

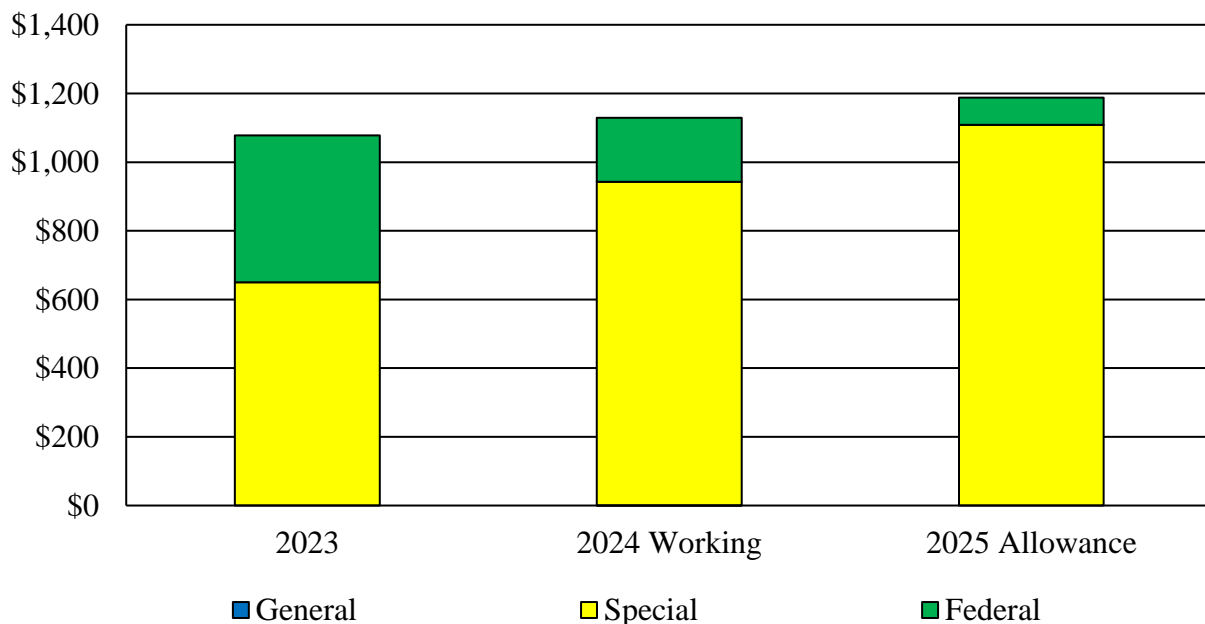
J00H01
Maryland Transit Administration
Maryland Department of Transportation

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 2025 Budget Increases \$59.4 Million, or 5.3%, to \$1.2 Billion
(\$ in Thousands)

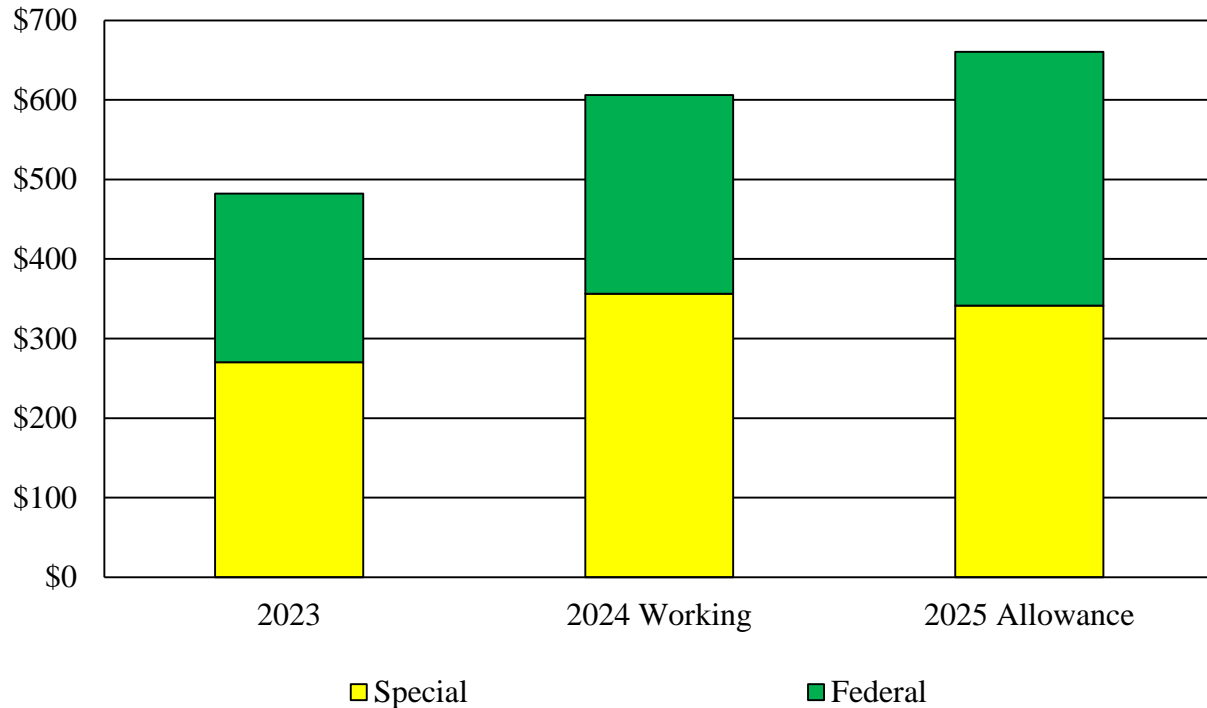


Note: The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency's budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

- The budget as introduced contained \$96.7 million in operating reductions from anticipated fiscal 2025 spending levels. However, \$60.75 million of those reductions were restored by Supplemental Budget No. 1.

PAYGO Capital Budget Summary

**Fiscal 2025 Budget Increases \$54.1 Million, or 8.9%, to \$660.4 Million
(\$ in Thousands)**



- The budget as introduced contained \$15 million in capital reductions from anticipated fiscal 2025 spending levels for state of good repair needs. However, the reductions were restored by Supplemental Budget No. 1.
- A Budget Reconciliation and Financing Act (BRFA) provision to alter the requirement converting the bus fleet to zero-emission buses will save an estimated \$20 million per year in the capital program if enacted. MTA has accounted for these reductions in the fiscal 2025 allowance and 2024 *Consolidated Transportation Program* (CTP).

Key Observations

- ***Most Budget Reductions Are Avoided in Fiscal 2025:*** Reductions to MTA’s operating and capital budgets were largely restored with additional funding made available in Supplemental Budget No. 1. However, the agency has proposed reducing commuter bus services in fiscal 2025.
- ***Major Transit Projects:*** The Purple Line project faces another substantial delay, while the Red Line and Southern Maryland Rapid Transit (SMRT) projects continue through planning phases.
- ***Spotlight on State of Good Repair:*** Temporary system outages at Light Rail and Metro in calendar 2023 have brought increased attention to supporting and maintaining existing transit assets.
- ***Increased Focus on Transit Reliability:*** Several new initiatives seek to improve transit reliability and transparency amid concerns surrounding timeliness and reliability of the bus and paratransit programs in the post-pandemic period.

Operating Budget Recommended Actions

1. Add language restricting funds pending regular construction progress reports for the Purple Line rail project.

PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

Budget Reconciliation and Financing Act Recommended Actions

1. The Department of Legislative Services recommends striking the provision to alter the state of good repair funding mandate in fiscal 2025 only.

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Budget Analysis

Program Description

The Maryland Department of Transportation (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 and paratransit service providers.
- **Rail Operations** includes the Baltimore Metro heavy rail line and the Baltimore area light rail line as well as the management of the MARC service operated on rail lines owned by Amtrak and CSX Transportation.
- **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.

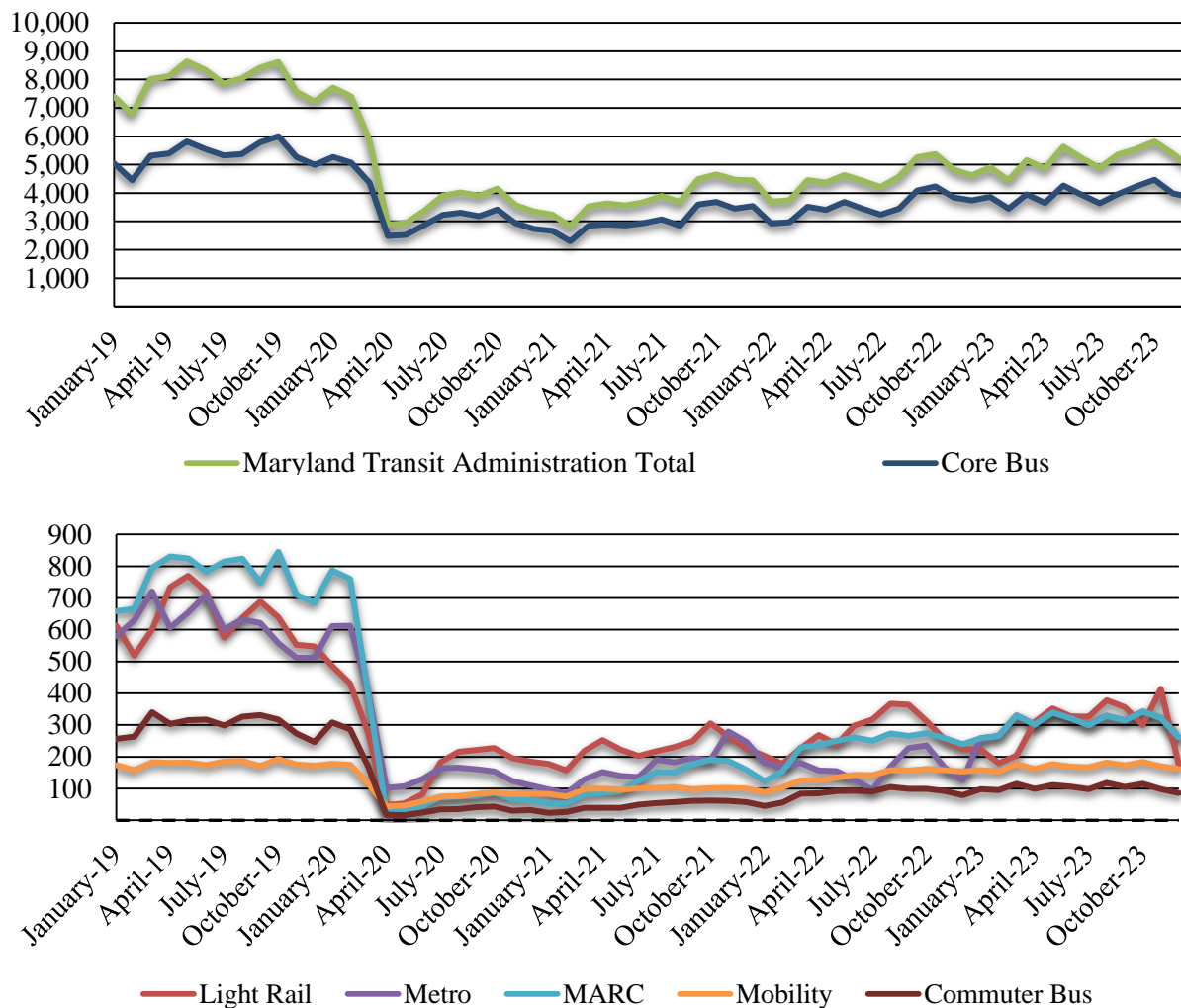
The administration shares the key goals identified by MDOT:

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

COVID-19 Impacts

The COVID-19 pandemic had a substantial impact on transit, with ridership plummeting in spring 2020. Ridership has largely recovered on core bus and mobility services, as shown in **Exhibit 1**. Other transit modes, particularly commuter bus, remain significantly below prepandemic levels. Stimulus funds from the federal government offset the loss in revenue that resulted from ridership declines; however, pandemic-era stimulus funding was fully spent in fiscal 2024.

