



Consolidated Transportation Program: MDOT Funding

Baltimore Regional Transit Commission
July 12, 2024



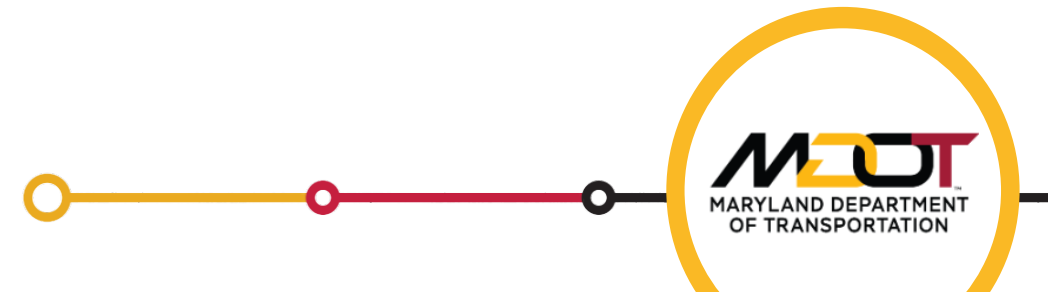
MDOT: At a Glance

Modal Administrations

- Secretary's Office (TSO)
- Maryland Aviation Administration (MAA)
- Maryland Motor Vehicle Administration (MVA)
- Maryland Port Administration (MPA)
- Maryland State Highway Administration (SHA)
- Maryland Transit Administration (MTA)

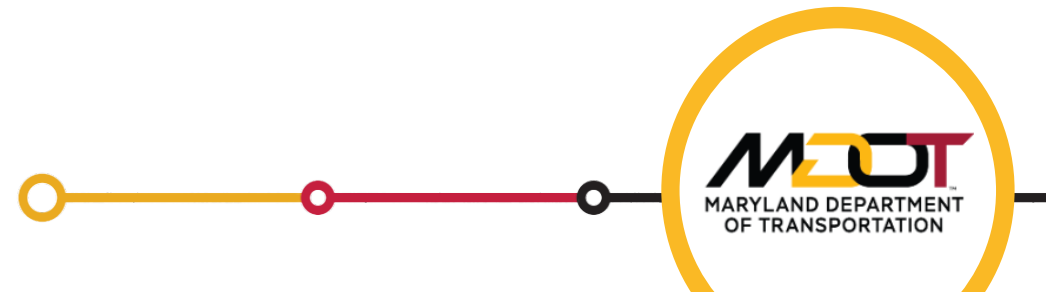
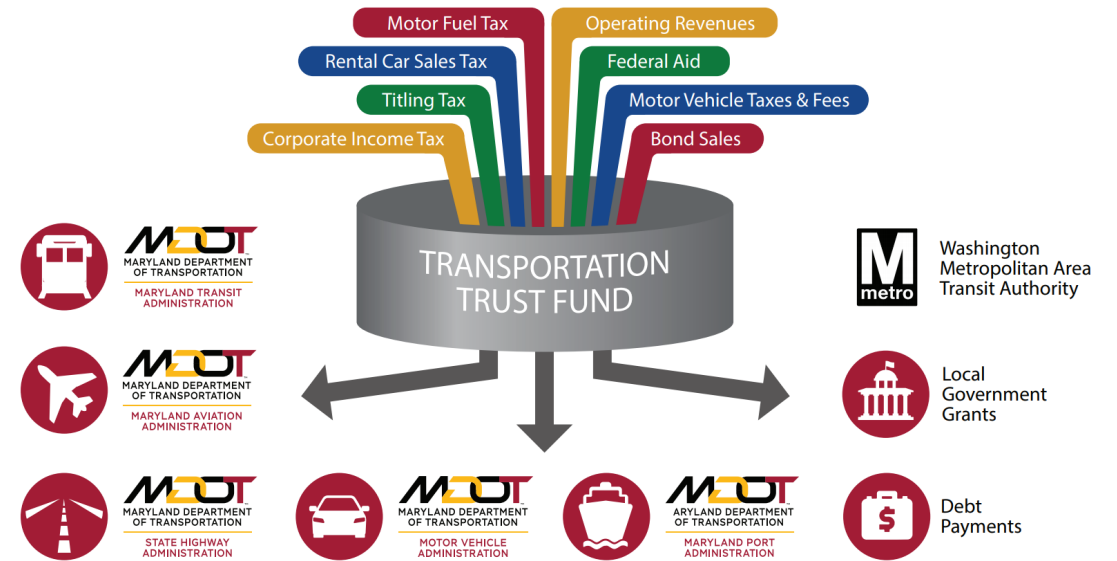
Authorities

