

**J00D00 Maryland Department of Transportation
Maryland Port Administration
Fiscal Year 2027 Operating Budget
Response to Department of Legislative Services Analysis**

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chair Shelly Hettleman
February 13, 2026

House Appropriations Committee
Transportation and the Environment Subcommittee
Chair Courtney Watson
February 16, 2026

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DLS Budget Analysis Issues

1. Clean Ports Program and Other MPA Federal Grant Funding (Page 27)

MPA should update the committees on any significant changes to the amounts of federal reimbursements that it has received to date from these federal grants and if there have been any factors that have delayed the federal reimbursement process or the execution of a grant agreement for any federal grant that it has been awarded.

MDOT Response:

Currently, the MPA has six grant agreements in place with federal agencies. Additionally, a seventh grant agreement is pending with the U.S Department of Transportation (USDOT) Maritime Administration (MARAD) for an Infrastructure for Rebuilding America (INFRA) grant award for the Dundalk Marine Terminal Berths 11-13, Phase I Reconstruction project. This project is currently under National Environmental Policy Act review process with anticipated completion in April 2026. To date, there have been no delays in the federal reimbursement process nor the execution of a federal grant agreement.

Update as of February 9, 2026

- A \$145.7 million grant awarded under the Clean Ports Program through U.S. Environmental Protection Agency (EPA) in federal fiscal year (FFY) 2024 for Zero-Emissions Technology. MPA has received \$997,068.04 in federal disbursements to date under this grant.
- A \$1.97 million grant awarded under the Clean Ports Program through EPA in FFY 2024 for Air Quality Improvement Strategy and Comprehensive Community Engagement Plan Development. MPA has received \$61,866 in federal disbursements to date under this grant.
- A \$125 million grant awarded under the INFRA program through USDOT Federal Railroad Administration (FRA) in FFY 2018 for the federal fund component of the Howard Street Tunnel project. MPA has received approximately \$85 million in federal reimbursements to date under this grant. Additional funding for this project includes \$229.1 million in State funds, \$120.2 million from CSX Transportation, and \$20.7 million from the Pennsylvania Department of Transportation for project components located within that state.

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- A \$10 million grant awarded under the Better Utilizing Investments to Leverage Development program through MARAD in FFY 2020 for the Dundalk Marine Terminal Resiliency and Flood Mitigation project. MPA has received approximately \$1,960,000 in federal reimbursements to date under this grant.
- A \$337,500 grant awarded under the Port Security Grant Program (PSGP) through the U.S. Department of Homeland Security Federal Emergency Management Agency (FEMA) in FFY 2022 for the Application Software Cybersecurity Assessment and Remediation project. MPA has received all federal reimbursements awarded under this grant.
- A \$489,600 grant awarded under the PSGP through FEMA in FFY 2024 for the Implementation of Cybersecurity Resilience Enhancements for Critical Services project. MPA has received \$145,124 in federal reimbursements to date under this grant.

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Operating Budget Recommended Actions

1. **Adopt narrative requesting quarterly progress reporting on the Howard Street Tunnel project. (Page 28)**

MDOT Response:

The Department concurs with the DLS recommendation.

2. **Adopt narrative requesting reports on the status of the Clean Ports Program and other federal grant awards. (Page 28)**

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

1. **Concur with Governor's allowance. (Page 29)**

MDOT Response:

The Department concurs with the DLS recommendation.



Maryland Department of Transportation Maryland Port Administration

**Fiscal Year 2027 Budget Overview
Presentation to Budget Committees**

2026 Session



Investments from Revenue Increase

- Fully funded the State's commitment to the Mid-Bay Project in the current 6-year CTP cycle for \$45 million
- Added \$30 million in funding for Dundalk Marine Terminal Berths 11-13 Phase 2 reconstruction
- Added \$11.5 million for various repairs to MPA berths, utilities, and facilities under our Agency-Wide Repair contracts
- Restored \$2.5 million in funding for the Cruise Terminal HVAC and Ceiling upgrades
- Restored \$2.9 million in funding for Architectural & Engineering contracts