Exhibit 1
Monthly Ridership
Fiscal 2019-2023
(Riders in Thousands)



Source: Maryland Transit Administration

Performance Analysis: Managing for Results

1. Ridership Inches Up but Still Well Below Prepandemic Level

MTA has a goal to encourage transit ridership. One method of measuring transit ridership is the number of boardings that occur during a specific period. For all modes of MTA service, there were 62.1 million boardings in fiscal 2023, representing a 15% increase from the prior year, but only 65% of total boardings in fiscal 2019, the year before the pandemic began.

Exhibit 2 shows total ridership in calendar 2023 compared to calendar 2019. 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.

Exhibit 2
Ridership by Mode Compared to Calendar 2019
Calendar 2023 Average

<u>Core Bus</u>	<u>Light Rail</u>	<u>Metro</u>	<u>MARC</u>	<u>Mobility</u>	<u>Commuter Bus</u>	<u>MTA Total</u>
73%	47%	50%	40%	90%	35%	65%

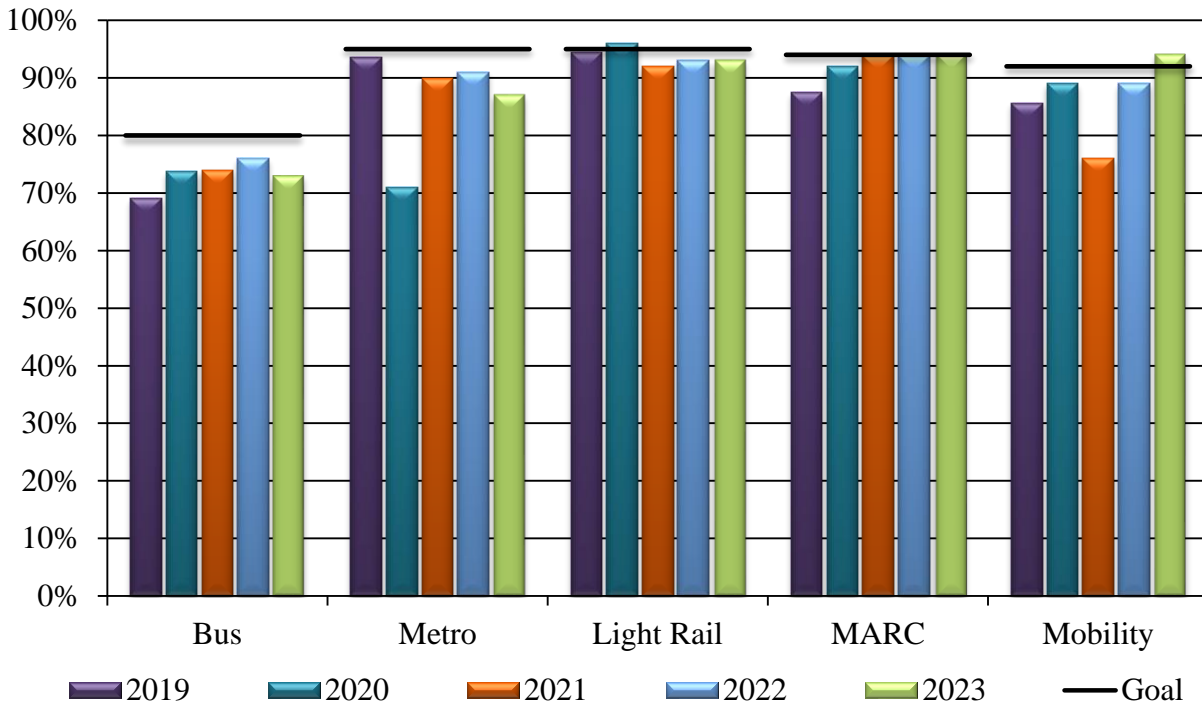
MTA: Maryland Transit Administration

Source: Maryland Transit Administration

2. MARC and Mobility Meet On-time Performance Goal in Fiscal 2023

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 service, 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 3** shows the percentage of on-time service by mode for fiscal 2019 through 2023. MARC and mobility achieved MTA’s goals in fiscal 2023, with 94% of on-time performance. Mobility has maintained its improved performance following significant service issues in fiscal 2021. On-time bus service was provided just 73% of the time in fiscal 2023, which does not meet the goal of 80%. Service improvement is discussed in more detail in Issue 3 of this analysis.

Exhibit 3
On-time Performance
Fiscal 2019-2023



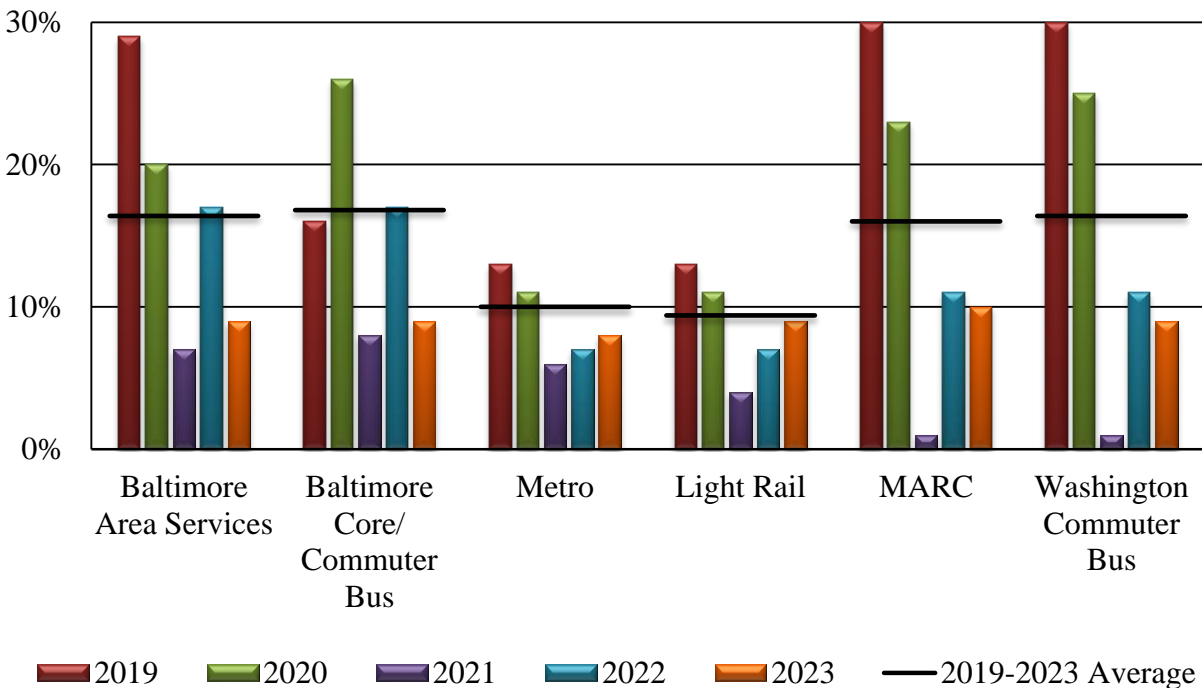
Note: Mobility represents a combination of the MobilityLink and Taxi Call-a-ride programs.

Source: Department of Budget and Management

3. Farebox Recovery

Farebox recovery illustrates the percentage of operating costs for a particular transit mode that are recovered through passenger fares. The number of paying passengers and the operating costs per revenue mile are both important factors for this 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 4** compares the farebox recovery rates by mode of transit and for the Baltimore-area services as a whole for fiscal 2019 through 2023 to the average rates for the five-year period ending with fiscal 2023. The farebox recovery rates fell dramatically in fiscal 2021 compared to the prior year for all modes, reflecting decreased ridership due to the COVID-19 pandemic. While ridership increased in fiscal 2023, escalating operating costs have outpaced ridership recovery, causing the farebox recovery ratio to decrease for most modes.

Exhibit 4
Farebox Recovery
Fiscal 2019-2023



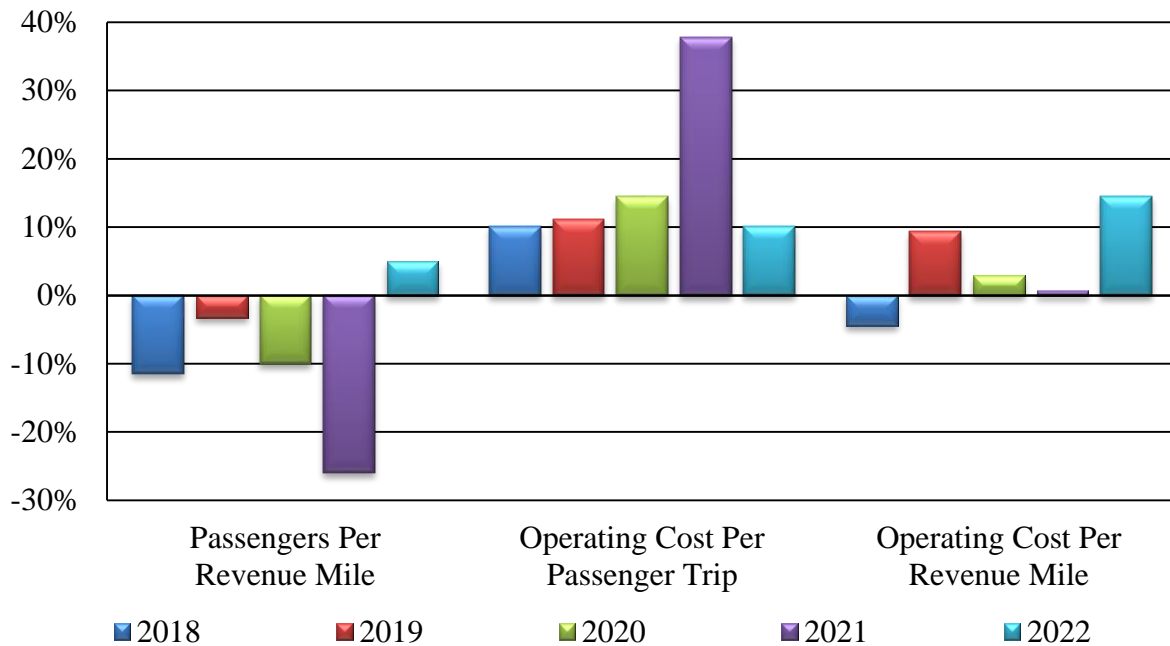
Source: Department of Budget and Management

4. Transit Performance Measures

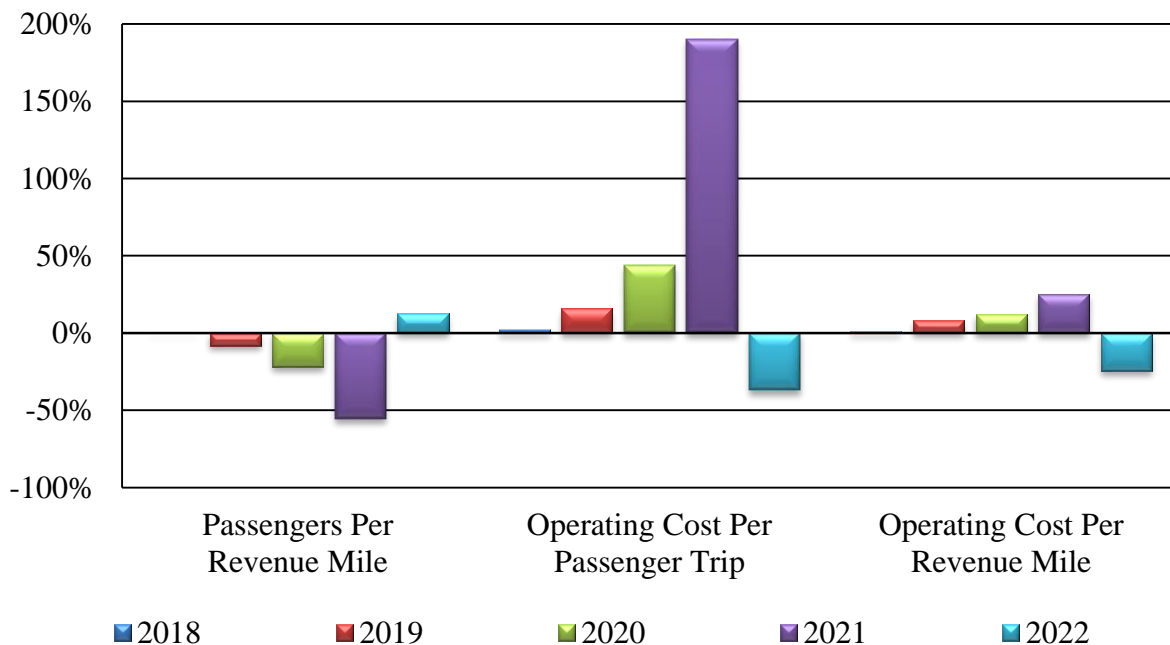
Section 7-208 of the Transportation Article requires MTA to report performance measures by mode for passenger trips per vehicle revenue mile and operating expenses per passenger trip and per vehicle revenue mile. As a recipient of federal transit funding, MTA is also required to report this and other performance data to the Federal Transit Administration (FTA). **Exhibit 5** shows the percentage change from the prior year for these performance measures for core bus, Light Rail, and Metro services for fiscal 2018 through 2022, the most recent year for which data is available. The operating cost per passenger trip increased dramatically in fiscal 2021, particularly for Light Rail and Metro. This increase is due to the significant decrease in ridership during the 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 and Metro in fiscal 2022 demonstrate decreased costs per passenger trip due to increased ridership, lessened operational costs, or a combination thereof. Costs per passenger trip and revenue mile for core bus increased slightly relative to the previous year.

