



Wes Moore
Governor
Aruna Miller
Lieutenant Governor
Paul J. Wiedefeld
Secretary

**J00D00 Maryland Department of Transportation
Maryland Port Administration
Fiscal Year 2026 Operating Budget
Response to Department of Legislative Services Analysis**

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chair Michael Jackson
February 6, 2025

House Appropriations Committee
Transportation and the Environment Subcommittee
Chair Courtney Watson
February 5, 2025

**J00D00 MDOT – Maryland Port Administration
Fiscal Year 2026 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis Issues

1. Temporary Port Closure Due to Collapse of the Francis Scott Key Bridge Impacts Cargo Volume and Cruise Operations in Calendar 2024 (Page 24)

MPA should brief the committees on efforts to improve performance and when performance measures in areas lagging 2023 levels are expected to meet or exceed those 2023 levels.

MDOT Response:

Overall cargo tonnage volumes at the MPA public marine terminals would have been higher if not for the allision and Key Bridge collapse. While the full extent of the loss resulting from the allision and bridge collapse is still to be determined, but for the bridge collapse and the resulting vessel closure of the Port, the Port could have possibly surpassed an all-time record of 52.3 million tons set in 2023.

The MPA continues to make good progress in recovery. In partnership with Ports America Chesapeake, the MPA will have five new container services this year from the largest container shipping companies in the world. These services will open up opportunities to work with new shipping alliances from Asia and Northern Europe.

The MPA recently signed a five-year contract with Carnival Cruise Line. Carnival is the largest cruise operator in the world and has been serving the Port of Baltimore for 20 years. Year one of the new contract will show a 27 percent increase in revenues from previous Carnival agreements with the MPA as a result of Carnival increasing passenger usage charges and modified daily parking rates.

**J00D00 MDOT – Maryland Port Administration
Fiscal Year 2026 Operating Budget
Response to Department of Legislative Services Analysis**

Operating Budget Recommended Actions

- 1. Delete funding for new cybersecurity position; the agency should reclassify an existing vacant position instead. (Page 25)**

MDOT Response:

The Department respectfully does not concur with the DLS recommendation. Security of the nation’s critical transportation infrastructure requires focus on both physical security as well as cybersecurity of the State’s transportation assets. The Department has been aggressively filling vacancies through its ‘Taking you Places’ recruitment campaign and has one of the lowest vacancy rates amongst all State agencies.

- 2. Adopt narrative on quarterly progress reporting for the Howard Street Tunnel project. (Page 25)**

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

- 1. Concur with Governor’s Allowance. (Page 25)**

MDOT Response:

The Department concurs with the DLS recommendation.



Maryland Department of Transportation Maryland Port Administration

Fiscal Year 2026 Budget Overview
Presentation to Budget Committees

2025 Session



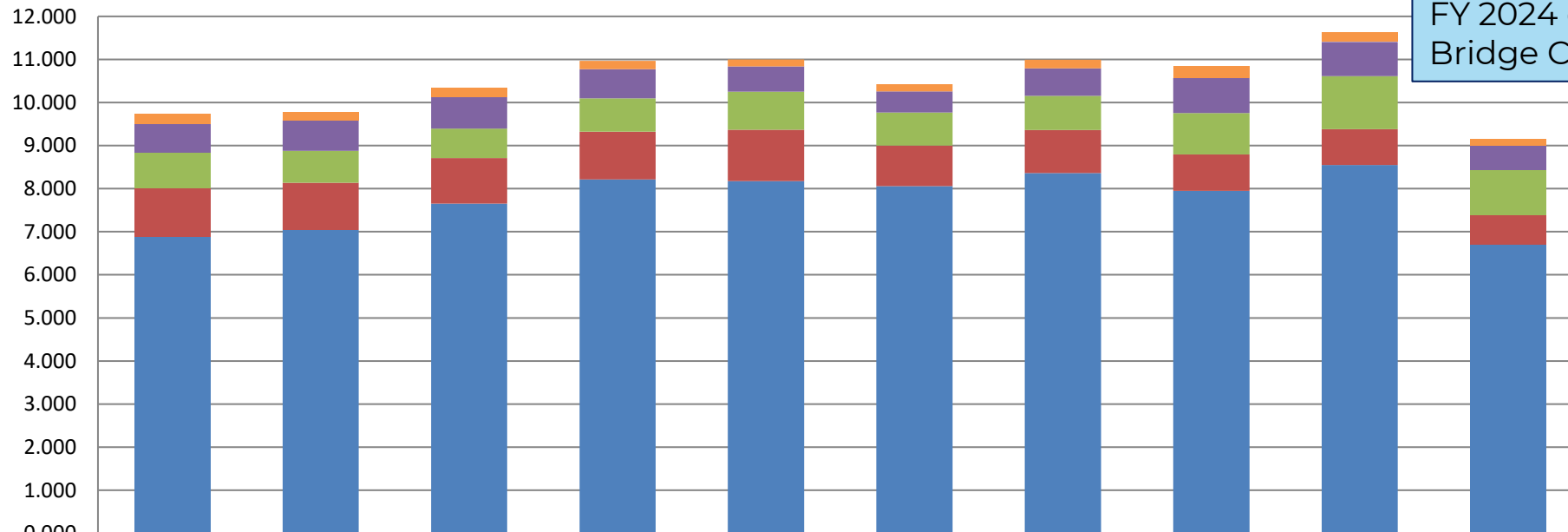
The Port of Baltimore Drives Economic Growth