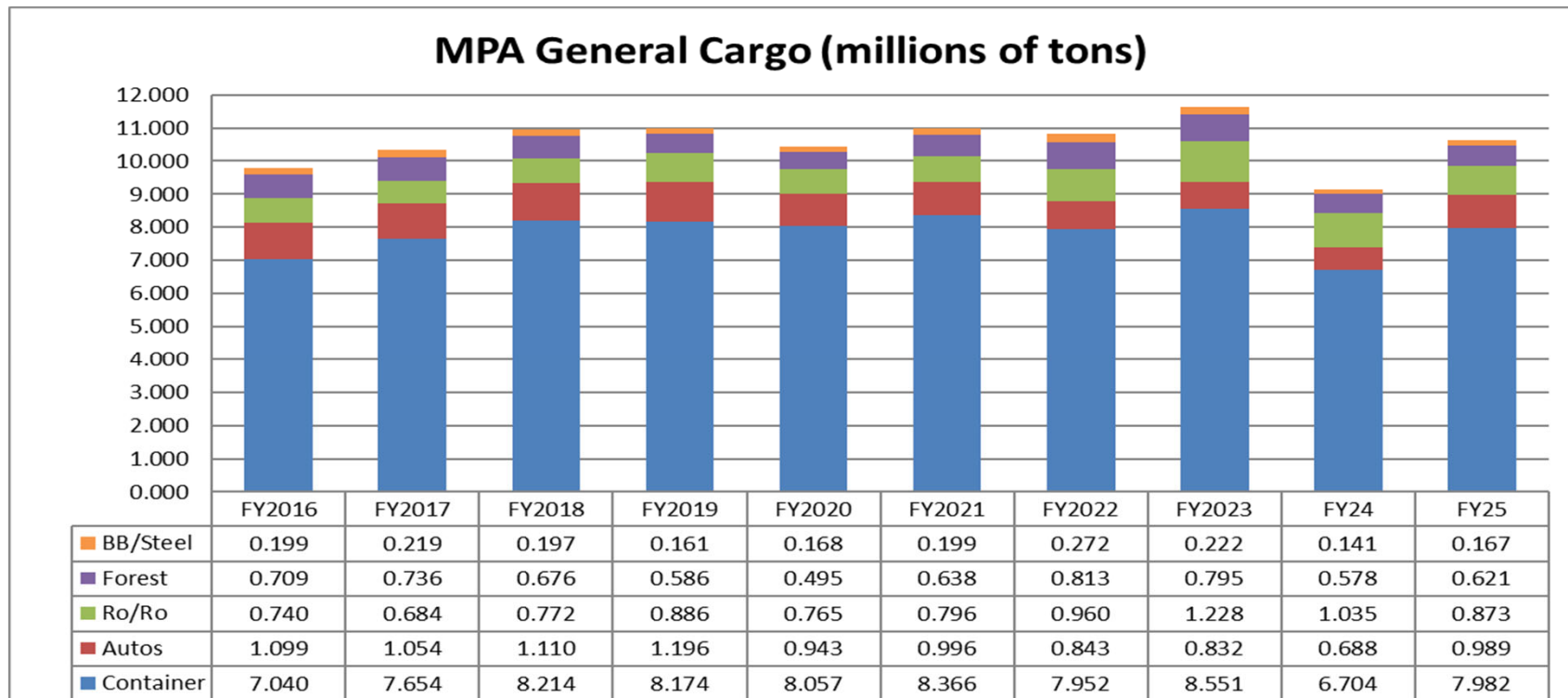
The Port of Baltimore Drives Economic Growth

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% higher than the average Maryland (2023)
- \$5.3 billion in personal wages & salary income
- \$647 million per year in state and local tax revenues