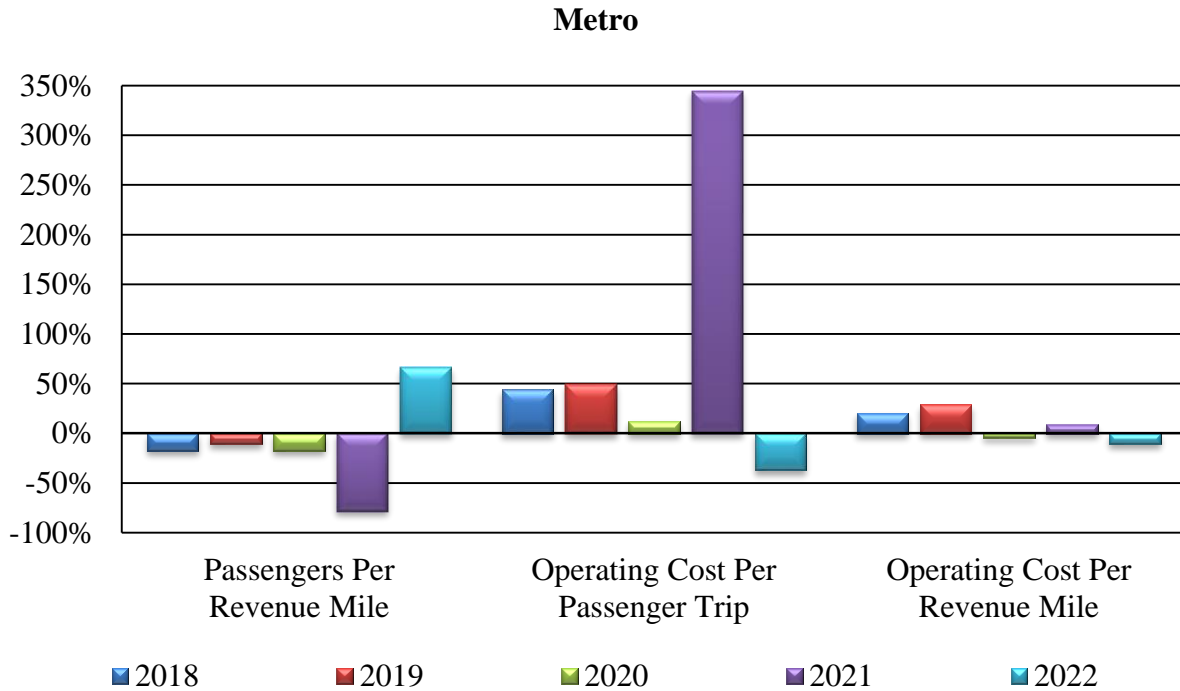
Exhibit 5
Transit Performance Measures
Fiscal 2018-2022

Core Bus



Light Rail





Source: Federal Transit Administration; Department of Legislative Services

5. Maryland Transit Administration 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 6** 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 2022 data, the most recent year for which data is available. MTA's performance compares favorably relative to the group average on two measures. In operating expenses per passenger trip, which demonstrates an ability to keep costs low, MTA was ranked second out of the group, and in passenger trips per vehicle revenue mile, which represents ridership density, MTA was ranked third out of the group. MTA was slightly below average for operating expenses per vehicle revenue mile.

Exhibit 6
Local Bus Compared to Peer Systems
Fiscal 2022

	<u>Operating Expenses Per Vehicle Revenue Mile</u>	<u>Operating Expenses Per Passenger Trip</u>	<u>Passenger Trips Per Vehicle Revenue Mile</u>
Baltimore	\$19.04	\$9.23	2.1
Average	18.64	13.02	1.7
Atlanta	10.29	9.97	1.0
Dallas	14.00	13.34	1.0
Houston	12.57	10.45	1.2
New York	35.06	6.32	5.5
Pittsburgh	18.31	11.86	1.5
San Jose	21.57	27.12	0.8
Seattle	19.98	18.72	1.1
Salt Lake City	12.27	12.53	1.0
Washington, D.C.	23.28	10.64	2.2

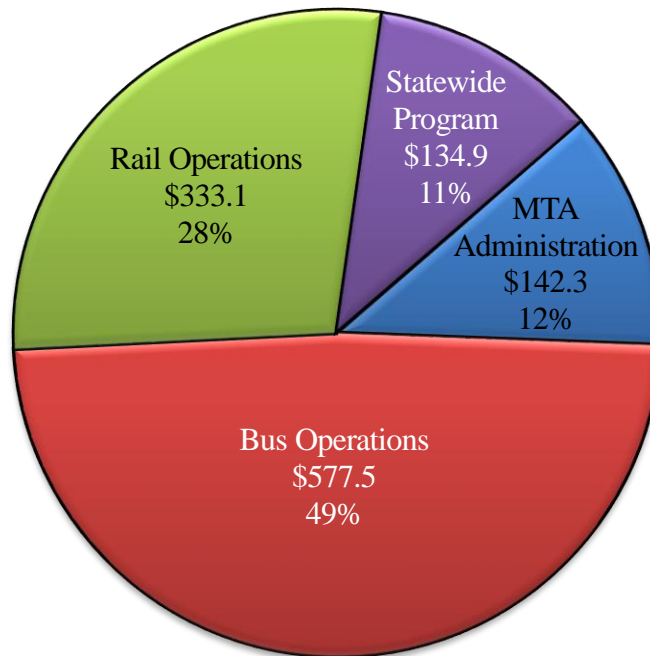
Note: Shaded entries indicate better performance by the peer system relative to that of Baltimore.

Source: Federal Transit Administration, National Transit Database (2023); Department of Legislative Services

Fiscal 2025 Overview of Agency Spending

Exhibit 7 shows the share of the fiscal 2025 operating budget for each of the units within MTA. Bus operations account for just under half of MTA operating spending, and rail operations make up more than a quarter of total operating spending in fiscal 2025.

Exhibit 7
Overview of Agency Spending
Fiscal 2025 Allowance
(\$ in Millions)



MTA: Maryland Transit Administration

Source: Governor's Fiscal 2025 Budget Books

Proposed Budget Change

As shown in **Exhibit 8**, the fiscal 2025 allowance grows by \$59.4 million, or 5.3%, compared to the working appropriation. Personnel costs increase by a net \$21.5 million in the fiscal 2025 allowance, largely due to new positions added in fiscal 2025. The allowance includes 108 new positions to increase transit reliability, and the supplemental budget includes an additional 10 positions for a bus maintenance apprenticeship program. New positions are discussed in more detail in the Personnel section of this analysis. Operational costs, including security services, liability insurance premiums, and diesel fuel costs, increase by a net \$3.7 million. Escalations in the anticipated amount for paratransit and MARC service contracts due to increased ridership and rate increases are offset by a decrease of \$32 million in contracts for commuter bus service. This reduction was part of the proposed operational reductions for MTA. MTA anticipates increased availability of federal formula funding from the Infrastructure Investment and Jobs Act (IIJA) and a transfer of lottery revenue for the purpose of bus rapid transit grants in accordance with requirements mandated by Chapter 112 of 2023.

Exhibit 8
Proposed Budget
Maryland Department of Transportation – Maryland Transit Administration
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
Fiscal 2023 Actual	\$0	\$650,132	\$428,177	\$1,078,309
Fiscal 2024 Working Appropriation	50	942,449	185,980	1,128,478
Fiscal 2025 Allowance	<u>0</u>	<u>1,108,861</u>	<u>79,039</u>	<u>1,187,900</u>
Fiscal 2024-2025 Amount Change	-\$50	\$166,412	-\$106,940	\$59,422
Fiscal 2024-2025 Percent Change	-100.0%	17.7%	-57.5%	5.3%
Where It Goes:				<u>Change</u>
Personnel Expenses				
Salary increases and related fringe benefits, including fiscal 2024 COLA and increments				\$10,759
109 new positions for transit reliability in budget as introduced				9,809
10 new positions for mechanic apprenticeship in Supplemental Budget No. 1				554
Reducing turnover rate from 3.46% to 3.37%				329
Operating Needs				
Private security contract for MTA employee facilities				2,500
Liability insurance increases				2,010
Diesel fuel costs				1,300
Reduction of one-time software maintenance costs				-300
Rent for commuter bus parking lots				-322
Consultant to manage commuter bus service contracts				-495
Employee training contracts				-1,000
Transit Service Contracts				
Paratransit, including taxi call-a-ride				19,800
MARC				9,850
Commuter bus				-32,000
Vehicle Expenses				
Inflationary adjustment for parts and maintenance				2,234
Inflationary adjustment for fuel and utilities				833
Bus fire protection inspection and repair contract				500

Where It Goes:	<u>Change</u>
Technical Adjustments	
Anticipated increase in IIJA federal funds	14,257
Anticipated transfer for bus rapid transit grants per HB 524 of 2023	12,848
Increased State support for LOTS following conclusion of additional federal COVID-19 funding.....	4,690
Controlled subobjects	1,151
Mandated inflationary adjustment for elderly and disabled transportation grants...	135
Reduction of one-time add for Senior Rides	-50
Other changes	30
Total	\$59,422

COLA: cost-of-living adjustment

IIJA: Infrastructure Investment and Jobs Act

LOTS: Locally Operated Transit Systems

MTA: Maryland Transit Administration

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

Operating Budget Cuts

While the overall budget from the fiscal 2024 working appropriation to the fiscal 2025 allowance increases, these increases are less than previously anticipated due to reductions to MTA operations as part of MDOT agencywide cuts in operating and capital budgets to balance the CTP in fiscal 2025.

A total of \$112 million in MTA’s operating and capital budgets was reduced in relation to the fiscal 2025 baseline in the budget as introduced. However, the one-time infusion of general funds to the Transportation Trust Fund (TTF) in fiscal 2025 enabled all proposed cuts, except for commuter bus services, to be fully restored by additional funding made available in Supplemental Budget No. 1. The initially proposed reductions are comprised of four major categories:

- ***Commuter Bus Services (Partially Restored):*** The fiscal 2025 budget as introduced eliminated all funding for commuter bus services. However, the supplemental budget restored \$28 million of the funding for fiscal 2025, enabling MTA to reduce service instead of eliminating the program entirely.
- ***Locally Operated Transit Systems (LOTS) (Fully Restored):*** The budget as introduced reduced grant funding for all LOTS by 40%. However, the supplemental budget included \$26 million to fully restore this program to anticipated fiscal 2025 amounts.