Port of Baltimore Economic Impact to the State of Maryland

- 20,193 direct jobs generated by the Port.
- In total, there are **over 273,675 jobs in Maryland linked to the Port of Baltimore.**
- Average annual salary of \$82,426 of each direct job generated by the POB is 12% high than that average mean salary of a Marylander in 2023.
- \$5.3 billion in personal wages & salary income.
- \$647 million per year in State and Local Tax Revenues.

Cargo Trends Strong Through March 2024

MPA General Cargo (millions of tons)

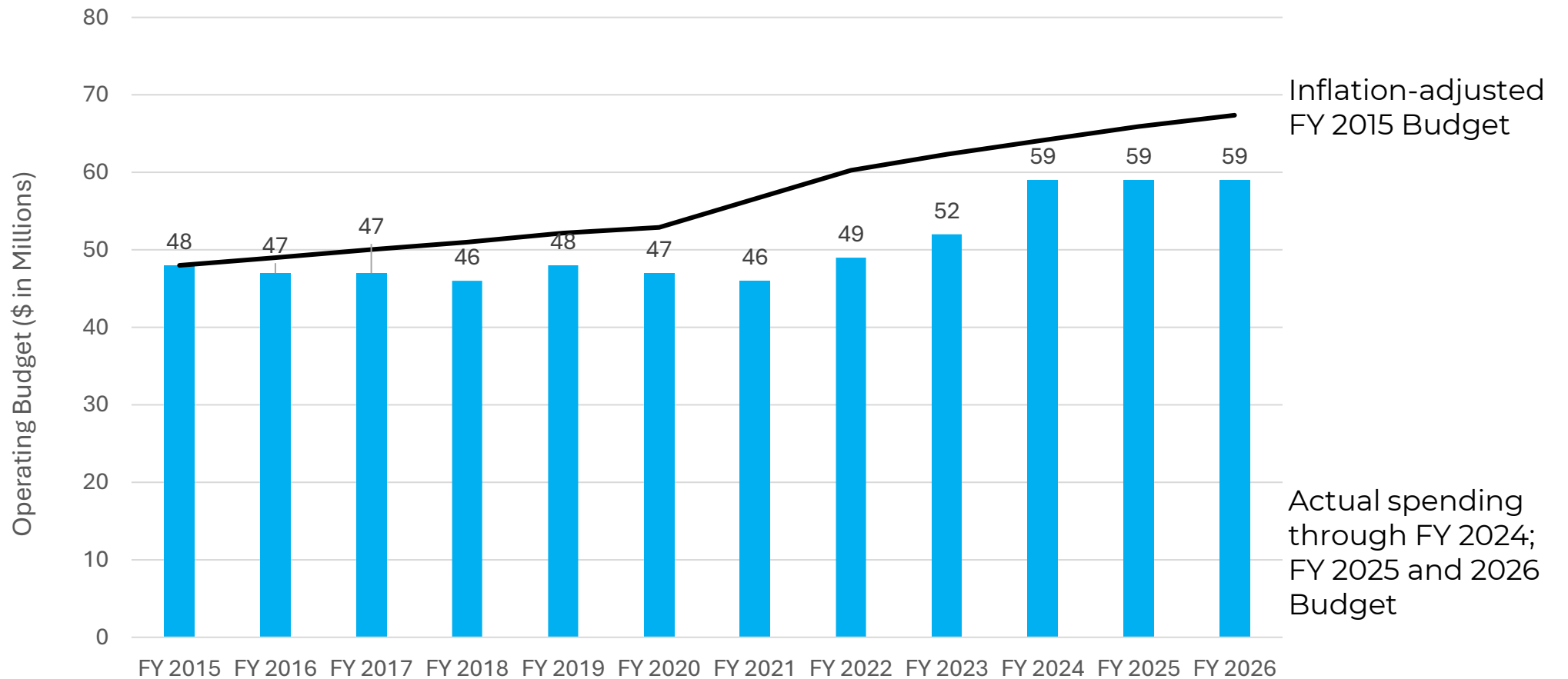


MPA overall tonnage fell in FY 2024 due to the Key Bridge Collapse.

