

**J00H01 Maryland Department of Transportation
Maryland Transit Administration
Fiscal Year 2026 Operating Budget
Response to Department of Legislative Services Analysis**

House Appropriations Committee
Transportation and the Environment Subcommittee
Chair Courtney Watson
February 17, 2025

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chair Michael A. Jackson
February 21, 2025

**J00H01 MDOT – Maryland Transit Administration
Fiscal Year 2026 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis

1. Locally Operated Transit Systems Mandated Appropriation (Page 17)

MTA should comment on the changes to the LOTS funding formula that took effect for fiscal 2025 and key changes from the previous funding formula.

MDOT Response:

In 2022, MTA began working to develop a formula for the LOTS funding program. Previously, there was not a formula that was utilized and instead, each LOTS just received the same funding level that they had received the year prior, despite changes in service and population. The formula that MTA developed was designed to match the intent of federal agency partners to help jurisdictions recoup some of the costs of the public transportation that they provide, as opposed to trying to predict and provide for latent demand.

- The formula considers the following LOTS service and service area factors:
 - Boardings (30%)
 - Revenue Vehicle Miles (30%)
 - Revenue Vehicle Hours (30%)
 - Population living in poverty within LOTS service area (10%)

MTA worked extensively with the LOTS agencies to establish the formula, allow for review and comment, and make adjustments based on comments. The formula took effect for fiscal year 2025. A three-year grace period was agreed to, in which no jurisdictions will experience a decrease in operating funding (although many will experience increases). After the three-year grace period, funds will go up or down depending on the availability of both federal and state funding and the factors that drive the allocation formula. MTA has committed to regular review of the formula to ensure that it meets the needs of the LOTS agencies.

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DLS Budget Analysis Issues

1. Red Line Transit Project (Page 34)

MTA should comment on its anticipated timeline for the announcement of a Locally Preferred Alternative and the completion of the federal NEPA process for the Red Line project.

MDOT Response:

MTA currently anticipates announcing the Locally Preferred Alternative for the Red Line project by the end of 2025 and completing the federal NEPA process in Fall 2026.

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Operating Budget Recommended Actions

- 1. Adopt committee narrative requesting bimonthly construction progress reports for the Purple Line project. (Page 37)**

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

- 1. Concur with Governor’s allowance. (Page 37)**

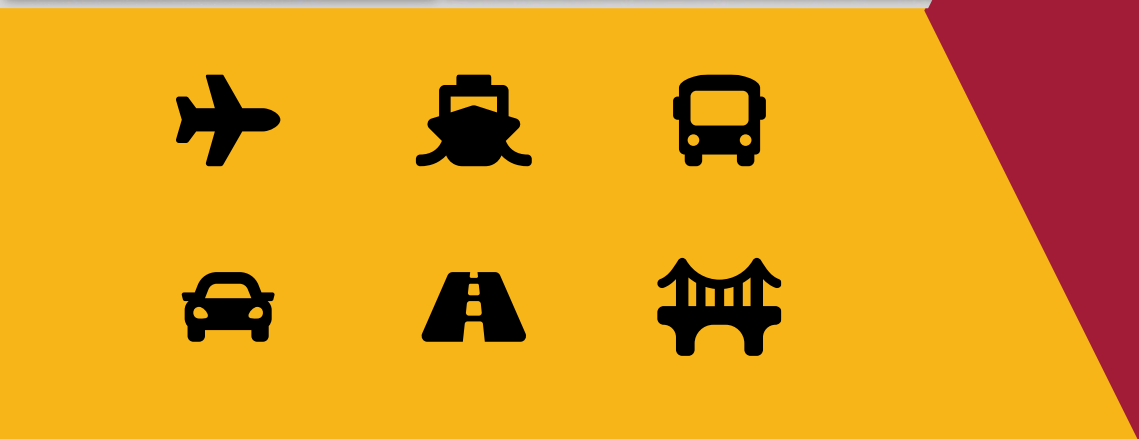
MDOT Response:

The Department concurs with the DLS recommendation.



