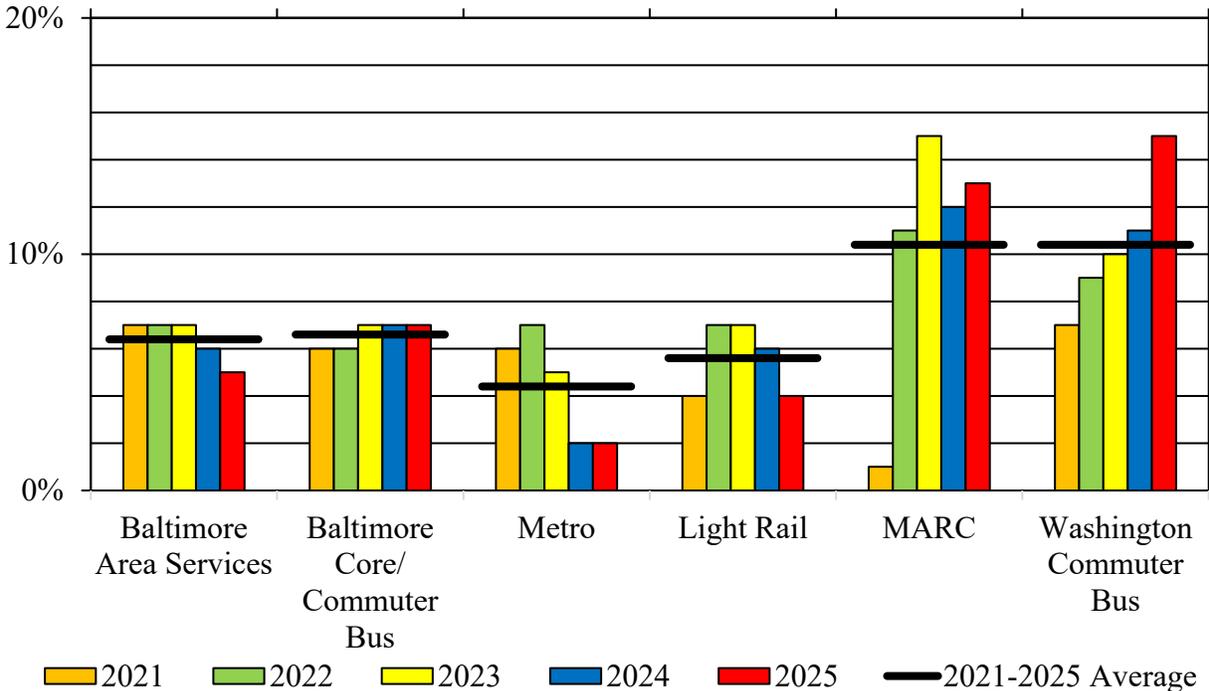


Source: Maryland Transit Administration; Department of Budget and Management

3. MTA Farebox Recovery Data

Farebox recovery illustrates the percentage of operating costs for a particular transit mode that is recovered through passenger fares. The number of paying passengers and the operating costs per revenue mile are both important factors in calculating this performance measure. Although there is no longer a farebox recovery goal set in statute, one of MTA’s objectives is to optimize farebox recovery for the Baltimore area core services and MARC service. **Exhibit 3** compares farebox recovery rates by mode of transit and for the Baltimore-area services as a whole for fiscal 2021 through 2025 to the average rates for the five-year period ending with fiscal 2025. The farebox recovery rates fell dramatically in fiscal 2021 compared to the prior year for most modes, reflecting decreased ridership due to the COVID-19 pandemic. While growth in transit ridership has increased since fiscal 2021 and led to improvement in the farebox recovery for some modes, escalating operating costs have outpaced ridership growth in other modes causing farebox recovery to decrease.

Exhibit 3
Farebox Recovery
Fiscal 2021-2025

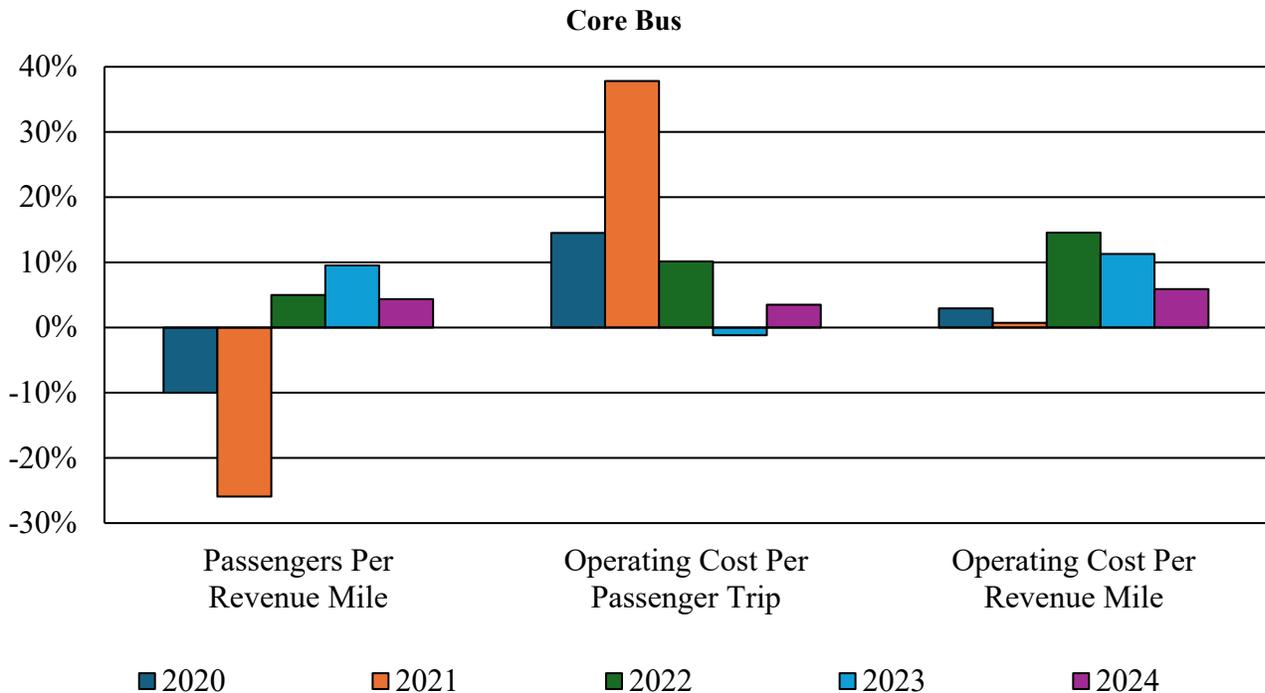


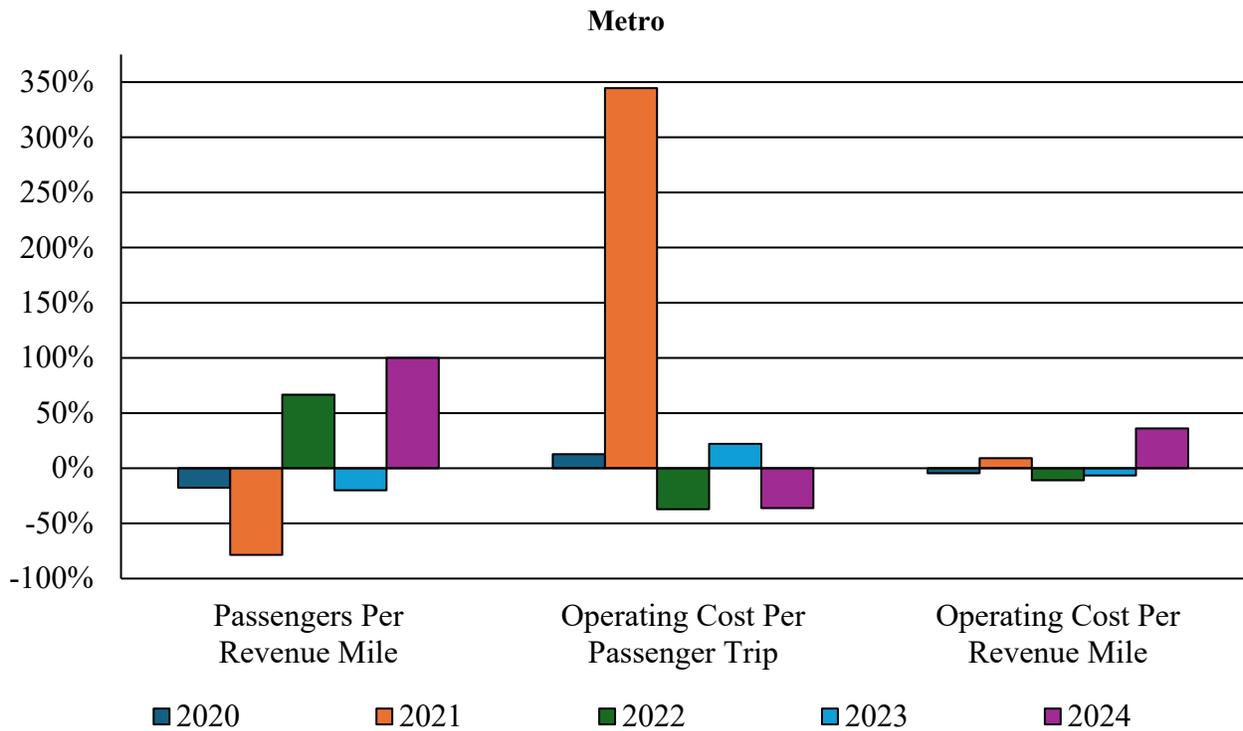
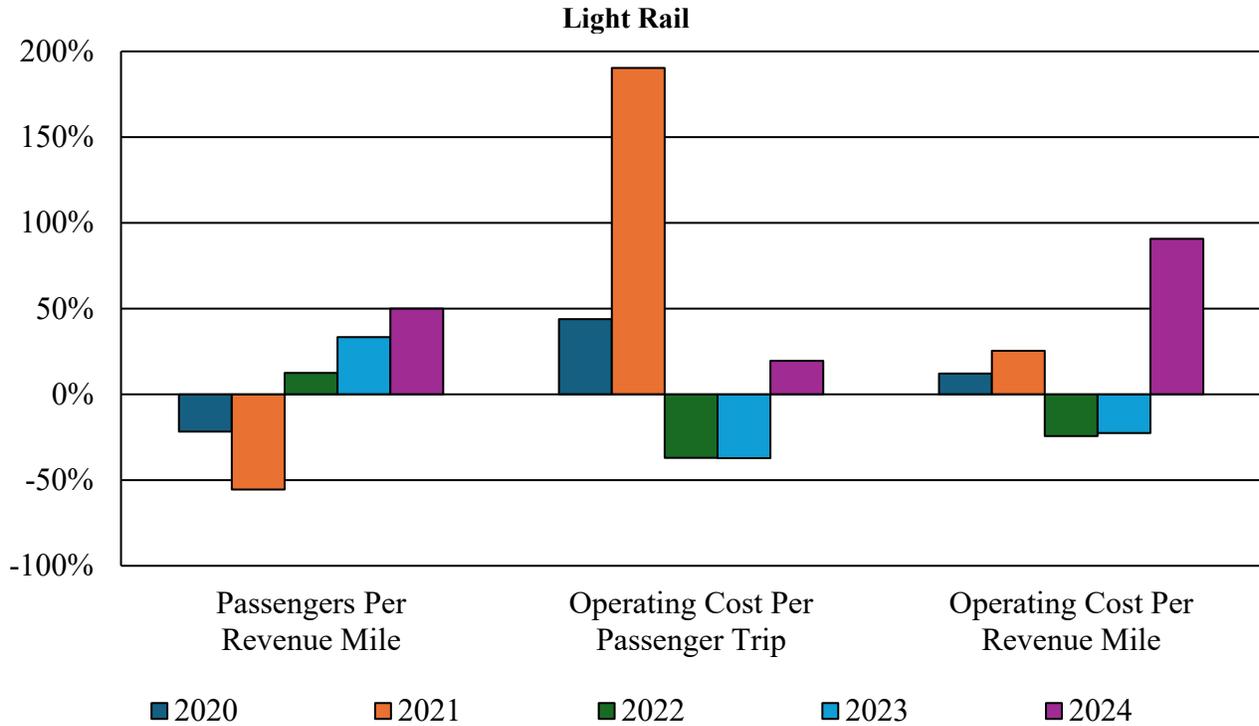
Source: Maryland Transit Administration; Department of Budget and Management