- ***MARC (Fully Restored):*** The budget as introduced reduced MARC operational contracts by \$7 million to reduce service frequency on the MARC Brunswick line and forgo the midday pilot project on that route. The supplemental budget restored the funding to avoid both operational impacts in fiscal 2025.
- ***State of Good Repair (Fully Restored):*** The budget as introduced reduced spending for state of good repair needs by \$15 million. A corresponding provision in the BRFA reduced the mandated amount of spending for this purpose in fiscal 2025. The supplemental budget restored spending back to anticipated levels. For more information on state of good repair, see Issue 2 of this analysis.

On January 31, 2024, MTA released an official proposal for reduction of commuter bus services. The commuter bus system currently consists of 36 routes that connect major metropolitan areas to residential communities across the State. Low ridership is the primary reason for reductions: in calendar 2023, combined ridership on all commuter bus lines was just 35% of calendar 2019 levels. As part of the process to reduce service, the agency will hold five public hearings in late March 2024 and will accept public comments through late April 2024. The proposal includes eliminating 8 lines, reducing service frequency on 26 lines, and retaining current service levels on 2 lines. The agency noted that it considered current ridership trends, equity issues, and proximity to other services when proposing which lines to reduce. Changes will become effective on July 1, 2024.

While commuter bus service is the only item that was impacted by the budget reductions in fiscal 2025, absent significantly increased resources, MTA expects that similar reductions for commuter bus, LOTS, and MARC will be made in fiscal 2026 given the ongoing structural strains on the TTF.

Operating and PAYGO Personnel Data

	<u>FY 23</u> <u>Actual</u>	<u>FY 24</u> <u>Working</u>	<u>FY 25</u> <u>Allowance</u>	<u>FY 24-25</u> <u>Change</u>
Regular Operating Budget	3,279.50	3,276.50	3,380.50	104.00
Regular PAYGO Budget	<u>87.00</u>	<u>89.00</u>	<u>104.00</u>	<u>15.00</u>
Total Regular Positions	3,366.50	3,365.50	3,484.50	119.00
Operating Budget FTEs	11.00	15.00	15.00	0.00
PAYGO Budget FTEs	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total FTEs	11.00	16.00	16.00	0.00
Total Personnel	3,377.50	3,381.50	3,500.50	119.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	113.99	3.37%
Positions and Percentage Vacant as of 1/1/24	176.50	5.22%

Vacancies Above Turnover 62.51

- The agency's turnover rate decreases from 3.46% to 3.37% in fiscal 2025 due to continued filling of vacant positions. The agency's vacancy rate decreased from 295 positions, or 8.77%, in January 2023, to 176.5 positions, or 5.22%, in January 2024.
- The fiscal 2025 allowance adds 108 positions to improve transit reliability. These include:
 - 60 operational managers in all modes to support MTA in overseeing frontline employees and manage MTA-provided service;
 - 25 administrative staff, including human resources, training, and procurement;
 - 10 planning staff to oversee regional transit plan corridor and expansion projects, including the Red Line and SMRT;
 - 8 safety trainers to support technical training for operators; and
 - 5 safety managers to assist in incident response.
- An additional 10 positions were included in Supplemental Budget No. 1 for a zero-emission bus maintenance mechanic apprenticeship program.

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 IIJA. In addition to that guaranteed federal support, MTA has applied for various discretionary grants available through various program for capital improvement, expansion, and safety projects across the State. As shown in **Exhibit 9**, MTA was awarded \$5.0 billion in discretionary grants in federal fiscal 2022 to 2024 and has applied for an additional \$3.2 million in federal fiscal 2023 and 2024. On February 20, 2024, MTA announced that it had been awarded a \$213.7 million discretionary grant via the Rail Vehicle Replacement Program to replace the entire Light Rail vehicle fleet. The agency will additionally leverage \$90 million in State matching funds and \$127.6 million in federal formula funds for the project.

Exhibit 9
Federal Discretionary Grants
Federal Fiscal 2022-2024
(\$ in Thousands)

<u>Project</u>	<u>Amount</u>	<u>Federal Fiscal Year</u>
College Park MARC Station 30% Design and NEPA Project	\$1,395	2024
Cloud-based Transit Signal Priority	1,276	2023
West Baltimore MARC Red Line Station TOD Implementation	550	2023
Total – Pending	\$3,221	
Federal-State Partnership for Intercity Passenger Rail (Frederick Douglass Tunnel)	\$4,707,572	2023
Light Rail Vehicle Replacement Project	213,696	2024
Gunpowder River Bridge Replacement Program	30,000	2023
Mondawmin Transit Hub	20,000	2023
Bush River Bridge Replacement Program	18,800	2023
Penn Camden Connector	8,800	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
Total – Awarded	\$5,008,292	

NEPA: National Environmental Policy Act

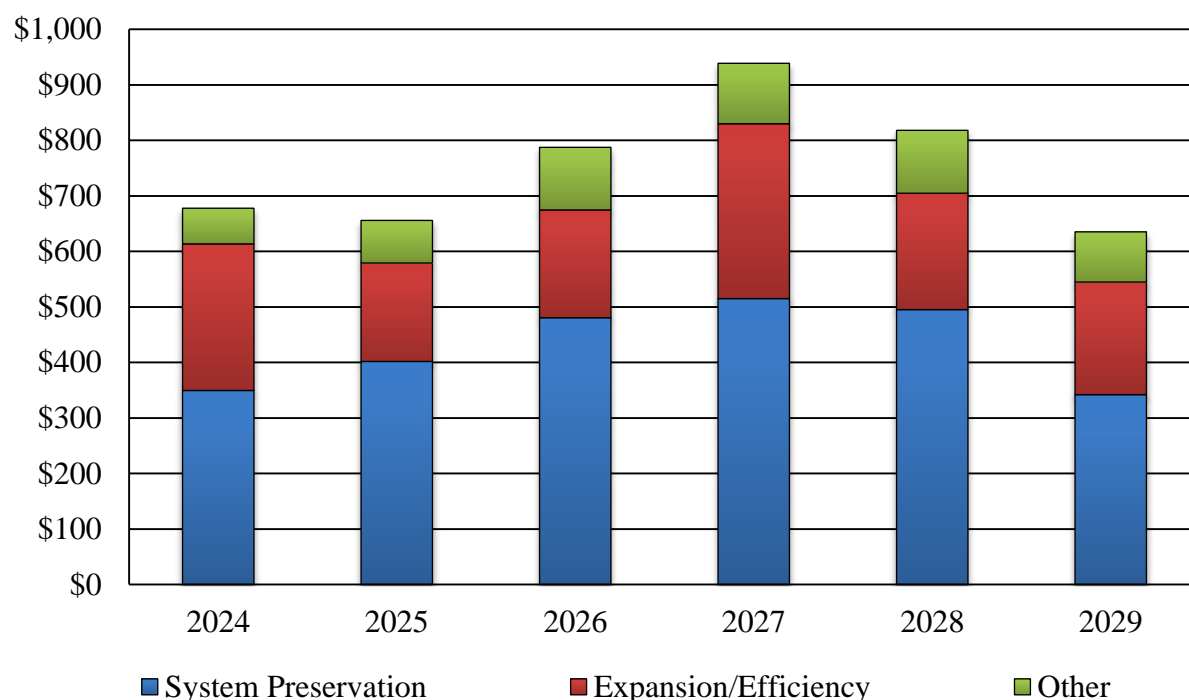
TOD: transit-oriented development

Source: Maryland Department of Transportation

Fiscal 2024 to 2029 Consolidated Transportation Program

The fiscal 2024 to 2029 capital program for MTA totals \$4.5 billion, an increase of \$95.4 million from the previous year’s program. **Exhibit 10** shows funding by investment category for each year of the program. Over the six years, system preservation comprises 57% of spending, and expansion/efficiency spending comprises 30%. 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 10
Program Capital Spending by Category
Fiscal 2024-2029
(\$ in Millions)



Note: The 2024 *Consolidated Transportation Program* accounts for a reduction of \$20 million in fiscal 2025 and each year thereafter, contingent on legislation that changes the requirement for procuring zero-emission buses to support the core bus fleet.

Source: Maryland Department of Transportation, 2024-2029 *Consolidated Transportation Program*

The increase in the expansion/efficiency category in fiscal 2027 is associated with higher costs for the Purple Line project, as final capital construction payments and a portion of a first-year availability payment is programmed in that year. In addition, MTA anticipates that design funding for the Red Line project will be expended by fiscal 2027, adding to the decrease in this category from fiscal 2027 to 2028.

Fiscal 2025 Capital Allowance

MTA's capital program in fiscal 2025, including other funds that do not flow through MTA's budget, totals \$671.0 million, a \$6.7 million decrease from the current year working appropriation. **Exhibit 11** shows the programmed fiscal 2025 spending for projects and programs along with the estimated total project cost and six-year funding included in the CTP.

Exhibit 11
Pay-as-you-go Capital Projects
Fiscal 2025
(\$ in Millions)

<u>Project/Program Title</u>	<u>2025</u>	<u>Total Cost</u>	<u>Six-year Total</u>
Projects			
Purple Line	\$93.2	\$3,292.5	\$913.2
Metro Railcar and Signal System Overhauls and Replacement	54.3	544.4	263.9
MARC Improvements on Penn Line	28.6	416.3	206.9
D&E: Red Line	20.6	98.2	98.2
Light Rail Systems Overhauls and Replacement	17.7	148.5	116.5
Zero-Emission Bus Infrastructure and Program Management	16.0	131.4	123.5
MARC Coaches – Overhauls and Replacement	15.3	151.0	108.2
Light Rail Vehicle Overhaul	14.6	221.2	33.9
MARC Improvements on Camden and Brunswick Lines	13.0	166.4	38.7
Metro and Light Rail Maintenance of Way	10.9	192.9	81.8
Fast Forward	10.5	30.0	18.0
Metro Systems Overhauls and Replacements	10.3	33.6	31.9
Bus Facilities Preservation and Improvements	9.5	32.5	26.7
MARC Locomotives – Overhauls and Replacements	9.3	184.0	86.3
Eastern Bus Facility	8.0	505.6	207.0
Fare Collection System and Equipment Replacement	7.6	91.8	61.8
MARC Maintenance, Layover, and Storage Facilities	7.5	101.2	36.8
D&E: MARC Penn-Camden Connector	7.0	15.5	12.6
Homeland Security	6.8	16.6	9.0
Metro Tunnel Repairs and Improvements	6.6	50.9	29.0
Metro Maintenance Facility Improvements	6.2	30.7	22.2
D&E: Low Floor Light Rail Fleet Transition	6.1	19.1	18.8
Metro Station Rehabilitation and Lighting Program	5.9	54.0	52.7
Metro Interlocking Renewals	5.0	109.5	61.8
East-West Bus Priority Corridor (RAISE)	4.2	57.9	56.5
Zero-emission Bus Pilots	3.7	17.7	10.0
D&E: Southern Maryland Rapid Transit Study	3.6	24.9	20.0
D&E: MARC BWI Marshall Airport Fourth Track	3.5	11.6	11.6
Agencywide Radio and Telecommunications Upgrade	3.2	19.9	6.1
D&E: Regional Transit Plan Corridor Studies	2.1	8.2	6.0
MARC Odenton Station Renovation	2.0	0.0	0.0
Purple Line – Third-party-funded Projects	1.8	116.3	72.5
D&E: Susquehanna River Bridge Replacement	1.5	3.0	3.0
MARC Positive Train Control	1.1	36.8	3.6