- The Maryland Transportation Authority (MDTA)
- Washington Metropolitan Area Transit Administration (WMATA)

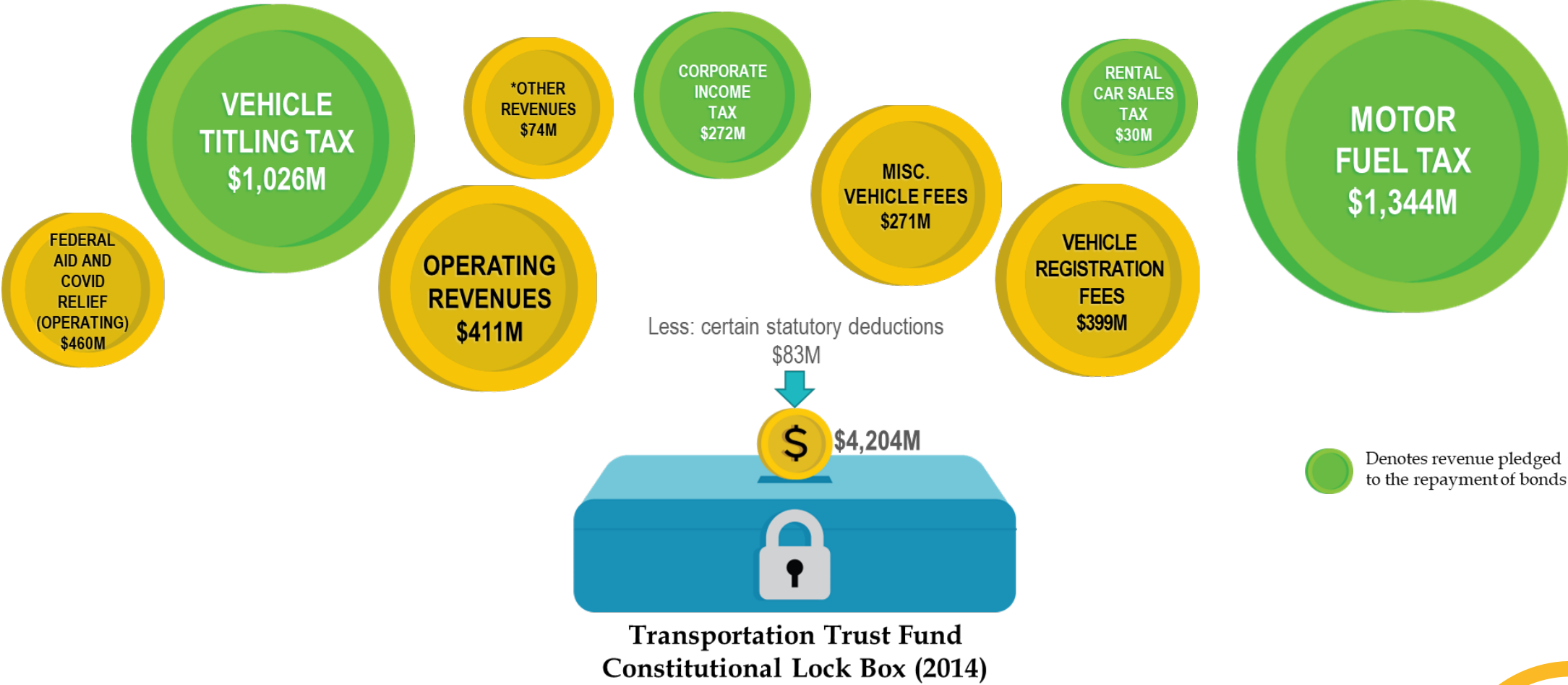


Transportation Trust Fund (TTF)

