

**December 2, 2022**

# **Transit Governance and Funding**

**Workgroup Meeting**

# Today's Agenda

**1 Welcome and Agenda**

**2 Recommendations**

**3 Next Steps**

**4 Public Comment**

# Welcome and Workshop Agenda



1

# Critical Challenge

## Status Quo

Decision making and funding is concentrated at **State level**

**Local/regional level** no funding responsibility but no decision-making authority

## Future Governance Model

**How best to balance** increased decision-making authority with more funding responsibility?

# Transit Governance Workgroup – Schedule

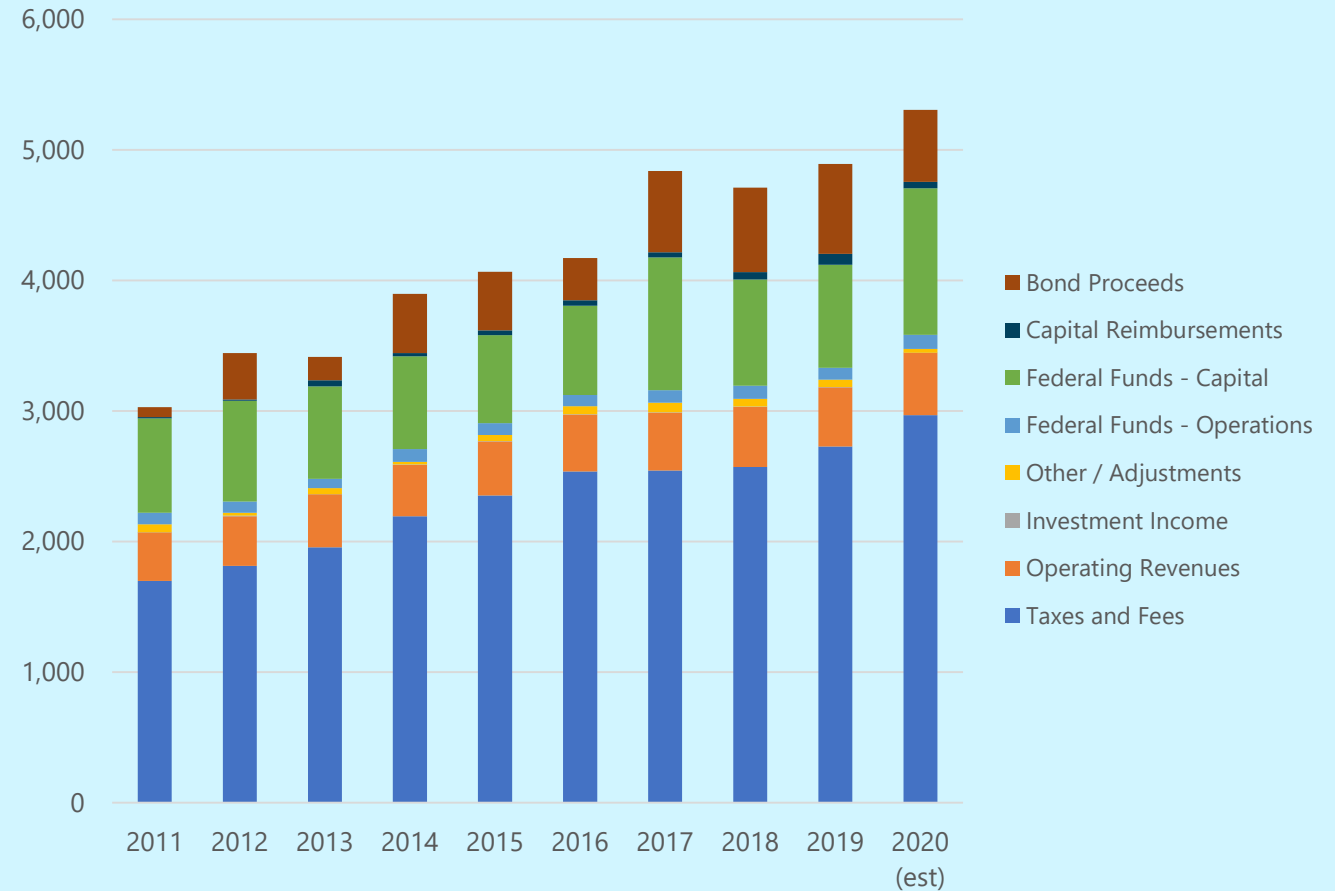
SEPTEMBER 2	OCTOBER 7	NOVEMBER 4	DECEMBER 2
<ul style="list-style-type: none"> <li>Summarize findings from 2021 study</li> <li>Discuss governance and funding models</li> <li>Questions and Initial Prioritization</li> </ul>	<ul style="list-style-type: none"> <li>Review governance and funding models / answer questions</li> <li>Implications for Transit funding statewide (Locally Operated Transit Systems (LOTS))</li> <li>Questions and Discussion</li> </ul>	<ul style="list-style-type: none"> <li><b>Present / Discuss</b> governance models and options</li> <li><b>Prioritization</b> and Draft Recommendations</li> <li><b>Additional Questions</b> and Information Needs</li> </ul>	<ul style="list-style-type: none"> <li><b>Recommend</b> Governance and Funding Structure for Baltimore Region</li> </ul>