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY24
BB/Steel	0.225	0.199	0.219	0.197	0.161	0.168	0.199	0.272	0.222	0.141
Forest	0.672	0.709	0.736	0.676	0.586	0.495	0.638	0.813	0.795	0.578
Ro/Ro	0.828	0.740	0.684	0.772	0.886	0.765	0.796	0.960	1.228	1.035
Autos	1.130	1.099	1.054	1.110	1.196	0.943	0.996	0.843	0.832	0.688
Container	6.887	7.040	7.654	8.214	8.174	8.057	8.366	7.952	8.551	6.704



Operating Budget Growth Has Not Kept Pace with Inflation; Requires Continued Efficiencies to Maintain Critical Operations

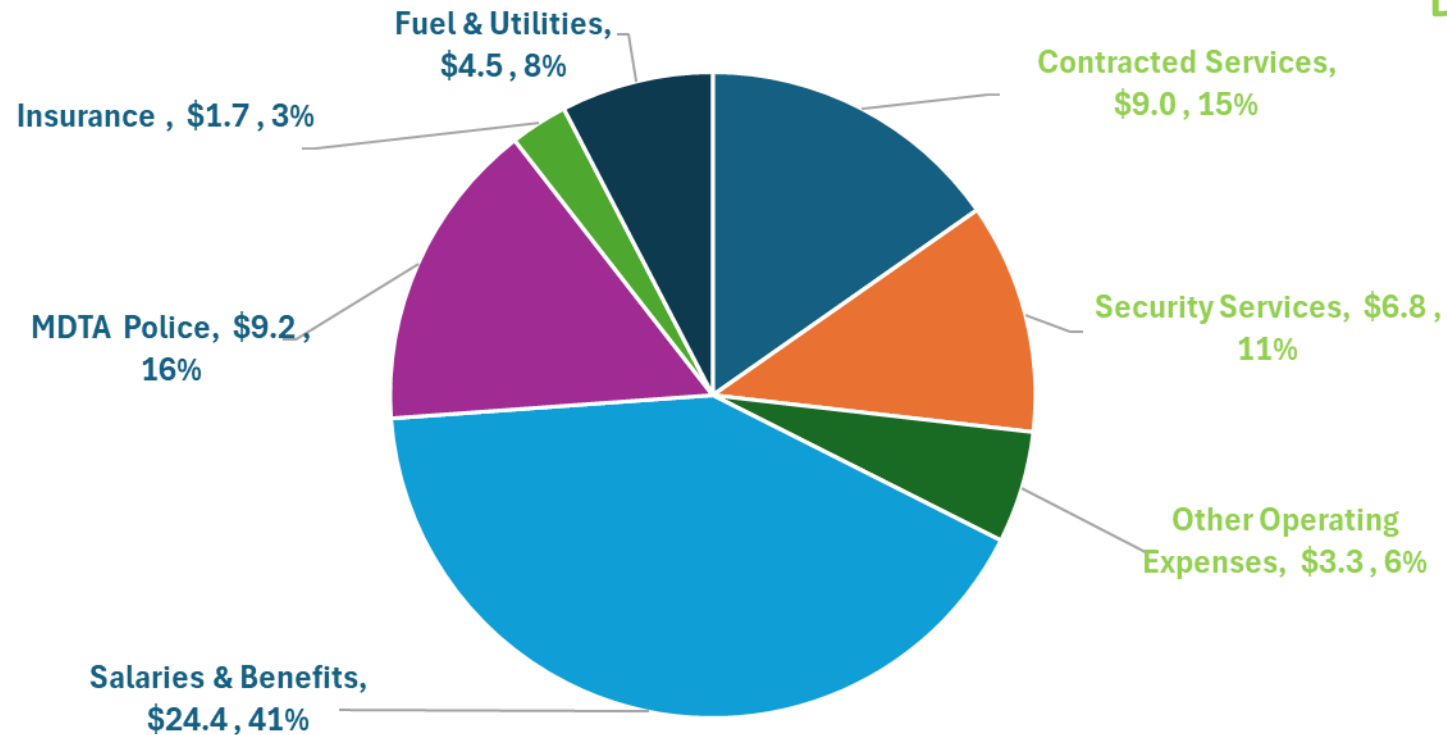


More Than Two-Thirds of MPA's Operating Budget is Non-Discretionary

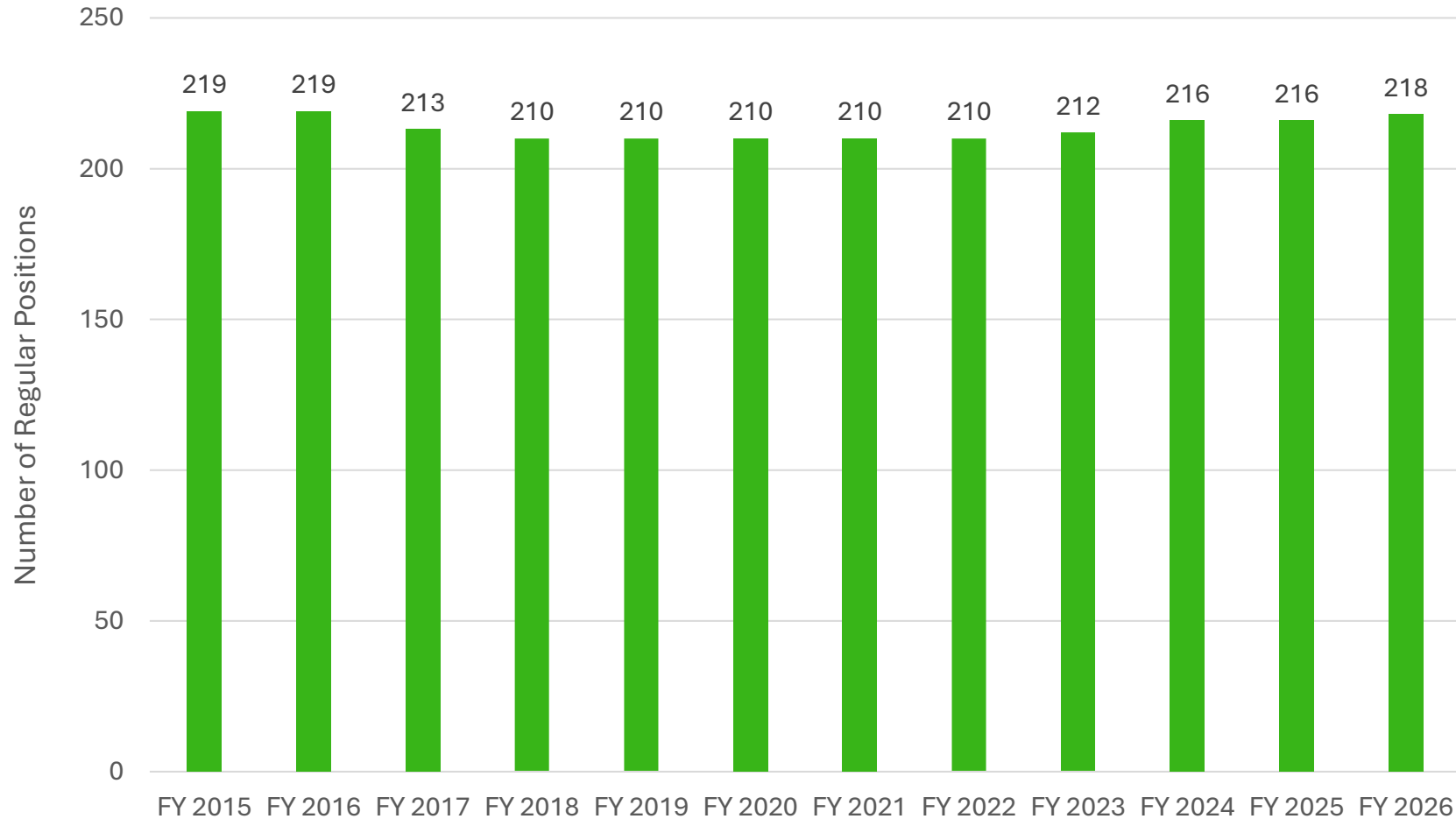
FY2 2026 Operating Budget (\$ millions)