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<u>Project/Program Title</u>	<u>2025</u>	<u>Total Cost</u>	<u>Six-year Total</u>
MARC BWI Marshall Airport Station Upgrades and Repairs	1.1	10.7	1.4
Metro Mondawmin Transit Hub	1.0	34.5	34.5
Penn Station Investments	0.9	15.0	13.0
Light Rail Trackwork Overhauls and Replacement	0.7	43.4	37.0
Frederick Douglass Tunnel	0.6	451.4	201.4
Bus Network Improvements	0.6	19.8	2.8
Howard Street Rail Replacement	0.5	36.5	34.1
D&E: I-495/I-270 Corridor Transit Investments Program	0.4	0.8	0.8
<i>Subtotal – Projects</i>	<i>\$422.9</i>	<i>\$7,546.5</i>	<i>\$3,173.7</i>
Programs			
Minor Projects	\$74.7	\$0.0	\$331.7
Bus Procurement	51.3	550.4	232.0
LOTS Capital Procurement Projects	36.1	456.9	201.6
Mobility Vehicle Procurement	22.8	74.5	63.9
Major Information Technology Infrastructure Improvements	10.4	39.1	20.3
Capital Salaries and Wages	9.0	0.0	66.3
Prince George’s County Local Bus Program	8.0	49.4	36.1
Freight Rail Program	7.9	80.0	22.0
Montgomery County Local Bus Program	6.8	78.6	16.2
Assistance to Private Nonprofit Agencies for the Transportation of the Elderly and Persons with Disabilities	3.3	81.6	30.2
Agencywide Elevator and Escalator Rehabilitation	1.9	281.9	127.0
Zero-Emission Bus Procurement	0.6	389.0	142.9
D&E: LOTS Transit Development Plan	0.2	5.2	2.3
<i>Subtotal – Programs</i>	<i>\$233.0</i>	<i>n/a</i>	<i>\$1,292.5</i>
Total -- Projects and Programs	\$655.9	\$7,546.5	\$4,466.2

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

D&E: development and evaluation

LOTS: Locally Operated Transit Systems

RAISE: Rebuilding American Infrastructure with Sustainability and Equity

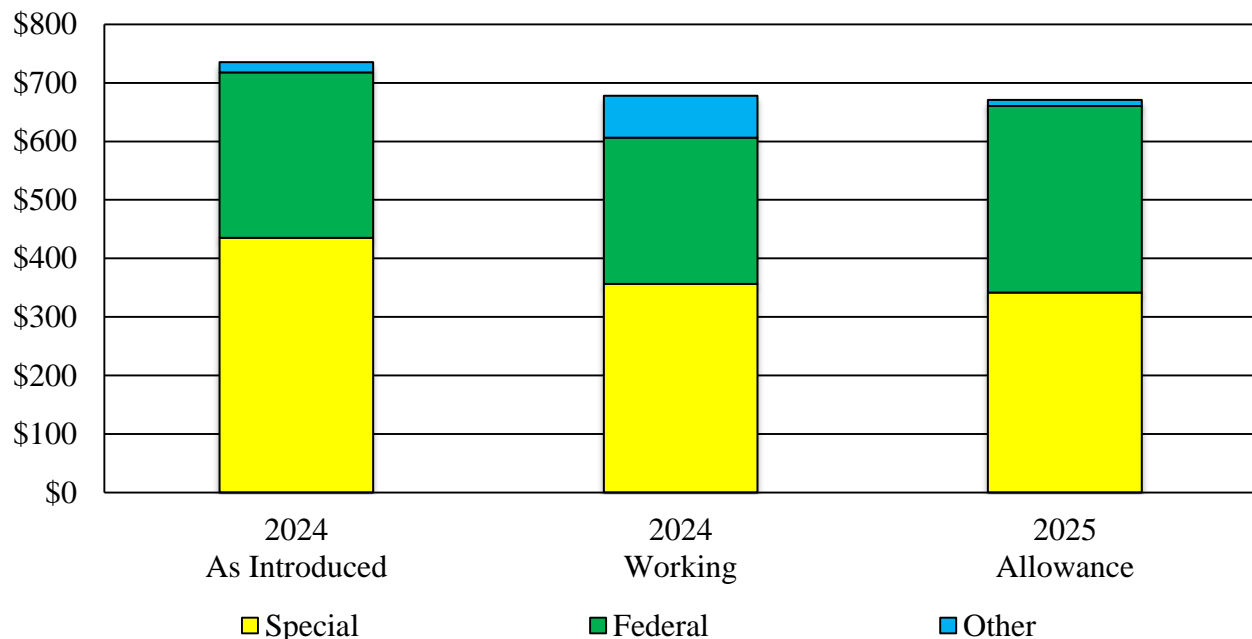
Note: The exhibit excludes \$15.0 million in the fiscal 2025 allowance made available by Supplemental Budget No. 1, which was not known at the time of *Consolidated Transportation Program* development.

Source: Maryland Department of Transportation, 2024-2029 *Consolidated Transportation Program*

Fiscal 2024 and 2025 Cash Flow Analysis

Exhibit 12 shows the changes in MTA capital funding, including other funds that do not flow through the MTA budget, between the fiscal 2024 budget as introduced and the working appropriation and between the working appropriation and the fiscal 2025 allowance. From the fiscal 2024 budget as introduced to the fiscal 2025 allowance, there is a decrease of \$57.8 million due to unanticipated project delays associated with supply chain issues, industry preferences, extended procurements, and vendor performance. Including the supplemental budget, the fiscal 2025 allowance is \$6.7 million below the fiscal 2024 working amount.

Exhibit 12
Capital Cash Flow Changes
Fiscal 2024-2025
 (\$ in Millions)



Source: Maryland Department of Transportation, 2023-2028 *Consolidated Transportation Program*

Cash Flow Changes – Fiscal 2024 as Introduced Compared to Working Appropriation

As shown in **Exhibit 13**, the fiscal 2024 working appropriation is \$57.8 million lower than the fiscal 2024 budget as introduced during the 2023 session. Due to the complexity of major projects, cash flow changes occur for various reasons, including procurement schedules, favorable or unfavorable weather conditions, environmental permitting, or other logistical considerations.

Exhibit 13
Capital Cash Flow Changes
Fiscal 2024 as Introduced Compared to Working Appropriation
(\$ in Millions)

<u>Project Title</u>	<u>Change</u>
Major Projects	-\$54.0
Purple Line	\$76.5
Purple Line – Third-party-funded Projects	63.9
Prince George’s County Local Bus Program	6.8
Light Rail Trackwork Overhauls and Replacement	6.4
Assistance to Private Nonprofit Agencies for the Transportation of the Elderly and Persons with Disabilities	4.5
Kirk Bus Facility Replacement	3.1
Metro and Light Rail Maintenance of Way	2.8
East-West Bus Priority Corridor (RAISE)	1.8
MARC Laurel Platform Replacement	1.8
Freight Rail Program	1.6
Beyond the Bus Stop	1.5
Metro Tunnel Repairs and Improvements	1.4
Transit Innovation Grant	0.9
North Avenue Rising	0.8
Frederick Douglass Tunnel	0.7
Homeland Security	0.7
Bus Network Improvements	0.7
Zero-emission Bus Procurement	0.6
MARC Positive Train Control	0.4
MARC BWI Marshall Airport Station Upgrades and Repairs	0.4
Metro Mondawmin Transit Hub	0.1
Agencywide Radio and Telecommunications Upgrade	0.1
Howard Street Rail Replacement	0.1
MARC Improvements on Penn Line	-1.3
Penn Station Investments	-1.4
MARC Odenton Station Renovation	-2.0
MARC Improvements on Camden and Brunswick Lines	-2.3
Bus Hub at Baltimore Arena	-2.3
Major Information Technology Infrastructure Improvements	-2.6
MARC Coaches – Overhauls and Replacement	-3.2
Metro Maintenance Facility Improvements	-3.3
Bus Procurement	-3.4
Montgomery County Local Bus Program	-3.4
Metro Systems Overhauls and Replacements	-3.4

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<u>Project Title</u>	<u>Change</u>
Zero-Emission Bus Pilots	-3.5
Fare Collection System and Equipment Replacement	-4.4
MARC Maintenance, Layover, and Storage Facilities	-4.9
Bus Facilities Preservation and Improvements	-6.2
Metro Interlocking Renewals	-7.7
MARC Locomotives – Overhauls and Replacements	-7.8
Zero-Emission Bus Infrastructure and Program Management	-7.8
Agencywide Elevator and Escalator Rehabilitation	-9.8
Light Rail Vehicle Overhaul	-10.3
Eastern Bus Facility	-11.4
LOTS Capital Procurement Projects	-12.4
Metro Station Rehabilitation and Lighting Program	-13.5
Fast Forward	-15.3
Mobility Vehicle Procurement	-15.5
Light Rail Systems Overhauls and Replacement	-18.4
Metro Railcar and Signal System Overhauls and Replacement	-54.2
Development and Evaluation Projects	\$4.0
D&E: Red Line	\$4.5
D&E: Low Floor Light Rail Fleet Transition	2.7
D&E: MARC Stations and Service Studies	1.9
D&E: MARC BWI Marshall Airport Fourth Track	1.2
D&E: Agency Customer Experience Technology Initiatives	1.0
D&E: MARC Penn-Camden Connector	0.9
D&E: Patapsco Avenue Pedestrian/Bicycle Bridge	0.5
D&E: I-495/I-270 Corridor Transit Investments Program	0.4
D&E: Central Maryland Regional Coordination Studies	0.31
D&E: Susquehanna River Bridge Replacement	0.00
D&E: LOTS Transit Development Plan	-0.11
D&E: Agency Future Montgomery County Priority Transit Project	-0.40
D&E: Agency Innovation and Technology Initiatives	-0.77
D&E: Southern Maryland Rapid Transit Study	-4.00
D&E: Regional Transit Plan Corridor Studies	-4.03
Minor Projects	-\$1.4
Capital Salaries and Wages	-\$6.4
Total Change	-\$57.8

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

D&E: development and evaluation

LOTS: Locally Operated Transit Systems

RAISE: Rebuilding American Infrastructure with Sustainability and Equity

Source: Maryland Department of Transportation, 2024-2029 *Consolidated Transportation Program*; 2023-2028 *Consolidated Transportation Program*

Cash Flow Changes – Fiscal 2024 to 2025

As shown in **Exhibit 14**, fiscal 2025 capital funding, including other funds, decreases by \$21.8 million from the current year working appropriation.