4. Transit Performance Measures

Section 7-208 of the Transportation Article requires MTA to annually report performance measures by mode for passenger trips per vehicle revenue mile, operating expenses per passenger trip, and operating expenses per vehicle revenue mile. As a recipient of federal transit funding, MTA is also required to report this and other performance data to the Federal Transit Administration (FTA). **Exhibit 4** shows the percentage change from the prior year for these performance measures for core bus, light rail, and metro services for fiscal 2020 through 2024, the most recent year for which data is available. The operating cost per passenger trip increased dramatically in fiscal 2021 for each mode due to the significant decrease in ridership during the COVID-19 pandemic, coupled with little change in operating expenses as the frequency of service was not reduced. Similarly, negative amounts for this measure for Light Rail in fiscal 2022 and 2023 and Metro in fiscal 2022 and 2024 demonstrate decreased costs per passenger trip due to increased ridership, reduced operating costs, or a combination thereof. Passengers per revenue mile decreased for all modes in fiscal 2020 and 2021 but generally increased in fiscal 2022 through 2024 due to increased ridership in those years. Operating costs per revenue mile increased for all modes in fiscal 2024.

Exhibit 4
Transit Performance Measures
Fiscal 2020-2024





Source: Federal Transit Administration; Department of Legislative Services

5. MTA Performance Compared to Peer Systems

MTA is required by statute to submit an annual report that compares itself to other similar transit systems nationwide. **Exhibit 5** shows this comparison for local bus systems for operating expenses per vehicle revenue mile, operating expenses per passenger trip, and passenger trips per vehicle revenue mile based on fiscal 2024 data, the most recent year for which data is available. MTA’s performance compares favorably to the group average in two measures. In passenger trips per revenue vehicle mile, which represents rider density, MTA was ranked third out of the group, and in operating expenses per passenger trip, which demonstrates an ability to keep cost per rider low, MTA was ranked fifth out of the group. MTA was slightly higher than average for operating expenses per vehicle revenue mile.

Exhibit 5
Local Bus System Compared to Peer Systems
Fiscal 2024

	Operating Expenses Per Vehicle Revenue Mile	Operating Expenses Per Passenger Trip	Passenger Trips Per Vehicle Revenue Mile
Baltimore	\$22.44	\$9.44	2.4
Average	21.22	10.29	2.4
Atlanta	12.93	9.28	1.4
Dallas	14.73	12.91	1.1
Houston	14.00	9.36	1.5
New York	41.77	5.36	7.8
Pittsburgh	20.55	11.48	1.8
San Jose	20.57	14.26	1.4
Seattle	24.49	10.72	2.3
Salt Lake City	13.43	11.11	1.2
Washington, DC	27.27	8.95	3.0

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

Source: Federal Transit Administration; Department of Legislative Services

Fiscal 2026

Status of Legislative Additions

Language in Section 21 of the fiscal 2026 Budget Bill added \$100,000 in general funds for the purpose of providing \$50,000 grants to the Maryland Senior Rides Program within the Transportation Association of Maryland, which provides transport services for low- and moderate-income seniors throughout the State, and the Neighbor Rides program, which provides door-to-door transportation services for seniors in Howard County.

MTA should provide an update on the status of grant agreements and distribution of funds to these grantees.

Proposed Deficiency

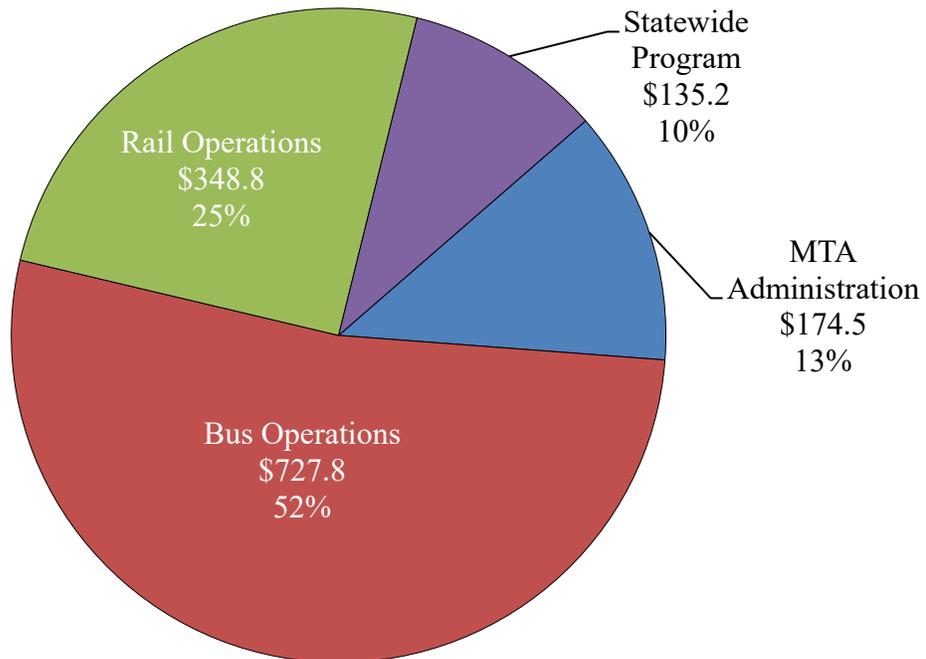
The fiscal 2027 Budget Bill contains two proposed deficiency appropriations for MTA which provide a net increase of \$7.5 million in special funds. These include:

- a reduction of \$4.7 million to the appropriation to reflect a delay in debt service payments for MTA's fare collection project, which is planned to be funded through the issuance of a certificate of participation; and
- an increase of \$12.2 million due to increased demand for paratransit services and to restore commuter bus service levels to meet current ridership demands and ensure service reliability.

Fiscal 2027 Overview of Agency Spending

Exhibit 6 shows the share of the fiscal 2027 operating budget for each of the units within MTA. Bus operations account for slightly over half, and rail operations account for slightly over a quarter of operating spending in fiscal 2027.

Exhibit 6
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Millions)



MTA: Maryland Transit Administration

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 allowance increases by \$71.1 million, or 5.4%, compared to the fiscal 2026 working appropriation. Personnel costs increase by \$33.7 million due to salary adjustments and a net increase of 104 new positions. New positions are discussed in more detail in the Personnel section of this analysis. Transit service contracts, including contracts for paratransit, commuter bus, and MARC train service, increase by a total of \$28.9 million and are the largest area of operating expense increase. These contract changes reflect inflation related increases for all three services and projected ridership growth for paratransit and commuter bus service.

Exhibit 7
Proposed Budget
MDOT – Maryland Transit Administration
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Total</u>
Fiscal 2025 Actual	\$46,900	\$1,179,631	\$76,814	\$1,303,346
Fiscal 2026 Working	100	1,236,666	78,322	1,315,088
Fiscal 2027 Allowance	0	1,307,409	78,793	1,386,202
Fiscal 2026-2027 \$ Change	-\$100	\$70,743	\$471	\$71,114
Fiscal 2026-2027 % Change	-100.0%	5.7%	0.6%	5.4%
Where It Goes:				<u>Change</u>
Personnel Expenses				
Salary and associated fringe benefits, including a net increase of 104 positions				\$17,309
Employee and retiree health insurance				7,175
Overtime earnings				5,000
Workers' compensation premium assessment				3,581
Turnover adjustments due to decreased turnover rate from 4.03% to 3.57%				656
Transit Service Contracts				
Mobility paratransit service contracts, including taxi call-a-ride, increase partially overstated due to deficiency appropriation which related to multiple contracts				33,825
MARC track access contract – Amtrak				2,662
Commuter bus service contracts, increase partially overstated due to deficiency appropriation which related to multiple contracts				2,600
MARC third party operator contracts				1,938
Deficiency appropriation for mobility/paratransit and commuter bus service contracts				-12,155
Operating Expenses				
Bus and other equipment repairs and maintenance				2,700
Motor vehicle maintenance and insurance costs				2,549
Grounds maintenance services contracts				1,750
Security services contracts				1,191
Janitorial services contracts				1,039
Rent for MTA leases				500
Cellular telephone services and equipment				140
Education and training contracts				70

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Where It Goes:	<u>Change</u>
Natural gas, propane, and electricity costs budgeted at fiscal 2025 actual expenses.....	-983
Energy Performance Contract conclusion of loan repayment in fiscal 2026.	-1,286
Technical Adjustments	
LOTS grants for elderly and handicapped transportation services due to increase required to account for inflation	122
Cost allocations.....	419
One-time fiscal 2026 grants for transportation services for seniors	-100
Other	412
Total	\$71,114

MDOT: Maryland Department of Transportation
 MTA: Maryland Transit Administration
 LOTS: locally operated transit system

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.

