

**J00I00 Maryland Department of Transportation
Maryland Aviation 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 12, 2026

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

**J00I00 MDOT – Maryland Aviation Administration
Fiscal Year 2027 Operating Budget
Response to Department of Legislative Services Analysis**

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

MDOT Response:

The Department concurs with the DLS recommendation.



Office of
Regional Aviation

MDOT
MARYLAND DEPARTMENT
OF TRANSPORTATION

Maryland Department of Transportation Maryland Aviation Administration

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

2026 Session



Agenda

- Investments from Transportation Revenue Increase
- Economic Impact
- Performance Metrics
 - State of BWI Marshall
 - Air Service Update
- Budget
 - Operating Major Spend Areas
 - Operating Additional Funding Received FY2026/2027
 - MAA Financials
- MAA Capital Investments
 - BWI Marshall Airport
 - Martin State

Investments from Transportation Revenue Increase

Investments from Revenue Increase

MAA received \$25 million* in additional funding for Capital Projects

Capital Project	Total Project Cost	TTF Revenue Increase Funding *	Project Start Date	Comments
Ticket Counter Expansion A/B & E	\$24.8M	\$5.3M	Spring 2026	Enabled MAA to leverage \$19.5M in PFC Paygo Funds to fully fund project.
Concourse B Roof Replacement Design	\$1.6M	\$0.5M	Spring 2026	Enabled MAA to begin design so it could compete in FAA FY26 ATP competitive grant program. Will utilize PFC bond funds for remaining costs.
Runway 10/28 Rehabilitation	\$74.1M	\$16.8M	Summer 2026	Enabled MAA to leverage \$57.3M in FAA AIG Funds to fully fund project. Bids received Jan 2026.
Multi Use Flight Information Display (MUFID) System Replacement	\$8.4M	\$2.4M	FY 2028	Enabled MAA to leverage \$6.0M in PFC Paygo Funds to fully fund project.
Total	\$108.9M	\$25.0M		

Notes: FAA – Federal Aviation Administration

ATP – Airport Terminal Program

AIG – Airport Infrastructure Grant

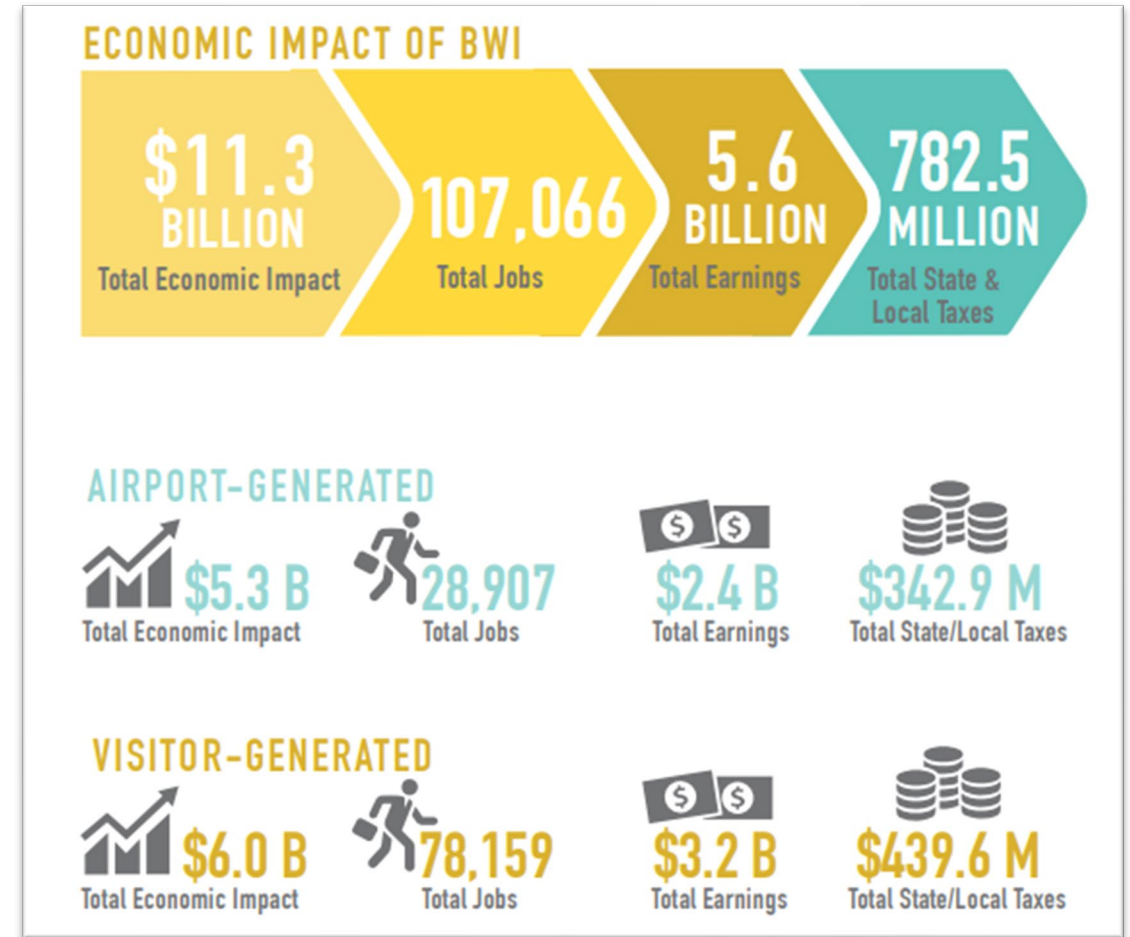
ATP & AIG part of Infrastructure Investment & Jobs Act (IIJA) Funding ending FFY2026

PFC – Passenger Facility Charge

Economic Impact

Economic Impact – BWI Marshall

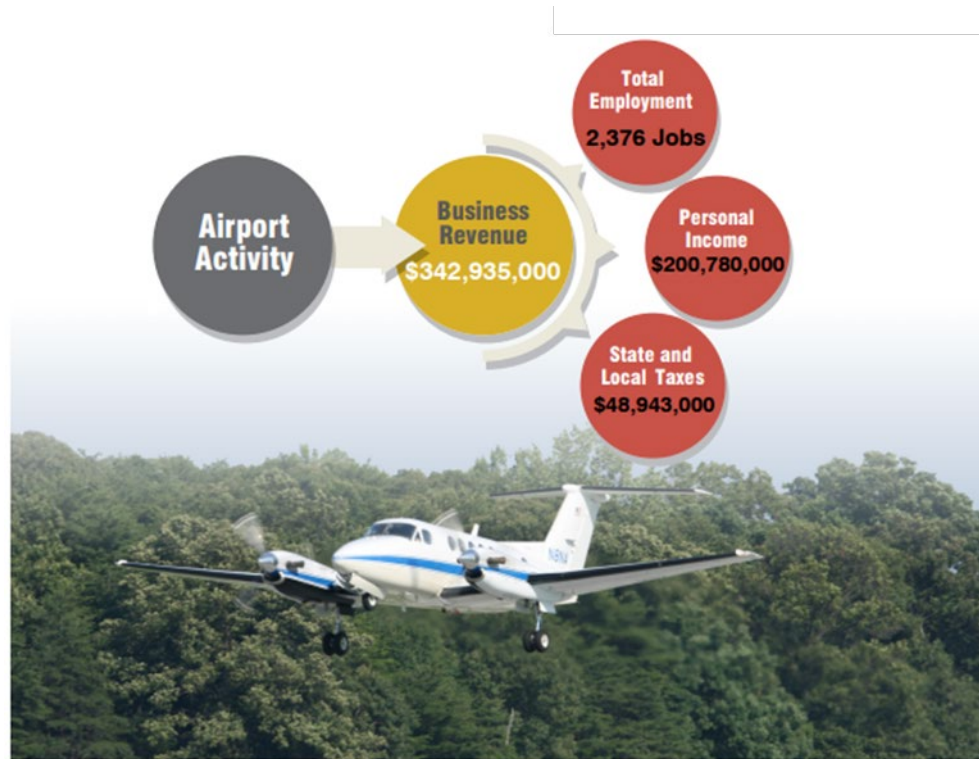
- BWI Marshall is one of Maryland's *key* economic engines.
- Development and operation of the airport is funded on the State and Federal levels with transportation user fees – not general tax funds.
- The economic benefits of the airport, however, are realized by everyone throughout the state.