# Context and Framing

# Maryland Transportation Trust Fund

- Constrained by revenues - largest revenue source is taxes and fees
- Longer-term vulnerability
  - Reliance on motor fuel tax, user fees
  - Alternative delivery mechanisms have a place, no substitute for \$

## Transportation Trust Fund FY 2011 – 20 (\$ millions)



Source/notes: Maryland Department of Budget and Management  
Operating Budget Detail. excludes county and municipal funds.

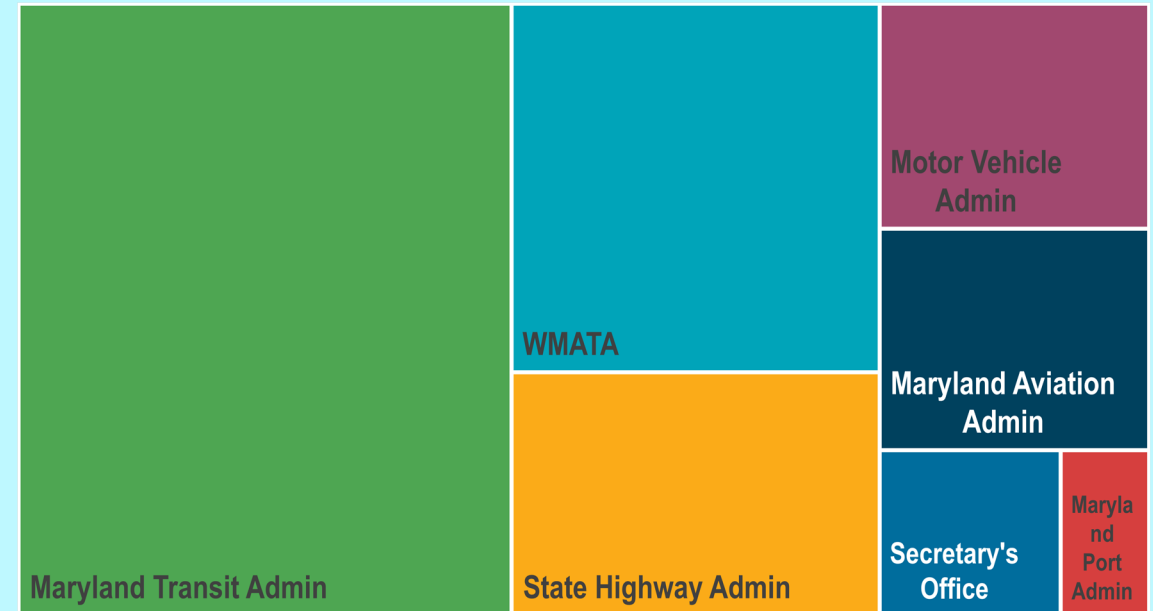
# Allocating Funding: (State and Federal Funds)

- Transit investments account for about half of MDOT's transportation investments:
  - MDOT MTA receives about one-third of funding
    - 44% Operating (\$6.3 billion total)
    - 21% Capital (\$3.1 billion total)
  - WMATA receives about 20% (includes general fund contributions)
    - 19% Operating (\$2.8 billion)
    - 18% Capital (\$2.7 billion)