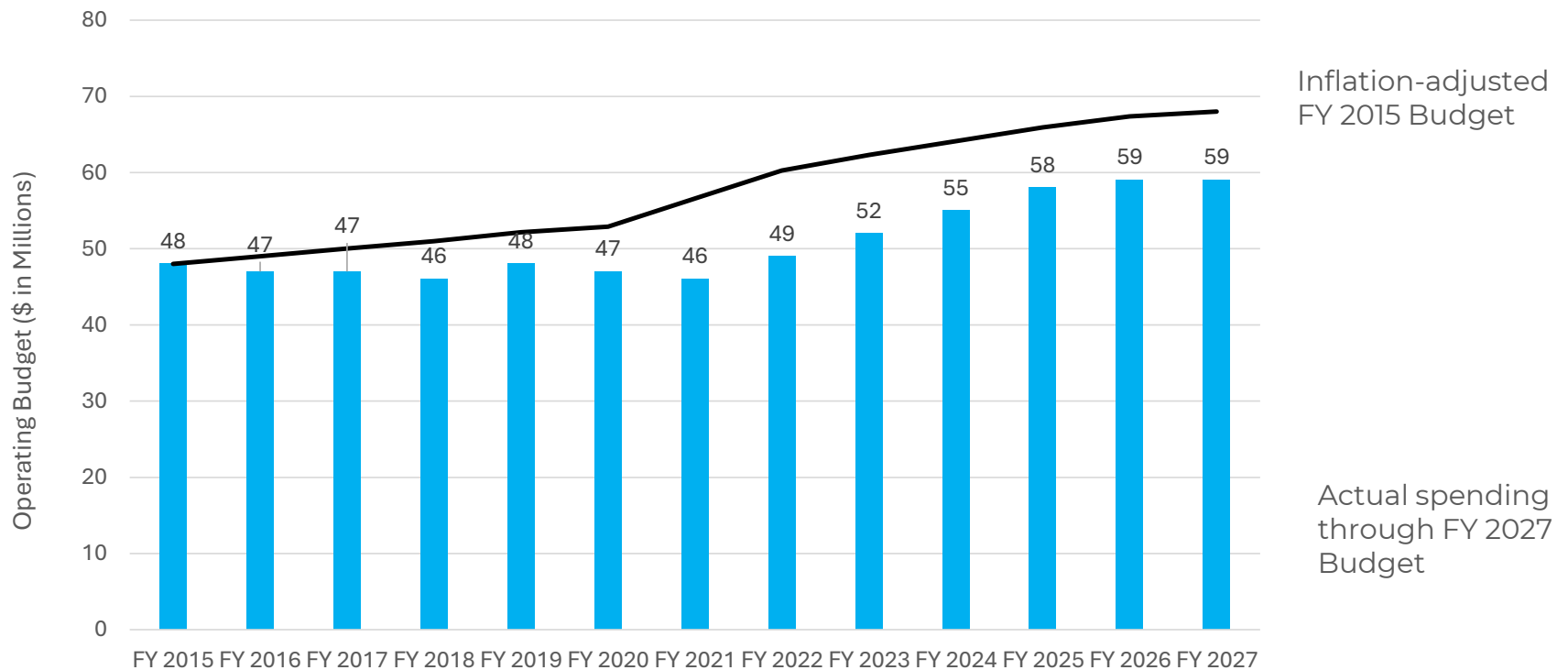
MPA Cargo Statistics



MPA General Cargo fell in FY 2024 due to the collapse of the Francis Scott Key Bridge in March 2024. General Cargo volumes began to recover in Fall 2025.

