

MDOT RESPONSE TO DLS ANALYSIS

DLS Budget Analysis Issues

1. **Maryland Participating in Regional Effort to Cap and Reduce Greenhouse Gas Pollution from Transportation Sources (page 17)**

While development of the policy proposal will be a regional effort that will undoubtedly entail compromise, MDOT should brief the committees on how it envisions a program of this type would operate with respect to the level at which emissions should be capped, the entities that would be regulated, the revenues that would be raised in Maryland, and the uses for these revenues.

MDOT Response:

MDOT and MDE will participate in a yearlong process to design a regional low-carbon transportation policy proposal that would cap and reduce carbon emissions from the combustion of transportation fuels through a cap-and-invest program or other pricing mechanism. This includes completing the policy development process within one year, after which each jurisdiction will decide whether to adopt and implement the policy.

The process will involve identifying milestones, finalizing a workplan schedule and process, conducting modeling and policy analyses, stakeholder engagement, and a public release of the regional low-carbon transportation policy proposal. Throughout the year, MDOT and MDE will participate in four workgroups: technical analysis, outreach and communications, investment and equity, and legal analysis.

The exact cap on emissions will be determined throughout this year, and the pricing mechanism is yet to be determined. The reinvestment piece of the policy will also be fleshed out through the policy design process.

J00A01 – MDOT – The Secretary’s Office

MDOT RESPONSE TO DLS ANALYSIS

Operating Budget Recommended Actions

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

, provided that \$1,000,000 of this appropriation made for the purpose of administration may not be expended until the Maryland Department of Transportation has submitted all of the reports related to the 2018 Baltimore Metro shutdown requested in the 2018 Joint Chairmen’s Report, and the Department of Legislative Services has reviewed all of those reports. Further provided that those reports shall be submitted no later than September 1, 2019. Funds restricted pending the receipt of these reports may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if all of the reports are not submitted.

MDOT Response:

MDOT respectfully does not concur with the recommended language. The reports were submitted on January 30, 2019, and MDOT is working on responses to the questions that DLS asked following their review of the reports.

J00A01 – MDOT – The Secretary’s Office

MDOT RESPONSE TO DLS ANALYSIS

Operating Budget Recommended Actions (Continued)

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

, provided that no more than \$5,667,276 of this appropriation may be expended for operating grants-in-aid, except for:

- (1) any additional special funds necessary to match unanticipated federal fund attainments; or
- (2) any proposed increase either to provide funds for a new grantee or to expand funds for an existing grantee.

Further provided that no expenditures in excess of \$5,667,276 may occur unless the department provides notification to the budget committees to justify the need for additional expenditures due to either item (1) or (2) above, and the committees provide review and comment or 45 days elapse from the date such notification is provided to the committees.

MDOT Response:

The Department concurs with the recommended language.

J00A01 – MDOT – The Secretary’s Office

MDOT RESPONSE TO DLS ANALYSIS

Paygo Capital Budget Recommended Actions

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

, provided that no funds may be expended by the Secretary’s Office for any system preservation or minor project with a total project cost in excess of \$500,000 that is not currently included in the fiscal 2019-2024 Consolidated Transportation Program, except as outlined below:

- (1) the Secretary shall notify the budget committees of any proposed system preservation or minor project with a total project cost in excess of \$500,000, including the need and justification for the project and its total cost; and
- (2) the budget committees shall have 45 days to review and comment on the proposed system preservation or minor project.

MDOT Response:

The Department concurs with the recommended language.