Source: December 2023: [Economic Development | BWI Airport](#)

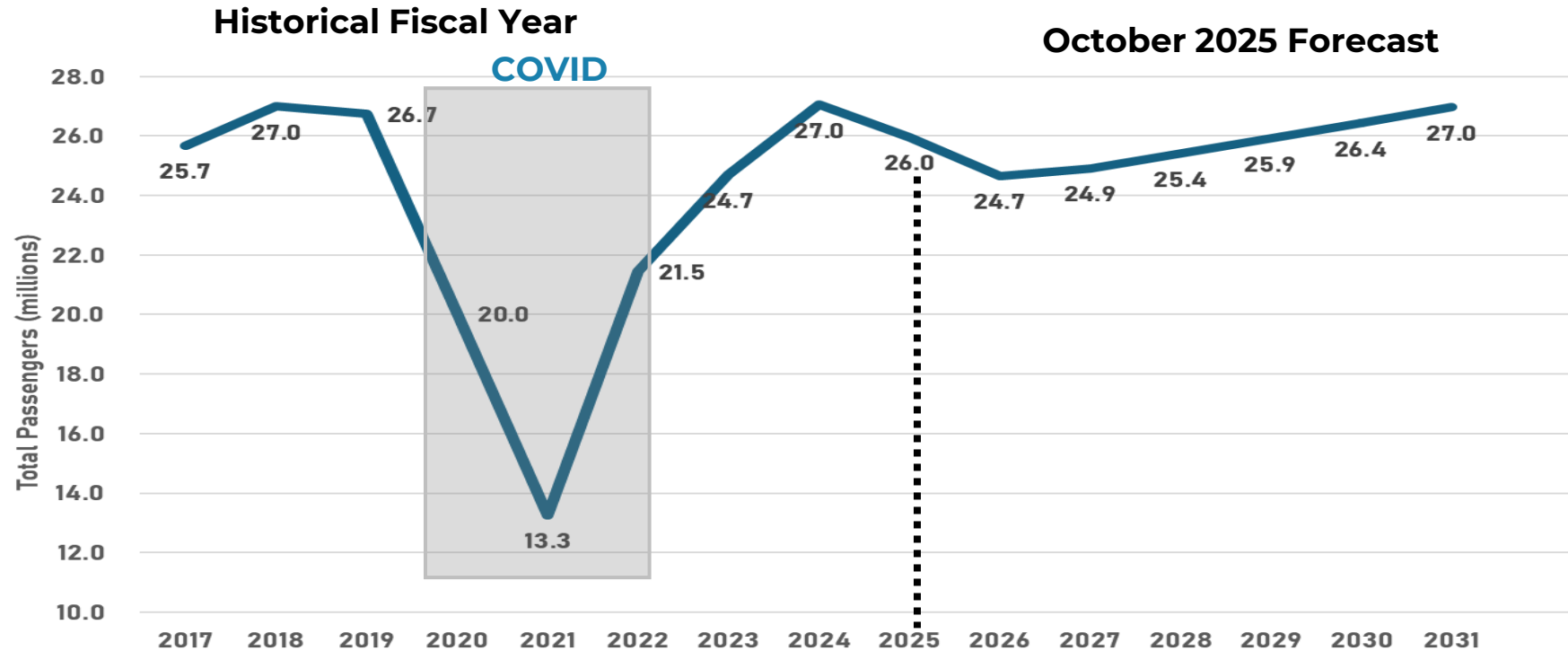
Martin State Airport and Regional Aviation Economic Impact

Total Economic Impact of 33 Public Use Airport in Maryland
 Martin State Airport generates 31% of the total economic activity.



Performance Metrics State of BWI Marshall and Air Service Updates

BWI Marshall – Airport Passengers



Notes:

Data Source: MAA 6 Year Revenue Forecast

Notes:

1/ Federal Government shutdown required Airports to cancel flights for 10 days to reduce the demand on the ATCT. BWI experienced about 220 cancellations during this period. Approximately 5% cut per day.

2/ FY2026 emergency runway closure February 2, 2026.

FY 2025 decreased 4%.

- Southwest aircraft delivery delays reduced capacity growth.
- Economic uncertainty is softening leisure travel demand.
- BWI Marshall's airlines are primarily low-cost carriers serving the leisure travel market.
- 4 emergency runway closures

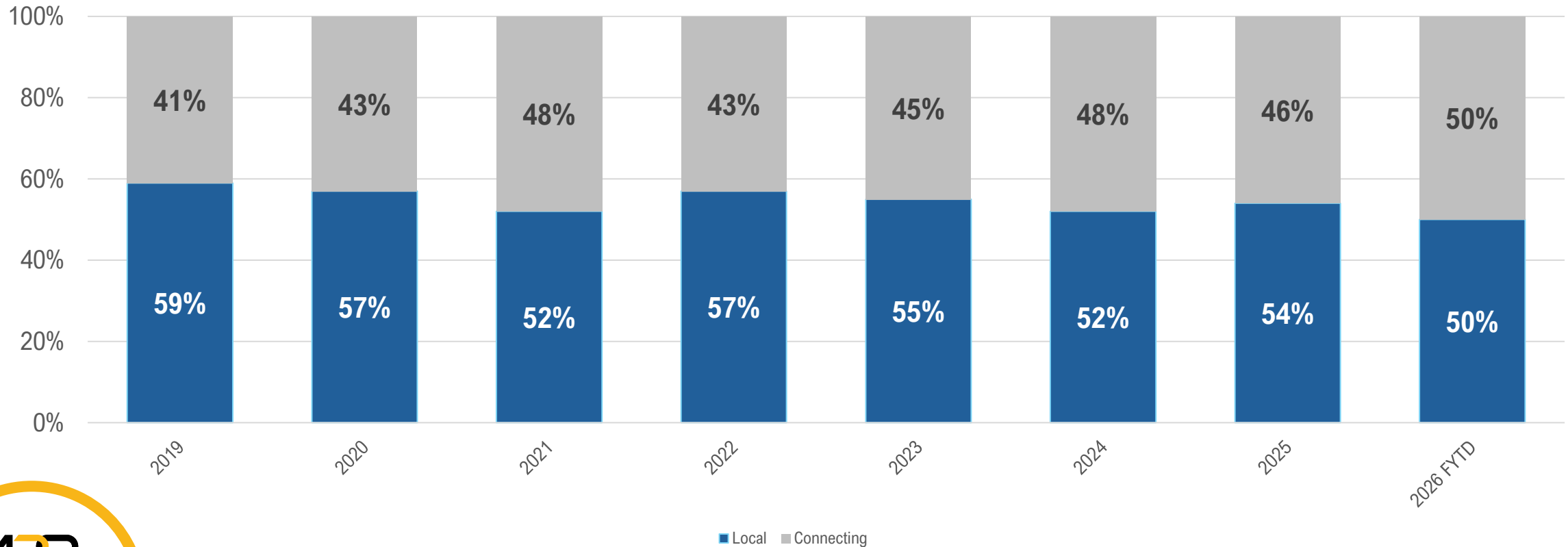
FY 2026 YTD decreased 5.3%

- FYTD December 13.1M
- Continuation of FY2025 factors.
- August 2025 - Spirit re-entered bankruptcy with drastic capacity cuts, down more than 50% in 2026
- September 2025 - International carrier Play ceased all operations.
- October 2025 - Hurricane Melissa damage reduced capacity to Jamaica.
- November 2025 - the government shutdown

