
J00A01 – MDOT – The Secretary’s Office
Fiscal Year 2021 Operating Budget
Response to Department of Legislative Services Budget Analysis

Senate Budget and Taxation Committee
Public Safety, Transportation and Environment Subcommittee
Senator Guy Guzzone, Chair
February 13, 2020

House Appropriations Committee
Transportation and Environment Subcommittee
Delegate Maggie McIntosh, Chair
February 20, 2020

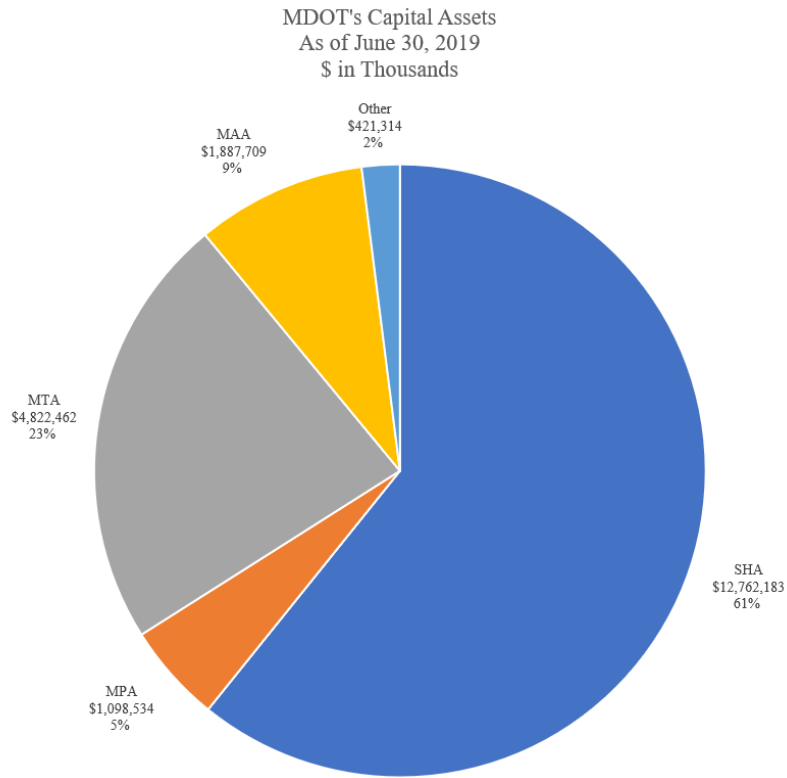
DLS Budget Analysis Issues

1. System Preservation (Page 5)

MDOT should comment on why adequate provision for system preservation is not being made in the current forecast period especially in light of the increased reliance on non-TTF resources contained in the forecast. MDOT should further discuss how it is addressing the apparent failure of the TTF to function as intended vis-à-vis providing the funding needed to construct, operate, and maintain Maryland’s transportation system.

MDOT Response:

MDOT maintains a large and diverse transportation system that includes airports; port terminals; a transit system composed of light rail, heavy rail, commuter rail, buses, and bus and rail stations; a statewide network of roadways, bridges, and stormwater management facilities; buildings; land; and critical information technology systems. The dollar value of MDOT’s capital assets is nearly \$21 billion and MDOT SHA maintains the largest share of these assets. The size and scope of MDOT’s capital assets requires a focused approach to system preservation.



Source: MDOT's Comprehensive Annual Financial Report, FY 2019

The Maryland Department of Transportation continues to focus on preserving and maintaining Maryland's state transportation system. Achievements over the last five years include:

- In the last four years, MDOT has completed 1,069 infrastructure projects worth nearly \$5.9 billion and another 718 projects valued at \$7.2 billion are currently underway.
- MDOT MTA is spending over \$500 million to replace all 78 Baltimore Metro cars (replacing the original Metro cars purchased in the 1980s) and the entire signal system in FY 2021-2024.
- MDOT MTA is retiring or maintaining all MARC diesel locomotives in a State of Good Repair by replacing some of the oldest locomotives, overhauling others, and planning for future overhauls. MDOT MTA is also overhauling all the Light RailLink railcars to extend the life of these vehicles. These projects will cost over \$210 million in the next six years.
- Since FY 2015, MDOT SHA has improved or treated 65% of all State highway lane miles.

- The number of MDOT SHA bridges in poor condition has decreased from 69 in CY 2015 to 52 in CY 2019.
 - This is the lowest number of bridges rated in poor condition since tracking began and represents one of the lowest percentages of any state department of transportation in the nation.
 - Of the bridges rated as poor in 2019, all bridges are in the process of being addressed. Six bridges have recently been constructed and are now open to traffic, 30 are under construction, and 16 are in design and funded for construction.
- MDOT MTA continues the annual \$43 million purchase of 70 new buses under a five-year contract to ensure fleet continuity through FY 2024.
- The percentage of MDOT SHA network in overall preferred maintenance condition has increased from 78.8% in CY 2015 to 87.2% in CY 2019.
- As of 2019, only 2% of MDOT SHA maintained bridges were in poor condition. This is one of the lowest percentages in the region and below the 5% national average for bridges owned by state departments of transportation.

The Transportation Trust Fund was created as a consolidated fund to operate and maintain all modes of transportation and to provide MDOT flexibility to address the highest priority needs across the transportation network. There are ever increasing demands on the TTF to fund projects across the State and MDOT must use its resources wisely. MDOT is increasingly using data and technology to strategically invest transportation dollars in the right amount and at the right time to achieve the best return on its investments. MDOT is also better utilizing partnerships to leverage other fund sources when possible to preserve transportation funding for other transportation needs. These partnerships include:

- the successful public-private partnership with Ports America Chesapeake at Seagirt Marine Terminal;
- the public-private partnership for the design, construction, operation, and maintenance of a new light rail line in Montgomery and Prince George's counties;
- a partnership with Walmart for the installation of smart ponds;
- the negotiation of the Capital Beltway Accord for bi-state and bi-partisan support to replace the American Legion Bridge;
- a commitment by Maryland, Virginia, and DC to provide an increased level of investment in WMATA's system;
- a funding plan with the State, CSX, and other stakeholders to renovate the Howard Street Tunnel to provide the double stack capacity at the Port of Baltimore and improve the flow of goods in Maryland; and
- the current project to seek private investment to add capacity along I-495 and I-270 and to save the State from paying more than \$1.7 billion in system preservation needs along this corridor over the next ten years.

DLS Budget Analysis Issues (Continued)

2. Fiscal 2020 to 2025 CTP (Page 11)

The Secretary should comment in the impact that the projected reduction in capital spending will have, particularly as it relates to system preservation.

MDOT Response:

Unlike MDOT's other transportation business units, the Secretary's Office (TSO) does not regularly build and maintain assets. Rather, MDOT TSO's capital program more often focuses on grants to other entities and departmentwide activities such as the transportation emission reduction program and information technology needs. The nature of these grants and projects makes it difficult to forecast needs several years into the future. Information technology is constantly evolving and trying to forecast for an IT project today that does not occur until five years from now would result in a system that is outdated from the day it is implemented. For this reason, outyear funding for MDOT TSO capital is typically only added as the needs for certain grants and IT projects are identified.

Operating Budget Recommended Actions

1. Add annual budget bill language restricting operating grants-in-aid funding.

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

1. Add annual budget bill language limiting system preservation and minor project funding to the projects identified in the Consolidated Transportation Program.

MDOT Response:

The Department concurs with the DLS recommendation.