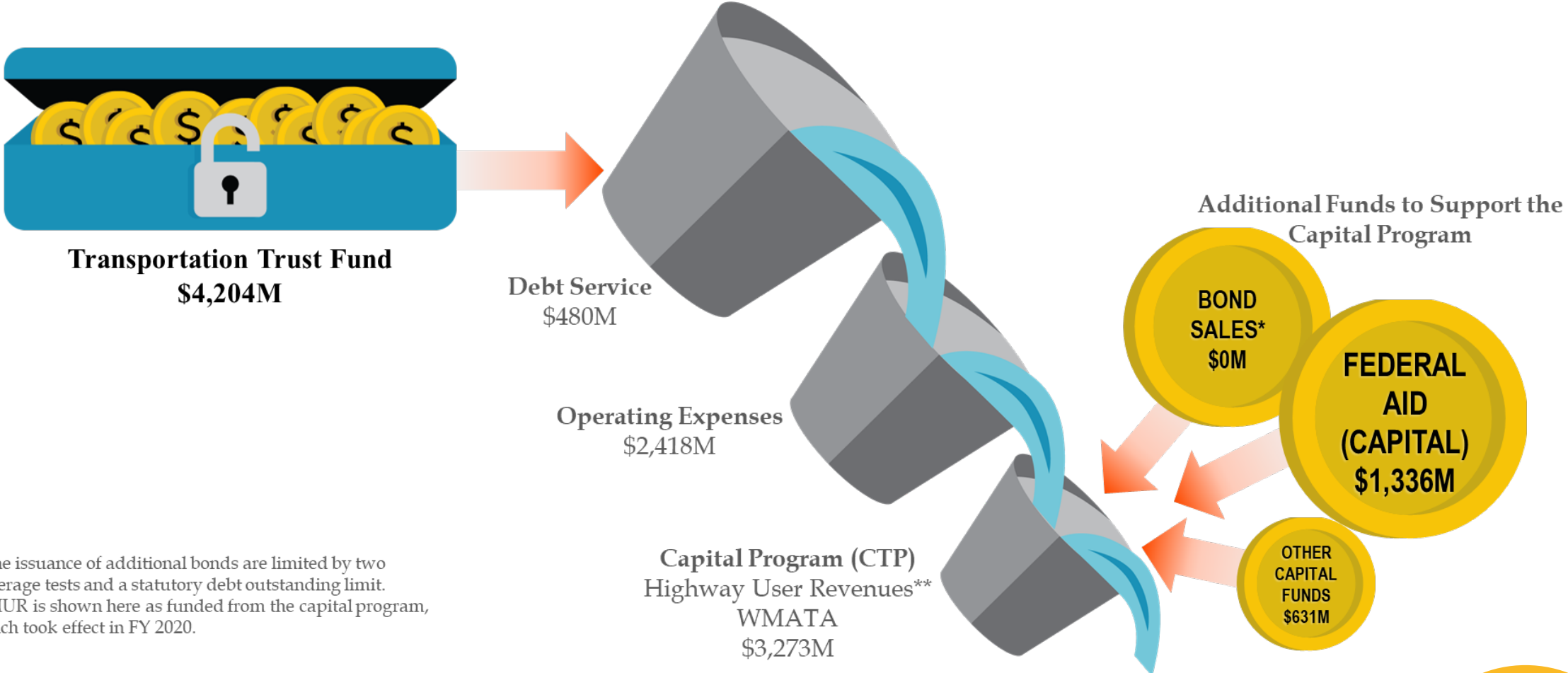
- Created in 1971 as a dedicated funding source for Maryland's transportation system.
- Integrated, multi-modal funding account.
- Supports all activities of MDOT.
- MDOT must first meet its debt service requirements and obligations before programming TTF dollars to any other purpose.
- MDOT is required to meet certain investment threshold for MTA's State of Good Repair needs and Highway User Revenues distributions. After the 2024 session, this will also now include certain investment thresholds for Locally Operated Transit Systems (LOTS).



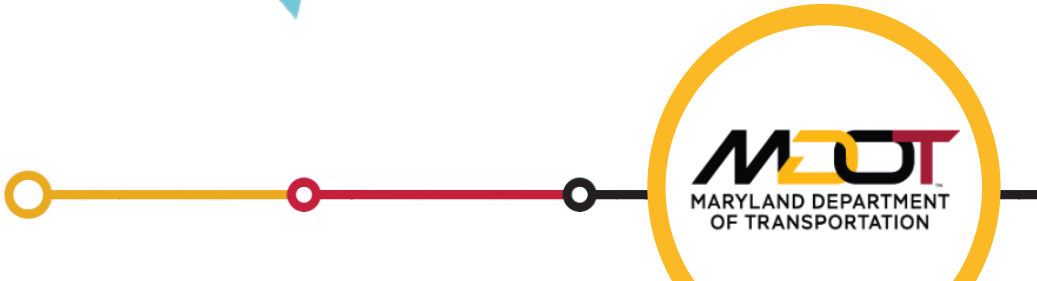
Sources of Transportation Funds (FY 2023)



Uses of Transportation Trust Fund (FY 2023)