BWI Marshall Southwest Local vs Connecting

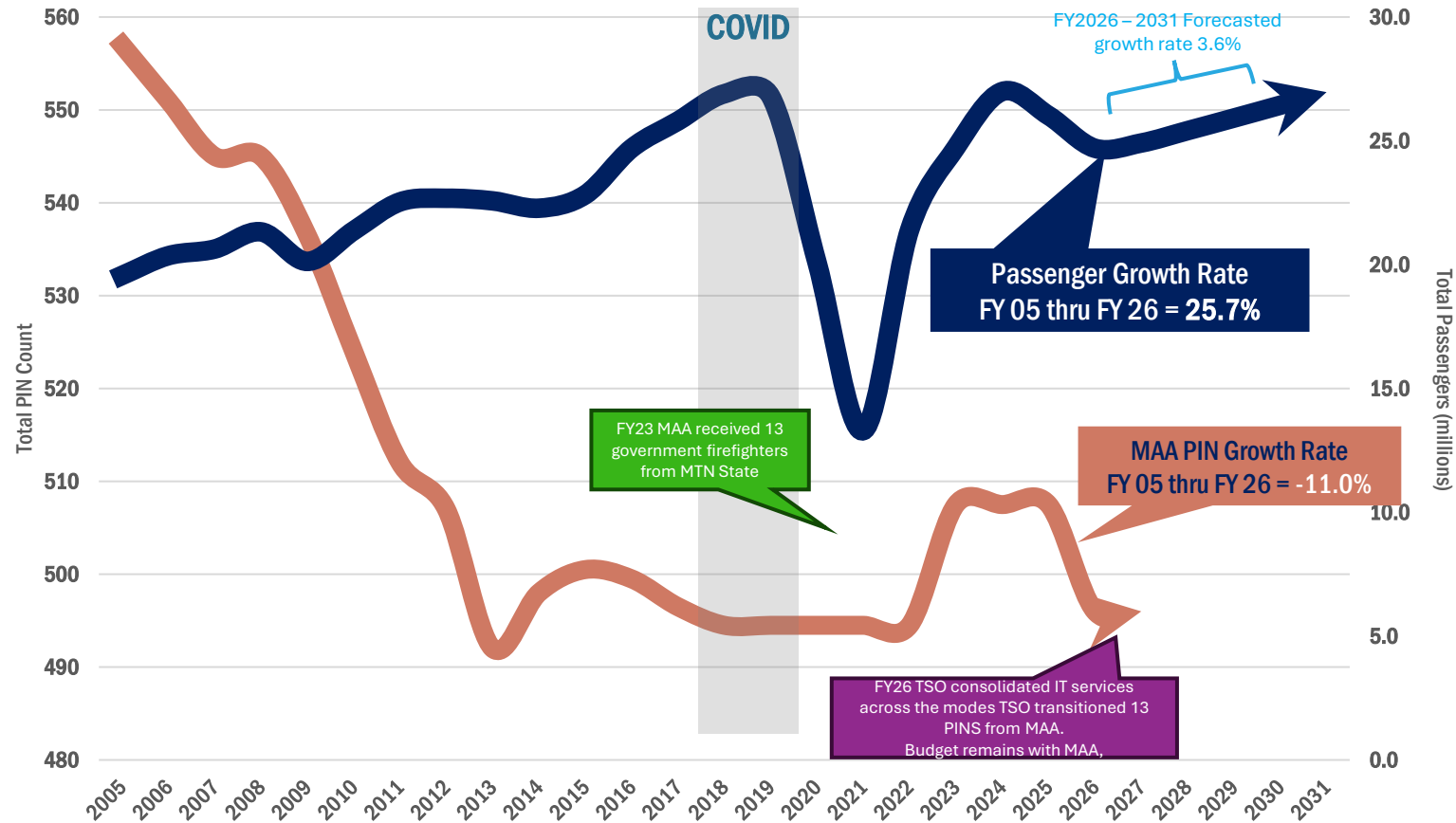
- Southwest is Increasing the percentage of Connecting Passengers at BWI Marshall
- This shift impacts non-aeronautical operating revenues such as parking, other ground transportation, rental cars, and concessions.

Southwest Local vs Connecting Mix by Fiscal Year



MAA PINS vs BWI Passenger Activity

PINs Have Not Kept Pace With Growth & Industry – since FY2005 PINs decreased 11%, Passengers increased 26%



HIGHLIGHTS

- BWI Marshall PINs serviced 52k passengers per PIN in FY2025; Serving more with less and addressing aging infrastructure with limited funding sources.
- Authorized MAA PINS have experienced a historical decline as total passengers have increased.
- 13 IT positions, along with IT responsibilities, moved to TSO as part of IT consolidation.

Source: MAA

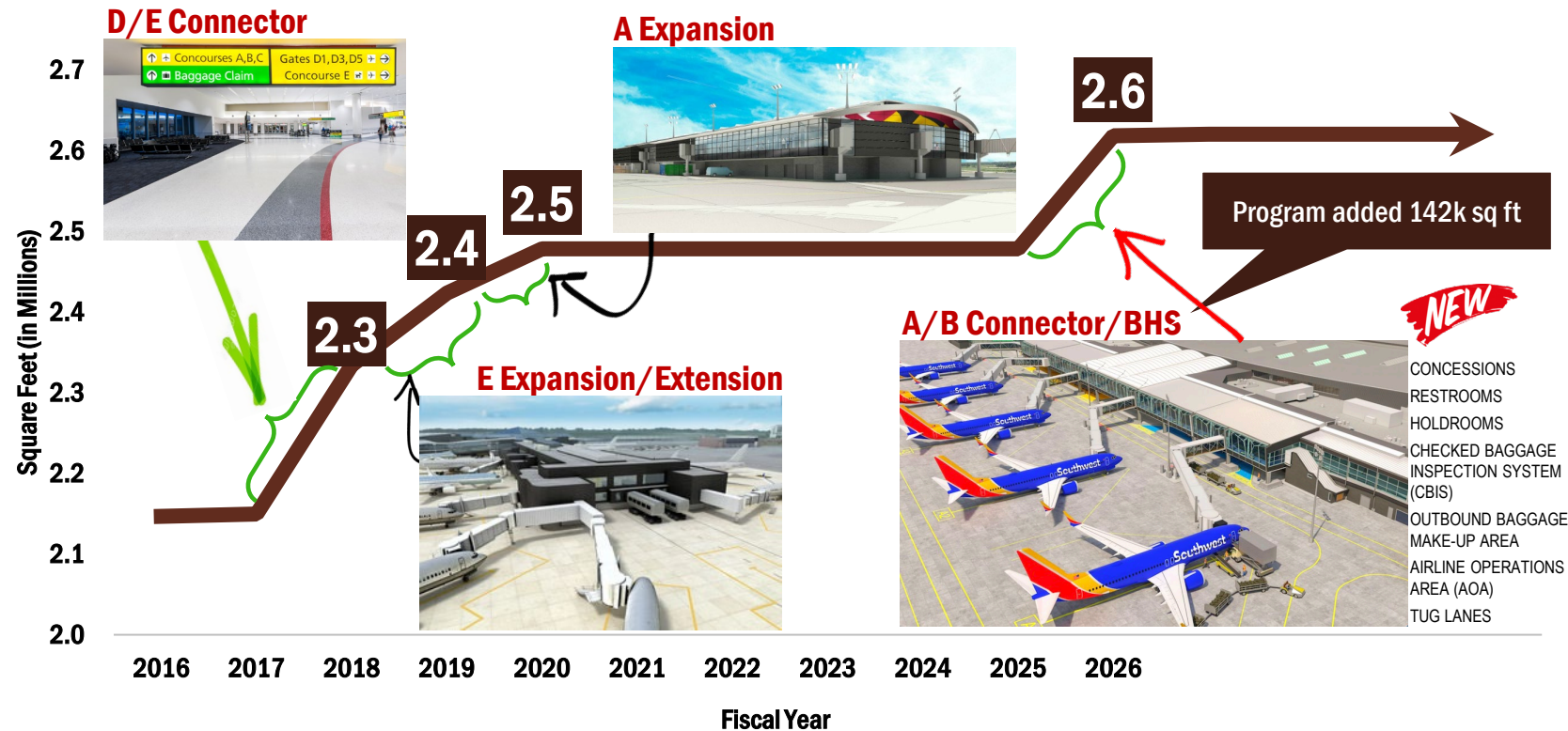
Note(s):

1/ FAA 127 FY2024 Financial Reporting shows BWI is lower than the large HUB and medium HUB. FY2025 results will be available late CY2026.