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	3,380.50	3,465.50	3,565.50	100.00
Regular PAYGO Budget	<u>104.00</u>	<u>108.00</u>	<u>112.00</u>	<u>4.00</u>
Total Regular Positions	3,484.50	3,573.50	3,677.50	104.00
Operating Budget FTEs	15.00	15.00	15.00	0.00
PAYGO Budget FTEs	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total FTEs	16.00	16.00	16.00	0.00
Total Personnel				

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding			
New Positions		134.04	3.76%
Positions and Percentage Vacant		319.00	9.2%
Vacancies Above Turnover		184.96	

- In October 2025, the Board of Public Works (BPW) 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 MTA, 6 positions were abolished, of which 3 were vacant and 3 were due to the VSP.
- The fiscal 2027 allowance reflects a net increase of 104 positions in MTA, of which operating program positions increase by 100 and capital program positions increase by 4. The net increase reflects the addition of 139 new positions, partially offset by the abolition or transfer of 35 positions. Of the abolished and transferred positions, 32 positions are transferred to the MDOT Secretary’s Office as part of an agencywide consolidation of information technology positions.
- Of the new positions, 134 are MTA police positions created to allow recruitment and training of officers to begin in preparation for the opening of the Purple Line. An additional 5 new positions are part of the MTA apprenticeship program. **The Department of Legislative Services (DLS) recommends deleting funding for these 5 new positions, as MTA should instead reclassify existing vacant positions for this purpose.**

PAYGO Capital Program

Program Description

MTA’s capital program provides funds to support the design, construction, rehabilitation, and acquisition of facilities and equipment for bus, rail, and statewide programs. The program also provides State and federal grants to local jurisdictions and nonprofit organizations to support the purchase of transit vehicles and the construction of transit facilities.

Infrastructure Investment and Jobs Act and Inflation Reduction Act Funding

MTA receives federal formula funding for transit operations and capital projects from FTA as currently authorized by the Infrastructure Investment and Jobs Act. In addition to that guaranteed federal support, MTA has applied for various discretionary grants available through various programs for capital improvement, expansion, and safety projects across the State. As shown in **Exhibit 8**, MTA was awarded \$7.25 billion in discretionary grants between federal fiscal 2021 and 2025. MTA has also applied for an additional \$6.5 million in federal fiscal 2024 and 2025 but the decisions on those awards are still pending.

Exhibit 8
Federal Discretionary Grants
Federal Fiscal 2021-2025
(\$ in Thousands)

Project	<u>Amount</u>	<u>Federal Fiscal Year</u>
West Virginia – Western Maryland Passenger Rail Extension	\$2,500	2025
Regional Bus Network Asset Scan and Innovative Finance Analysis	1,000	2025
Anti-Terrorism Team Sustainment	386	2025
Safety Training Drills and Exercises	325	2025
Special Events and Surge Sweep Overtime	283	2025
Maryland Area Rail Infrastructure Accelerator	2,000	2024
Total Pending	\$6,494	
Charles County Bus Facility	\$10,000	2025
Expanding Rural Transit Options: Washington County Bus Facility Project	2,832	2025
Light Rail Vehicle Replacement Project	213,696	2024
Opportunities for Access and Connectivity at Reisterstown Plaza Station	4,691	2024
Preparing for the Purple Line: An Anti-Displacement Plan	1,650	2024
College Park MARC Station 30% Design and NEPA Project	1,395	2024
Kensington MARC Station Overpass Feasibility Study	150	2023-2024
Baltimore and Potomac Tunnel Replacement Program: Frederick Douglass Tunnel	4,707,572	2023
Susquehanna River Bridge Replacement Program	2,081,215	2023
Baltimore Penn Station Master Plan	108,320	2023
Gunpowder River Bridge Replacement Program	30,000	2023
Mondawmin Transit Hub	20,000	2023
Bush River Bridge Replacement Program	18,800	2023
Cloud-Based Transit Signal Priority	1,276	2023
West Baltimore MARC Red Line Station TOD Implementation Plan	550	2023
Penn Camden Connector	8,800	2022
Martin State Airport Station Project for ADA	7,110	2022
Building Baltimore Penn Station Connections	6,000	2022
Anne Arundel County Bus Electrification Project	1,890	2022
Warner Street Highway-Rail Grade Crossing Project	1,534	2022
East-West Corridor Priority Corridor Project	22,000	2021
Metro Tunnel Pumping/Dewatering Study and 30% Design	675	2021
The Rebuilding Better: A Short-Range Transportation Plan	300	2021
Total Awarded	\$7,250,456	

ADA: Americans With Disabilities Act

TOD: Transit Oriented Development

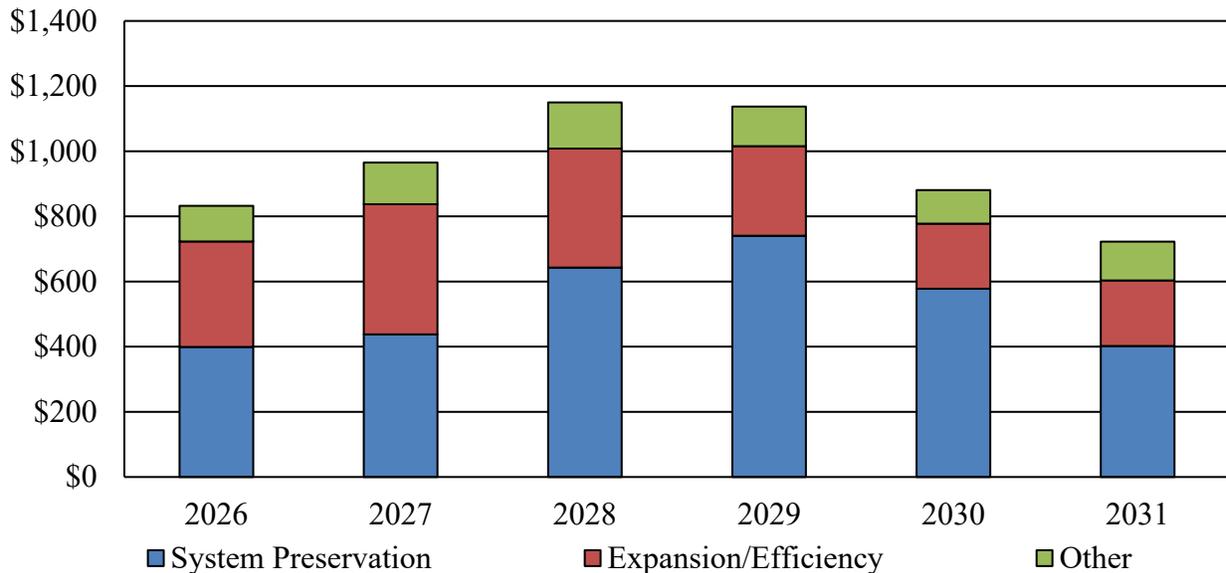
NEPA: National Environmental Policy Act

Source: Maryland Department of Transportation

Fiscal 2026 to 2031 Consolidated Transportation Program

The fiscal 2026 to 2031 capital program for MTA totals \$5.7 billion, a decrease of \$16.8 million compared to the previous year’s *Consolidated Transportation Program (CTP)*. **Exhibit 9** shows funding by investment category for each year of the program. Over the six-year period, system preservation accounts for 57% of spending, and expansion/efficiency accounts for 32%. The “other” category includes projects addressing safety and security, the environment, nonpublic facilities for MTA, capital salaries and wages, and funding provided to local governments.

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



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

Fiscal 2027 Capital Allowance

MTA’s programmed capital spending in fiscal 2027, including other funds that do not flow through the Transportation Trust Fund (TTF) and MTA’s budget, totals \$965.5 million, an increase of \$133 million compared to total capital spending programmed for fiscal 2026. **Exhibit 10** lists the programmed fiscal 2027 spending for projects and programs along with estimated total project costs and total six-year funding included in the CTP.

Exhibit 10
MTA Capital Program
Fiscal 2027
(\$ in Millions)

<u>Project/Program Title</u>	<u>2027</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Projects			
Purple Line	\$240.6	\$3,574.6	\$666.1
D&E: Red Line	78.9	224.4	131.2
Light Rail Modernization Program	54.0	1,425.5	963.6
Metro Railcar and Signal System Overhauls and Replacement	51.0	553.8	168.9
Frederick Douglass Tunnel	50.4	453.5	252.0
MARC Maintenance, Layover & Storage Facilities	29.8	144.6	76.4
MARC Improvements on Penn Line	29.0	474.6	210.4
Metro Interlocking Renewals	24.5	94.9	46.1
Light Rail Systems Overhauls and Replacement	20.4	183.1	124.3
MARC Locomotives – Overhauls and Replacements	19.8	256.1	188.6
Fare Collection System and Equipment Replacement	19.1	102.3	59.0
East-West Bus Priority Corridor (RAISE)	16.0	57.8	48.8
Metro and Light Rail Maintenance of Way	13.7	206.5	79.6
MARC Improvements on Camden and Brunswick Lines	8.5	189.3	54.1
Metro Systems Overhauls and Replacements	8.2	36.1	28.7
Light Rail Trackwork Overhauls and Replacement	7.9	53.1	42.6
Homeland Security	6.4	16.3	7.4
D&E: MARC Penn-Camden Connector	5.8	15.5	11.2
Susquehanna River Bridge Replacement	5.4	27.1	27.0
Metro Station Rehabilitation Program	5.3	28.3	23.7
MARC Coaches – Overhauls and Replacement	4.3	230.9	102.1
Bus Facilities Preservation and Improvements	3.8	36.9	23.5
Agencywide Radio and Telecommunications Upgrade	3.3	22.9	8.1
Fast Forward	3.1	24.1	9.5
Metro Tunnel Repairs and Improvements	2.7	83.0	56.4
MARC Positive Train Control	1.9	43.1	8.2
Metro Mondawmin Transit Hub	1.4	34.0	33.7
D&E: MARC BWI 4th Track	1.0	14.4	14.4
Penn Station Investments	0.9	15.0	13.9
MARC BWI Station Upgrades and Repairs	0.9	10.9	1.5
D&E: Agency Customer Experience Technology Initiatives	0.9	9.2	4.4
D&E: Southern Maryland Rapid Transit	0.7	35.0	17.1
MARC Odenton Station Renovation	0.6	2.6	2.2