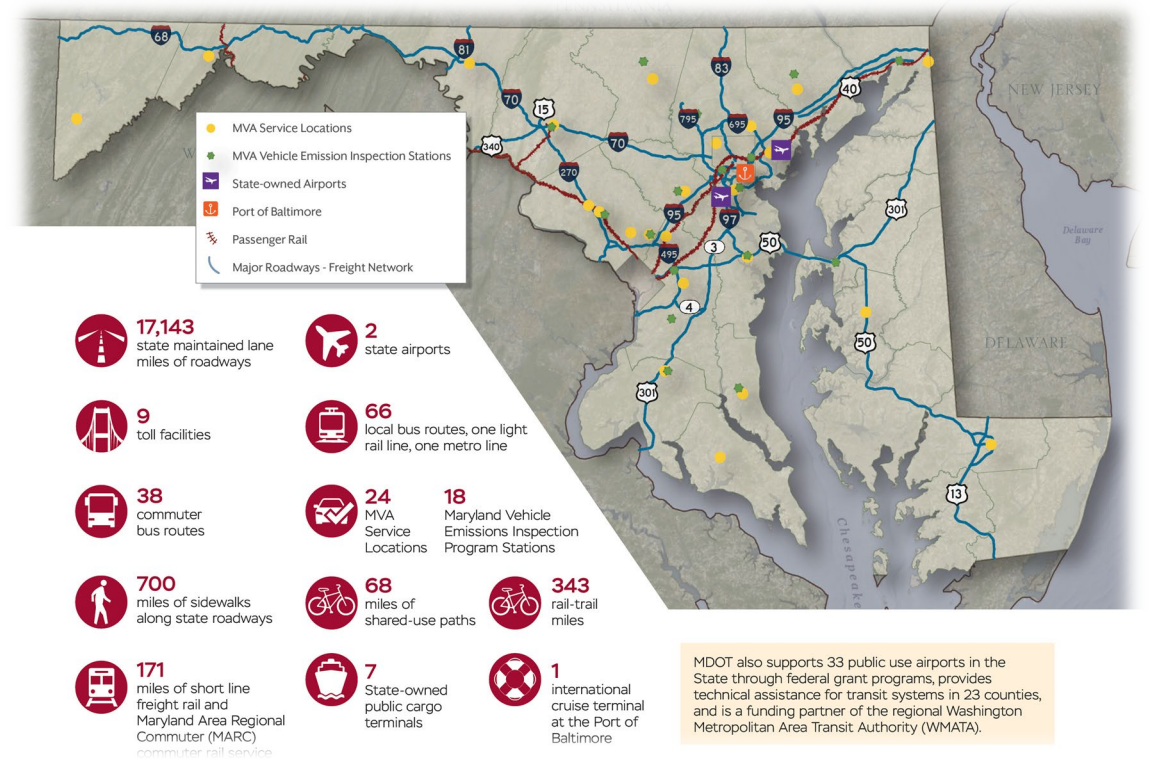


* The issuance of additional bonds are limited by two coverage tests and a statutory debt outstanding limit.
 ** HUR is shown here as funded from the capital program, which took effect in FY 2020.



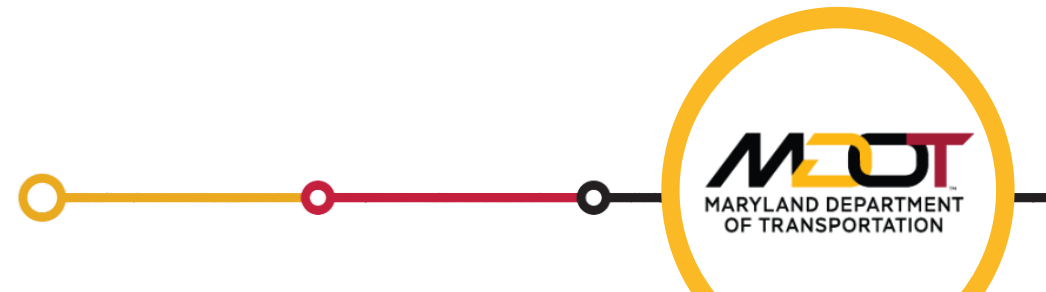
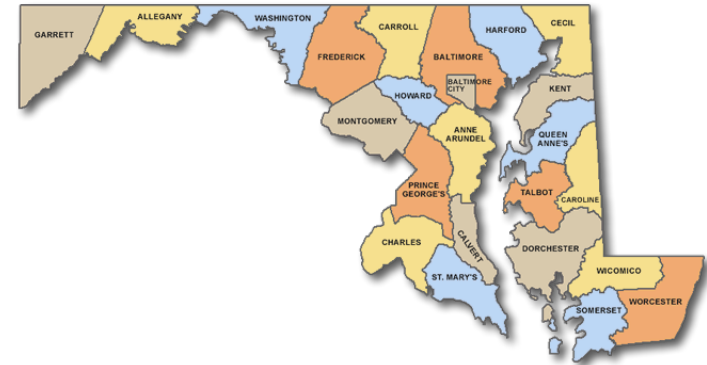
Consolidated Transportation Program (CTP): Overview

- The CTP is Maryland's six-year capital program for transportation projects and a key part of the State Report on Transportation (SRT) - other elements of the SRT include the Long-Range Plan and the Attainment Report.
- The CTP contains projects and programs across the Department, including the Maryland Aviation Administration, the Motor Vehicle Administration, the Maryland Transit Administration, the Washington Metropolitan Area Transit Authority, the Maryland State Highway Administration, the Maryland Port Administration, the Maryland Transportation Authority, and the Secretary's Office.