Maryland Department of Transportation Maryland Transit Administration

Fiscal Year 2026 Budget Overview
Presentation to Budget Committees
2025 Session



MTA's Economic Impact

\$2.7B

in total economic
output statewide



79%

of MTA's budget spent
within Maryland

~10,000

jobs supported statewide
on an annual basis

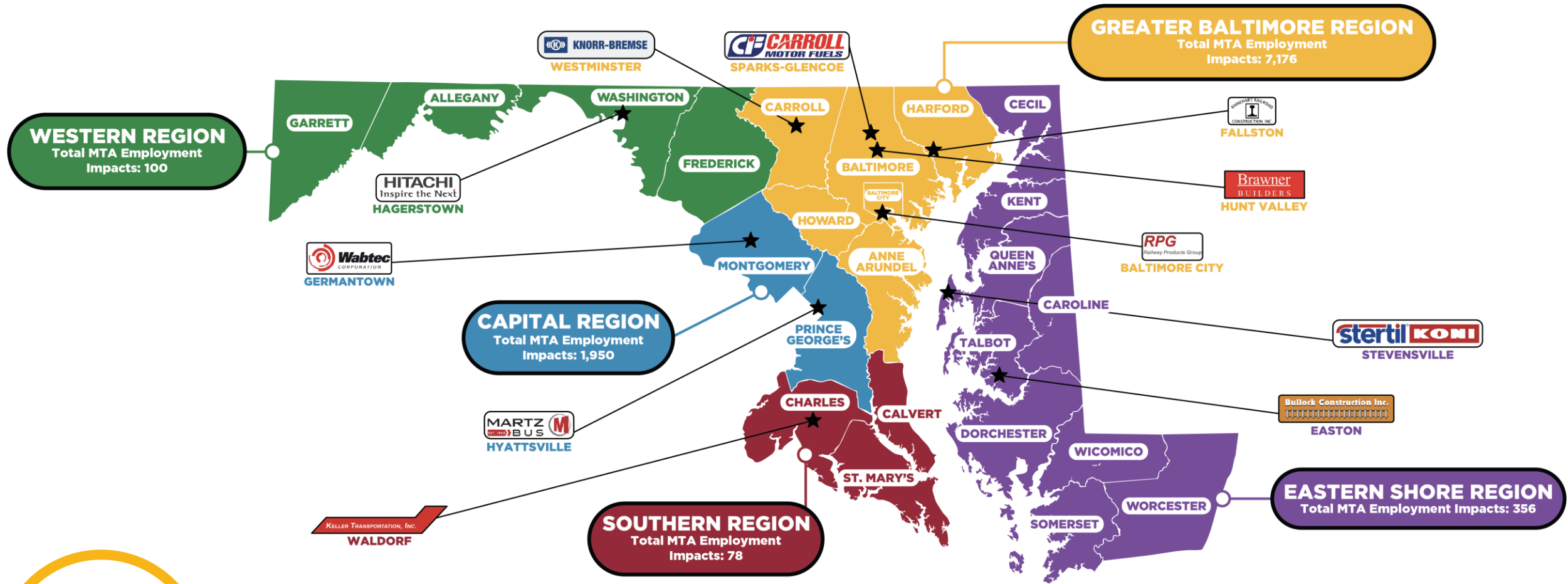


>\$900M

in total labor income
statewide on an annual
basis

Public transit is a *net positive* investment for Maryland

Employment Statewide

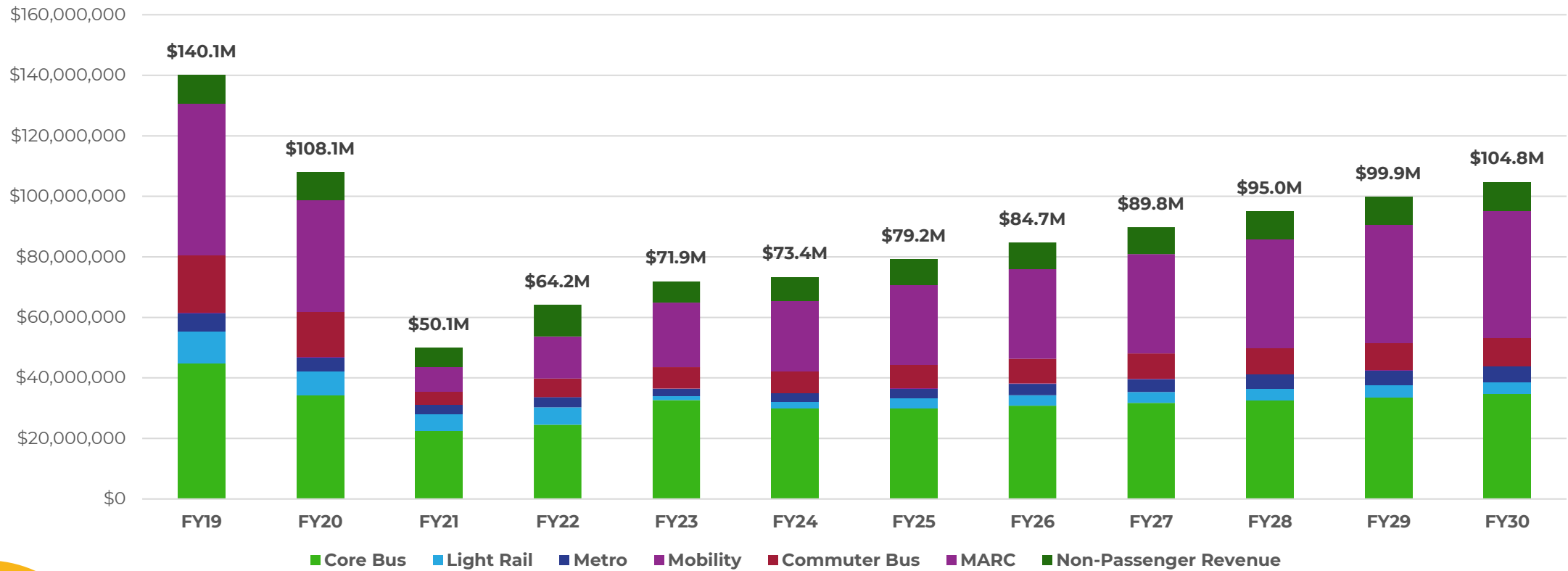


Performance Metrics

- Ridership Growth – Up 15%
 - Over 68 million rides in 2024
 - Year-over-year increases and post-pandemic highs on all modes
- Workforce Improvements
 - Reduced agency hiring time by 40%
 - Hired more than 400 new operators for second consecutive year
 - Ended year with operator vacancy rate at 1%
- Public Safety
 - Preventable safety incidents down by 5%
 - Person-related crimes down 13%
 - 76% Part 1 crime clearance rate
- Service Delivery
 - Core Bus service cuts down from 12% to 2%
 - Mobility on-time performance >93%
 - 90%+ real-time availability on all modes in 2024