MPA Operating Budget

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



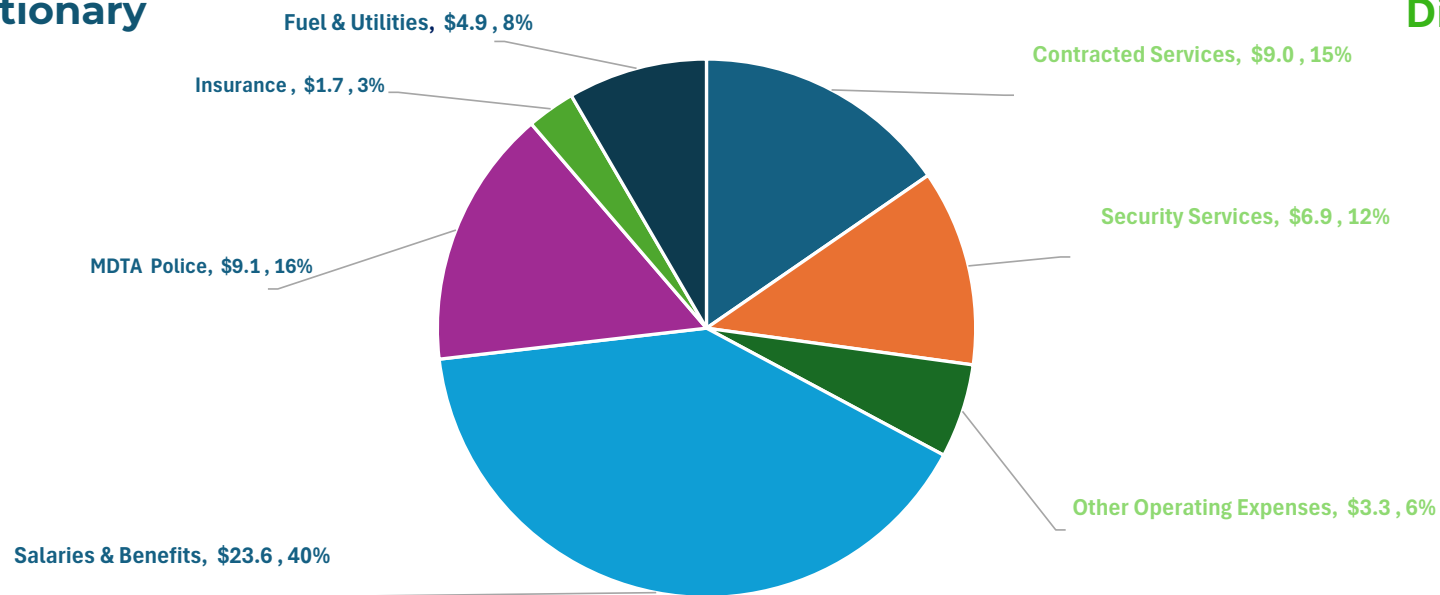
MPA FY 2027 Operating Budget

MPA's FY 2027 Operating Budget is \$58.5 Million.

FY 2027 Operating Budget (\$ millions)