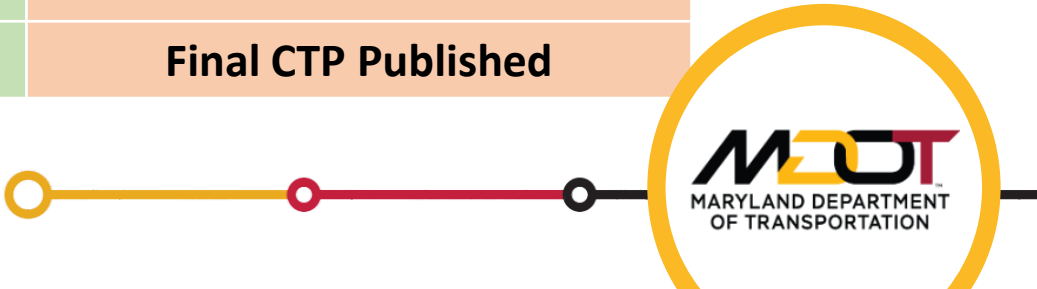
CTP: Statutory Requirements

- Updated annually, fiscally constrained over a six-year period.
- Requires MDOT to submit a draft CTP on or before September 1 to the General Assembly and provide a final report in January to the General Assembly.
- Conduct outreach between September 1 and November 15 to each County in the State to provide an opportunity for their review and comment, this includes the submission of Local Priority Letters in April.
- Score certain *major capital projects* following statutorily mandated objectives that include safety, system preservation, congestion reduction, environmental stewardship, community vitality, economic prosperity, equitable access to transportation, cost effectiveness, and Local Priorities. MDOT is currently working to provide recommendations to amend this process.

