

**J00B01 Maryland Department of Transportation
State Highway Administration
Fiscal Year 2025 Operating Budget
Response to Department of Legislative Services Analysis**

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chair Sarah Elfreth
February 1, 2024

House Appropriations Committee
Transportation and the Environment Subcommittee
Chair Courtney Watson
March 4, 2024

**J00B01 MDOT – State Highway Administration
Fiscal Year 2025 Operating Budget
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DLS Budget Analysis Issues

1. MDOT Partnering with The Eastern Transportation Coalition to Pilot a Mileage-based User Fee (Page 35)

MDOT should discuss with the committees what it hopes to achieve through the pilot and what the next steps will be.

MDOT Response:

In 2023, Maryland joined the Eastern Transportation Coalition's (TETC) Mileage-based User Fee (MBUF) work. TETC has been exploring the feasibility of MBUF in partnership with multiple states through several federal Surface Transportation System Funding Alternatives grant programs. The current grant (Phase 5 of 6) includes nine states: Delaware, Georgia, Kentucky, Maine, Maryland, New Jersey, North Carolina, Pennsylvania, and Virginia. Maryland's MBUF grant work includes three primary elements: stakeholder involvement, public opinion survey and geographic equity analysis.

MDOT hopes to achieve three main outcomes. First, increase the understanding of MBUF by providing hands-on experience to key Maryland transportation stakeholders through a real-world pilot. Second, gather information about Marylanders' understanding of transportation funding and views about MBUF. Lastly, assess the equity impacts that implementing MBUF may have on households based on the geographic location (e.g., urban, rural, or suburban) compared with the current motor fuel tax approach.

At the end of the pilot, TETC will prepare a final report summarizing lessons learned from the MBUF work in Maryland and the other eight states. Building on these findings, next steps could include conducting a general public pilot to expand the understanding of MBUF and gather additional insights from the general public; develop an outline of implementation strategies to address MBUF barriers such as administrative cost and collecting MBUF from non-residents; develop an outline for how to make the program scalable to the entire state; develop customized educational material for Maryland (e.g., explainer video) to address MBUF questions such as privacy concerns, electric vehicle ownership deterrence and equity impacts; and develop an MBUF system design and implementation checklist (e.g. program objectives, eligible vehicles, per mile rates, mileage reporting, payment options) for consideration and refinement by policy makers.

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DLS Budget Analysis Issues (continued)

2. Managed Lanes Project Phasing and Funding (Page 35)

MDOT should discuss the implications for the project should it be unsuccessful in obtaining federal discretionary grants.

MDOT Response:

MDOT is working with the United States Department of Transportation (USDOT) to provide additional information for our calendar year 2023 application submitted for the Bridge Investment Program. If MDOT is unsuccessful in its application for the Bridge Investment Program from calendar year 2023, both the Multimodal Project Discretionary Grant and Bridge Investment Program have applications that will be due in calendar years 2024 and 2025. MDOT intends to take any information it receives from debriefings on the prior applications to strengthen its applications for future submissions for these grants.

MDOT recognizes the critical state of good repair, safety, transit, and reliable active transportation needs for the aging American Legion Bridge and along the corridor. Maximizing federal funding is critical to optimize the program benefits. MDOT's financial plan for the program will depend on the level of success from the federal discretionary grants. In addition to leveraging potential federal grants and debt capacity from the managed lanes tolling, MDOT is considering a project financial plan with other project financing, State funding, and other debt options as methods for funding the initial phase of the managed lanes.

The currently programmed design and preliminary engineering activities for the southern phase of the project are critically important for MDOT's ability to be best positioned to receive a federal discretionary grant. These activities reduce project risks and demonstrate the State's readiness to implement the project, a key USDOT rating factor in grant applications. Some of the ongoing activities for this project include obtaining clean water act and conceptual stormwater management permits, data collection and testing for soil, pavement, and structural borings, as well as updating traffic model and noise analysis. There is also proactive work being performed in coordination with utility companies to minimize potential impacts. Other general design work is focused roadway, bicycle, and pedestrian facility modeling and plan preparation. Additional funds are currently included for the planning for the I-270 North of the Intercounty Connector multi-modal study.