Exhibit 14
Capital Cash Flow Changes
Fiscal 2024 Working to Fiscal 2025 Allowance
(\$ in Millions)

<u>Project Title</u>	<u>Change</u>
Major Projects	\$18.1
Metro Railcar and Signal System Overhauls and Replacement	\$24.1
LOTS Capital Procurement Projects	23.9
Mobility Vehicle Procurement	20.0
Zero-emission Bus Infrastructure and Program Management	10.7
Bus Procurement	9.9
MARC Improvements on Camden and Brunswick Lines	9.3
Montgomery County Local Bus Program	9.1
Metro Systems Overhauls and Replacements	7.9
MARC Coaches – Overhauls and Replacement	7.4
Major Information Technology Infrastructure Improvements	7.2
MARC Locomotives – Overhauls and Replacements	6.2
Light Rail Systems Overhauls and Replacement	5.3
Homeland Security	4.7
Bus Facilities Preservation and Improvements	3.6
Metro Station Rehabilitation and Lighting Program	3.2
Fast Forward	3.1
MARC Maintenance, Layover, and Storage Facilities	2.6
Metro Maintenance Facility Improvements	2.2
MARC Odenton Station Renovation	1.8
Metro Tunnel Repairs and Improvements	1.7
Light Rail Vehicle Overhaul	1.4
Agencywide Radio and Telecommunications Upgrade	1.3
Metro Interlocking Renewals	1.2
MARC Improvements on Penn Line	1.1
Metro Mondawmin Transit Hub	0.9
Prince George's County Local Bus Program	0.8
MARC BWI Marshall Airport Station Upgrades and Repairs	0.7
MARC Positive Train Control	0.7
Penn Station Investments	0.6
East-West Bus Priority Corridor (RAISE)	0.4
Freight Rail Program	0.2
Zero-emission Bus Procurement	0.0
Bus Hub at Baltimore Arena	0.0
Howard Street Rail Replacement	-0.1

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<u>Project Title</u>	<u>Change</u>
Frederick Douglass Tunnel	-0.1
North Avenue Rising	-0.8
Fare Collection System and Equipment Replacement	-1.2
Transit Innovation Grant	-1.4
Beyond the Bus Stop	-1.6
Bus Network Improvements	-1.7
Eastern Bus Facility	-2.0
Zero-emission Bus Pilots	-2.1
Agencywide Elevator and Escalator Rehabilitation	-2.2
Kirk Bus Facility Replacement	-3.1
MARC Laurel Platform Replacement	-3.4
Assistance to Private Non-profit Agencies for the Transportation of the Elderly and Persons with Disabilities	-5.7
Metro and Light Rail Maintenance of Way	-5.8
Light Rail Trackwork Overhauls and Replacement	-9.6
Purple Line	-47.7
Purple Line – Third-party-funded Projects	-66.3
Development and Evaluation Projects	\$20.1
D&E: Red Line	\$16.1
D&E: MARC Penn-Camden Connector	5.7
D&E: Low Floor Light Rail Fleet Transition	3.4
D&E: MARC BWI Marshall Airport Fourth Track	2.3
D&E: Southern Maryland Rapid Transit Study	2.3
D&E: Regional Transit Plan Corridor Studies	0.3
D&E: LOTS Transit Development Plan	0.1
D&E: Susquehanna River Bridge Replacement	0.0
D&E: I-495/I-270 Corridor Transit Investments Program	0.0
D&E: Central Maryland Regional Coordination Studies	-0.3
D&E: Patapsco Ave Pedestrian/Bicycle Bridge	-0.5
D&E: Agency Customer Experience Technology Initiatives	-1.0
D&E: MARC Stations and Service Studies	-8.4
Minor Projects	-\$61.4
Capital Salaries and Wages	\$1.4
Total Change	-\$21.8

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

D&E: development and evaluation

LOTS: Locally Operated Transit Systems

RAISE: Rebuilding American Infrastructure with Sustainability and Equity

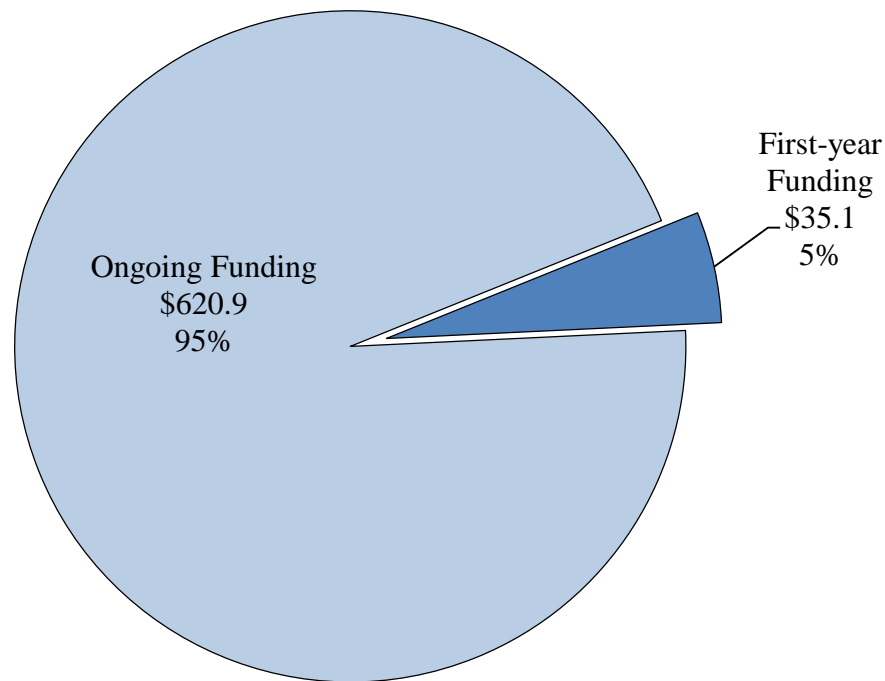
Note: The exhibit excludes \$15.0 million in the fiscal 2025 allowance made available by Supplemental Budget No. 1, which was not known at the time of *Consolidated Transportation Program* development.

Source: Maryland Department of Transportation, 2024-2029 *Consolidated Transportation Program*

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 year CTP). As shown in **Exhibit 15**, \$39.9 million, or 6%, of MTA’s fiscal 2025 capital funding is first-year funding. The MTA capital projects receiving first-year funding in fiscal 2024 and 2025 are listed in **Exhibit 16**.

Exhibit 15
First-year Programmed and Ongoing Program Spending – All Funds
Fiscal 2025
(\$ in Millions)



Source: Maryland Department of Transportation, 2024-2029 Consolidated Transportation Program

Exhibit 16
Projects Receiving First-year Design and Construction Funding
Fiscal 2024-2025
(\$ in Thousands)

<u>Project Title</u>	<u>2024</u>	<u>2025</u>	<u>2024-2025</u>
Construction			
Prince George’s County Local Bus Program	\$6,350	\$400	\$6,750
Fare Collection System and Equipment Replacement	3,075	3,565	6,640
LOTS Capital Procurement Projects (Local Jurisdictions)	2,498	255	2,753
Fast Forward	1,139	1,997	3,136
Metro Tunnel Repairs and Improvements	1,139	500	1,639
Transit Innovation Grant	979	0	979
Freight Rail Program	874	658	1,532
Metro Interlocking Renewals	707	0	707
Light Rail Systems Overhauls and Replacements	580	3,150	3,730
Metro and Light Rail Maintenance of Way	460	47	507
Bus Facilities Preservation and Improvements	288	526	814
Beyond the Bus Stop	249	0	249
Purple Line	241	241	482
MARC Improvements on Camden and Brunswick Lines	188	0	188
MARC Laurel Platform Replacement	140	0	140
MARC BWI Marshall Airport Rail Station Upgrades and Repairs	100	401	501
Light Rail Vehicle Overhaul	76	300	376
Metro Maintenance Facility Improvements	59	332	391
MARC Maintenance, Layover, and Storage Facilities	38	0	38
MARC Odenton Station Renovation	15	85	100
MARC Positive Train Control	15	32	47
Agencywide Elevator and Escalator Rehabilitation	0	200	200
MARC Locomotives – Overhauls and Replacements	0	200	200
Metro Systems Overhauls and Replacements	0	950	950
Mobility Vehicle Procurement	0	900	900
<i>Subtotal – Construction</i>	\$19,210	\$14,739	\$33,949
Design			
Red Line	\$4,239	\$1,064	\$5,303
East-West Priority Corridor	3,220	3,220	6,440
Light Rail Systems Overhauls and Replacements	2,952	675	3,627
Low Floor Light Rail Fleet Transition	2,173	2,173	4,346
MARC Penn-Camden Connector	1,100	6,927	8,027
Metro Station Rehabilitation and Lighting Program	978	202	1,180

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<u>Project Title</u>	<u>2024</u>	<u>2025</u>	<u>2024-2025</u>
Bus Network Improvements	941	437	1,378
LOTS Capital Procurement Projects (Local Jurisdictions)	603	0	603
Metro Tunnel Repairs and Improvements	500	0	500
Zero-Emission Eastern Bus Facility Redevelopment	452	282	734
Regional Transit Plan Corridor Studies	430	0	430
Freight Rail Program	407	373	780
Metro and Light Rail Maintenance of Way	338	0	338
MARC Improvements on Camden and Brunswick Lines	330	362	692
Penn Station Investments	300	0	300
Zero-emission Bus Infrastructure and Program Management	290	1,959	2,249
Frederick Douglass Tunnel	206	83	289
Metro Systems Overhauls and Replacements	189	10	199
MARC Maintenance, Layover, and Storage Facilities	186	0	186
Fare Collection System and Equipment Replacement	150	580	730
Southern Maryland Rapid Transit	150	0	150
Bus Facilities Preservation and Improvements	130	0	130
Fast Forward	113	35	148
Beyond the Bus Stop	99	0	99
Metro Mondawmin Transit Hub	64	640	704
MARC Coaches – Overhauls and Replacement	50	300	350
Central Maryland Regional Coordination Studies	48	0	48
Montgomery County Local Bus Program	38	0	38
MARC Stations and Service Studies	29	0	29
Agencywide Elevator and Escalator Rehabilitation	19	0	19
Metro Interlocking Renewals	5	0	5
Light Rail Trackwork Overhauls and Replacement	2	0	2
MARC BWI Marshall Airport Fourth Track	0	800	800
Prince George’s County Local Bus Program	0	269	269
<i>Subtotal – Design</i>	\$20,731	\$20,391	\$41,122
Grand Total	\$39,941	\$35,130	\$75,071

BWI Marshall Airport: Baltimore/Washington International Airport Thurgood Marshall Airport

LOTS: Locally Operated Transit Systems

RAISE: Rebuilding American Infrastructure with Sustainability and Equity

Source: Maryland Department of Transportation, 2024-2029 *Consolidated Transportation Program*

Significant Changes from the Previous *Consolidated Transportation Program*

Exhibit 17 lists significant changes from the fiscal 2023-2028 CTP, which comprises additions to the construction and development and evaluation (D&E) programs. The Red Line project, which was added to the D&E program in the 2024-2029 CTP, is discussed further in Issue 1 of this analysis.

Exhibit 17 Major Project Significant Changes From the 2023 *Consolidated Transportation Program* (\$ in Millions)

Projects Added to the Construction Program

Frederick Douglass Tunnel	\$451.4
Metro Mondawmin Transit Hub	34.5
Penn Station Multimodal Access Investments	15.0

Projects Added to the Development and Evaluation Program

Red Line	\$98.2
Low Floor Light Rail Fleet Transition	18.8
MARC BWI Marshall Airport Fourth Track	11.6

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

Source: Maryland Department of Transportation, 2024-2029 *Consolidated Transportation Program*

Issues

1. Updates on Major Transit Projects: Purple Line Hits Another Snag; Planning and Outreach for Red Line Continues

The Board of Public Works (BPW) approved the contract modification associated with a delay for the Purple Line Light Rail project associated with utility relocations in summer 2023, pushing the revenue service date to spring 2027. However, an additional potential delay estimated at over eight months has been identified by the concessionaire in required progress reports. MTA expects that the project partners will finalize the new delay and associated costs in early spring 2024. It is expected that the delay will require an additional contract modification, which must go back to BPW for consideration.

The Red Line and SMRT projects both received planning funding in the 2024 CTP and are undergoing public outreach, development, and planning efforts.

Purple Line Delay Quantified and Service Availability Pushed to Spring 2027

On July 19, 2023, the BPW unanimously approved a modification to the public-private partnership (P3) contract with the Purple Line Transit Partners (PLTP), LLC to account for a project delay associated with utility relocation challenges. This modification increased the P3 contract amount, extended the contract term, and provided contractual relief to the concessionaire for project delays.

The action increased the contract amount by a net \$148.3 million and postponed the revenue service availability date from fall 2026 to spring 2027 (207 days). The contract escalation includes increased payments prior to the revenue service availability date, which were partially offset by reductions to availability payments, which will start after revenue service begins. This modification resulted from challenges with utility relocation, first identified by a technical advisor to PLTP in November 2022.

This year's CTP reflects a total project cost increase of \$449 million over last year's program, which includes funds to complete construction and the addition of first-year availability payments in fiscal 2027.