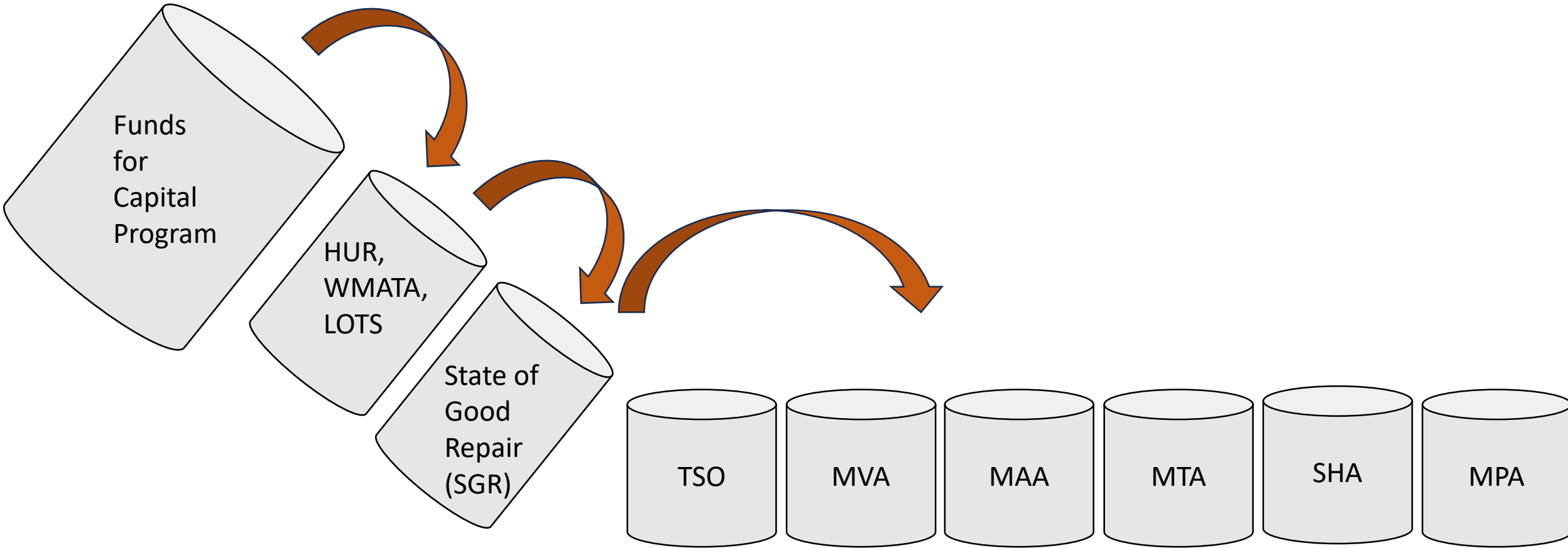


CTP: Timeline

Month	Internal Step	External Step
January	Modal Needs Identification and Prioritization	Legislative Review
February		
March		
April	MDOT Budget Forecasting and Local and Modal Project Reviews	Legislative Review & Priority Letter Submittal
May		
June		Engagement with Municipalities and Counties at Summer Meetings
July		Draft CTP Published
August		Fall Tour Meetings
September	MDOT and Mode Preparation and Participation for Fall Tour	
October		
November	Final CTP Preparation	
December - January		Final CTP Published

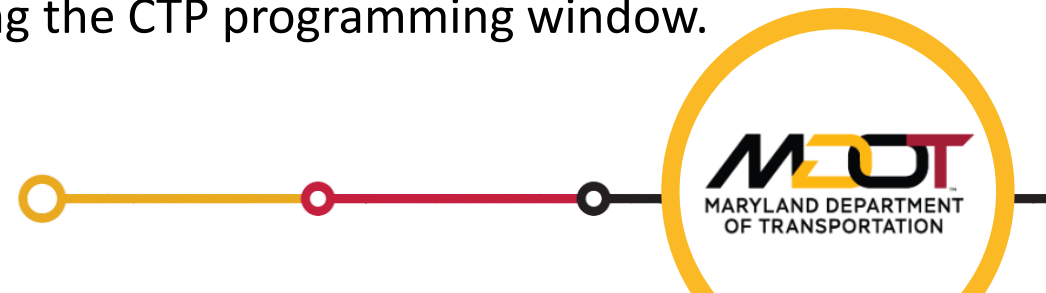


Uses of Capital Program Funds



MTA Capital Need Identification

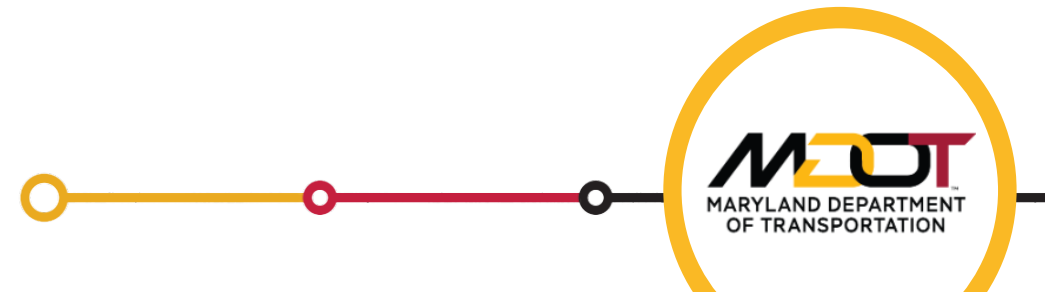
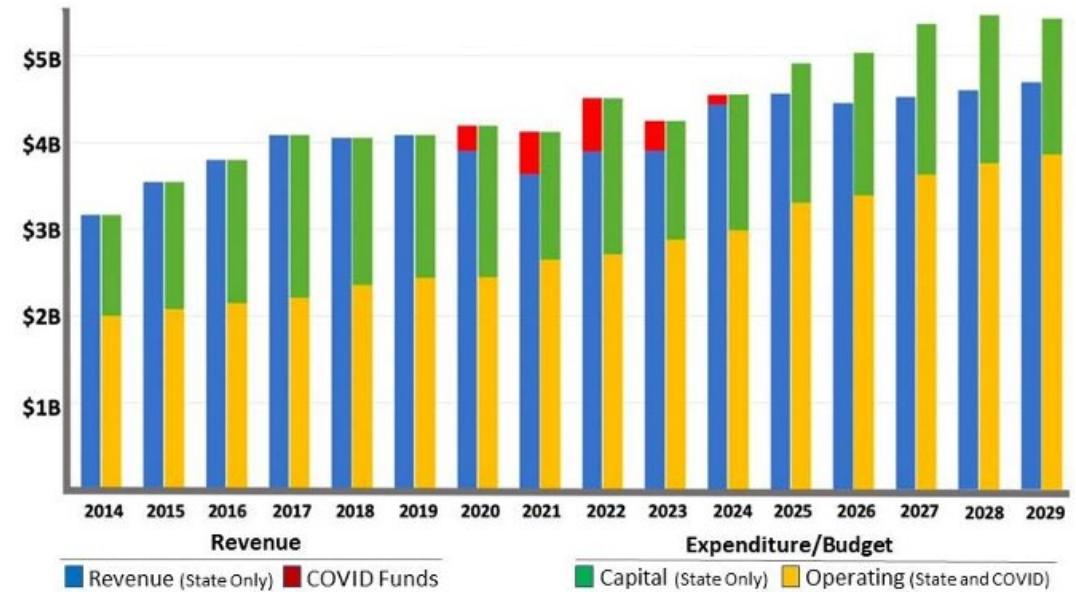
- MTA, in consultation with MDOT, maintains prioritized needs as MDOT develops its fiscally-constrained program. MDOT receives these needs assessments from each modal administration.
- As a part of this process, MTA provides MDOT its unconstrained capital needs assessment annually, typically in the spring. Top-level funding needs were shared with BRTC at the March 8th meeting.
- MTA has identified ~\$4.5B in unfunded needs over a 10-year period. Broadly, these needs are broken into the following categories:
 - State of Good Repair (Vehicles/Track, Stations, Busways/Systems and Facilities): ~\$2.7 billion.
 - This is inclusive of the Zero Emission Bus Transition and required upgrades to the Light Rail system to operate the new low-floor vehicles.
 - 'Mega' Project Commitments on Northeast Corridor: ~\$1.8 billion.
- In addition to its unfunded needs assessment, MTA and MDOT undertake quarterly capital budget and spending assessment meetings to measure progress and ensure accountability. These meetings include budget requests for new fiscal years entering the CTP programming window.