Most of the infrastructure in the corridor was originally constructed more than 60 years ago, cannot support today's transportation needs, and is not up to today's design standards. Considering the age, condition, and continued traffic expected to use the American Legion Bridge, it is anticipated the bridge will be in poor condition within the next ten years, unless

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DLS Budget Analysis Issues (continued)

significant preservation investments are made in the existing bridge. Additionally, 16 other existing bridges will be replaced with new, functionally improved, resilient structures on the corridor. Regardless of receipt of federal discretionary grants, significant state of good repair investment will be needed in this corridor, estimated at over \$1.6 billion just to replace the American Legion Bridge.

Safety in the corridor also needs to be improved. Approximately 75 percent of crashes in the project area were rear end and sideswipe collisions, types often attributed to congested conditions, with more than 50 percent of crashes occurring during peak periods. Nearly 30 percent of the crashes also resulted in injury or fatality. This data shows a strong correlation between the existing congested conditions and the safety performance. By providing additional traffic capacity, travel options, and reducing the extent and duration of congestion, the project is projected to result in a reduction in crashes, including those that result in injuries and fatalities.

While replacing the American Legion Bridge, new bridge lanes would also provide a new bicycle-pedestrian path connection over the Potomac River between Maryland and Virginia and the means for fast and convenient transit connections between Maryland and Virginia. Additional travel lane improvements between the American Legion Bridge and transit stations, such as the Westfield Montgomery Transit Center located off the I-270 West Spur, are included in this project, and are needed to provide viable bus transit while allowing buses to move at or near free-flow speeds.

The Moore-Miller Administration's 2024 State Plan includes a key performance indicator to reduce vehicle hours of delay and traffic congestion. This is necessary to promote jobs, economic growth, mobility, safety, and reduce greenhouse gases from idling. The original American Legion Bridge and the western Capital Beltway were constructed as a six-lane divided highway in 1962. It was projected to reach a design traffic volume of 43,000 vehicles by 1975. When the bridge was widened and rehabilitated in 1986, traffic volumes were estimated to be slightly under 200,000 in 2010. Daily traffic volumes have grown to over 240,000 vehicles daily on average. These volume increases have resulted in severe delays.

The needed state of good repair, safety, multi-modal transportation, and congestion relief improvements for the corridor will still exist even if federal discretionary grants are not received. Therefore, the ongoing design, preliminary engineering activities, and permitting activities for the project are critically important to best position MDOT to receive federal discretionary grants culminating in a financial plan that supports advancement of the program to meet these needs.

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Operating Budget Recommended Actions

- 1. Concur with Governor's allowance. (Page 19)**

MDOT Response:

The Department concurs with the DLS recommendation.

Budget Briefing Presentation

Fiscal Year 2025

Wes Moore, *Governor*
Aruna Miller, *Lt. Governor*
Paul J Wiedefeld, *Secretary*
William Pines, *Administrator*



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State Highway Administration Budget Overview

(Millions)

| | 2023 Actual | 2024 Working | 2025 Allowance |
|--|-------------------|-------------------|-------------------|
| TOTAL BY PROGRAM | | | |
| SHA | | | |
| Capital | \$ 937.8 | \$ 1,106.4 | \$ 1,107.3 |
| Major IT Development | 5.0 | 5.1 | 6.2 |
| Maintenance | 301.6 | 339.7 | 333.4 |
| Safety | 20.0 | 18.8 | 17.7 |
| Subtotal - SHA | 1,264.4 | 1,470.0 | 1,464.6 |
| County & Municipality | | | |
| County & Municipality - Capital | 53.8 | 78.5 | 78.3 |
| County & Municipality - Operating | 280.3 | 334.3 | 396.0 |
| Subtotal - Cty & Municipality | 334.1 | 412.8 | 474.3 |
| TOTAL | \$ 1,598.5 | \$ 1,882.8 | \$ 1,938.9 |
| TOTAL BY FUND SOURCE | | | |
| State | \$ 887.5 | \$ 968.2 | \$ 985.1 |
| Federal | 711.0 | 914.6 | 953.8 |
| TOTAL | \$ 1,598.5 | \$ 1,882.8 | \$ 1,938.9 |