More Difficulties Ahead

In response to language added to the fiscal 2024 budget, MTA provides bimonthly status updates on the project to the budget committees. Beginning in the September 2023 report, MTA noted an additional potential project delay associated with utility relocation challenges. The delay was initially estimated at 91 days, but the January 2024 report estimated the delay at 249 days beyond the current revenue service availability date. Once MTA, PLTP, and the design-build contractor agree on the length and financial impact of this delay, MTA will bring a contract

modification before BPW. MTA estimates that the project team will finalize the proposed delay in March or April 2024. **The agency should discuss how the additional delay and contract modification may impact other projects and priorities, particularly given the current strain on the TTF and anticipated reductions in fiscal 2026. The Department of Legislative Services (DLS) recommends budget bill language requiring MTA to provide bimonthly status updates on the Purple Line Light Rail project.**

Red Line and Southern Maryland Rapid Transit Added to Consolidated Transportation Program as Studies Continue

On June 15, 2023, Governor Wes Moore publicly announced his intention to resurrect the Red Line transit project. The Red Line was a \$2.9 billion, 14-mile east-west transit project in Baltimore City that had secured funding commitments from the federal government but had not yet begun construction. In calendar 2015, Governor Lawrence J. Hogan, Jr. canceled the project, returning \$900 million in federal funding and redirecting earmarked State funds to other transportation projects. While Governor Moore has announced his intention to resurrect the project, it cannot be completed exactly as previously planned given development in the intervening period. Much of the planning efforts, including the National Environmental Policy Act (NEPA) process, must be completed again.

MTA anticipates announcing the preferred mode for the Red Line, either bus rapid transit or light rail transit, in spring 2024. An announcement regarding the locally preferred alternative, including route and extent of tunneling/surface options, will follow in late 2024. These efforts will conclude the Alternatives Analysis phase, during which MTA presented various options for alignment, transit modes, and station locations for public engagement and feedback in coordination with advocacy groups, environmental agencies, and other stakeholders.

For the first time since it was reintroduced, the Red Line project is designated as a separate item in the CTP in the D&E program. It is programmed to receive \$98 million through the six-year program. It is not yet programmed for construction funding, given that MTA has not yet completed the procedural and planning tasks necessary to move it to the major projects program.

The Red Line (east-west corridor study) is one of two studies that began following publication of the Regional Transit Plan for Central Maryland. The report was released by MTA in October 2020 and describes specific needs, goals, and milestones for transit in the Baltimore metropolitan region. As a part of the plan's implementation, MTA is undergoing two studies to examine transit opportunities in and around Baltimore City – the east-west Red Line corridor (Bayview to Ellicott City) and north-south corridor (Towson to downtown Baltimore).

The north-south corridor final feasibility report was released in December 2023 and contained seven route alternatives. MTA expects this corridor study to begin the alternatives analysis phase in spring 2024.

Southern Maryland Rapid Transit

The SMRT project was added to the D&E program in the 2024 CTP. SMRT will provide rapid transit service along an 18.7-mile route in the Route 5/U.S. Route 301 corridor near Waldorf via a dedicated, grade-separated transitway. The CTP programs \$24.9 million for this phase of the project, with \$3.6 million of that total planned for fiscal 2025. MDOT plans to undergo the NEPA process in coordination with Charles and Prince George’s counties and is currently developing a memorandum of understanding with both jurisdictions.

2. Safety and Maintenance Issues Across Modes Put a Spotlight on State of Good Repair

Maintenance and technical issues resulting in the system outages of two MTA modes during calendar 2023 has resulted in an increased focus on state of good repair needs. The fiscal 2025 budget as introduced included a reduction of capital state of good repair funding below projected levels and a corresponding BRFA provision to alter the minimum funding mandate for fiscal 2025. However, additional support in the supplemental budget will restore funding to anticipated levels and negate the need for the BRFA provision.

Metro

On July 7, 2023, MTA suspended service on the entire Metro system for five days due to an electrical fire at a substation near the Owings Mills station.

The fire was caused by improper installation of a voltage limiting device by an electrical contractor. MTA implemented several corrective actions to prevent future incidents, including supplemental safety management training for supervisory staff and pre- and post-installation procedure training for all inspectors. MTA also altered the types of work that can be delegated to contractors. The fire caused property damage to the substation, cabling, and some rail tracks. One MTA train operator reported feeling a shock and received medical attention.

During the outage, MTA provided bus service along the corridor as an alternative for customers. However, traveling the Metro route takes substantially longer by bus. In addition, operators and vehicles were pulled from the bus fleet to provide this service, straining the efficiency of regular fixed route bus service.

MTA is working to calculate the total cost of this event, including lost revenues and expenses associated with investigations and repairs. The agency is currently evaluating financial recovery options with legal counsel.

Light Rail

On December 8, 2023, MTA suspended service on the Light Rail system to perform emergency inspections and repairs following concerns regarding the potential for punctured conduit cables.

Agency staff and contractors inspected each vehicle in the fleet and repaired or replaced cables as needed. The agency resumed service on December 23, 2023, using only vehicles that had been inspected and offered free service to riders until January 2, 2024. MTA completed inspections and repairs for the entire fleet on January 30, 2024. Ridership levels rebounded shortly after service resumed, as January 2024 boardings were comparable to those in January 2023.

Evaluation of costs incurred from this event is ongoing. Given the nature of the mechanical issues, MTA anticipates that all expenses associated with inspections, repairs, and service interruptions will be reimbursed by the overhaul contractor.

In February 2024, MTA announced that it was awarded a \$213 million federal discretionary grant to replace the entire Light Rail vehicle fleet. Additional details about this project are included in Exhibit 9 of this analysis.

State of Good Repair

A transit system in a state of good repair is a loosely defined concept that is generally understood as assets that are performing at the level intended by its design or manufacturing specifications. Funding to support state of good repair is not tied to specific projects but rather is used to improve assets throughout the system. While transit systems interpret and quantify state of good repair needs in various ways, MDOT calculates state of good repair support by totaling the following capital investment categories in the CTP: system preservation; safety and security; environment; and administration. By excluding funding for local support and expansion/efficiency efforts, this identifies efforts to maintain and improve existing State transit assets. While generally considered a capital issue, state of good repair is not associated with any particular fund source.

State of good repair is also an important consideration in determining availability of certain federal awards. In order to establish eligibility for the federal Capital Investments Grant program under FTA, transit agencies must demonstrate “an acceptable degree of local financial commitment...[to] maintain and operate the entire public transportation system without requiring a reduction in services.” MTA notes that it will likely apply to this program to support the Red Line project.

Mandate and Funding Challenges

Chapters 11 and 20 of the 2021 special session mandate that the Governor provide minimum capital funding for state of good repair needs at MTA:

- \$402,037,187 in fiscal 2023;
- \$502,081,501 in fiscal 2024;
- \$450,000,000 in fiscal 2025, 2026, 2027, and 2028; and
- \$318,558,000 in fiscal 2029.

The fiscal 2025 budget as introduced reduced state of good repair funding from anticipated fiscal 2025 levels by \$15 million. Since the proposed level would not have met the minimum amount required by law, a corresponding provision was included in the BRFA that if enacted would reduce the state of good repair mandate for fiscal 2025 only. However, funding made available in Supplemental Budget No. 1 restored funding to the mandated amount. **Given the additional funding made available in the supplemental budget, DLS recommends striking the provision in the BRFA to adjust the state of good repair mandate in fiscal 2025.**

While current funding levels meet legal requirements, MTA, like many transit agencies nationwide, has a backlog of state of good repair needs. The 2022 10-year Capital Needs Inventory (CNI) notes that the agency has reduced the relative size of the backlog from 16.2% to 14.2% of assets. However, the report identifies \$5.1 billion in state of good repair needs over the next 10 years, \$1.8 billion of which is deferred capital maintenance (state of good repair backlog). It further notes that an average of \$512 million per year for the next 10 years would be required to maintain or bring all MTA assets into a state of good repair. This estimate of annual funding needs is significantly higher than the amounts mandated under Chapters 11 and 20. **MTA should comment on current funding levels not meeting figures cited in the CNI report to ensure that the system is in a state of good repair, with a particular focus on how underfunding state of good repair may impact federal award eligibility.**

3. Renewed Effort on Service Reliability Amid Previous Concerns

MTA has announced several new initiatives to promote transit reliability and enhance transparency around transit performance. The fiscal 2025 budget includes an additional 108 positions in the allowance, which will be distributed throughout the agency to promote transit reliability and efficiency. The agency also announced a new Office of Customer Experience in February 2024 and established a Youth Transit Council in November 2023.

These efforts follow public concerns regarding transit reliability and performance. Mobility paratransit, which MTA is required to provide by federal law, performed poorly in calendar 2021, with only 75% of rides arriving within 30 minutes of the scheduled pickup time. Similar concerns were also raised about delays in supplemental bus services, which MTA provides as required by State law to public school students in Baltimore City. However, performance and reliability trends appear to be improving.

New Initiatives

In February 2024, the agency launched a new Office of Customer Experience to directly engage with riders and use customer feedback to guide agency priorities and initiatives. MTA plans to solicit input in various ways in calendar 2024, including focus groups, rider experience surveys, and a rider liaison program.

Accompanying the announcement, MTA released an online customer experience dashboard, which provides a more user-friendly and transparent version of the previous performance improvement page. Users can view statistics for all service modes on service delivery, on-time performance, and real-time tracking. Finally, MTA has appointed a chief customer experience officer and a director of rider experience to oversee these efforts.

The renewed focus on service improvement is also reflected in agency personnel. Despite financial constraints across MDOT, MTA's budget includes 108 new positions at an estimated cost of \$9.8 million in fiscal 2025 to improve transit reliability. These positions include managers and administrative staff to provide adequate support to frontline workers and transit operators as well as additional planners to work on projects in development, including the Red Line and SMRT. MTA notes that service delays often result from vacancies or absenteeism, particularly in frontline operator positions. In part due to aggressive hiring and retention campaigns during fiscal 2023 and 2024, the agency's overall vacancy rate has improved from 8.8% in January 2023 to 5.2% in January 2024.

U.S. Department of Justice Highlights Issues with Paratransit Service in Calendar 2021 and 2022

On June 29, 2023, the U.S. District Attorney for Maryland released an official letter of findings regarding noncompliance of MTA's MobilityLink program with Title II of the Americans with Disabilities Act (ADA). The letter notes that its investigation found MobilityLink to be in violation of the ADA and describes actions necessary to correct the violations.

Under the ADA, no qualified individual with a disability shall, by reason of disability, be excluded from participation or be denied the benefits of services, programs, or activities of a public entity, or be subjected to discrimination by any such entity (42 U.S.C. Section 12132). Title II of the ADA further requires that public entities, like MTA, provide accessible transportation to people with disabilities who reside within a certain geographical distance from a fixed route transit station.

Investigation and Findings

The U.S. Attorney's Office (USAO) initiated an investigation into MobilityLink in response to complaints received by the U.S. Department of Justice (DOJ). During the investigation, USAO reviewed information provided by MTA, including operations data, training materials, audit documents, and telephone data. It also reviewed publicly available information and input from riders and stakeholders. MTA fully cooperated with the investigation.

DOJ found that MobilityLink failed to provide service that was “comparable to the level of designated public transportation service provided to individuals without disabilities using such system.” DOJ noted that the violations surrounding MobilityLink service constitute a level of service below the level of service provided by the fixed route system accessible to those without disabilities, thus violating federal law.

The letter of findings described issues with on-time pickups, drop-offs, and call center service. DOJ also identified minimum remedial measures that MTA must take to be in compliance with federal law, which are listed in **Appendix 1**. Poor performance in paratransit services is particularly concerning, given the extremely limited transportation options available to individuals with disabilities. However, the findings only reflected performance during the study period, much of which is described in MTA’s 2023 session budget analysis.

Moving Forward

DOJ noted that MTA fully cooperated during the investigation. The agency has responded in writing to the findings, indicating its willingness to collaborate to resolve the violations. Despite the myriad of concerns raised, DOJ acknowledges the stresses that the COVID-19 pandemic brought to the MTA system and the efforts that the agency has made to improve performance, including entering into new contracts, raising operator wages, and creating incentives for on-time performance.