MDOT Fiscal Situation for FY2024-2029 CTP

- In January 2024, MDOT announced the release of its final, nearly \$20 billion FY 2024-2029 CTP.
- During its Fall 2023 CTP tour meetings, Secretary Wiedefeld shared that the agency was facing over a \$3 billion structural deficit over its 6-year CTP.
- Factors influencing MDOT's projected structural deficit include:
 - Flat revenues.
 - End of federal COVID-19 stimulus.
 - Inflation and supply chain factors leading to 7% capital cost escalation.
 - Operating cost increases.

How We Got Here: MDOT Revenue & Capital-Operating Expenditure/Budget FY2014-FY2029



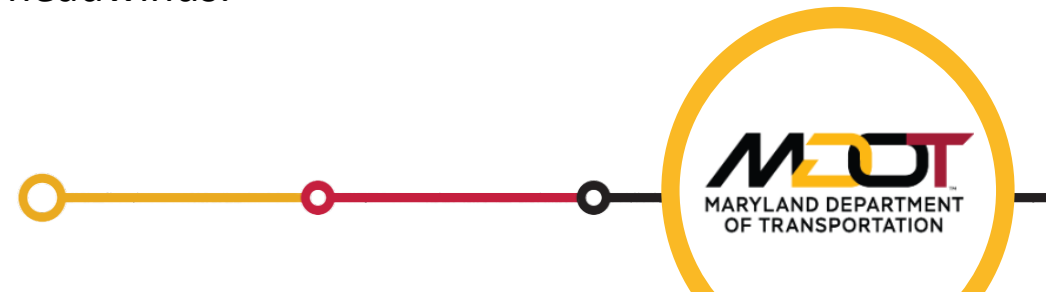
State Fiscal Outlook



- MDOT is developing the draft FY 25-30 CTP. We are awaiting TTF revenue forecasts.
- In addition to the structural funding challenges in the TTF, the State of Maryland is facing financial headwinds. In a recent financial rating update by the major rating agencies, Maryland retained its AAA bond rating. However, Moody's downgraded the State's financial outlook from stable to negative:

"The negative outlook incorporates difficulties Maryland will face to achieve balanced financial operations in coming years without sacrificing service delivery goals or adding to the weight of the state government's burden on individual and corporate taxpayers."

- This will likely limit any additional support from the General Fund for transportation purposes in the near term.
- The General Assembly approved additional revenues for MDOT's use in the 2024 General Assembly session. These funds lessened the severity of MDOT's fiscal headwinds.



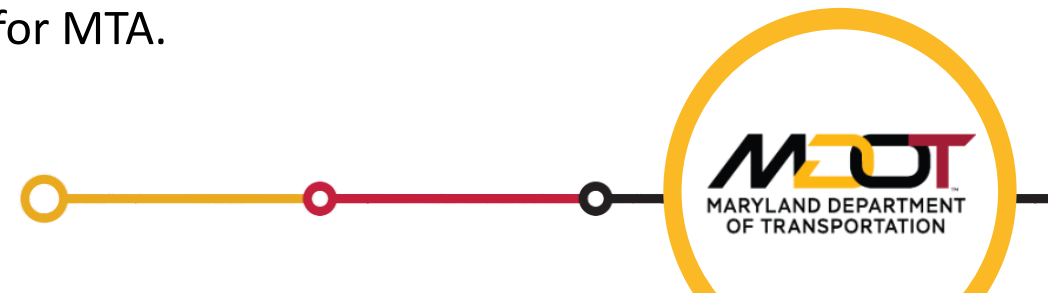
2023 MTA Action

- In 2023, under Governor Moore's leadership, the General Assembly created two, special purpose \$100 million funds to support transit capacity projects and to provide state match for federal grants.
- The **MTA received \$150 million in special purpose funding** to advance project development on the Red Line, the Southern Maryland Rapid Transit project, and to provide part of the state match for the historic **\$4.7 billion federal grant** for the Fredrick Douglas Tunnel Program.