Non-Discretionary

Discretionary



As Cargo and Responsibilities Grew, Positions Remained Flat

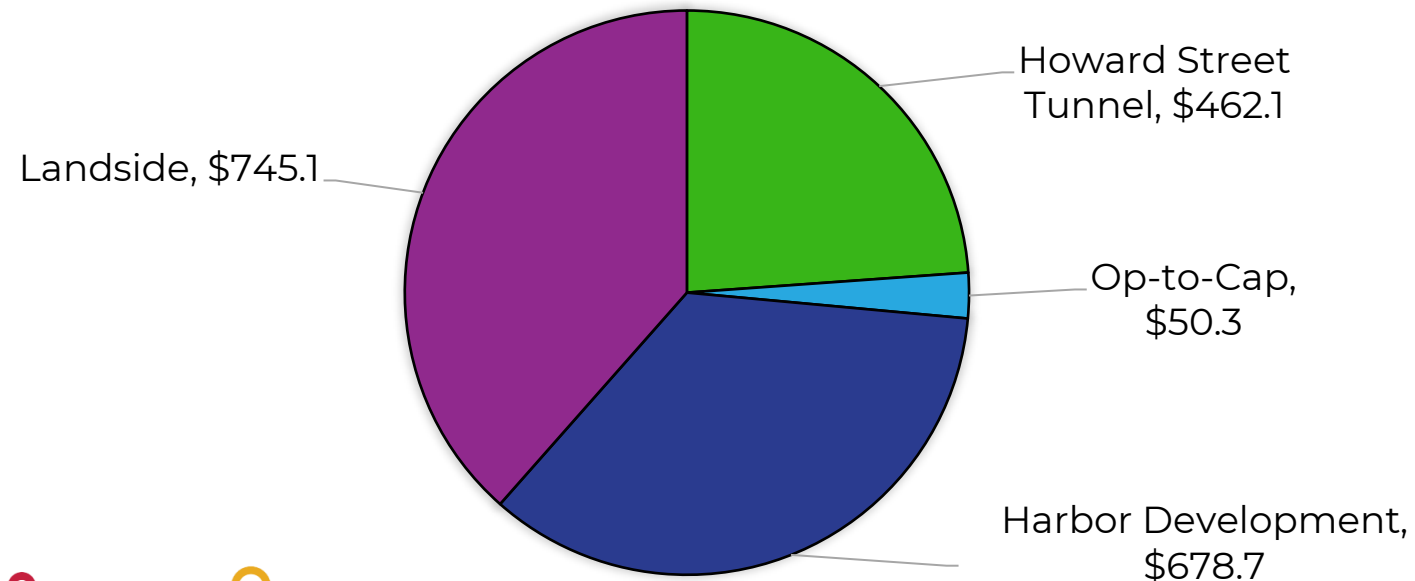


\$1.6 Billion 6-Year Capital Investment in Port

MPA's 6-year capital budget includes \$1.1 billion in Transportation Trust Fund dollars, \$336 million in federal funds, \$105 million in State General Funds and GO bonds, as well as funding from CSX and several private companies .

- The **Howard Street Tunnel** clearance project is part of the 6-year program.
- The **Navigation, Innovation & Stewardship Program** maintains existing dredged material placement sites and expands capacity
- The **Landside Program** includes berth renovations and other system preservation projects.

FY 2025 – 2030 Capital Budget (\$ millions)



Howard Street Tunnel Project Advances; Double Stacking Rail Operations Begin



Howard Street Tunnel North Portal



Guilford Ave Bridge Replacement

- The launch of double-stacking rail operations for the Port of Baltimore is a significant milestone in the Port's history and opens new growth opportunities. A temporary route opened in October 2024; the Howard Street Tunnel project provides the direct and seamless permanent route.
- The FY 2026 capital budget (\$119.7M) includes Federal, State and CSX funding. \$31.5M in GO Bonds is part of the State funding in FY 2026.
- Five of the ten construction packages, including all sites in DE and PA, are cleared for double-stack.
- CSX's schedule has remaining clearance work in MD done in 2026

Key Priorities

- The **Howard Street Tunnel** project remains paramount to the success and growth of the Port. *The project is fully-funded in the current six-year capital program.*
- The **Mid-Chesapeake Bay Island** Project is critical to maintaining the 50' channel system leading into the Port of Baltimore and providing safe passage for vessels. *This project received additional funding from the transportation revenue package before the legislature this session.*
- Ensuring the availability of **placement options for dredged material** – both within the Harbor and the Bay while continuing to develop alternative options such as Innovative Reuse.
- **Maintaining competitiveness, accommodating growth, and increasing resiliency.** *Several key projects are advancing with support from a federal Clean Ports grant and State matching funds that are contingent on funding from the transportation revenue package before the legislature this session.*
- Investments in **maintaining the Port's terminals**, including the **reconstruction of Dundalk Marine Terminal Berth 11**, for the long-term growth and competitiveness of the Port. *The Berth 11 project received a federal grant to advance and State matching funds are contingent on funding from the transportation revenue package before the legislature this session.*