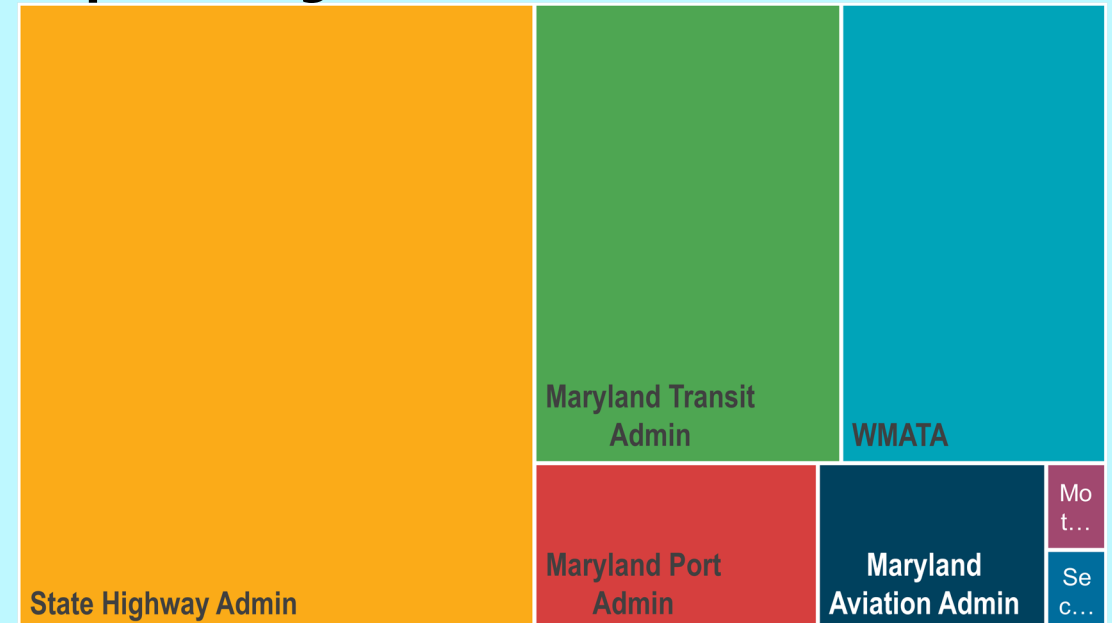
Note: Includes federal funds provided directly to WMATA and some non-TTF state funds.