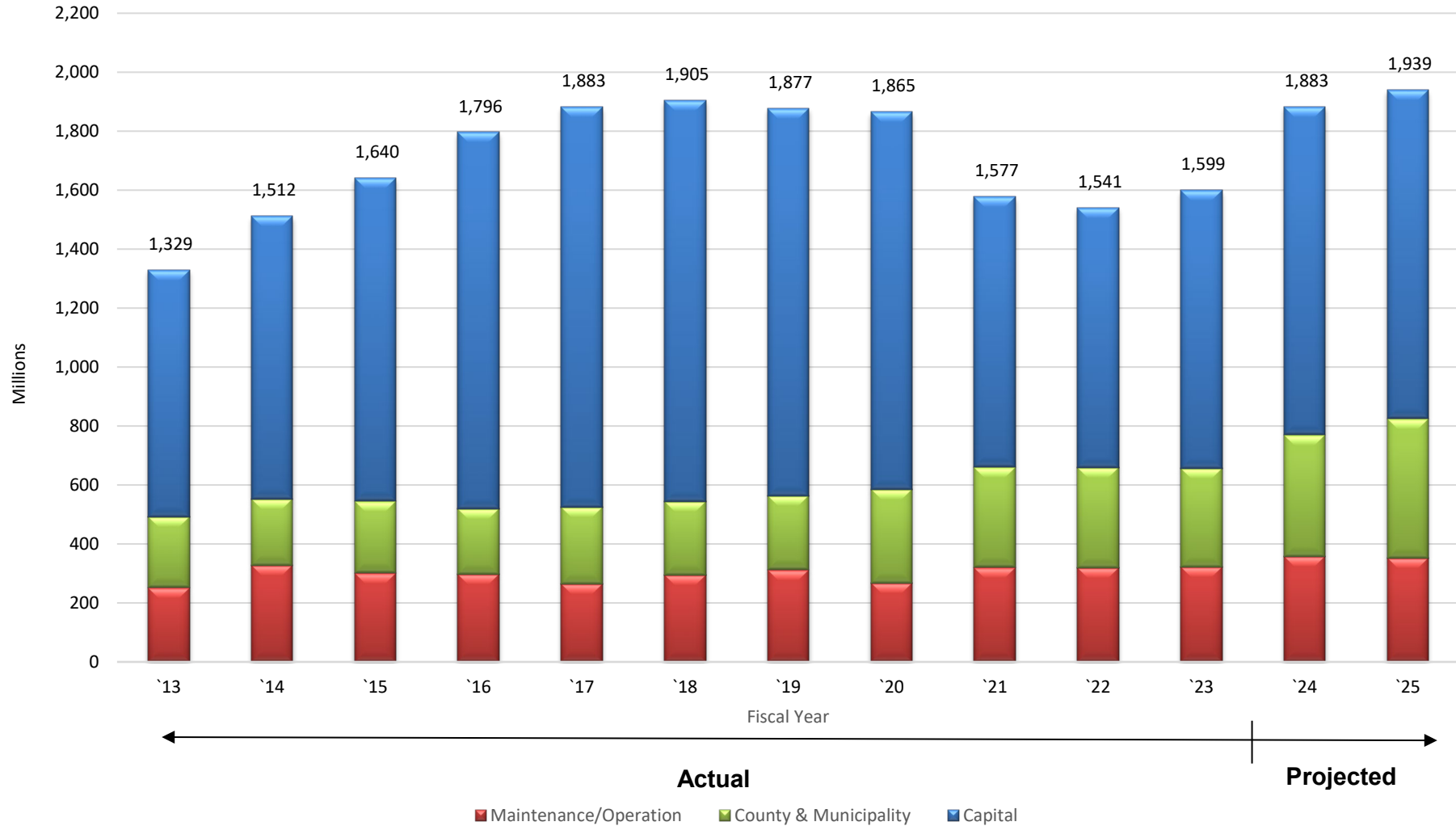
Total may not add due to rounding

Note:

* Supplemental Budget No. 1 is not reflected in FY2025.