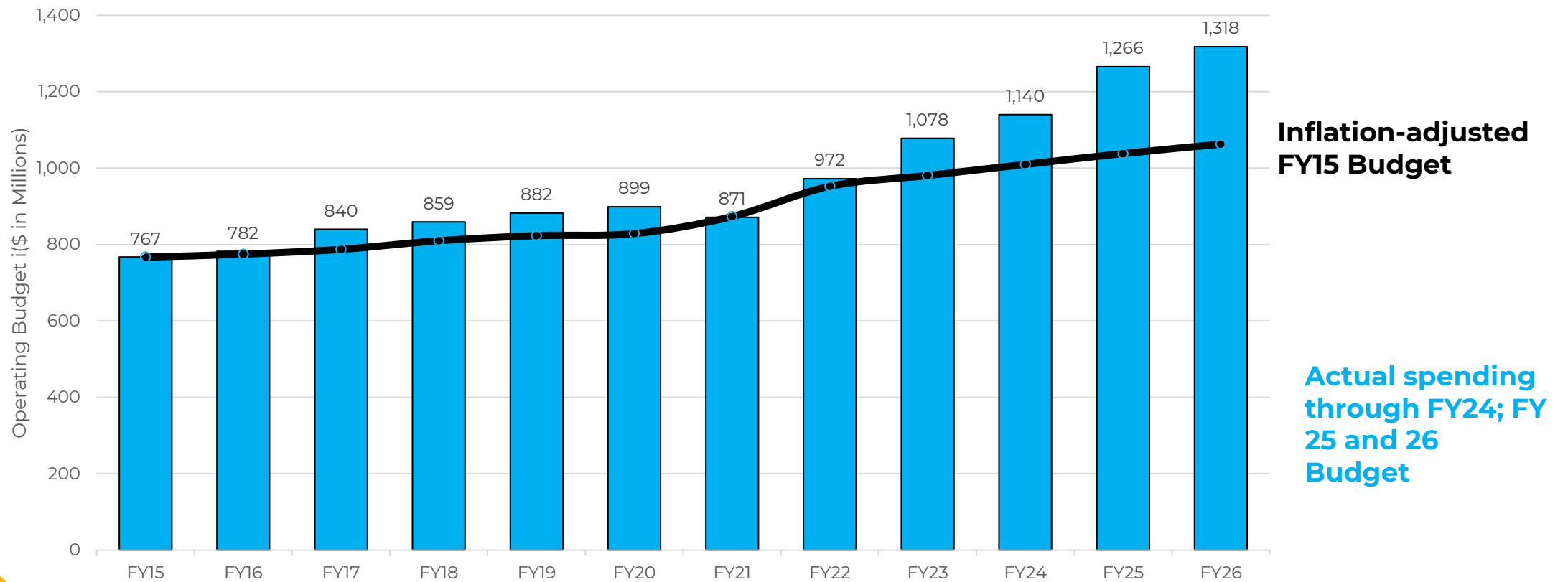
Revenue Collection

MTA Operating Revenue by Mode



Operating Budget Growth in Line with Inflation Pre-COVID; Post-COVID Contracts Significantly Increasing Cost Structure

MTA Operating Budget Growth



Inflation-adjusted FY15 Budget

Actual spending through FY24; FY 25 and 26 Budget

Operating Budget

Restored funding in FY25:

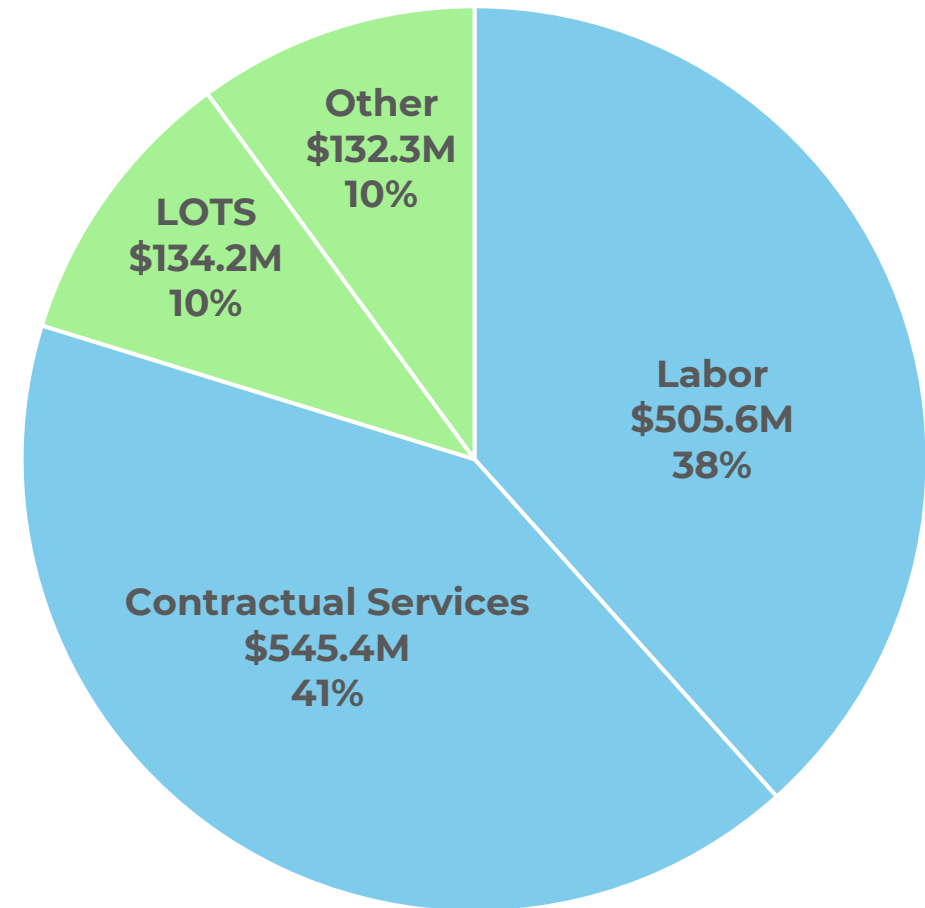
- Commuter Bus Service: \$17.2M
- Mobility Union Contract: \$32.0M