2/ During FY2025 13 Information Technology Staff PINs were moved to TSO, FY2026 total MAA PINs count is 496; FY2023 MAA received 13 additional MTN State Federal Fire Fighters

BWI Marshall Terminal Square Footage

Terminal space growth timeline from FY 2016 to FY 2026



Increased Space = Increased Cost

- ✓ Janitorial
- ✓ Utilities
- ✓ HVAC
- ✓ Maintenance

Source: MAA

BWI Marshall Cost per Enplanement (CPE)

- BWI Marshall's CPE
 - FY2025 CPE \$11.57. Increased in FY2025 as a result of enplanements decreasing 4%
 - Includes both signatory and non-signatory airlines. MWAA reports signatory only.
 - Projected to remain the lowest in the region even as our capital program investments are realized whereas other airports CPE are increasing due to substantial capital investments to address aging infrastructure.
- Dulles and Reagan CPE decreases because of delayed COVID relief funds to 2024, and beginning 2025 significant increase in net airline revenue share from current year transferred to subsequent year to reduce airline payments



CPE by Fiscal Year							
FY Ending	2023	2024	2025	2026	2027	2028	2029
6/30/xx	\$10.79	\$10.65	\$11.57	\$13.61	\$14.66	\$15.14	\$15.25
12/31/xx	\$15.71	\$12.88	\$9.51	\$12.57	\$15.86	\$16.51	\$17.43
12/31/xx	\$9.38	\$7.73	\$8.38	\$10.74	\$11.23	\$13.87	\$15.65
6/30/xx	\$15.38	\$15.03	\$14.49	\$16.39	\$18.43	\$17.80	\$15.50

Source: MAA; FAA-5100-127 Report (Operating and Financial Summary);

Notes(s): FAA report year is the Airport's Fiscal Year

1/ MWAA Reports Signatory Only, Report Year is Calendar Year. 2025 shown is forecast and official data not yet reported. MWAA forecast source Airport System Revenue and Refunding Bonds, Series 2025A (Exhibit E-4 & E-5): [Metropolitan Washington Airports Authority](#)

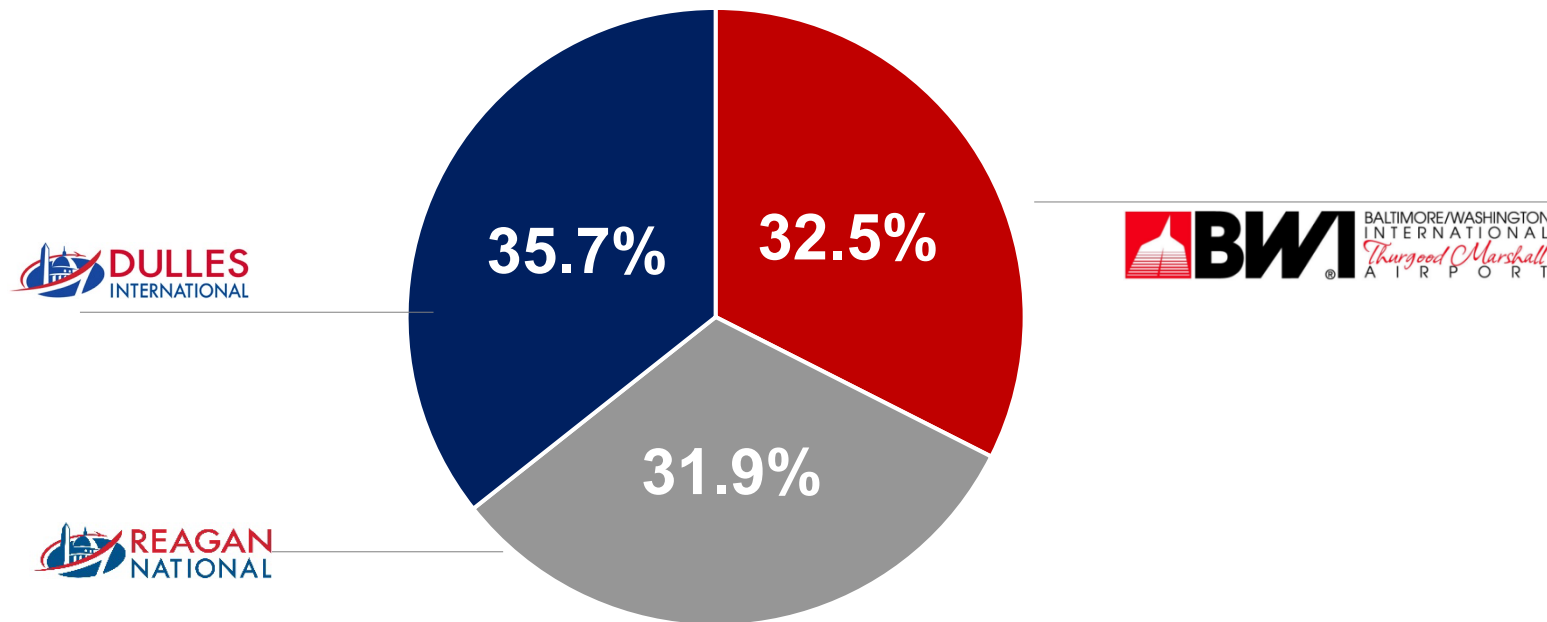
2/MWAA CPE reflects revenue sharing to reduce costs to airlines. This includes the Net Remaining Revenue (NRR) and Western Land Sale Revenue Accounts. BWI Marshall's Airline Agreement does not include revenue sharing provisions that lower costs to airlines. In addition, Passenger growth at IAD contributes to a lower CPE.

3/ PHL and BWI report year ends June 30th

4/ PHL source: <https://emma.msrb.org/P21958524-P21494770-P21946830.pdf>

Capital Region – FY 2025 Passenger Share

- IAD (Dulles) capacity grew as United moved flights from Newark
- At BWI Marshall, Southwest growth is constrained by Boeing aircraft delivery delays
- In FY 2026 through October, the shares are BWI 32.5%, DCA (Reagan) 31%, IAD (Dulles) 36.5%



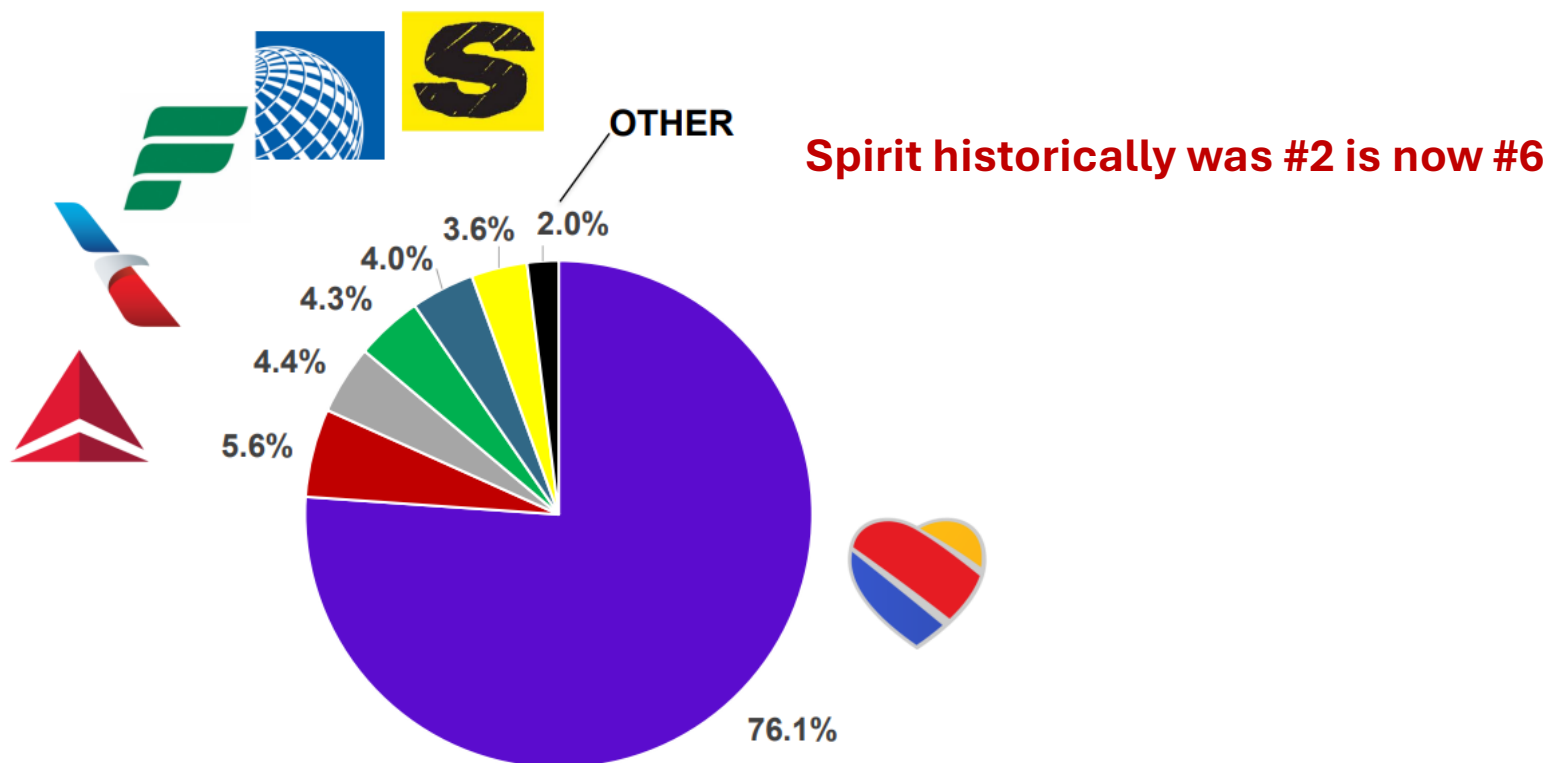
Data Sources: MAA, MWAA

Share of Passengers, Year-End June 2025

Notes: DCA is slot controlled i.e. use or lose it. Airlines will increase capacity in some cases.