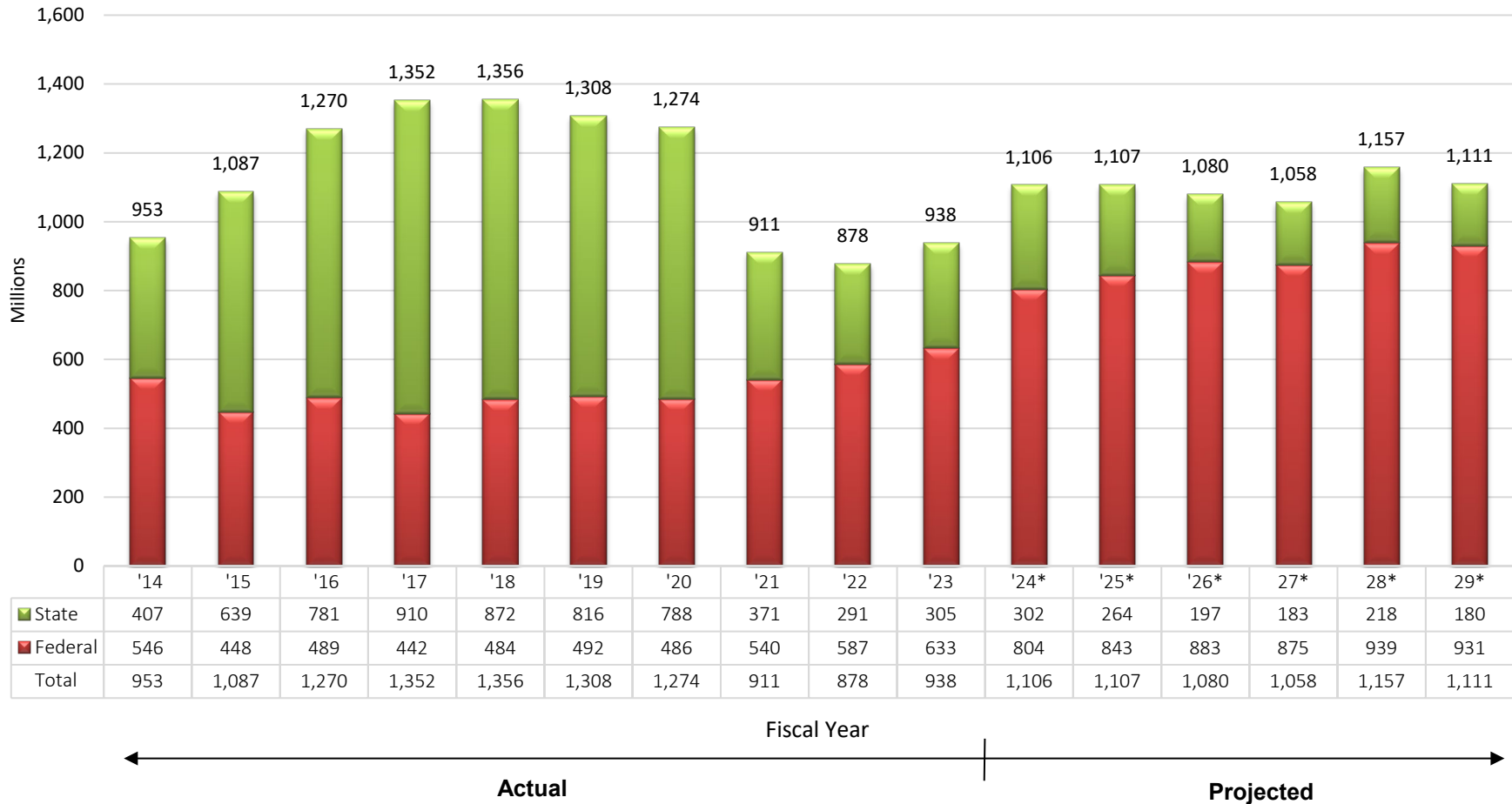
** General Obligation Bonds are not included in FY2024 and FY2025.