Source: FY 2021 – FY 2026 Maryland Consolidated Transportation Program

## Operating Cost by Modal Agency, FY 2021-26 CTP



## Capital Program by Modal Agency, FY 2021-26 CTP

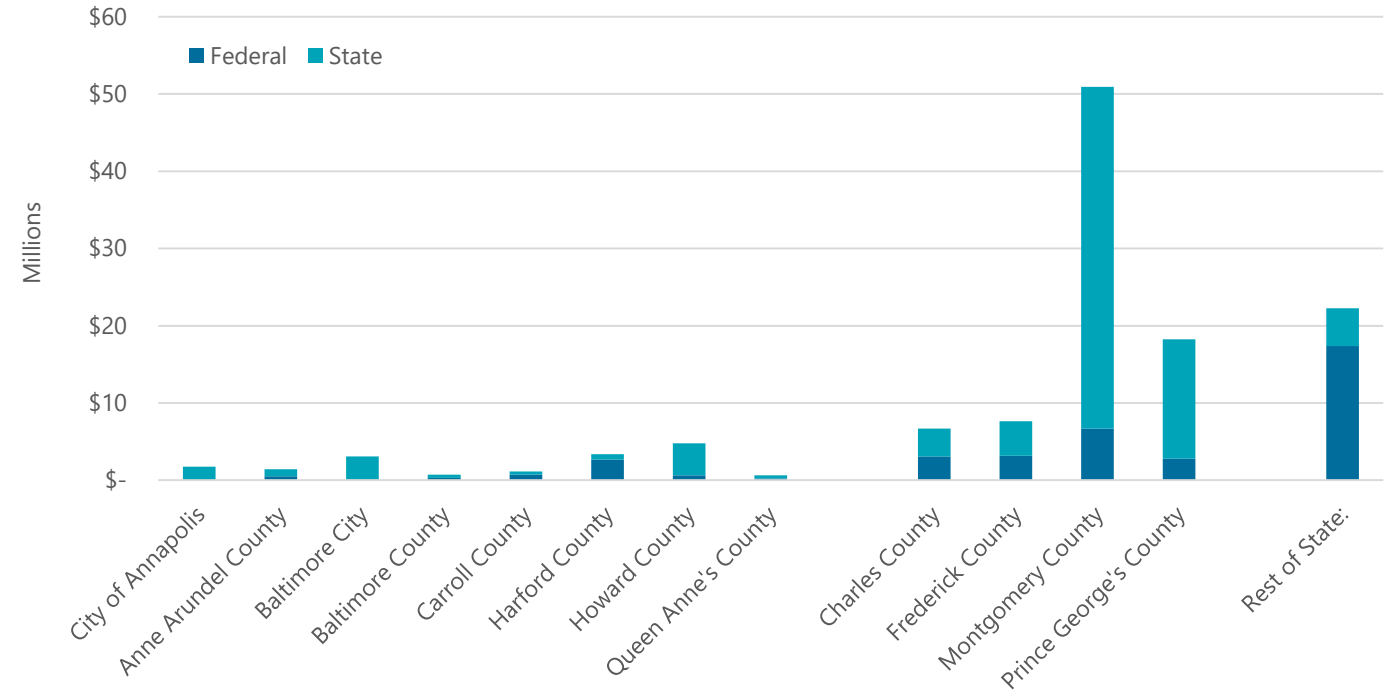




# LOTS Funding

- In FY 2019, \$107 million distributed to LOTS statewide
  - About one-third (36%) from federal (FTA Funds)
  - Remaining funding (64%) from state sources

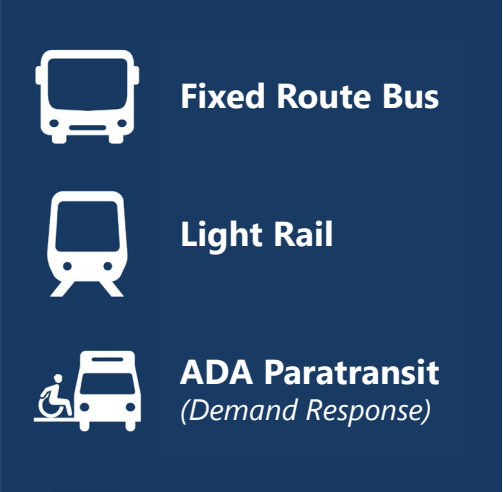
## MDOT MTA Distribution of State and Federal Funds to LOTS (FY 2019)