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<u>Project/Program Title</u>	<u>2027</u>	<u>Total Cost</u>	<u>Six-year Total</u>
D&E: Patapsco Ave Pedestrian/Bicycle Bridge	0.6	2.0	1.3
Zero Emission Bus Pilots	0.5	16.5	4.2
Light Rail Vehicle Overhaul	0.3	228.6	8.7
Metro Maintenance Facility Improvements	0.3	33.3	17.9
Bus Network Improvements	0.2	13.1	0.7
Zero Emission Bus Infrastructure and Program Management	0.1	14.7	1.0
<i>Subtotal – Projects</i>	<i>\$722.3</i>	<i>\$8,987.4</i>	<i>\$3,538.7</i>
Programs			
Alternative Fuel Bus Procurement	\$50.4	\$212.2	\$175.4
Minor Projects	47.6	0.0	386.5
Bus Procurement	45.9	663.9	238.4
Locally Operated Transit Systems Capital Procurement Projects	42.4	527.2	240.4
Capital Salaries and Wages	22.0	0.0	136.6
Prince George’s County Local Bus Program	10.7	51.3	37.5
Assistance to Private Non-profit Agencies for the Transportation of the Elderly and Persons with Disabilities	8.3	81.8	25.9
Agencywide Elevator and Escalator Rehabilitation	4.9	296.8	85.1
Enterprise Information Technology Capital Program	4.6	91.5	45.1
Montgomery County Local Bus Program	3.6	82.9	19.6
Mobility Vehicle Procurement	1.8	98.6	68.9
Freight Rail Program	0.8	42.0	11.5
D&E: LOTS Transit Development Plan	0.3	5.2	1.6
<i>Subtotal – Programs</i>	<i>\$243.2</i>	<i>n/a</i>	<i>\$1,472.4</i>
Total – Projects and Programs	\$965.5	\$8,987.4	\$5,011.1

BWI: Baltimore/Washington International Thurgood Marshall Airport

D&E: development and evaluation

LOTS: locally operated transit systems

RAISE: Rebuilding American Infrastructure with Sustainability and Equity

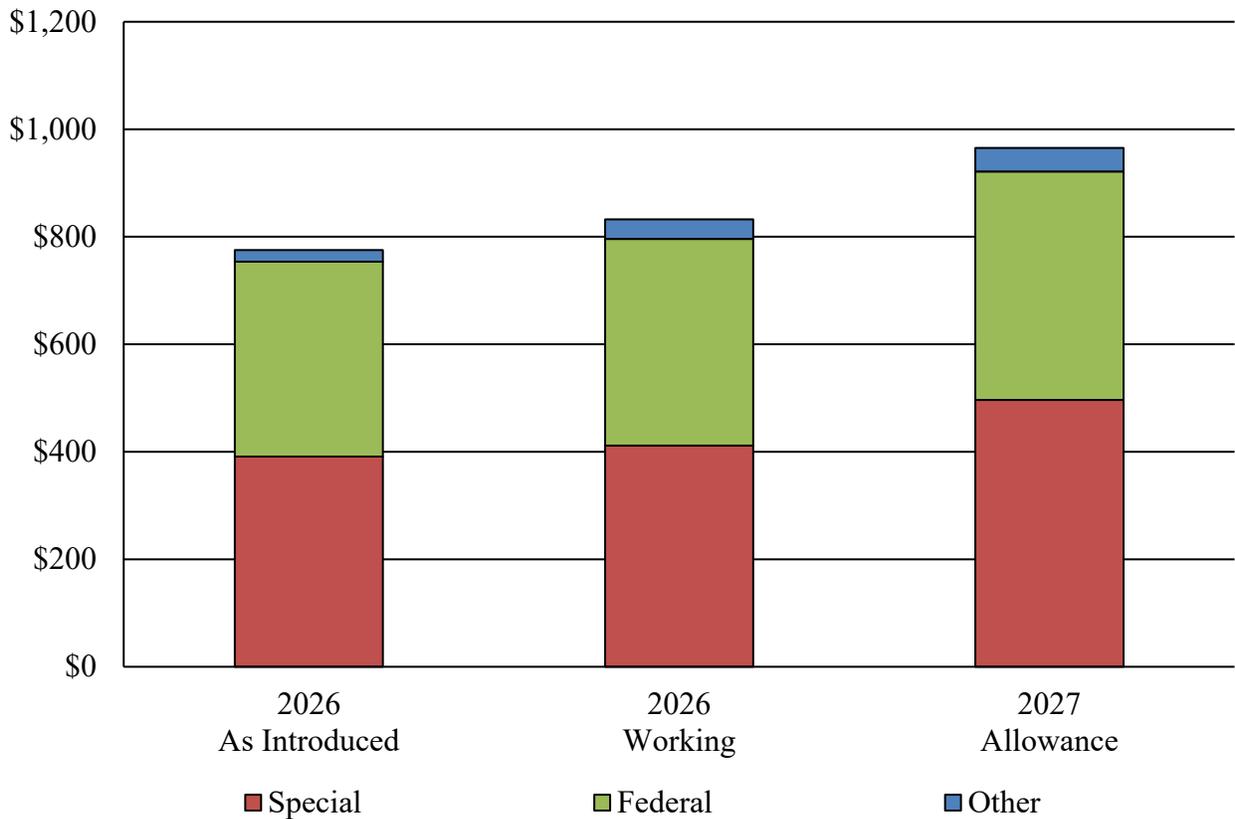
Note: Numbers may not sum to total due to rounding.

Source: Maryland Department of Transportation, *2026-2031 Consolidated Transportation Program*; Department of Legislative Services

Fiscal 2026 and 2027 Cash Flow Analysis

Exhibit 11 shows the changes in MTA funding, including other funds that do not flow through the TTF and MTA budget, between the fiscal 2026 budget as introduced and the working appropriation and between the working appropriation and the fiscal 2027 allowance. From the fiscal 2026 budget as introduced to the fiscal 2026 working appropriation, there is an increase of \$57.3 million, including an increase of \$21.8 million in federal funds, \$20.4 million in special funds, and \$15 million in other funds. Compared to the fiscal 2026 working appropriation, the fiscal 2027 allowance increases by \$133 million, including increases of \$84.9 million in special funds, \$40.5 million in federal funds, and \$7.5 million in other funds.

Exhibit 11
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 Changes – Fiscal 2026 as Introduced Compared to Working Appropriation

As shown in **Exhibit 12**, the fiscal 2026 working appropriation is \$57.3 million greater than the fiscal 2026 budget as introduced during the 2025 session. Due to the complexity of major projects, cash flow changes occur for various reasons, including procurement schedules, weather conditions, environmental permitting, or other logistical considerations.

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

<u>Project Title</u>	<u>Change</u>	
Major Projects		\$120.1
Alternative Fuel Bus Procurement	\$90.6	
Purple Line	48.1	
Locally Operated Transit Systems Capital Procurement Projects	25.5	
Fare Collection System and Equipment Replacement	17.0	
MARC Improvements on Camden and Brunswick Lines	7.6	
Prince George’s County Local Bus Program	5.7	
Enterprise Information Technology Capital Program	5.0	
MARC Improvements on Penn Line	3.4	
Assistance to Private Non-profit Agencies for the Transportation of the Elderly and Persons with Disabilities	3.0	
Agencywide Radio and Telecommunications Upgrade	2.4	
Freight Rail Program	2.4	
Metro Tunnel Repairs and Improvements	2.3	
Metro and Light Rail Maintenance of Way	1.8	
Metro Railcar and Signal System Overhauls and Replacement	1.8	
Beyond the Bus Stop	1.6	
MARC Coaches – Overhauls and Replacement	1.0	
Zero Emission Bus Pilots	0.8	
Homeland Security	0.8	
Metro Station Rehabilitation Program	0.6	
Metro Maintenance Facility Improvements	0.5	
East-West Bus Priority Corridor (RAISE)	0.5	
Metro Systems Overhauls and Replacements	0.3	
Zero Emission Eastern Bus Facility Redevelopment	0.3	
Zero Emission Bus Infrastructure and Program Management	0.3	
Metro Interlocking Renewals	0.3	
Metro Mondawmin Transit Hub	0.2	
Frederick Douglass Tunnel	0.2	
MARC Positive Train Control	0.1	
Penn Station Investments	0.1	

J00H01 – MDOT – Maryland Transit Administration

<u>Project Title</u>	<u>Change</u>	
Light Rail Trackwork Overhauls and Replacement	0.1	
Mobility Vehicle Procurement	0.0	
Susquehanna River Bridge Replacement	0.0	
Bus Network Improvements	-0.2	
Montgomery County Local Bus Program	-0.4	
MARC Odenton Station Renovation	-0.5	
Transit Innovation Grant	-0.5	
Howard Street Rail Replacement	-0.5	
MARC BWI Station Upgrades and Repairs	-0.8	
Bus Facilities Preservation and Improvements	-0.9	
Light Rail Systems Overhauls and Replacement	-1.0	
MARC Maintenance, Layover & Storage Facilities	-1.1	
Agencywide Elevator and Escalator Rehabilitation	-1.7	
Purple Line – Third-Party Funded Projects	-2.2	
Light Rail Vehicle Overhaul	-2.3	
Fast Forward	-2.6	
Light Rail Modernization Program	-3.0	
MARC Locomotives – Overhauls and Replacements	-6.3	
Zero Emission Bus Procurement	-28.2	
Hybrid Bus Procurement	-52.2	
Development and Evaluation Projects		-\$7.7
D&E: Southern Maryland Rapid Transit	4.4	
D&E: Patapsco Ave Pedestrian/Bicycle Bridge	0.4	
D&E: MARC Stations and Service Studies	0.3	
D&E: LOTS Transit Development Plan	0.1	
D&E: 5th Division Bus	0.1	
D&E: Regional Transit Plan Corridor Studies	0.0	
D&E: I-495/I-270 Corridor Transit Investments Program	-0.1	
D&E: Agency Customer Experience Technology Initiatives	-0.4	
D&E: MARC Penn-Camden Connector	-1.1	
D&E: MARC BWI 4th Track	-4.1	
D&E: Red Line	-7.4	
Minor Projects		-\$56.7
Capital Salaries and Wages		\$1.6
Total Change		\$57.3

BWI: Baltimore/Washington International Thurgood Marshall Airport
D&E: development and evaluation
LOTS: locally operated transit systems
RAISE: Rebuilding American Infrastructure with Sustainability and Equity

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 Changes – Fiscal 2026 to Fiscal 2027

As shown in **Exhibit 13**, fiscal 2027 capital funding, including other funds, increases by \$133.0 million from the current year working appropriation.