State Highway Administration Total Budget



* Supplement Budget No. 1 is not reflected in FY2025. General Obligation Bonds also are not included in FY2024 and FY2025

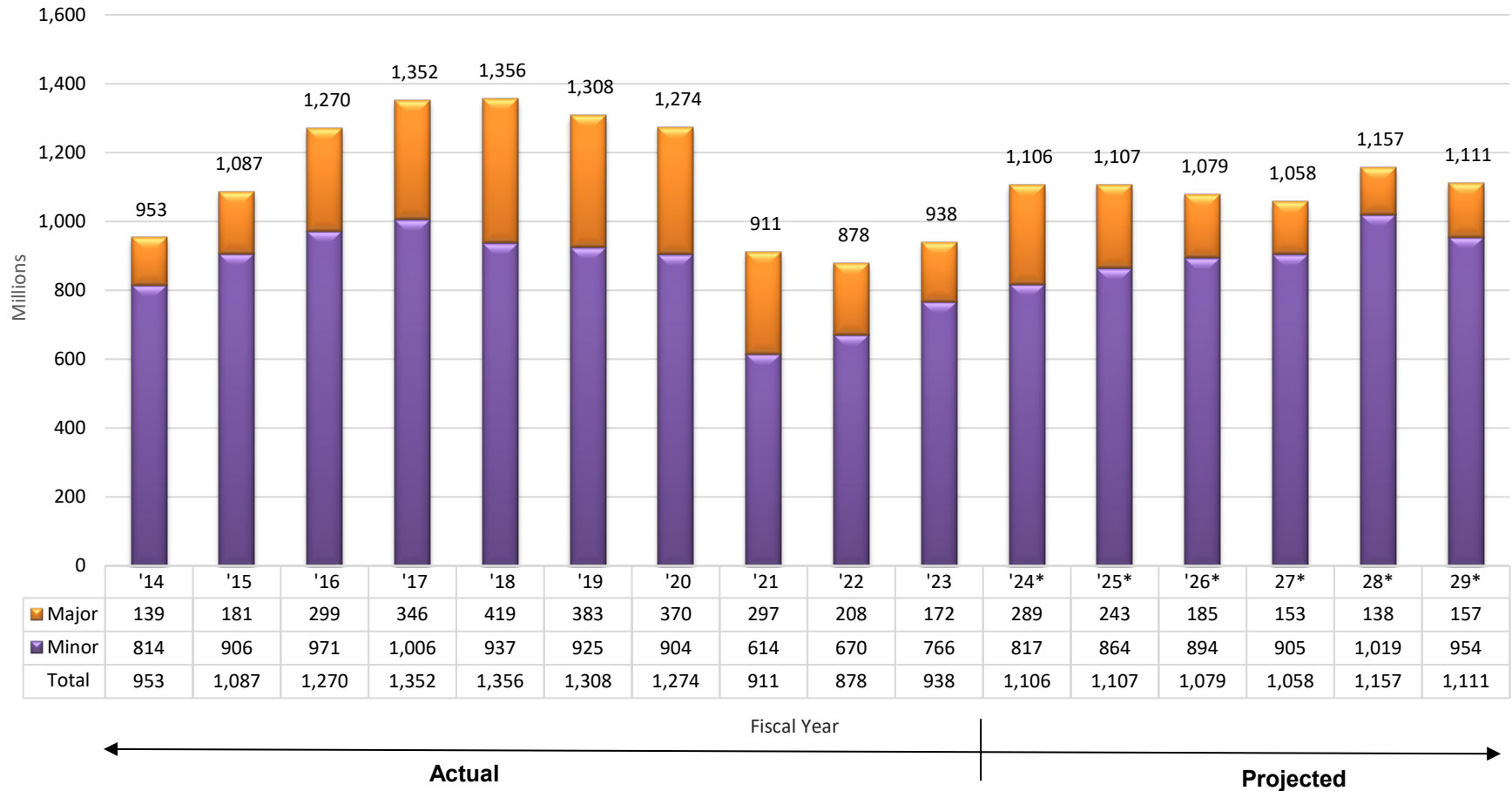
State Highway Administration Capital Program State and Federal



*The Capital Program is based on the FY2024-2029 Final CTP submission less Program 3 (County and Municipality Program), Program 5 (County and Municipality-Highway User Revenue), and Program 8 (IT Major Projects).

* Supplemental Budget No. 1 is not reflected in FY2025. General Obligation Bonds also are not included in FY2024 and FY2025.