BWI Marshall Seat Share – Future Look

**BWI Marshall – Airline Capacity Share
CY2026Q1 Capacity**



Notes:

Air Service Changes

1/ Air Canada suspended operations March 2024.

2/ The following carriers have ceased operations JetBlue (April 2024), iAero/Swift Air (April 2024), Condor (September 2024), Allegiant (December 2024), Contour (EAS) (May 2025) and Play (September 2025).

3/ Spirit reentered bankruptcy August 2025.

Data Sources: Cirium Schedules Data through Diio Mi from 1/9/2026

BWI Marshall New Routes for FY2026

FRONTIER
AIRLINES

- Frontier added 5 new routes: Cancun, Chicago, Fort Lauderdale, Houston, and New Orleans

spirit

- Spirit returned to Montego Bay, Jamaica but ended after Hurricane Melissa

Southwest

- Southwest adds 5 new routes: Knoxville, Oklahoma City, Pensacola, St. Maarten, St. Thomas

BERMUDAAIR

- BermudAir added Anguilla, part of the Lesser Antilles and a British Overseas Territory

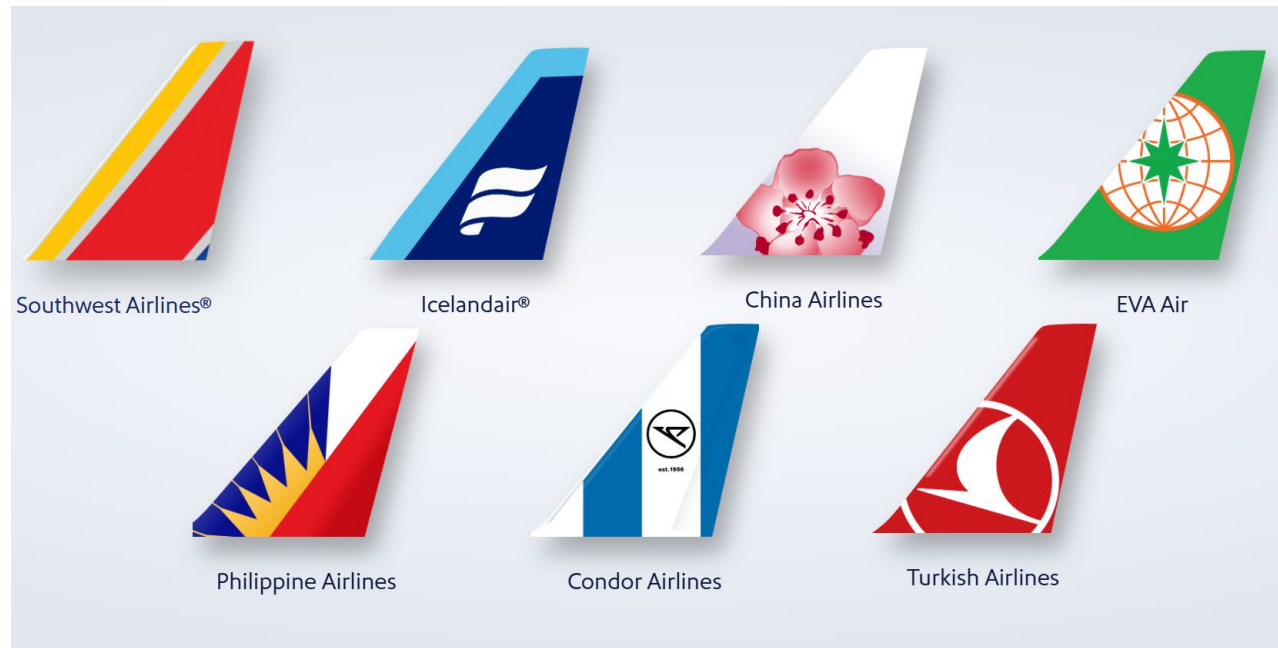


Alaska

- Alaska will add Portland, Oregon

Southwest International Partnerships

- These airlines can initially sell tickets on Southwest, but not yet vice versa
- Icelandair added more flights to BWI Marshall because of this partnership
- Condor left BWI Marshall in 2024, and this partnership could bring them back
- The other airlines are new target airlines for BWI Marshall