Additional Funding in FY26:

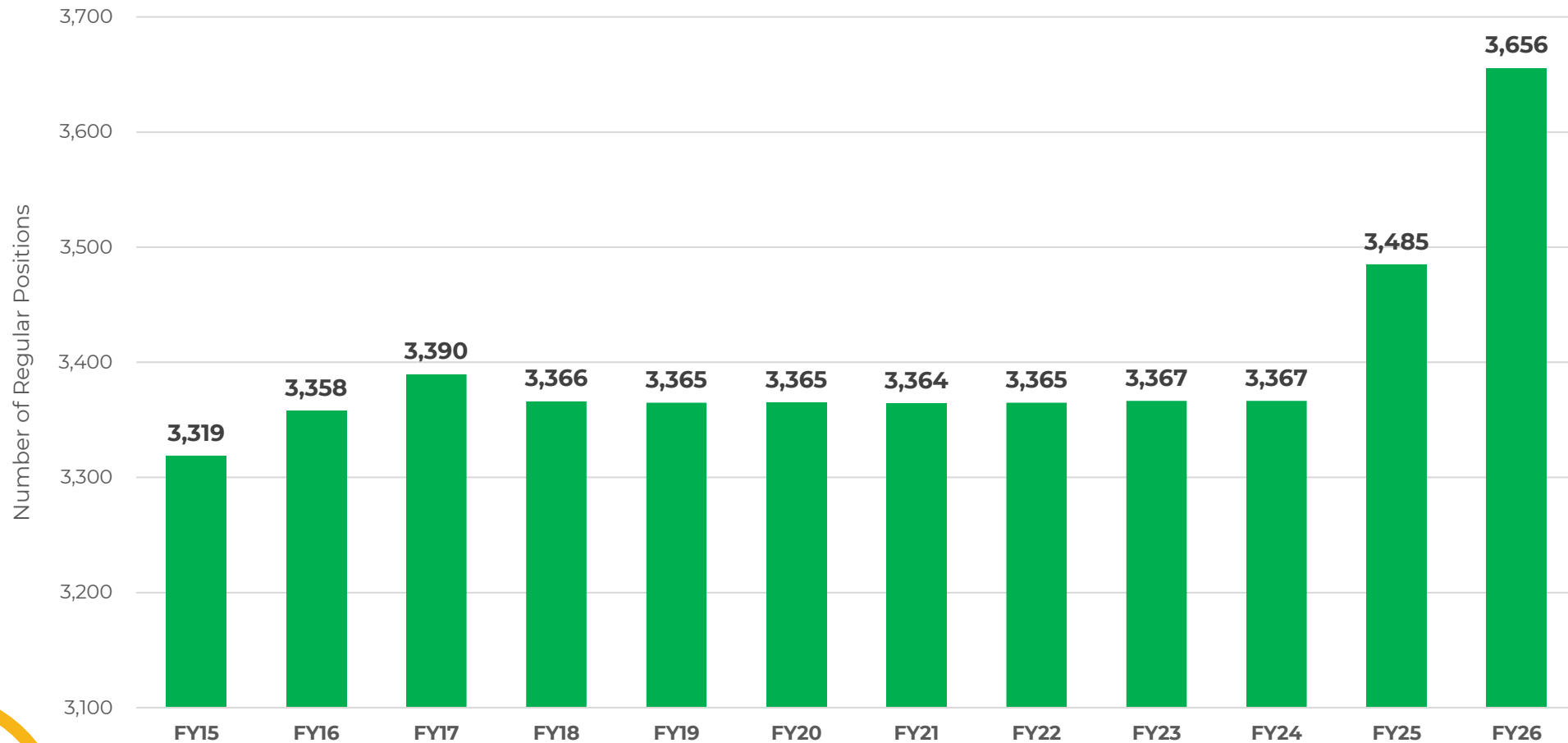
- Contracts/Insurance: \$66.2M
- Additional PINS: \$20.6M