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

<u>Project Title</u>	<u>Change</u>
Major Projects	\$173.4
Frederick Douglass Tunnel	\$50.0
Bus Procurement	45.9
Light Rail Modernization Program	43.9
MARC Maintenance, Layover & Storage Facilities	27.7
Purple Line	23.7
Metro Interlocking Renewals	21.4
Light Rail Systems Overhauls and Replacement	16.9
MARC Locomotives – Overhauls and Replacements	16.1
East-West Bus Priority Corridor (RAISE)	13.9
Metro and Light Rail Maintenance of Way	10.7
Homeland Security	5.4
Metro Station Rehabilitation Program	4.6
Light Rail Trackwork Overhauls and Replacement	4.5
Metro Systems Overhauls and Replacements	4.0
Susquehanna River Bridge Replacement	3.9
Agencywide Elevator and Escalator Rehabilitation	3.5
Fast Forward	1.6
Metro Mondawmin Transit Hub	1.1
Penn Station Investments	0.9
MARC BWI Station Upgrades and Repairs	0.8
Metro Tunnel Repairs and Improvements	0.0
Transit Innovation Grant	-0.2
Zero Emission Bus Infrastructure and Program Management	-0.3
Zero Emission Eastern Bus Facility Redevelopment	-0.3
Bus Network Improvements	-0.4
Zero Emission Bus Pilots	-0.5
MARC Coaches – Overhauls and Replacement	-0.5
Agencywide Radio and Telecommunications Upgrade	-0.8
MARC Odenton Station Renovation	-1.0
Metro Maintenance Facility Improvements	-1.1
Beyond the Bus Stop	-1.6

J00H01 – MDOT – Maryland Transit Administration

<u>Project Title</u>		<u>Change</u>
Prince George’s County Local Bus Program	-1.7	
Freight Rail Program	-1.9	
MARC Improvements on Penn Line	-2.4	
MARC Positive Train Control	-2.5	
Bus Facilities Preservation and Improvements	-2.5	
Enterprise Information Technology Capital Program	-3.2	
Montgomery County Local Bus Program	-3.7	
MARC Improvements on Camden and Brunswick Lines	-4.0	
Assistance to Private Non-profit Agencies for the Transportation of the Elderly and Persons with Disabilities	-4.0	
Mobility Vehicle Procurement	-4.3	
Light Rail Vehicle Overhaul	-4.5	
Metro Railcar and Signal System Overhauls and Replacement	-5.8	
Fare Collection System and Equipment Replacement	-16.9	
Locally Operated Transit Systems Capital Procurement Projects	-22.8	
Alternative Fuel Bus Procurement	-40.3	
Development and Evaluation Projects		
D&E: Red Line	27.4	\$16.6
D&E: MARC Penn-Camden Connector	0.7	
D&E: Agency Customer Experience Technology Initiatives	0.5	
D&E: Patapsco Ave Pedestrian/Bicycle Bridge	0.1	
D&E: MARC BWI 4th Track	0.1	
D&E: LOTS Transit Development Plan	0.0	
D&E: Regional Transit Plan Corridor Studies	0.0	
D&E: 5th Division Bus	-0.1	
D&E: I-495/I-270 Corridor Transit Investments Program	-0.1	
D&E: MARC Stations and Service Studies	-0.3	
D&E: Southern Maryland Rapid Transit	-11.6	
Minor Projects		-\$56.0
Capital Salaries and Wages		-\$1.0
Total Change		\$133.0

BWI: Baltimore/Washington International Thurgood Marshall Airport

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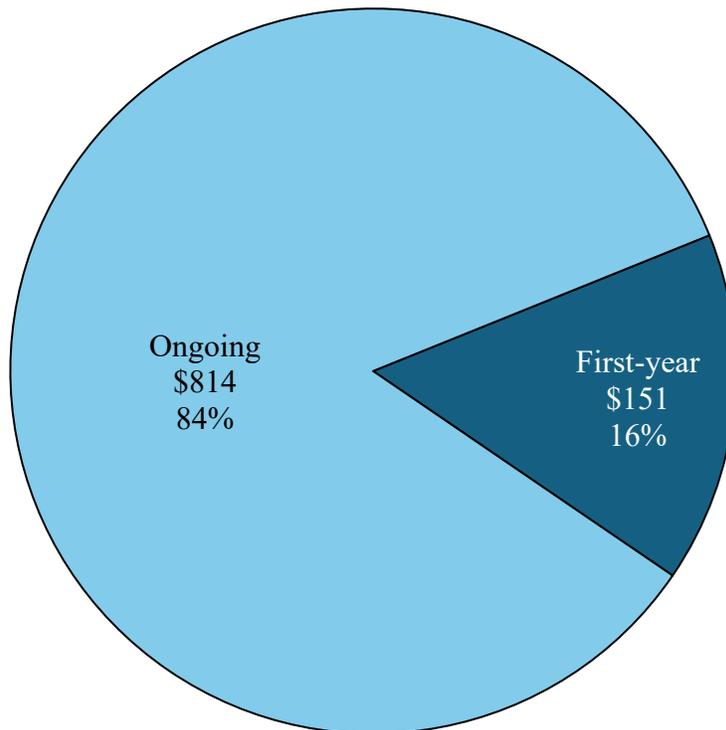
Note: Numbers may not sum to total due to rounding

Source: Maryland Department of Transportation, *2026-2031 Consolidated Transportation Program*; Department of Legislative Services

First Year Construction and Design Funding

Chapters 27 and 563 of 2022 require the CTP to include tables listing projects that are 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 CTP). As shown in **Exhibit 14**, \$151.1 million, or 16%, of MTA’s fiscal 2027 capital funding of \$966 million is first-year funding. The MTA capital projects receiving first-year funding in fiscal 2026 and 2027 are listed in **Exhibit 15**.

Exhibit 14
First Year and Ongoing Programmed Spending
Fiscal 2027
(\$ in Millions)



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

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

<u>Project Title</u>	<u>2026</u>	<u>2027</u>	<u>2026-2027</u>
Construction			
Frederick Douglass Tunnel	\$0	\$50,000	\$50,000
Bus Procurement	0	45,885	45,885
Light Rail Modernization Program	0	27,732	27,732
LOTS Capital Procurement Projects	19,365	0	19,365
East West Priority Corridor	150	6,850	7,000
Light Rail Trackwork Overhauls and Replacements	0	6,507	6,507
Metro and Light Rail Maintenance of Way	832	2,788	3,620
Metro Railcar and Signal System Overhauls and Replacement	1,508	1,458	2,966
Metro Systems Overhauls and Replacements	1,086	1,382	2,468
Agencywide Radio and Telecommunications Upgrade	2,350	0	2,350
Prince George’s County Local Bus Program	800	1,200	2,000
Purple Line	1,250	0	1,250
Bus Facilities Preservation and Improvements	755	435	1,190
MARC Maintenance, Layover, and Storage Facilities	11	1,088	1,099
MARC Locomotives Overhauls and Replacements	460	274	734
Metro Tunnel Repairs and Improvements	332	213	545
Metro Maintenance Facility Improvements	500	0	500
MARC Improvements on Penn Line	500	0	500
Enterprise Information Technology Capital Program	477	15	492
Light Rail Systems Overhauls and Replacements	7	427	434
Fast Forward	293	0	293
Beyond the Bus Stop	249	0	249
Fare Collection System and Equipment Replacement	101	0	101
Agencywide Elevator and Escalator Rehabilitation	24	0	24
Metro Station Rehabilitation Program	5	0	5
Mobility Vehicle Procurement	3	0	3
<i>Subtotal – Construction</i>	<i>\$31,058</i>	<i>\$146,254</i>	<i>\$177,312</i>
Design			
MARC Maintenance Layover and Storage Facilities	\$0	\$2,732	\$2,732
Purple Line	1,175	561	1,736
Montgomery County Local Bus Program	1,600	0	1,600
Metro Systems Overhauls and Replacements	196	582	778
LOTS Capital Procurement Projects	702	0	702
Light Rail Modernization Program	290	264	554

J00H01 – MDOT – Maryland Transit Administration

<u>Project Title</u>	<u>2026</u>	<u>2027</u>	<u>2026-2027</u>
Metro and Light Rail Maintenance of Way	319	230	549
Southern Maryland Rapid Transit	509	0	509
Prince George’s County Local Bus Program	400	0	400
Red Line	92	288	380
Fare Collection System and Equipment Replacement	313	0	313
Hybrid Bus Procurement	267	0	267
MARC Locomotives Overhauls and Replacements	17	141	258
Light Rail Vehicle Overhaul	216	0	216
Beyond the Bus Stop	99	0	99
Metro Tunnel Repairs and Improvements	54	0	54
Zero Emission Bus Infrastructure and Program Management	50	0	50
LOTS Transit Development Plan	25	20	45
Light Rail Trackwork Overhauls and Replacements	40	0	40
Fast Forward	38	0	38
Agencywide Elevator and Escalator Rehabilitation	31	0	31
MARC Penn-Camden Connector	30	0	30
Metro Station Rehabilitation Program	19	0	19
Frederick Douglass Tunnel	10	0	10
Bus Facilities Preservation and Improvements	8	0	8
5th Division Bus	6	0	6
MARC Stations and Service studies	2	0	2
Metro Railcar and Signal System Overhauls and Replacement	1	0	1
East West Priority Corridor	1	0	1
<i>Subtotal Design</i>	<i>\$6,610</i>	<i>\$4,818</i>	<i>\$11,428</i>
Total	\$37,668	\$151,072	\$188,740

LOTS: locally operated transit systems

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

Significant Changes from the Previous CTP

There is one project added to the development and evaluation program, the fifth Division Bus project. This project will design and construct a fifth bus division to service MTA core bus transit and support MTA’s efforts to add new service and improve reliability of existing bus service. The total projected cost of this project is \$14.6 million. Initial funding is expected to be used for property acquisition and engineering and environmental assessments. No other new project additions are made to the major construction program in the 2026-2031 CTP.

Issues

1. Status of Major Transportation Projects

There are three major ongoing transit projects that make up the largest share of capital funding programmed within MTA for fiscal 2027: the Purple Line (\$240.6 million); the Red Line (\$78.9 million); and the Light Rail Modernization Program (\$54.0 million). Together, these three projects consist of just under 39% of total fiscal 2027 capital spending. The Purple Line has been under construction since calendar 2017, the Red Line has been in design since fiscal 2023, and the Light Rail Modernization Program began construction in fiscal 2026.

Purple Line Light Rail Project

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

Construction of the Purple Line began in calendar 2017, with revenue service originally projected to start in calendar 2022. In December 2020, BPW approved a termination settlement with Purple Line Transit Partners (PLTP), the project’s original design-build contractor, whereby PLTP agreed to continue to serve as the project’s concessionaire but procure a replacement design-build contractor. In January 2022, BPW approved amendments to the project’s public-private partnership (P3) agreement, which included the selection of Maryland Transit Solutions as the replacement design-build contractor. This contract modification resulted in a revised contract of \$9.3 billion and extended the revenue service availability date to spring 2026. Two additional major modifications to the P3 contract were approved by BPW in July 2023 and March 2024, increasing the revised contract agreement to \$9.8 billion and extending the revenue service availability date to the end of calendar 2027.