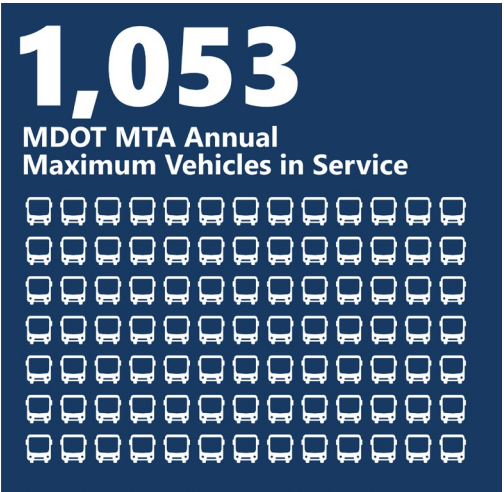
# Core Baltimore and LOTS Services

Core  
Baltimore  
Services

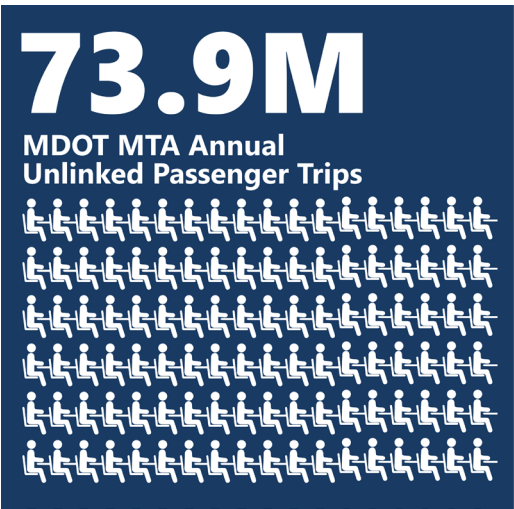
## WHAT'S INCLUDED



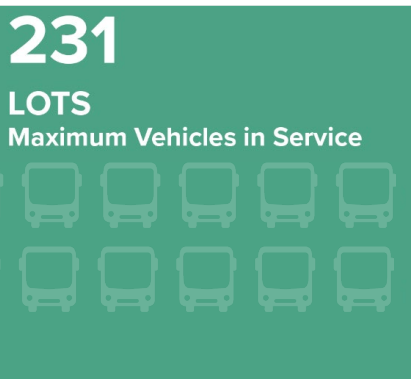
## FLEET



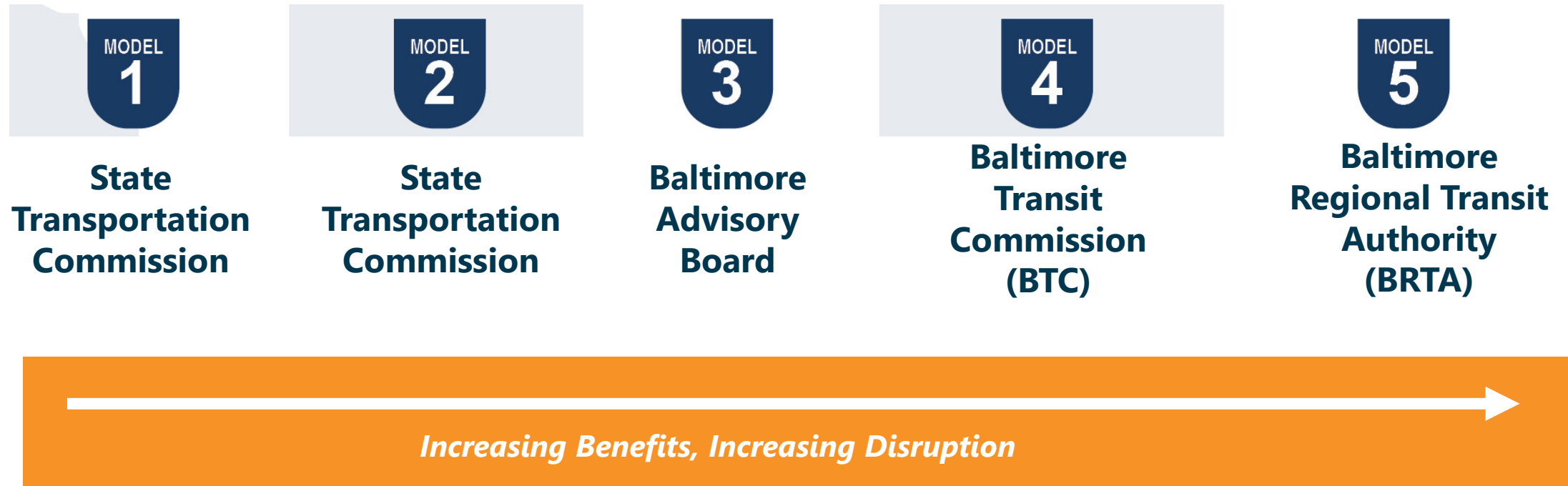
## TRIPS



Baltimore  
Area LOTS



# Governance and Funding Models



# Recommendations



2

# Draft Recommendations

## **More effectively manage state level decision-making and prioritize transit**

1. Reconstitute and empower the Maryland Transportation Commission
2. Give regions a voice in the Consolidated Transportation Program (CTP) process

## **Create a local voice in regional transit service decisions and investments**

3. Create a Baltimore Regional Transit Commission
4. Develop a Locally Operated Transit System (LOTS) Formula to that supports existing and growing systems.