FY 2026 Operating Budget

- Total for FY26 = \$1.32 billion
 - 80% is labor and contracted services
- Additional 171 PINs
 - 70 for Operations
 - 23 for Administration/Planning
 - 78 for Purple Line Police



Budgeted Position Overview



Workforce Development

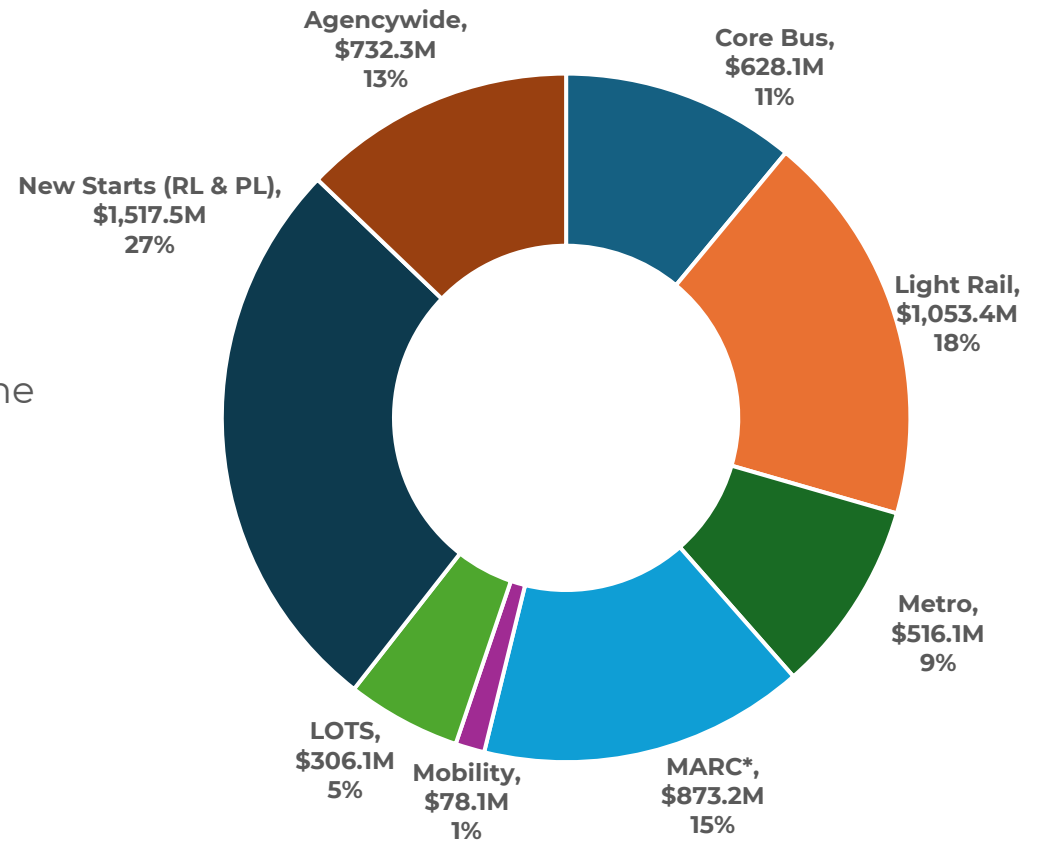
- Bus Maintenance Apprenticeship Program
 - Launched in August 2024 with ten candidates in collaboration with Baltimore City Community College
- Red Line Internship Program
 - Six-week paid opportunity for high school students to learn about transit careers
 - Partnership with Edmondson High School and Morgan State University
 - Expanding to Woodlawn and Patterson High Schools in 2025
- Youth Transit Council
 - MTA advisory group comprised of students in Baltimore area
- YouthWorks Summer Internship Program
- Purple Line internship program with University of Maryland
- MTA Emerging Leaders
 - Internal program designed to elevate future transit leaders within MTA