Committee narrative in the *2025 Joint Chairmen’s Report (JCR)* requested that MTA continue to provide bimonthly status reports to the budget committees on the status of the Purple Line. In the November 2025 report, MTA noted that the current project schedule reflected a delay of approximately 29 days, which would delay the revenue service availability date from December 30, 2027 to January 28, 2028. This delay is the result of the incorporation of several new activities relating to existing overhead utilities to the project schedule.

As stated in MTA’s January 2026 report, as of November 30, 2025, the overall project is 87.4% complete, including 80.8% of rail installation (154,000 feet out of 193,100 feet of track laid overall), 81.7% of systems construction, and 82.9% of station construction. All 28 light rail vehicles have been delivered to the Glenridge Operations and Maintenance Facility. Extended dynamic track testing beyond the Glenridge test track began in August 2025. Construction on the

Capital Crescent Trail is approximately 67.1% complete and is projected to be complete in summer 2026. Overall project construction completion and demonstration testing is scheduled to occur by early 2027, with the Purple Line opening to the public in early 2028. **DLS recommends committee narrative requesting that MTA continue to provide bimonthly construction status updates on the Purple Line light rail project.**

Red Line Transit Project

The Red Line transit project is a planned 14-mile, high-frequency, high-capacity light rail line that will create an east-to-west connection through downtown Baltimore spanning from a western terminus in Woodlawn in Baltimore County to an eastern terminus in the Bayview neighborhood in eastern Baltimore City. In June 2023, Governor Wes Moore publicly announced his intention to restart the Red Line project, following the cancellation of the project in calendar 2015. Due to development in the intervening period, the Red Line project cannot be completed as previously planned and much of the previously completed planning efforts, including the National Environmental Policy Act (NEPA) process, must be completed again.

In May 2024, a Notice of Intent to prepare a supplemental Environmental Impact Statement was published in the *Federal Register* to formally restart the project's NEPA process with FTA. In June 2024, Governor Moore announced that the preferred mode of the Red Line project would be light rail transit, and BPW subsequently approved a program management consultant contract and a general engineering contract on behalf of MTA to enable the project team to further advance preliminary engineering activities. In fall 2024, a series of public open houses were held to share potential route alignment options, key project considerations, technical input, and to solicit input from the community.

Once a Locally Preferred Alternative is selected to define the project's specific route alignment and station locations, a Supplemental Environmental Impact Statement will be released for additional public comment. A Final Environmental Impact Statement will then be prepared, and a federal Record of Decision will be published to conclude the federal NEPA process. However, the NEPA process was paused on June 16, 2025, due to, according to MTA, "uncertainty at the federal level and the need to reassess the project timelines." The current project timeline and availability of funding is uncertain. The MDOT fiscal 2026-2031 CTP includes a total of \$131.2 million in programmed capital funding in the MTA development and evaluation program over the six-year period to support planning and engineering efforts for the Red Line project. Approximately \$78.9 million is programmed for these purposes in the fiscal 2027 MTA capital budget. **MDOT should comment on the planned uses of capital funding budgeted for the Red Line project in fiscal 2027 in light of the pause in advancement of the federal NEPA process. DLS recommends committee narrative requesting that MTA provide a report on the Red Line project that includes the current project timeline and next steps, including the status of planning and design activities while the federal NEPA process remains paused and the project's future funding needs and projected sources of funding.**

Light Rail Modernization Program

The MTA Light Rail Modernization Program was moved from the development and evaluation program to the primary construction program in last year's CTP and received initial construction funding in fiscal 2026. The purpose of the Light Rail Modernization Program is to conduct a major overhaul of the MTA Light Rail system, including replacing its entire fleet of light rail vehicles, upgrading stations and maintenance facilities to accommodate the new vehicles, replacement of the Howard Street rail, and other necessary improvements. Preliminary procurements for vehicle, train control, and stations contracts are in progress, along with the Howard Street Rail Replacement project, which was a separate project already under construction prior to being incorporated into this program. Total project cost is estimated at \$1.4 billion, with \$963.6 million programmed through fiscal 2031 in the 2026 CTP. Project fund sources include \$347.7 million in federal funds, \$434.8 million in special funds, and \$643 million from the issuance of Grant Anticipation Revenue Vehicle (GARVEE) bonds. Additional discussion on the planned issuance of GARVEE bonds for this project can be found in the analysis for J00A04 – MDOT Debt Service Requirements.

2. Workgroup on the Reorganization of MTA

The Workgroup on the Reorganization of the MTA was established by Chapter 462 of 2025 to study the potential for reorganizing MDOT and MTA, including options allowing MTA to continue providing local Baltimore City transit services and the creation of a new unit or reorganization of the MDOT Secretary's Office to provide statewide transit services. The workgroup was also required to study the current contractual obligations and agreements of MTA and the necessary steps to transfer the obligations and agreements in the event of a reorganization of MDOT or the Administration and the governance changes to MTA necessary to ensure that Baltimore City has the appropriate oversight and input into local Baltimore City transit service. The workgroup is required to submit a report of its findings and recommendations to the Governor and General Assembly by December 1, 2026.

The workgroup met five times during the 2025 interim. Briefings and discussions included a variety of topics including an overview of MTA and the MDOT Secretary's Office, existing governance boards at MDOT, MTA's contractual relationships, MTA's workforce and collective bargaining agreements, existing transit governance in the Baltimore region, and transit governance structures in other states.

Through its meetings, the workgroup formed consensus that separation of MTA into two individual modes would not support the State's goals due to the complexity and volume of contracts administered by MTA, the complexity of federal funding agreements and requirements, the complexity of labor agreements overseen by the department, and the duplication of administrative efforts that would be required to separate these among two entities. Instead, the workgroup recommended the creation of two new boards within MTA, including a Baltimore core services board, which would build on the work of the Baltimore Regional Transit

Commission (BRTC), which was established in 2023, and an advisory commuter services board for MARC service and commuter bus service.

As recommended by the workgroup, the board of directors of the Baltimore core services board would be comprised of seats appointed by the Governor, the Mayor of Baltimore City, and the County Executives of Anne Arundel and Baltimore Counties. The MTA Administrator and the Secretary of Transportation would serve as non-voting, ex-officio members. Among other responsibilities, the board duties would include the approval of major service plans, policies, and initiatives, including duties currently held by BRTC; review and approval of the MTA's CTP and operating budget requests for Baltimore core services; approval authority over a decision by MDOT and MTA to withdraw a New Starts Capital Investment Grant for any Baltimore core services territory project, once it has been accepted into the engineering phase by the FTA; and submission of an annual report to the budget committees on system performance, trends, major projects, and other activities.

The commuter services board would be appointed solely by the Governor with the Secretary of Transportation serving as an ex-officio, voting member. The commuter services board would provide advice and guidance regarding commuter services (MARC and commuter bus), plans, and policies and approve major service plans and updates; review and comment on the MTA's CTP and operating budget requests for commuter services; and the submission of an annual report to the budget committees on system performance, trends, major projects, and other activities.

Both new boards would be housed at MTA and would be staffed by MTA and MDOT. MDOT estimates that 5 new positions would be needed for MTA to implement the reorganization plan included in the workgroup's recommendations and to staff the two new boards.

In addition to the reporting requirements contained in Chapter 462, the fiscal 2026 Budget Bill contained language restricting \$150,000 of the special fund appropriation in the MDOT Secretary's Office pending the submission of a report to the budget committees by December 1, 2025, containing similar information. A report was submitted to the budget committees by MDOT that contained a summary of the workgroup's activities during the 2025 interim, key findings, and its recommendations. In this report, the workgroup states that it came to a consensus on a governance proposal that meets the statutory objectives of Chapter 462 and that the workgroup requests that this report be considered its final report, as there is no need for further workgroup activity or to submit a report in December 2026. However, the workgroup will remain in effect under statute until June 30, 2027.

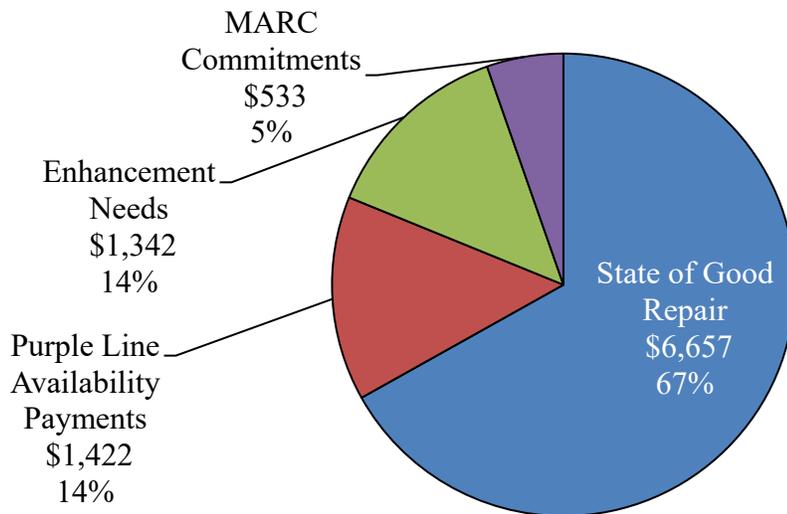
DLS has determined the report is in compliance with the budget language and therefore recommends the release of \$150,000 in special funds restricted in fiscal 2026. DLS will process a letter to this effect if no objections are raised by the committees during the budget hearings.

3. Capital Needs Inventory Assessment

MTA’s most recent 10 Year CNI and Prioritization report was issued in July 2025 and covers the period of fiscal 2026 through 2035. Section 7-309 of the Transportation Article requires that MTA update the CNI every three years and that MTA submit a report each January detailing the programmed and actual capital spending in the prior fiscal year related to the capital needs identified in the CNI. The CNI describes the level of capital investments that are needed over the following 10-year period for MTA to reach and maintain a state of good repair for existing service, complete select priority enhancements to customer experience, and fulfill the contractual obligations associated with the Purple Line and major MARC projects.

The 2025 CNI estimates that the total amount of investments needed to bring all of MTA’s existing assets into a state of good repair is \$6.6 billion, or \$660 million annually over the 10-year period. In addition to state of good repair investments, MTA also has additional capital funding needs including contractual obligations to support MARC major project commitments (\$533 million), Purple Line capital availability payments (\$1.4 billion), and additional identified enhancement investment (\$1.3 billion). In total, MTA’s 10-year capital funding needs (including both state of good repair needs and other commitments) total \$9.9 billion, or roughly \$995 million annually over the 10-year period. State of good repair needs comprise approximately 67% of total 10-year funding needs, as shown in **Exhibit 16**.