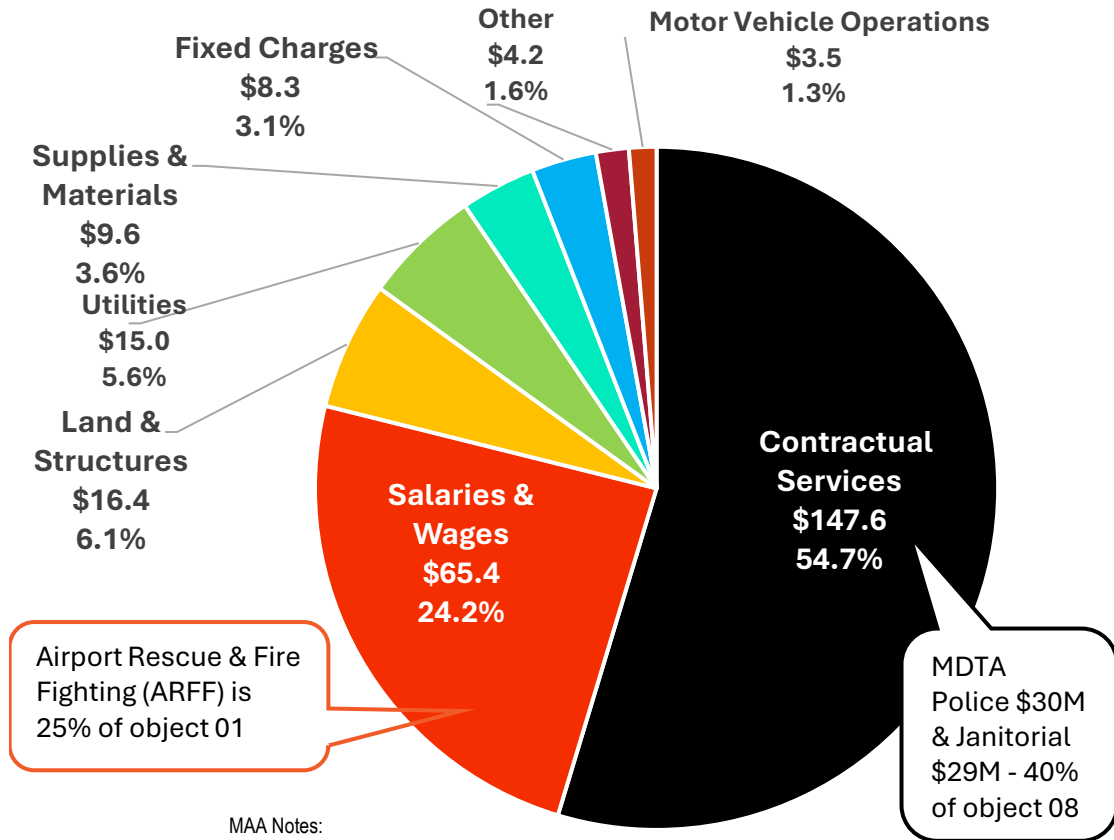
MAA Financials



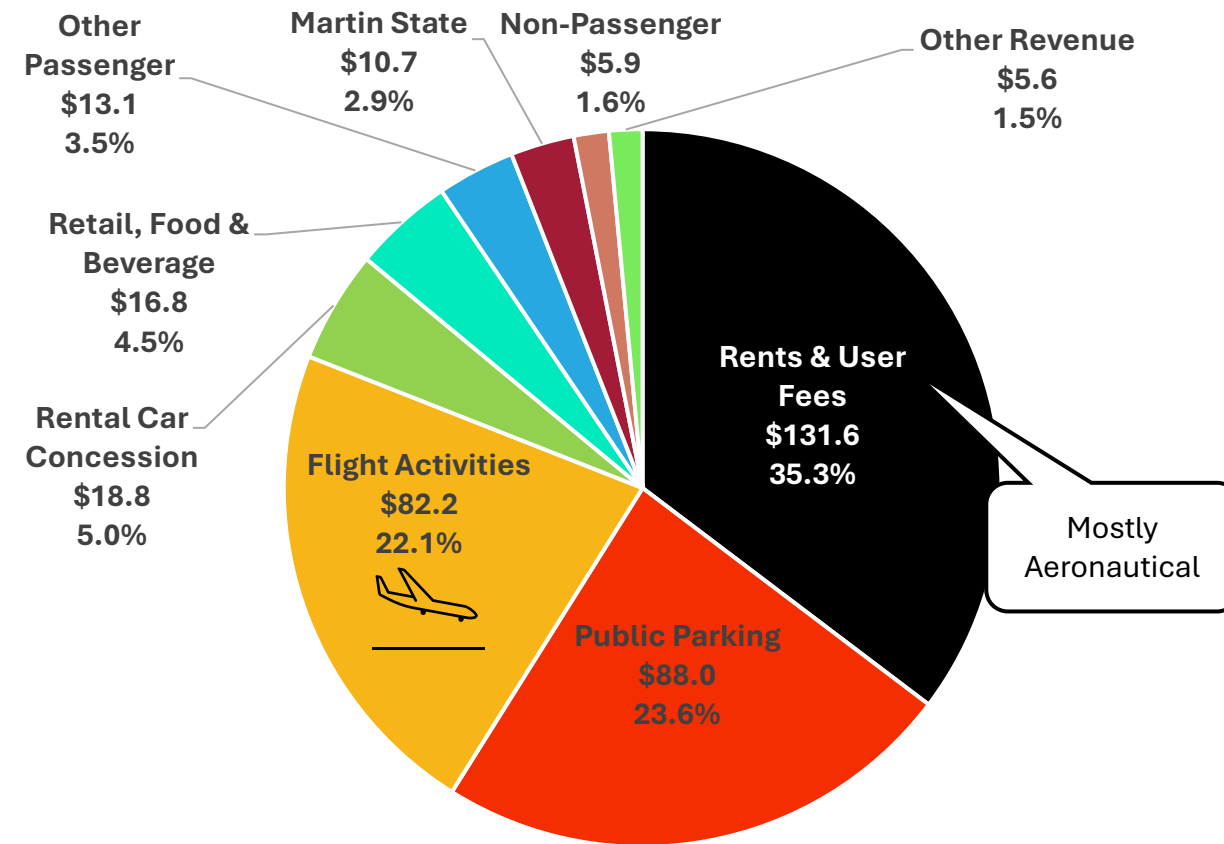
MAA Operating Expenses & Revenues

FY 2027 major spend and revenue generation

FY 2027 Operating Expenses ≈ \$270.0M



FY 2027 Operating Revenues Prior to Debt ≈ \$372.8M



MAA Notes:

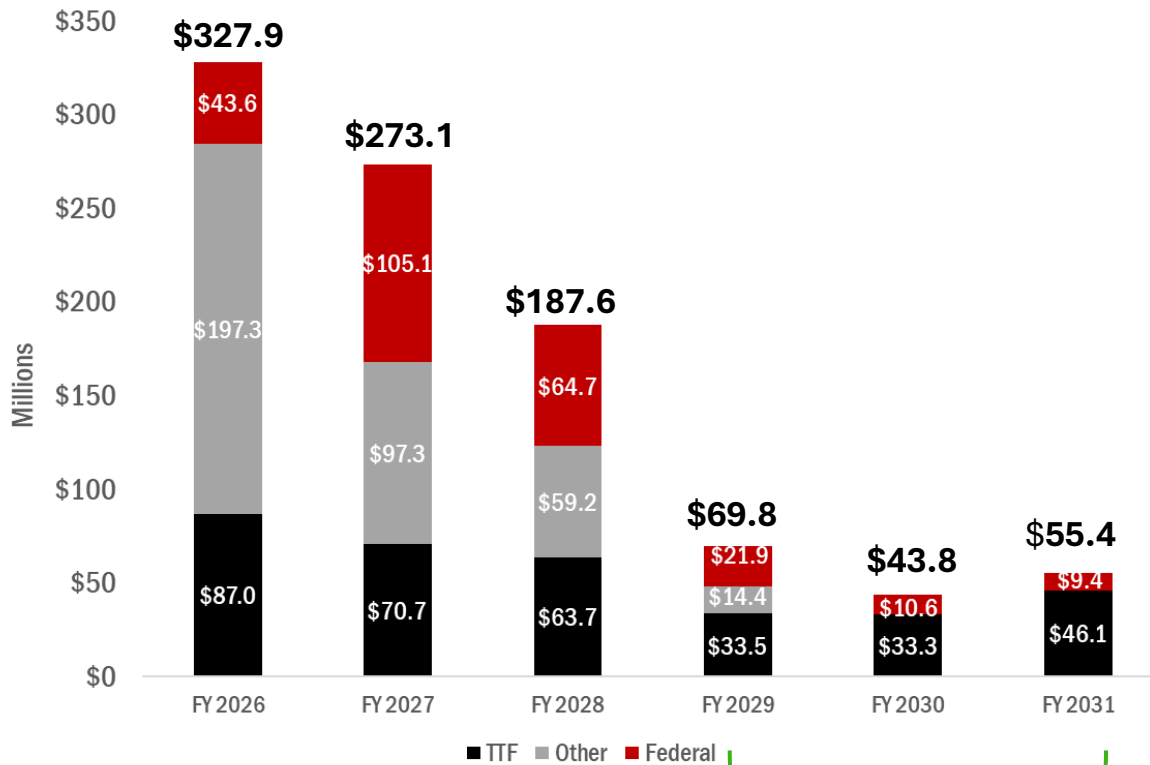
- 1/ Pie charts represent how MAA generates and allocates agency operating funds
- 2/ Expenses – Fixed Charges – Rent and Appropriated debt for COPs and MDTA Loan. Other includes object 03 Communications 0.8%, 13 Grants & Subsidies 0.4% 04 Travel 0.2%, 02 Technical & Special Fees 0.2%
- 3/ Revenue – Rental car rents are included in Rents & User Fees. Other Passenger – Catering, Pre-Check, Ground Transportation to include Peer to Peer, Taxi/, Limo, Transportation Network Companies (TNC Uber/Lyft). Non-Passenger – Ground Handling, General Aviation Complex Rent, Service Station, Advertising. Other Revenue – ULA Recon, Employee Parking Decal Permits, Land Rentals.

4/ Prior to Debt for Revenue Bond Set Asides/Future Debt Service (\$56.4M in FY 2027)

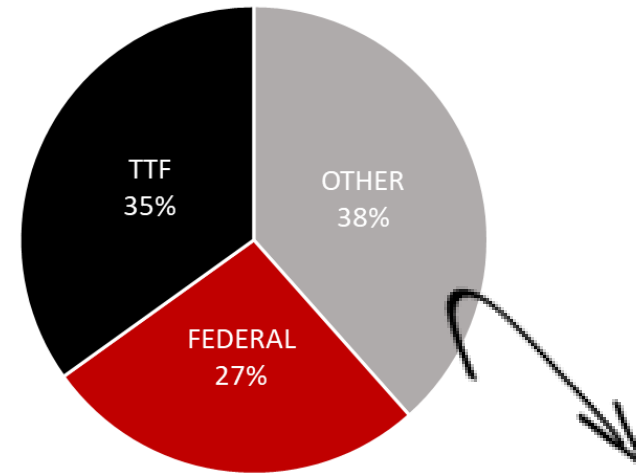
MAA Capital Budget

MAA's 3rd quarter of FY2026 6-year capital program totals \$957.9M

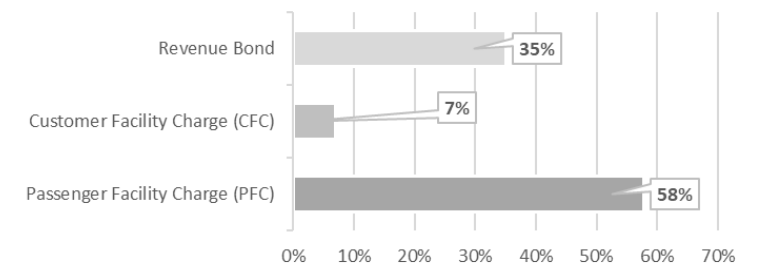
MAA 6 Year Capital Program By Fund Source (\$)



MAA 6-Year Capital Program by Funding Source (%)



Other (38%) - Sources of Funding



TTF less than MAA Contribution,
Federal program returns to \$8M annual funding levels.