## **Advance potential Regional Transit Authority**

5. Develop an Implementation and Operations Plan Study



# Recommendations #1 and #2

*Improve state level  
decision-making*

# Reconstitute & Empower Maryland Transportation Commission

## Background

- Decisions about how Maryland's Transportation Transit Fund is allocated largely made solely by Secretary of Transportation & Governor
- Lack of transparency into decision-making
- Limited ability to influence or advocate for decisions

## Recommendation

- **Reconstitute Maryland Transportation Commission with clear charter and authority.**
- **Authority to approve annual capital and operating budgets of MDOT Business Units** (except Maryland Transportation Authority)
- **Approve MDOT's Long Range Transportation Plan and individual modal plans**
- Commission detailed study in Legislative Session 2023 for consideration in Legislative Session 2024.

## Key Steps

Membership in the MTC:

- Chaired by Secretary of Transportation
- +1 majority of commissioners appointed by Governor with legislative consent
- Legislators
- Local Governments

## Detail

Number of commissioners to be determined, assuming:

- Governor will have a +1 majority or ability to cast tie-breaker vote
- Local seats on MTC weighted by population and urbanized area

*\*Approval means Commission agrees to budgets, investments and plans and recommends them for implementation/funding.*

# Regional Consolidated Transportation Program (CTP)

## Background

- The CTP is the primary document guiding TTF investments.
- State law requires MDOT to meet with local jurisdictions – but not regions - to discuss the CTP.
- Jurisdictions submit priority projects and MDOT uses CTP “tour” meetings to discuss priorities.
- Meeting are held individually with counties and do not consider regional concerns or perspectives.

## Recommendation

- **Expand CTP process to include regional stakeholders and public input on priority letters.**
- **MDOT would be required to meet with the Metropolitan Planning Organizations (MPOs) in the state who would annually submit priorities to CTP.**
- For consideration in Legislative Session 2023.

## Key Steps

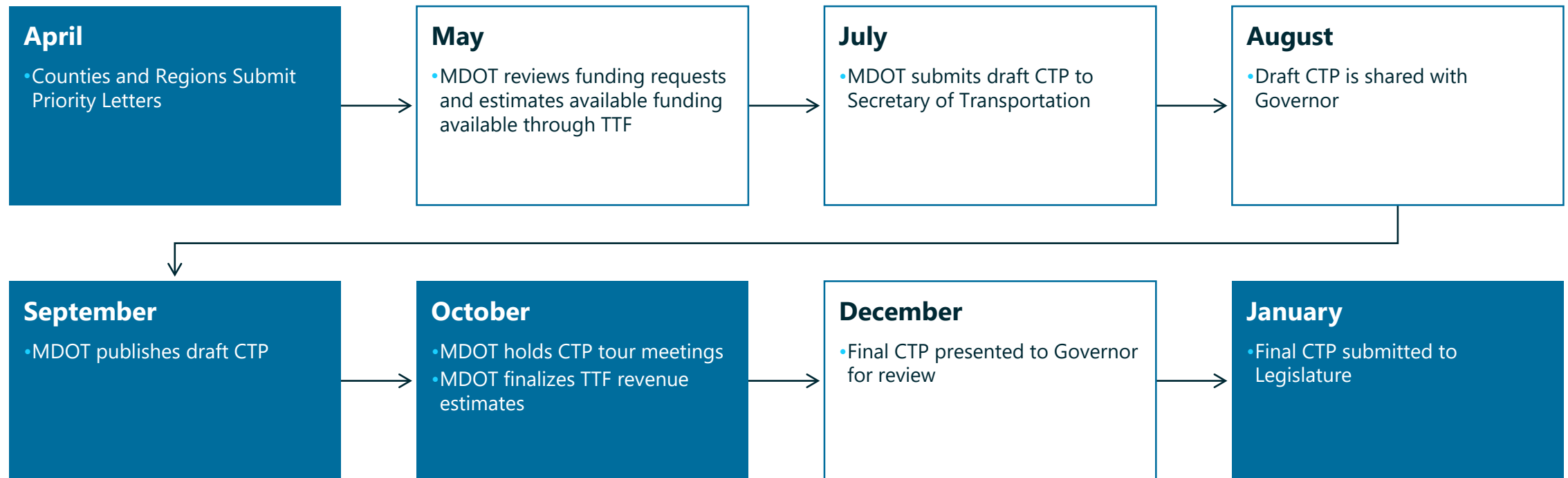
- Encourages MPOs to identify regional priority projects.
- Regional projects could be coordinated with jurisdictional priorities.
- CTP tour would hold local and regional meetings. Adds about seven additional meetings.
- Regional meetings could be organized by MPO.