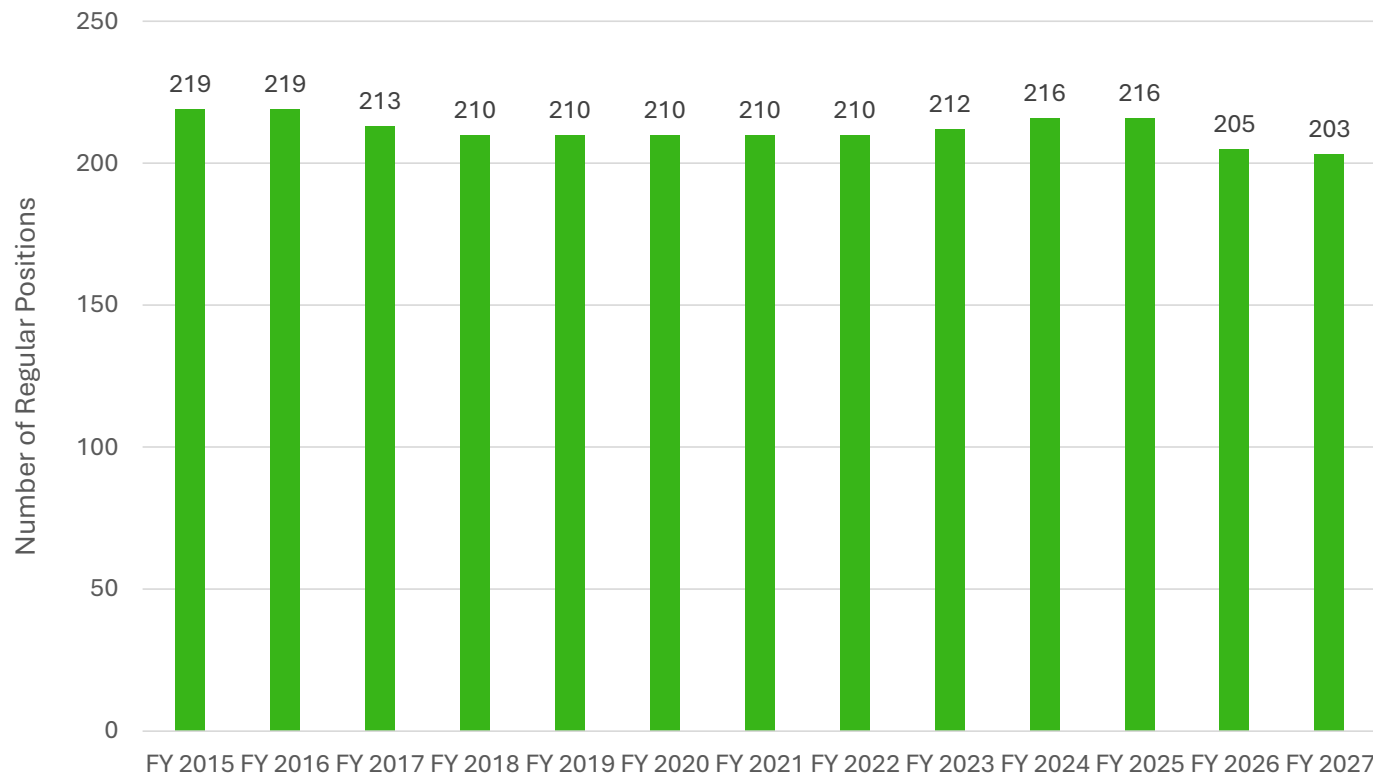
Non-Discretionary

Discretionary



MPA Positions

As cargo and responsibilities grow, MPA positions are decreasing.



Note: Reduction in PINs in FY 2027 represents a transfer of PINs and responsibility for IT as part of MDOT-wide IT consolidation.

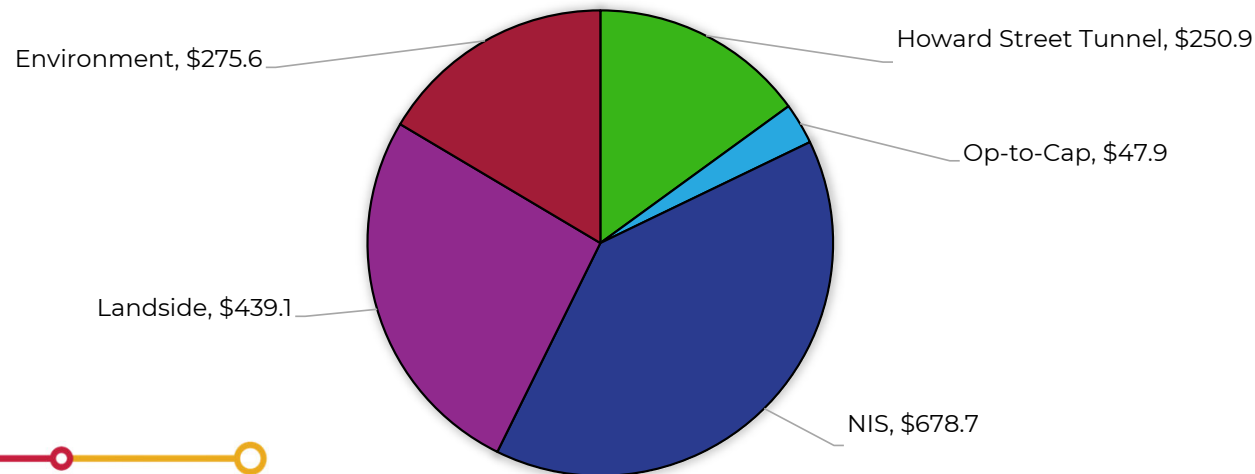
MPA Capital Budget

The 6-year Capital Program (FY 2026 to FY 2031) is \$1.7 Billion.

MPA's 6-year Capital Budget includes \$286 Million in federal funding, \$127 Million from "other" sources, such as CSX and other private companies participating with MPA in Federal grants.

- The **Howard Street Tunnel** clearance project is part of the 6-year program.
- The **Navigation, Innovation & Stewardship (NIS) Program** maintains existing dredged material placement sites and works to expand dredged material placement capacity.
- The **Landside Program** includes berth renovations and other system preservation projects at MPA owned facilities.
- The **Environmental Program** includes the EPA Clean Ports grant along with other environmental efforts.

FY 2026 – FY 2031 Capital Budget (\$ millions)



Howard Street Tunnel Project

Project is nearing completion



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 northern route opened in October 2024; the Howard Street Tunnel project provides the direct and seamless permanent route.
- The FY 2027 capital budget (\$8.8 million) includes Federal, State and CSX funding.
- Eight of the ten construction packages, including the Howard Street Tunnel along with all sites in DE and PA, are cleared for double-stack.
- CSX's schedule has remaining clearance work in Maryland completed in Spring 2026.

Key Priorities

- 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.