PFC and Revenue Bonds will be added in future submission to support Airline Approved projects.

MAA Revenue and Expenditures (TTF)

Special Funds (TTF) Revenue and Expenditures

(\$ millions)	<u>FY2025</u> <u>Actuals</u>	<u>FY2026</u> <u>Working</u>	<u>FY2027</u> <u>Allowance</u>	<u>FY2028</u> <u>Forecast</u>	<u>FY2029</u> <u>Forecast</u>	<u>FY2030</u> <u>Forecast</u>	<u>FY2031</u> <u>Forecast</u>
MAA Operating Revenues							
BWI- Flight Activities	\$71.6	\$79.1	\$82.2	\$85.7	\$89.2	\$92.8	\$101.6
BWI- Rents and User Fees	\$105.2	\$119.4	\$131.6	\$140.5	\$143.1	\$152.8	\$156.3
BWI- Concessions	\$155.9	\$137.3	\$142.6	\$145.7	\$152.6	\$157.5	\$163.3
BWI- Other	\$11.3	\$14.4	\$5.6	\$5.7	\$5.9	\$6.0	\$6.2
MTN- Rents, FBO	\$10.1	\$10.4	\$10.7	\$11.0	\$11.3	\$11.6	\$11.9
Total MAA Operating Revenues	\$354.0	\$360.7	\$372.8	\$388.8	\$402.1	\$420.7	\$439.2
Revenue Bonds Debt Service Set Asides	(\$33.3)	(\$45.9)	(\$56.4)	(\$56.7)	(\$56.7)	(\$73.9)	(\$59.2)
Net Operating Revenues to the TTF	\$320.7	\$314.8	\$316.4	\$332.1	\$345.4	\$346.8	\$380.0
Capital Reimbursements to TTF	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
MAA TTF Operating Expenses	\$250.4	\$252.6	\$270.0	\$278.1	\$286.4	\$295.0	\$303.9
Net Operating Income	\$70.5	\$62.2	\$46.4	\$54.0	\$59.0	\$51.8	\$76.1
Capital Expenditures	\$87.5	\$87.0	\$70.7	\$63.7	\$33.5	\$33.3	\$46.1
Net Income/Loss	(\$17.0)	(\$24.8)	(\$24.3)	(\$9.7)	\$25.5	\$18.5	\$30.0

Notes

- 1/ BWI Concession includes Parking, Rental Car, Food/Beverage & Retail, Other and Non-Passenger
- 2/ Other Revenue – airline agreement, Employee Parking Decal Permits, Land Rentals,
- 3/ Operating Expenses assumes 3% increase
- 4/ Source MAA Revenue Forecast Dec2025

Revenues

- Parking revenues have been negatively impacted by increasing connections and the Anne Arundel County Parking Tax increasing from \$0.60 to \$1.00 effective July 1, 2025.
- Concessions impacted by redevelopment and increased connections.
- Ground Transportation customer behaviors are changing from transportation/parking to increasing drop offs.

TTF Capital

- MAA recovers certain current year capital expenses from airlines in subsequent years based on the project's amortization requirements.

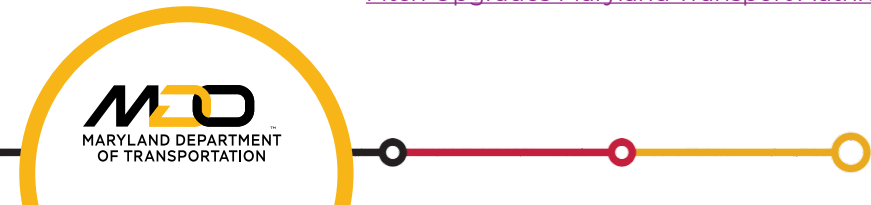
MAA Credit Ratings

- MAA’s debt is highly rated.
- Bonds are repaid from airport revenues and are not backed by the TTF nor the State.

	Revenue Bonds	PFC	CFC
FitchRatings	A+	A	
MOODY'S	A1	A1	A3
S&P Global		A+	

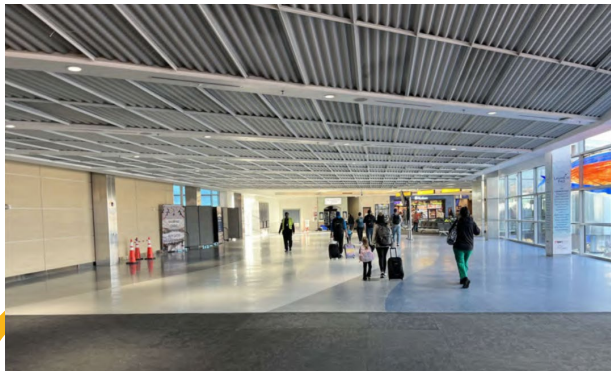
November 2024 Fitch upgraded
MAA Special Transportation Revenue Bonds from A to A+
BWI Passenger Facility Charge (PFC) Bonds from A- to A

Notes
1/ CFC – Customer Facility Charges
2/ Passenger Facility Charges
3/MDOT issues the Special Transportation Revenue Bonds. MDTA issues the PFC and CFC bonds.
[Fitch Rates Maryland DOT's Ser 2024A Rev Bonds \(BWI Marshall Airport\) 'A+'; Upgrades Parity Bonds](#)
[Fitch Upgrades Maryland Transport Auth.'s PFC Revs \(BWI Marshall Airport\) to 'A'; Outlook Stable](#)



Capital Investments – BWI Marshall

Concourse A/B Connector and Baggage Handling System (BHS) Improvements



Program Cost = \$521.5M

- A/B Connector and BHS substantially complete.
- BHS operational October 15, 2025.
- Grand Opening of Holdrooms and Concessions January 9, 2026.
- Remaining program items for terminal facilities and equipment expected to be completed through April 2027.
- Federal Grants include \$38.5 FAA Airport Terminal Program (ATP) FFY2023 and Airport Improvement Program grant.
- Revenue Bonds and TTF recovered through Airline Rates & Charges

Project Funding Sources (\$ in millions)		% of Funding Source
TTF	\$26.7	5.1%
Federal Grants	\$39.5	7.6%
PFC Paygo	\$30.3	5.8%
Revenue Bonds	\$425.0	81.5%
Total	\$521.5	

Southwest Airline Maintenance Facility Infrastructure



Total Project Costs \$154.9M

- **MAA TTF Program Cost = \$47.9M**
- **Southwest Program Cost = \$107.0M**

Open to use March 2025

- Project 100% complete.
- Punchlist items are ongoing and include pavement markings/stripping, bird deterrent system and electrical work. Anticipate full completion Spring 2026.
- TTF project costs recovered through a 20-year ground lease with Southwest
- Airlines Maintenance Facility was constructed by Southwest Airlines
 - 1st facility in the Northeast
 - 130,000 square feet open hangar bay accommodating 3 Boeing 737
 - Pavement provides 8 apron spaces
 - Adds over 450 technical and maintenance jobs