## Detail

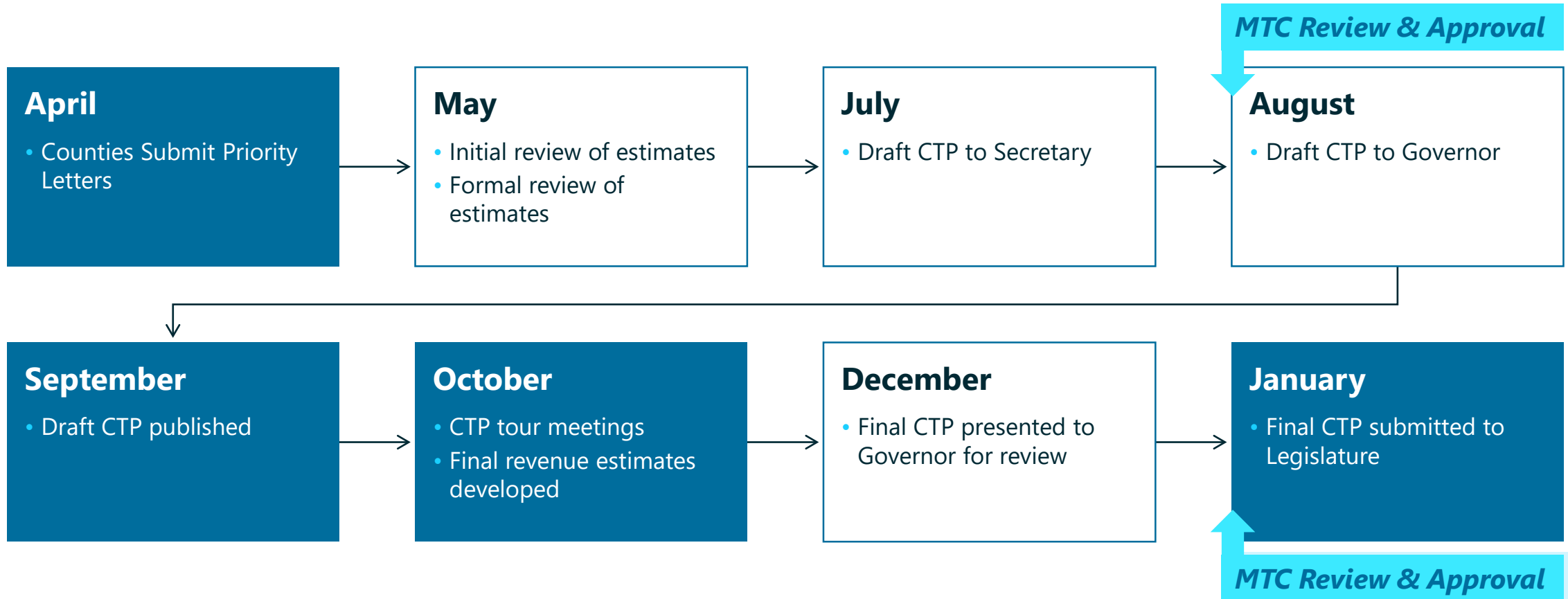
- Regional priorities could be coordinated through Maryland’s MPOs



# Updated CTP Timeline



# Recommended CTP Timeline with MTC Input





# Recommendations #3 - #5

*Allow local input  
into transit  
decision-making*

# Baltimore Regional Transit Commission (BRTC)

## Background

- The Baltimore region lacks a formal voice in how most transit services (via MTA) are operated and developed in their own region.
- Region does not directly contribute financially to MTA services.
- Baltimore transit services are under-funded and under-developed relative to peer systems. They also have performance issue and are not well aligned with regional needs.