Exhibit 16
Total 10-year Capital Needs
Fiscal 2026-2035
(\$ in Millions)



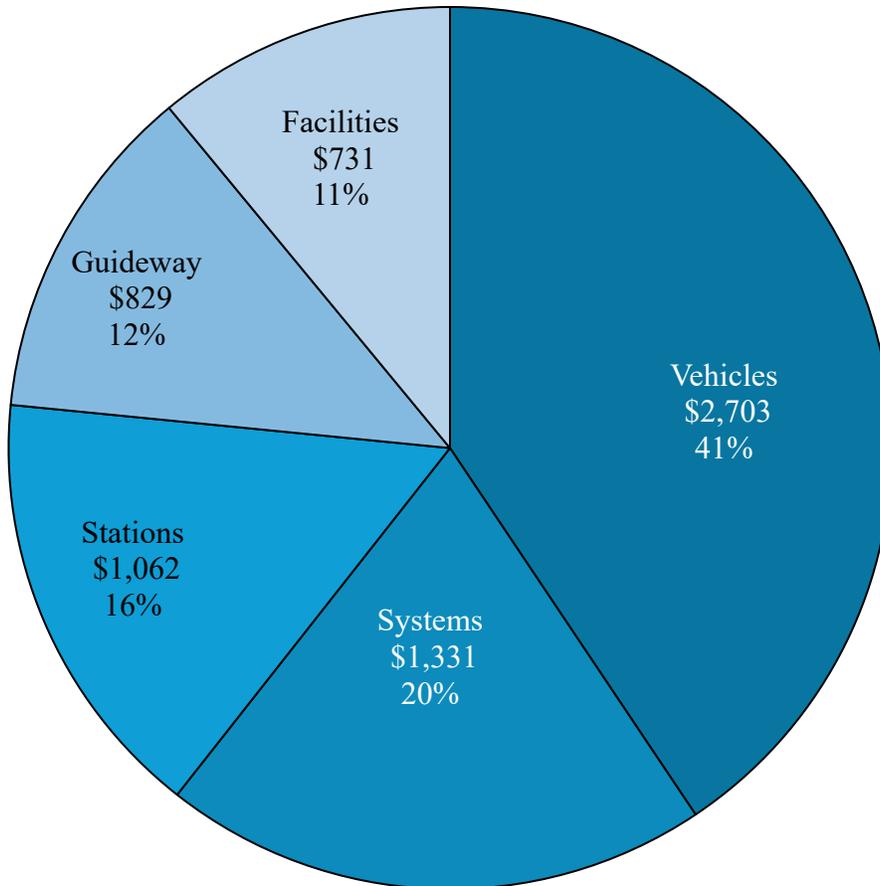
Source: Maryland Transit Administration, *10-Year Capital Needs Inventory and Prioritization Report*

MTA estimates the total amount of funding that is projected to be available over the 10-year period by reviewing the amount of funding programmed in the CTP for those years and applying a growth rate to anticipate funding for the remaining years beyond the CTP period. In total, the 2025 CTP contained \$3.6 billion in capital funding for all CNI needs from fiscal 2026 through 2030. Based on a projected growth rate of between 1.5% and 3% annually, projected funding available in fiscal 2031 through 2035 is estimated to range between \$3.8 billion to \$4.8 billion. Therefore, total funding available over the 10-year period is projected to fall between \$7.4 billion and \$8.4 billion, leaving a funding gap of approximately \$1.5 billion to \$2.5 billion needed to reach a total of \$9.9 billion in 10-year capital funding needs.

Of the \$6.6 billion in identified state of good repair needs over the 10-year period, approximately \$5.9 billion is required to bring all of MTA's assets into a state of good repair, plus \$670 million in modernization investments. A transit system in a state of good repair is a loosely defined concept that is generally understood as an asset operating at a full level of performance intended by its design or manufacturing specifications, that does not pose unacceptable safety risks, and must complete necessary reinvestment through maintenance and rehabilitation or full replacement at the end of its life cycle. State of good repair projects typically include asset replacement, rehabilitation, repair, or annual capital maintenance.

Exhibit 17 shows the total state of good repair needs by asset category. The largest asset category of need is vehicles, at approximately 41% of the total. Investments in vehicles that are planned by MTA include the Light Rail Modernization Program, replacement of metro railcars, replacement of buses, and overhauls and replacements of MARC locomotives and railcars. The second-largest asset category of need is systems, at approximately 20% of the total. Investments in systems include electrification, train control, underground utilities, and fire protection equipment. Station improvements, the third-largest asset category of need, include light rail and metro station improvements, platform rehabilitation, and agencywide elevator and escalator rehabilitations. Guideway investments include light rail and metro track maintenance. Facilities investments include major facility projects including light rail, metro, and bus maintenance facilities.

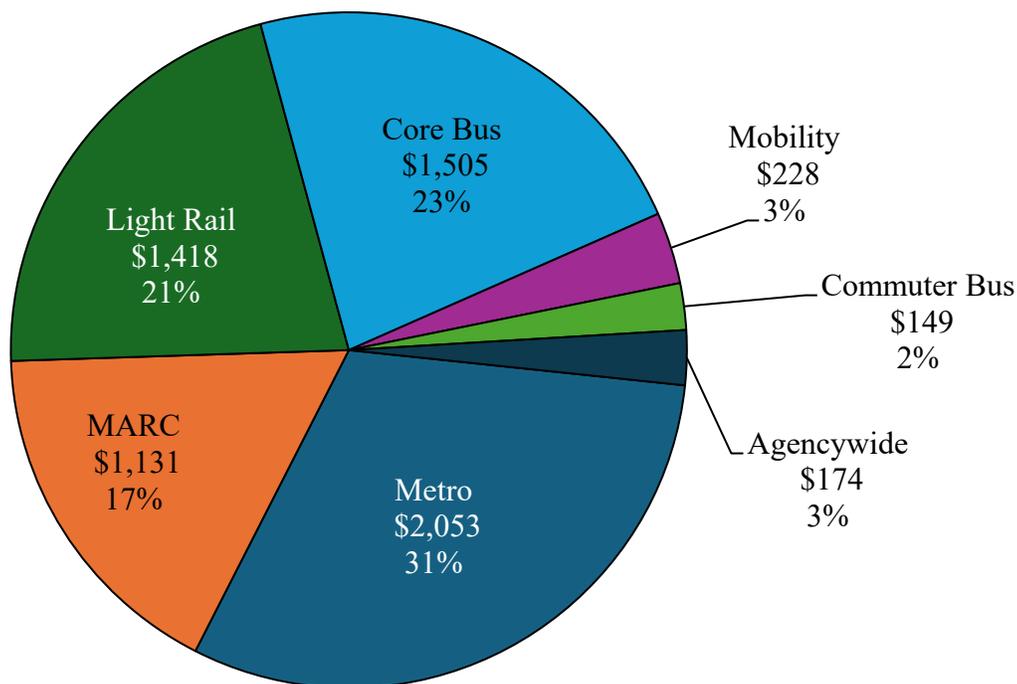
Exhibit 17
10-year State of Good Repair Needs by Asset Category
Fiscal 2026-2035
(\$ in Millions)



Source: Maryland Transit Administration, *10-Year Capital Needs Inventory and Prioritization Report*

Exhibit 18 shows the total state of good repair needs by MTA mode. Metro has the largest share of state of good repair needs, at approximately 31% of the total, followed by core bus (23%), light rail (21%), and MARC (17%).

Exhibit 18
10-year State of Good Repair Needs by Mode
Fiscal 2026-2035
(\$ in Millions)



Source: Maryland Transit Administration, *10-Year Capital Needs Inventory and Prioritization Report*

Of the \$6.6 billion in state of good repair needs, approximately \$5.1 billion to \$6.1 billion in funding is projected to be available (of which \$3.6 billion is programmed through fiscal 2030 in the 2025 CTP). This results in a projected funding gap for state of good repair needs of approximately \$500 million to \$1.5 billion over the 10-year period, depending on the level of funding available beyond the CTP period. MTA’s current estimated state of good repair backlog is approximately \$2.8 billion, including \$900 million in vehicle investment needs, \$770 million in systems, \$626 million in stations, \$282 million in facilities, and \$216 million in guideways. A backlog of state of good repair needs is created when an agency defers investments to subsequent years and is the cumulative dollar value of deferred investment of an asset. However, several major investments to reduce the current backlog are underway, including replacement of Metro railcars and train control systems, replacement of light rail vehicles and systems, and replacement of elevators and escalators. Current programmed funding in the CTP is projected to allow MTA to reduce the state of good repair backlog by over 45% in the next five years, from \$2.8 billion to \$1.5 billion.

Operating Budget Recommended Actions

		<u>Amount Change</u>	<u>Position Change</u>
1.	Delete 5 new apprenticeship positions (PIN J00H01904789P, J00H01904790P, J00H01904791P, J00H01904792P, and J00H01904793P) and related funding. The Maryland Transit Administration had 319 vacant positions as of January 1, 2026, and should reclassify 5 vacant positions instead of adding new positions.	-\$280,819 SF	-5.0

2. Adopt the following narrative:

Purple Line Status Reports: Given schedule delays and cost overruns associated with completing construction on the Purple Line light rail project, the committees request that the Maryland Transit Administration (MTA) submit six bimonthly construction status reports for the Purple Line to the committees. The status reports shall provide:

- the completion percentages for the project as a whole and for each major category of work, including (1) the overall project; (2) utility relocations; (3) civil design; (4) systems design; (5) construction possession of property acquisitions; (6) civil construction; (7) rail installation; (8) systems and station construction; (9) the Glenridge Operations and Maintenance Facility; (10) rail vehicles ready to ship; and (11) Capital Crescent Trail Construction;
- the running total amount expended for construction; and
- an explanation of any material change to the total construction cost estimate or construction schedule as set forth in the revised public-private partnership as amended to add Maryland Transit Solutions as the replacement design-build contractor for the project.

Information Request	Author	Due Date
Reports on Purple Line construction progress	MTA	July 1, 2026, and bimonthly thereafter ending with the May 1, 2027 report

3. Adopt the following narrative:

Red Line Project Status: The committees request that the Maryland Transit Administration (MTA) submit a report by September 1, 2026, on the current status of the Red Line project. The report should provide the next steps and an updated timeline for the project in light of the pause in the federal National Environmental Policy Act permitting process that went into effect on June 16, 2025. The report should include details on what project design and engineering activities are occurring during this pause, including the uses of funding included in the fiscal 2026 and 2027 MTA capital budget. The report should also include a discussion of future funding needs and projected funding sources for the construction phase of the project.