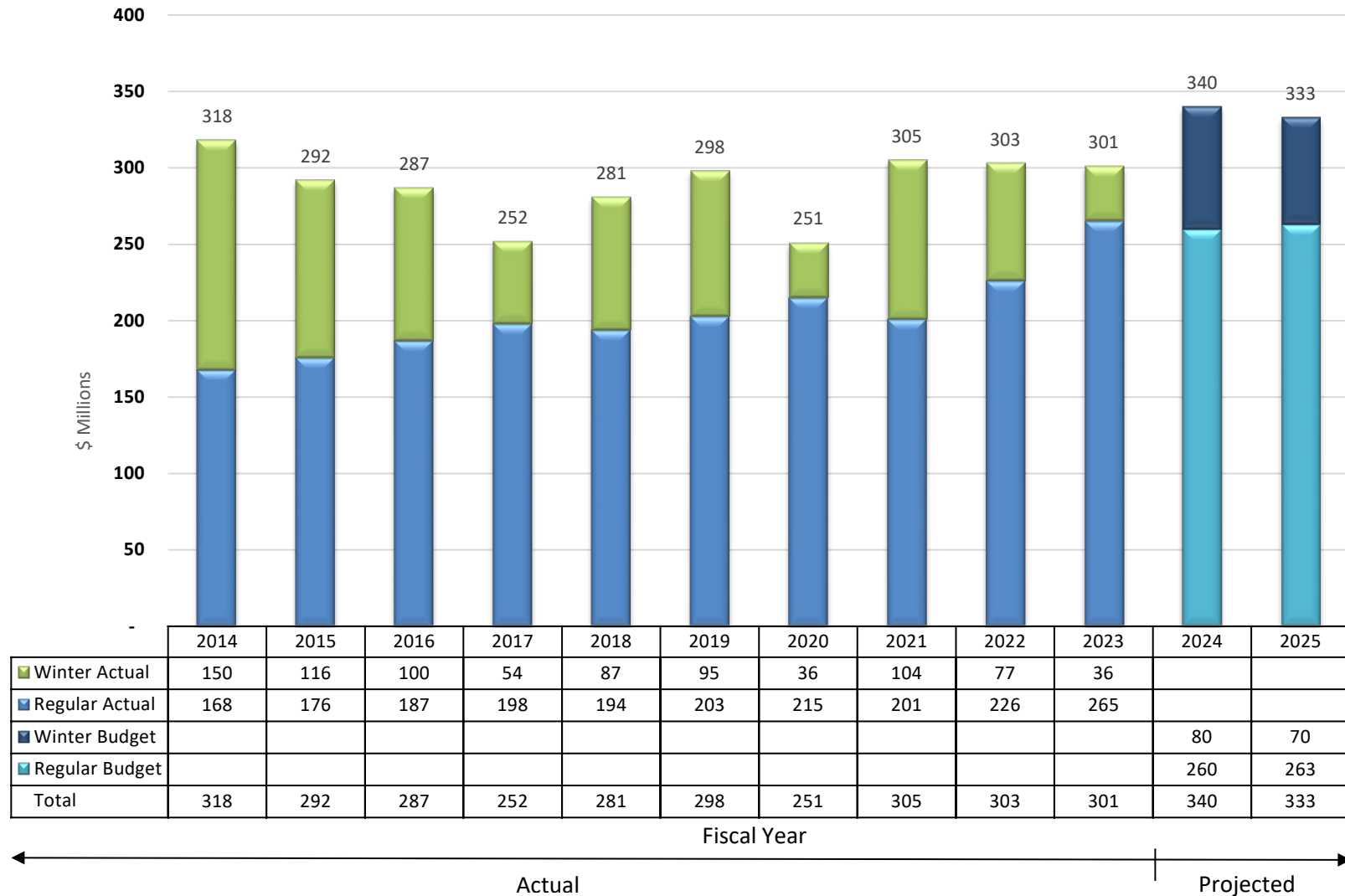
State Highway Administration Capital Program Projects by Type



*The Capital Program is based on the FY2024-2029 Final CTP submission less Program 3 (County and Municipality Program). Program 5 (County and Municipality-Highway User Revenue), and Program 8 (IT Major Projects). Minor consists of Safety, Congestion Relief, Community Enhancement, Highway and Bridge Preservation and Other. Reimbursables are reflected in the minor category.