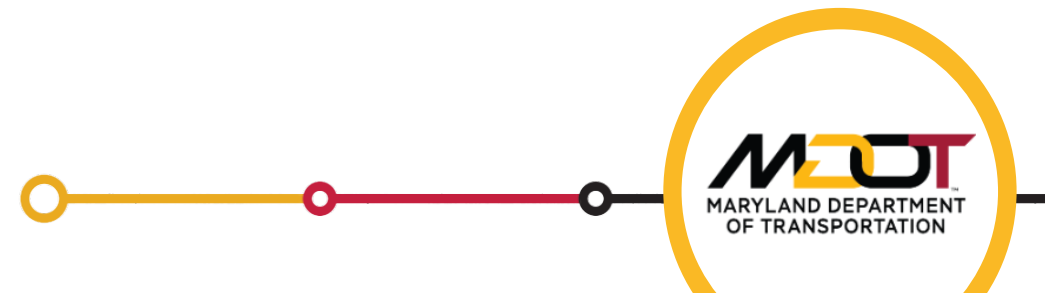
2024 Gubernatorial & Legislative Action

- In Governor Moore's proposed budget, he announced a one-year \$150 million funding increase to address critical transportation needs across the state.
 - The funding allowed MDOT to restore certain operating and capital funding.
 - More than half (\$77 million) was used to support LOTS, MTA Commuter Bus, MARC Brunswick Line operations, and state-of-good-repair capital funding for MTA.
- During the 2024 Session, Governor Moore and the Maryland General Assembly agreed to various proposals to increase transportation funding revenues by \$250 million in FY 2025, increasing to an estimated \$335 million, annually, over the following three years.
 - Funds will support incremental investment to advance the Red Line; increase MTA state of good repair investments; provide federal match for new Light Rail vehicles and; increase operating assistance for MTA.



Federal Discretionary Grants Action

- Recent awards include:
 - Rail Vehicle Replacement Program (FY 24-25)
 - **\$214M** award to replace 52 light rail vehicles; \$90M state match.
 - RAISE
 - **\$20M** award to advance multi-modal transportation and safety improvements Mondawmin Transit Hub; \$12M state match.
 - **\$4.7M** award to advance TOD planning for Reisterstown Plaza Metro Station; no state match required.
 - TOD Planning Pilot
 - **\$0.5M** award to advance TOD planning at future West Baltimore Red Line station; no state match required.
- Recent submissions include:
 - Climate Pollution Reduction Grant (CPRG)
 - **\$97.5M** request for additional funding for the Eastern Bus Division facility from the EPA's one-time Inflation Reduction Act CPRG program; no state match is required.
 - Multimodal Project Discretionary Grant
 - **\$198M** request that would create a rail link between the MARC Penn and Camden lines in Baltimore; \$66M in state match.



Opportunities to Engage CTP Process

Priority Letters

- Per statute, local governments provide a priority letter that outlines local transportation for MDOT's consideration for inclusion in the CTP (MD Transportation Article 2-103.7).
- MDOT requests letters be provided by April 1 annually. [They are posted publicly as received.](#)
- Depending on the jurisdiction, additional letters from municipalities, regional bodies, or other entities are submitted to accompany Priority Letters.
- **MDOT welcomes the Baltimore Regional Transit Commission (BRTC) to submit a priority letter as part of this process.**

CTP Fall Tour Meetings

- Each fall, MDOT schedules public meetings with each County and Baltimore City to discuss the draft CTP and hear directly from stakeholders on local project priorities.
- **MDOT would encourage the BRTC to work with Counties and Baltimore City to include its recommendations in their respective CTP Fall Tour Meetings agendas.**

Direct Engagement and Prioritization

- We welcome direct outreach from BRTC to fulfill its statutory mandates and serve as an advocate for transit in the region.
- **BRTC should assist both MDOT and MTA in prioritizing transit system needs in the Baltimore region in our constrained fiscal environment, including support of federal grant applications.**
- We appreciate the continued leadership and support from this Commission as we work together to build a more multi-modal and sustainable Maryland.