\$5.7 Billion 6-Year Capital Investment in MTA

Highlights of MTA's 6-year capital budget:

- Addressing **critical state of good repair needs** across MTA
- Advancing needed **planning efforts for the Baltimore Red Line**
- Annual purchase of buses to **support MTA's fleet and maintain needed service levels**
- **Modernizing Baltimore's Light Rail system** in conjunction with the State's \$213 million federal grant award
- **Fully matches all federal formula and discretionary grant programs** including the more than \$7 billion Amtrak-led projects, including Frederick Douglass Tunnel, Susquehanna River Bridge, Baltimore Penn Station, the Bridge to Burgos Catenary Renewal Project, and the Mid-Atlantic South Signal System Upgrades.



*includes Frederick Douglass Tunnel

Capital Projects – Modernizing Infrastructure

Metro Railcar and Train Control Replacement



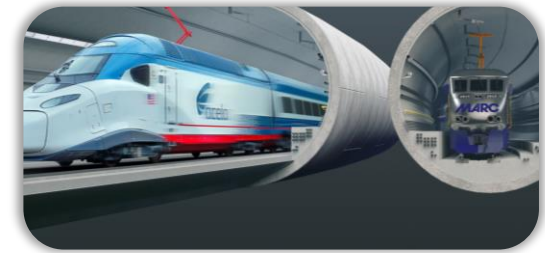
- Replacement of aging Metro fleet and installation of new Communication-Based Train Control system
- Improved safety, reliability, frequency, and rider experience
- Testing underway

Light Rail Modernization Program



- Replacement of aging Light Rail Fleet with low-floor, accessible vehicles
- Program includes facility modernization and station upgrades
- \$213 million federal award
- GARVEE Bonds

Frederick Douglass Tunnel (Amtrak Lead)



- Centerpiece of B&P Tunnel replacement program
- Project includes new, ADA-accessible West Baltimore MARC station
- Will triple capacity and increase travel speeds
- Associated Northeast Corridor projects

Capital Projects – Prioritizing State of Good Repair

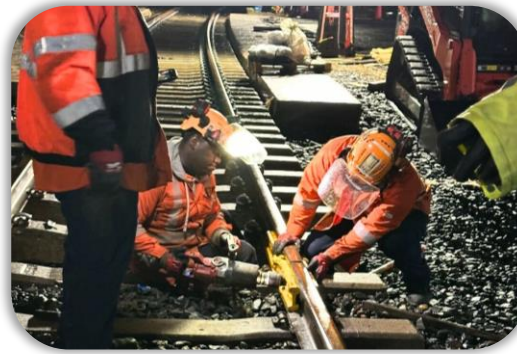
MARC Maintenance, Layover, & Storage Facilities



Mobility Vehicle Replacements



Metro and Light Rail Systems, Station Rehabilitations, & Maintenance of Way



Fare Collection System & Equipment Replacement



Bus Replacements



MARC Vehicle Overhauls and Replacements



Capital Projects – Expanding the System

Purple Line

- Over 74% complete
- 18 stations under construction and more than 56,000 feet of track laid
- Major construction continues at key locations
- Revenue service in Winter 2027

RED LINE

- Project advancing
- Light Rail announced as mode in June 2024
- Environmental study underway
- Ongoing engagement and outreach
- Alignment anticipated in 2025

Key Priorities

- **Safety**
- **Reliability**
- **State of Good Repair**
- **Frequency**