## Recommendation

- **Create Baltimore Regional Transit Commission to add local and regional voices to MTA's planning and budgeting process** with jurisdictional approval.
- **Authority to approve MTA's annual budget requests for operating and capital improvements** for core services; and approve an annual Baltimore Regional Transit Plan.
- **Commission serves as fiscal agent** authorized to raise and bond revenue for transit in the region.
- Staffed by an independent agency with transportation planning capacity and funded by the State
- For consideration in Legislative Session 2023.

## Key Steps

- MDOT will continue to fund and hold harmless MTA funding levels.
- BRTC would work in concert with MTA.
- BRTC's authority would be over MTA "Core" Transit Services, focused on bus, light rail, and Metro.
- BRTC's authority would also extend to regional elements of MTA's commuter bus routes and MARC rail service.
- BRTC would play coordinating and planning role with local LOTS.

## Detail

- Commissioners appointed by Governor local governments and legislature.
- Governor would have +1 majority or ability to cast tie-breaking vote.
- Commission membership and voting weighted by amount of service in each jurisdiction.
- Includes Baltimore City, Baltimore County, Anne Arundel County and Howard County. Other counties could opt in as desired.
- Transit labor union could have non-voting role on commission

# Locally Operated Transit System (LOTS) Funding Formula

## Background

- Statewide LOTS funding is complicated combination of funding.
- There is no public process or formula that directs, justifies or explains state funding decisions.

## Recommendation

- **Release the current LOTS funding formula to the Governor, Transportation Association of Maryland and LOTS at the earliest reasonable time.**
- **Adopt a clear, transparent and equitable funding formula to distribute funding to LOTS agencies in 2024.**
- Codify as necessary.

## Key Steps

- Confirm LOTS program goals and values.
- Document existing funding distribution processes.
- Align funding distribution with program goals and values. Share draft formula for review and comment.

## Detail

- Consider creating a regional grant program to fund non-MTA transit in Baltimore Region.

# Study Formation of a Baltimore Regional Transit Authority

## Background

- An independent, state funded regional transit authority provides the most autonomy to Baltimore core transit services.
- Region is not currently well positioned to establish an independent authority without consideration of several key issues.
- There are too many issues to resolve without a formal study of an Authority by the State.

## Recommendation

- **Study the opportunities and challenges associated with a Baltimore Regional Transit Authority.**
- **Develop an Implementation Plan and schedule that considers issues identified, considers impact to operations and comments from transit stakeholders and constituent's.**
- Commission an independent feasibility study in Legislative Session 2023.
- Results of study to be considered in Legislative Session 2025.

## Key Steps

- Maryland General Assembly or Executive action to create a Blue Ribbon Commission to develop a formal study of actions necessary to create a regional transit authority in Baltimore.
- Report and recommendations complete in 2024 so appropriate action may be taken in Legislative Session 2025.

## Detail

Key issues to be studied:

- Structure should maintain State funding.
- Becoming a **designated recipient** of Federal Transit Administration (FTA) funding.
- **Representation** – which state and local entities would participate in RTA.
- **Funding** – willingness and capacity of region to raise funds for transit.
- **Asset management** – ownership of local assets and current state of good repair
- **Labor** – labor contracts and maintaining good public sector jobs and ensuring pension obligations are met.

# Summary

# Impact of Recommendations

	State Transportation Commission	Update CTP Tour Process	Baltimore Region Transit Commission	Establish LOTS Funding Formula	Study Baltimore RTA
Create Transparency	Yes	Yes	Yes	Yes	N/A
Improve Stability	Depends	Yes	Depends	Yes	Depends
Influence of Funding for Transit Available Statewide	Yes	Yes	Yes	Yes	N/A
Allocation of LOTS Funding	No	No	Partial	Yes	No
Amount of Transit Funding for the Baltimore Region	No	Depends	Yes	Yes	No
Transit Service Quality	No	No	Yes	Yes	Yes
Transit Service Coordination	No	No	Yes	Yes	YEs



**Public Comment**

**5**

# Thank you!



**Bethany Whitaker**

[bwhitaker@nelsonnygaard.com](mailto:bwhitaker@nelsonnygaard.com)

**Fred Fravel**

[ffravel@kfhgroup.com](mailto:ffravel@kfhgroup.com)