As described in the Managing for Results section of this analysis and Issue 2 of the 2023 budget analysis, reliability in the paratransit system improved substantially by the middle of calendar 2022. MTA has maintained this level of improved performance, with 94% of service provided on time in calendar 2023. **DLS recommends that MTA describe progress on implementation of the recommendation identified in the DOJ report and any barriers to full implementation to ensure ADA compliance.**

Performance of Agency-operated Buses for Schoolchildren

In response to concerns about the timeliness and reliability of agency-operated bus services provided to local schoolchildren, language in the fiscal 2024 budget bill restricted funding in MTA and The Secretary’s Office (TSO) pending receipt of a report describing performance of this supplemental service during the 2022-2023 school year. Budget language required the inclusion of the following items in the report:

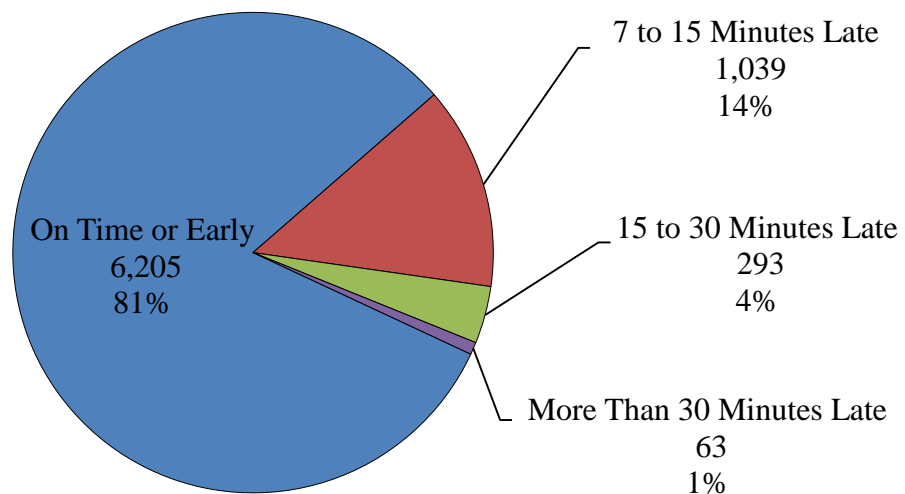
- a tabulation of incorrect routing and service delays by severity (length of delay);
- the number and severity of late school drop-offs;
- the reasons for service delays on these routes, including bus operator shortages, supervisor shortages, or other issues; and

- the corrective actions taken or planned to redress these problems.

As required by Section 7-710 of the Transportation Article, MTA provides supplemental bus services to public school students whose transportation needs are not served by existing fixed route services at no cost to the school system. During the 2022-2023 school year, MTA provided 136 supplemental trips per school day for students attending 27 schools, for a total of approximately 7,600 trips during the school year.

The agency coordinates with the school system to plan appropriate routes and timing of service based on school start times. MTA considers a drop off that occurs within 2 minutes prior or 7 minutes following the scheduled time to be “on-time”. As shown in **Exhibit 18**, 81% of the 7,600 total trips during the 2022-2023 school year met the on-time threshold or were early, 14% arrived between 7 minutes and 15 minutes after the scheduled arrival time, 4% were between 15 minutes and 30 minutes late, and 1% were more than 30 minutes late.

Exhibit 18
Supplemental Trips by Delay Severity
2022-2023 School Year



Source: Maryland Transit Administration; Department of Legislative Services

The report also addressed concerns surrounding operators not adhering to the planned service route. According to the agency, 81, or 1.1%, of supplemental service trips during the previous school year experienced possible route diversions, and 22, or 27%, of those were late drop-offs. The agency noted that route diversions, while rare, can be caused by road closures or changes in school drop off locations. There was no pattern identified demonstrating that operators were failing to complete the planned route.

MTA reports that service delays can result from numerous issues, including traffic, personnel shortages, and vehicle availability or mechanical issues. However, the agency notes that bus operator vacancies have had a particularly significant effect on the ability to provide timely service.

To address these personnel shortages, the agency undertook multiple recruitment efforts over the past year, including expedited wage progression for rail and bus operators, an aggressive hiring and social media campaign, and an accelerated training and onboarding process. As a result, applications for bus operator positions from July through September 2023 totaled 493 applications – more than double those submitted during the same period in the previous calendar year. Vacancy rates have also decreased: monthly bus operator vacancies averaged at 4.46% from January through August 2023 but fell to an average of 2.51% from September through November 2023.

In order to better connect with young riders and stakeholders, MTA established a Youth Transit Council in November 2023, which allows people ages 14 to 18 in the greater Baltimore region to directly engage with the agency and provide feedback on important issues such as supplemental school service. **DLS recommends that MTA discuss the Youth Transit Council and the Office of Customer Experience and how these initiatives can address current and future concerns surrounding transit reliability.**

Operating Budget Recommended Actions

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

, provided that \$100,000 of this appropriation made for the purpose of agency administration may not be expended until the Maryland Transit Administration submits six bimonthly construction status reports for the Purple Line project to the budget committees. The status reports shall provide:

- (1) the completion percentages for the project as a whole and for each major category of work;
- (2) the running total amount expended for construction; and
- (3) an explanation of any material change to the total construction cost estimate or construction schedule as set forth in the revised public-private partnership agreement as amended to add Maryland Transit Solutions as the replacement design-build contractor for the project.

The first status report shall be submitted by July 1, 2024, and subsequent reports shall be submitted every second month thereafter, and the budget committees shall have 45 days from the date of the receipt of the final report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: This language restricts funds pending regular construction progress reports for the Purple Line light rail project.

Information Request	Author	Due Date
Reports on Purple Line construction progress	Maryland Transit Administration	July 1, 2024, and bimonthly thereafter ending with the May 1, 2025 report

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Budget Reconciliation and Financing Act Recommended Actions

1. The Department of Legislative Services recommends striking the provision to alter the state of good repair funding mandate in fiscal 2025 only.

Appendix 1
Recommended Remedial Measures for Paratransit Operations
June 2023

1. Invest in additional resources, including vehicles and drivers, as well as any other operational improvements necessary, to ensure sustained on-time performance (both pickups and drop-offs) such that eligible riders no longer experience such capacity constraints.
2. Revisit performance standards so that MTA MobilityLink accurately identifies and remedies service issues before they rise to the level of discriminatory capacity constraints.
3. Provide adequate resources (*i.e.*, lines, equipment) and adequate staffing of the MobilityLink call center to ensure that wait times are not a capacity constraint.
4. Track and provide to the United States more detailed performance metrics.
5. Improve MTA's process of reviewing annual MobilityLink demand, such that MTA plans for and provides service each year that is free from capacity constraints.

Source: United States Attorney, District of Maryland, U.S. Department of Justice

Appendix 2

2023 Joint Chairmen’s Report Responses from Agency

The 2023 *Joint Chairmen’s Report* (JCR) requested that MTA prepare three reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Agency-operated Buses That Transport Children to Local Public Schools:*** Language added to MTA’s and TSO’s fiscal 2024 appropriation restricted funds pending a report on agency-operated buses that provide supplemental service to transport Baltimore City schoolchildren to public schools. The agency submitted a report detailing service performance and challenges during the 2022-2023 school year. Further discussion of this topic can be found in Issue 3 of this analysis.
- ***Purple Line Construction Progress:*** Language added to MTA’s fiscal 2024 appropriation restricted funds pending five bimonthly reports describing progress on the Purple Line project. The reports contained completion percentages for the project as a whole and major categories of work, total amount expended for construction, and material changes to the total construction cost estimate or schedule as described in the revised P3 agreement. Additional details about the Purple Line can be found in Issue 1 of this analysis.
- ***Long-term Investment in Fixed Rail (Not Yet Submitted):*** MTA was asked to prepare a report on maximizing the investment of existing fixed rail infrastructure. While initially due on January 15, 2024, the agency has requested an extension to March 1, 2024.

Appendix 3
Budget Amendments for Fiscal 2024
Maryland Department of Transportation – Maryland Transit Administration

Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Projected	\$83,270,000	Special	Increase to sustain operations for MTA.

Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Projected	-\$78,744,615	Special	Adjusts the appropriation to agree with anticipated expenditures for the current year as reflected in MDOT's final fiscal 2023-2028 CTP.
	-32,833,603	Federal	
	-\$28,308,218	Total	

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

<u>Object/Fund</u>	<u>FY 23 Actual</u>	<u>FY 24 Working Appropriation</u>	<u>FY 25 Allowance</u>	<u>FY 24 - FY 25 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	3,279.50	3,276.50	3,370.50	94.00	2.9%
02 Contractual	11.00	15.00	15.00	0.00	0%
Total Positions	3,290.50	3,291.50	3,385.50	94.00	2.9%
Objects					
01 Salaries and Wages	\$ 433,727,581	\$ 447,041,882	\$ 466,853,347	\$ 19,811,465	4.4%
02 Technical and Special Fees	1,088,270	1,276,326	1,276,326	0	0%
03 Communication	3,226,208	3,210,718	3,210,718	0	0%
04 Travel	546,957	504,855	504,855	0	0%
06 Fuel and Utilities	14,986,873	13,639,401	14,471,664	832,263	6.1%
07 Motor Vehicles	89,631,104	84,581,294	88,371,928	3,790,634	4.5%
08 Contractual Services	396,541,024	459,789,181	425,975,787	-33,813,394	-7.4%
09 Supplies and Materials	8,330,262	7,008,688	7,008,688	0	0%
10 Equipment – Replacement	88,349	111,490	111,490	0	0%
11 Equipment – Additional	59,002	130,635	130,635	0	0%
12 Grants, Subsidies, and Contributions	122,313,637	102,503,421	107,936,149	5,432,728	5.3%
13 Fixed Charges	7,767,465	8,680,293	9,309,541	629,248	7.2%
14 Land and Structures	2,530	0	0	0	0.0%
Total Objects	\$ 1,078,309,262	\$ 1,128,478,184	\$ 1,125,161,128	-\$ 3,317,056	-0.3%
Funds					
01 General Fund	\$ 0	\$ 50,000	\$ 0	-\$ 50,000	-100.0%
03 Special Fund	650,132,147	942,448,617	1,046,121,938	103,673,321	11.0%
05 Federal Fund	428,177,115	185,979,567	79,039,190	-106,940,377	-57.5%
Total Funds	\$ 1,078,309,262	\$ 1,128,478,184	\$ 1,125,161,128	-\$ 3,317,056	-0.3%

Note: The fiscal 2025 allowance does not include cost-of-living adjustments.

Appendix 5
Fiscal Summary
Maryland Department of Transportation – Maryland Transit Administration

<u>Program/Unit</u>	<u>FY 23 Actual</u>	<u>FY 24 Wrk Approp</u>	<u>FY 25 Allowance</u>	<u>Change</u>	<u>FY 24 - FY 25 % Change</u>
01 Transit Administration	\$ 121,775,888	\$ 127,586,018	\$ 142,328,280	\$ 14,742,262	11.6%
02 Bus Operations	563,137,851	577,870,527	548,807,291	-29,063,236	-5.0%
04 Rail Operations	270,372,141	319,808,291	325,379,481	5,571,190	1.7%
05 Facilities and Capital Equipment	482,211,313	605,168,067	656,399,875	51,231,808	8.5%
06 Statewide Programs Operations	123,023,382	103,213,348	108,646,076	5,432,728	5.3%
08 Major Information Technology Development Projects	145,956	1,112,426	0	-1,112,426	-100.0%
Total Expenditures	\$ 1,560,666,531	\$ 1,734,758,677	\$ 1,781,561,003	\$ 46,802,326	2.7%
General Fund	\$ 0	\$ 50,000	\$ 0	-\$ 50,000	-100.0%
Special Fund	920,451,002	1,298,604,798	1,383,673,759	85,068,961	6.6%
Federal Fund	640,215,529	436,103,879	397,887,244	-38,216,635	-8.8%
Total Appropriations	\$ 1,560,666,531	\$ 1,734,758,677	\$ 1,781,561,003	\$ 46,802,326	2.7%

Note: The fiscal 2025 allowance does not include cost-of-living adjustments.