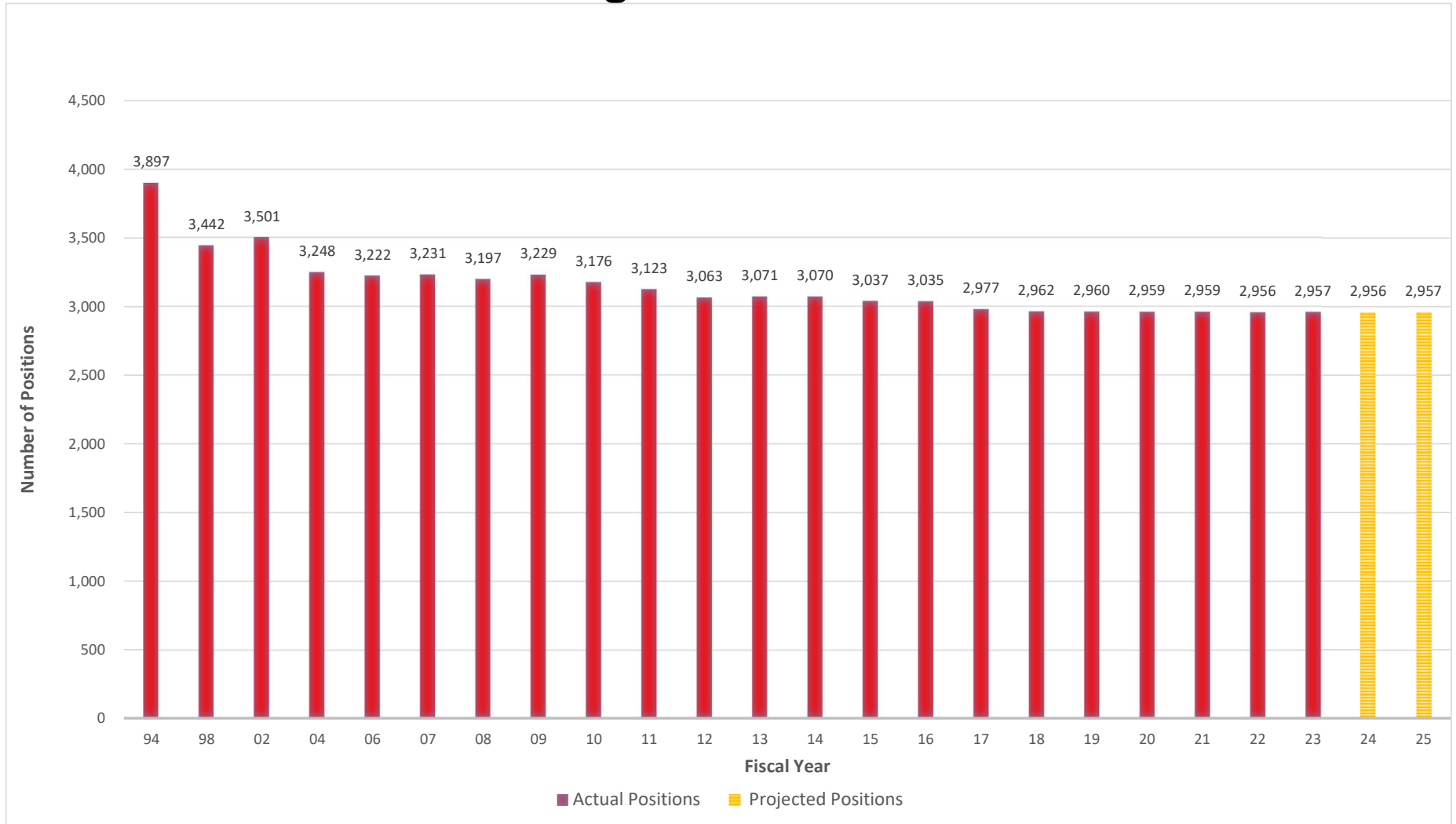
* Supplemental Budget No. 1 is not reflected in FY2025. General Obligation Bonds also are not included in FY2024 and FY2025.

State Highway Administration Maintenance Program Regular and Winter



* Supplemental Budget No. 1 is not reflected in FY2025.

State Highway Administration Budgeted Positions





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