Information Request	Author	Due Date	
Report on Red Line project status, timeline, and funding needs	MTA	September 1, 2026	
Total Net Change to Fiscal 2027 Allowance		-\$280,819	-5.0

PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

Updates

1. Central Maryland Regional Transit Plan Update

The Central Maryland RTP is a 25-year plan to improve public transportation in the central Maryland region (Anne Arundel, Baltimore, Harford, and Howard counties and Baltimore City) and is required by statute to be updated every five years. The 2025 RTP was released in November 2025 and was developed by MTA in coordination with BRTC, which is required by statute to approve each update. The initial edition of the RTP was released by MTA in October 2020, in accordance with Chapters 351 and 352 of 2018, and developed three overarching goals and six supporting objectives for the regional transit system to form a baseline for ongoing transit planning.

The 2025 RTP refines the strategies outlined in the initial 2020 RTP based on changes in regional conditions, travel trends, and the transit industry in the intervening five years, and presents progress made toward the objectives identified in the 2020 RTP. The 2025 RTP incorporates other planning studies conducted by MTA since 2020, including the BMORE Bus plan, the MARC Growth and Transformation Plan, and the 2025 Customer Experience Action Plan.

Other subjects covered in the 2025 RTP include an analysis of the region’s transit market and demand, including a review of growth since 2020; updated recommendations for RTP corridor segments in central Maryland where greater transit support would be appropriate; updated strategies that support the accomplishment of the RTP’s objectives and overarching goals; updates to transit network improvement areas, which include actions that agencies and local jurisdictions can take to expand or improve transit; and an updated five-year implementation plan. The 2020 RTP covered the planning period of 2020 through 2045 and included an initial five-year implementation plan to guide the actions of MTA and regional stakeholders during the first five years of RTP implementation. The 2025 RTP contains a new five-year implementation plan covering 2025 to 2030, which is intended to be achievable without major changes to current funding levels.

2. MARC Train Service Expansion

Committee narrative in the 2025 JCR requested that MTA prepare a report outlining strategies to improve MARC train service, including providing an update on negotiations with CSX Transportation, which owns the tracks on which the MARC Brunswick Line operates, on creating an alternative arrangement to the original mid-day service plan that was agreed to in calendar 2024. The report submitted by MTA includes discussions of completed projects, projects with funding that are planned or in progress, and projects awaiting funding that would support service improvements and expansion on the MARC Brunswick and Penn Lines. The report also includes an update on coordination with CSX Transportation for service expansion on the Brunswick Line.

MTA released the MARC Growth and Transformation Plan in June 2025, which includes a long-term vision for MARC service including proposals for more frequent and additional rail service eventually expanding into Delaware, Northern Virginia, and Western Maryland. The plan identifies three phases for implementation, including a five-year phase (fiscal 2026 through 2030), a 15-year phase (fiscal 2031 through 2040), and an unconstrained phase (fiscal 2041 and beyond).

The five-year implementation phase mainly focuses on increasing frequency and hours of operation on the existing Penn, Camden, and Brunswick Lines, while the 15-year phase includes expansion of the Brunswick and Penn Lines beyond Washington Union Station to Alexandria, Virginia with stops at the Crystal City and L'Enfant Plaza WMATA stations, and extension of the Penn Line to Wilmington, Delaware with stops at a new station to be constructed in Elkton, Maryland and Newark, Delaware. In the unconstrained phase, additional expansion of the Brunswick Line further into Western Maryland with new service to Hancock and Cumberland is planned.

Prior to the development of the MARC Growth and Transformation Plan, an agreement between MTA and CSX Transportation was reached in calendar 2024 to allow expanded mid-day service on the Brunswick Line. However, due to a lack of available funding, this agreement was not executed. MTA continued to meet with CSX Transportation during the development of the MARC Growth and Transformation Plan. Within the five-year phase of the plan, two daily trains running during off-peak hours on the Brunswick Line were incorporated into proposed service expansion proposals.

CSX Transportation maintains focus on growth of freight movement on its rail lines and indicated that track reconfiguration, and other related improvements, at Brunswick and establishing a station turnback at Silver Spring would be the initial projects that it would prioritize to enable MARC expansion between Washington/Silver Spring and Brunswick. CSX Transportation also has indicated that a second mainline track between Point of Rocks and Monocacy would be required to enable any additional trains to operate to Frederick. MTA has completed feasibility studies for a Brunswick Line third track and a Point of Rocks Station platform for the Brunswick Line's Frederick branch, along with several state of good repair projects along the Brunswick Line. Funding for a Silver Spring turnback facility has been secured and initial design has begun.

Other projects that are currently in progress to support service expansion on the Penn Line include the design of new infill stations at Elkton in Cecil County and Bayview in Baltimore City, design of the Penn-Camden Connector project, design of the Martin State Airport Station Accessibility Project, the Baltimore and Potomac Tunnel Replacement Program, the West Baltimore MARC Station, the redevelopment of Baltimore Penn Station, and various other state of good repair projects.

3. MTA Cybersecurity Incident

In August 2025, a cybersecurity incident occurred that involved unauthorized access to certain MTA systems. Investigation by MTA, the Department of Information Technology, third-party cybersecurity experts, and law enforcement confirmed incident-related data loss. Although most MTA core services were able to continue to operate normally, mobility/paratransit was impacted until late September. The mobility/paratransit call center was impacted, and riders were temporarily unable to schedule new trips or rebook existing trips. At the end of August 2025, MTA partnered with MV Transportation to provide an interim call system for customer service support and ride scheduling. MTA's information systems, including real-time tracking information, were also impacted. As of February 1, 2026, all MTA service was operating normally except for residual issues with metro and light rail signage and information systems that provide real time information.

Appendix 1
2025 Joint Chairmen’s Report Responses from Agency

The 2025 JCR requested that MDOT-MTA prepare seven reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Reports on Purple Line Construction Progress:*** Six bimonthly reports were requested describing progress on the Purple Line project. The reports are requested to contain completion percentages for the project as a whole and major categories of work, updates on the total amount expended for construction, and material changes to the total construction cost estimate or schedule. Additional information about the Purple Line can be found in Issue 1 of this analysis.

- ***Report on MARC Train Service Expansion:*** A report was requested providing an update on service expansion and improvements to MARC train service. The report was requested to specifically include an update on negotiations with CSX Transportation to create an alternative arrangement to the original midday service plan that was agreed to in calendar 2024. Additional discussion of this report can be found in Update 2 of this analysis.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	July 1, 2020 – June 30, 2023
Issue Date:	May 2025
Number of Findings:	6
Number of Repeat Findings:	1
% of Repeat Findings:	16.6%
Rating: (if applicable)	n/a

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

Finding 2: MTA did not ensure the propriety of payments to its third-party administrator for employee and retiree healthcare costs.

Finding 3: MTA did not timely publish contract awards on *eMaryland Marketplace Advantage* as required.

Finding 4: MTA increased the maximum amount that it would reimburse the vendor for rides provided by taxi companies without a formal contract modification and did not obtain required customer signatures to support the propriety of the ride sharing charges.

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
Budget Amendments for Fiscal 2026
Maryland Department of Transportation
Maryland Transit Administration

Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Projected	044-26	\$20,530,867 Special	Adjusts special and federal fund appropriations to agree with anticipated expenditures for the current year as reflected in MDOT's Final Fiscal 2026-2031 CTP.
		\$21,828,421 Federal	

Appendix 4
Object/Fund Difference Report
Maryland Department of Transportation – Maryland Transit Administration

<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	3,484.50	3,573.50	3,677.50	104.00	2.9%
02 Contractual	0.00	16.00	16.00	0.00	0.0%
Total Positions	3,484.50	3,589.50	3,693.50	104.00	2.9%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$522,986,896	\$514,213,422	\$550,020,383	\$35,806,961	7.0%
02 Technical and Special Fees	58,672,881	1,346,808	1,346,808	0	0.0%
03 Communications	2,912,566	3,235,523	3,375,523	140,000	4.3%
04 Travel	884,099	546,634	546,634	0	0.0%
06 Fuel and Utilities	13,363,174	13,280,035	11,010,723	-2,269,312	-17.1%
07 Motor Vehicle Operation and Maintenance	82,223,175	94,723,849	95,370,862	647,013	0.7%
08 Contractual Services	499,988,063	832,830,300	939,884,718	107,054,418	12.9%
09 Supplies and Materials	8,734,185	7,084,400	7,197,949	113,549	1.6%
10 Equipment – Replacement	118,349	2,996,760	611,490	-2,385,270	-79.6%
11 Equipment – Additional	101,964	132,135	132,135	0	0.0%
12 Grants, Subsidies, and Contributions	153,432,296	234,598,630	202,206,574		
13 Fixed Charges	10,516,916	10,538,111	11,449,436	911,325	8.6%
14 Land and Structures	705,268,304	395,259,256	484,634,806	89,375,550	22.6%
Total Objects	\$2,059,202,868	\$2,110,785,863	\$2,307,788,041	\$197,002,178	9.3%
Funds					
01 General Funds	\$46,900,000	\$100,000	\$0	\$-100,000	-100.0%
03 Special Funds	1,637,600,822	1,647,864,147	1,803,962,808	156,098,661	9.5%
05 Federal Funds	374,702,046	462,821,716	503,825,233	41,003,517	8.9%
Total Funds	\$2,059,202,868	\$2,110,785,863	\$2,307,788,041	\$197,002,178	9.3%

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 5
Fiscal Summary**

Maryland Department of Transportation – Maryland Transit Administration

<u>Program/Unit</u>	<u>FY25 Actual</u>	<u>FY 26 Wrk Approp</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
01 Transit Administration	147,786,391	148,905,824	174,479,033	25,573,209	17.2%
02 Bus Operations	705,121,136	693,775,681	727,758,551	33,982,870	4.9%
04 Rail Operations	319,485,562	336,970,774	348,759,416	11,788,642	3.5%
05 Facilities and Capital Equipment	755,857,032	795,697,874	921,586,210	125,888,336	15.8%
06 Statewide Programs Operations	130,825,944	135,183,201	135,204,831	21,630	0.0%
08 Major Information Technology Development Projects	126,803	252,509	0	-252,509	-100.0%
Total Expenditures	\$2,059,202,868	\$2,110,785,863	\$2,307,788,041	\$197,002,178	9.3%
General Funds	46,900,000	100,000	0	-100,000	-100.0%
Special Funds	1,637,600,822	1,647,864,147	1,803,962,808	156,098,661	9.5%
Federal Funds	374,702,046	462,821,716	503,825,233	41,003,517	8.9%
Total Appropriations	\$2,059,202,868	\$2,110,785,863	\$2,307,788,041	\$197,002,178	9.3%

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.