Taxiway F Relocation– Phase 2



Program Cost = \$31.5M

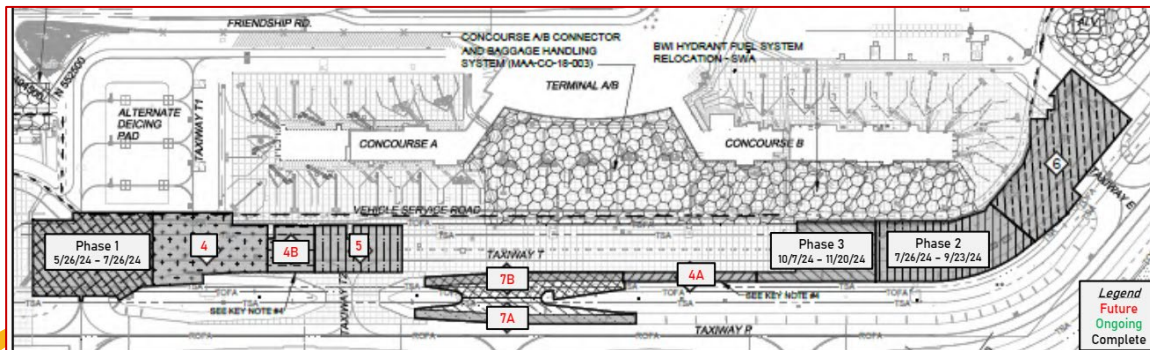
Target completion – FY 2026

- Project 100% complete.
- Punchlist items are ongoing and include pavement markings, electrical work, brush clearing and fencing.
- Anticipate full completion Spring 2026.
- Includes \$17.4M in Federal Funds. MAA received a \$15.0M Supplemental Discretionary Grant.
- TTF recovered through Airline Rates & Charges

Project Funding Sources (\$ in millions)		% of Funding Source
TTF	\$14.0	44%
Federal Grants	\$17.5	56%
Total	\$31.5	

Note: PIF line 10 total amount of \$50.1M includes Taxiway F Relocation – Phase 1 (\$18.6M).

Taxiway T Reconstruction – Phases 2 & 3



Program Cost = \$30.5M

Open to Use October 2025

- Project 100% complete.
- Awaiting MDE permit closeout approval
- Includes \$20M in Federal Funds.
- TTF funds recovered through Airline Rates & Charges

Project Funding Sources (\$ in millions)		% of Funding Source
TTF	\$9.5	31%
Federal Grants	\$21.0	69%
Total	\$30.5	

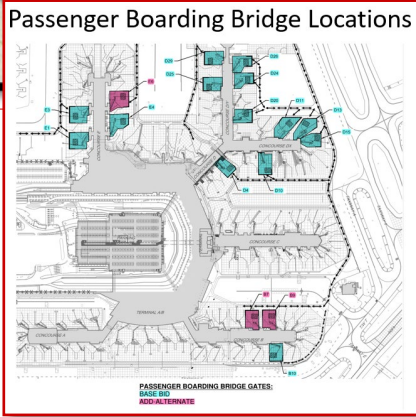
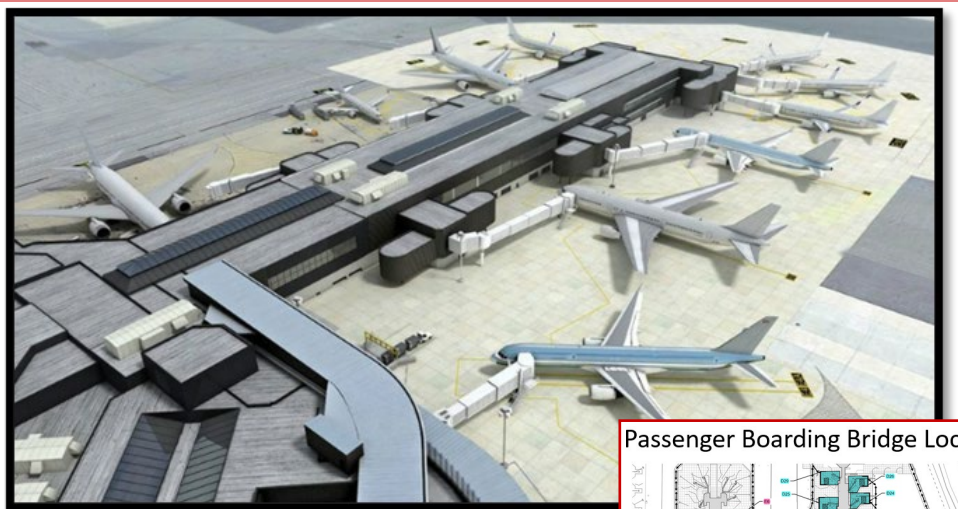
Note: PIF line 11 total amount of \$42.1M includes Taxiway T Reconstruction – Phase 1 (\$11.6M).

Passenger Boarding Bridge Replacement

Program Cost = \$22.3M

Target completion – FY 2029

- Project currently 10% complete.
- Replacement of existing Passenger Boarding Bridges (PBBs) at 17 gates leased by various airline tenants at BWI Marshall.
- Includes baggage chutes and stairs, wheelchair lifts at specific gates, the gate rotunda, and the rotunda pedestal column.
- \$14.5M was secured in FAA Airport Terminal Program (ATP) Funding in FFY24.



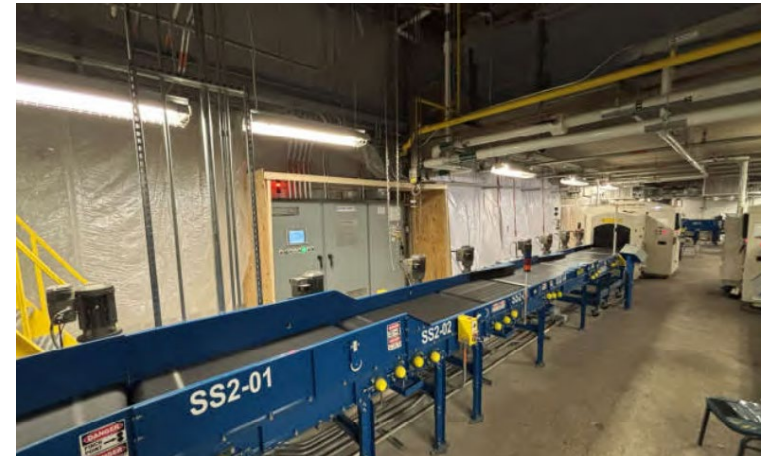
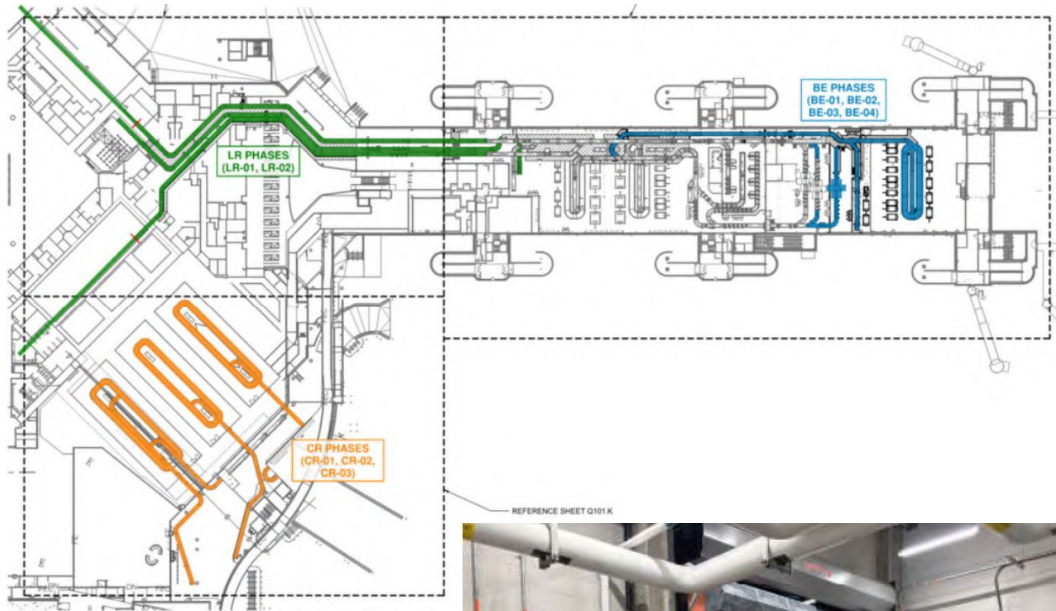
Project Funding Sources (\$ in millions)		% of Funding Source
TTF	\$7.8	35%
Federal Grants	\$14.5	65%
Total	\$22.3	

Concourse E Baggage Handling System Expansion

Program Cost = \$43.5M

Target completion – FY 2027

- Project currently 40% complete.
- Construction of new outbound conveyors at the apron level and upgrades to existing inbound claim carousels #19, #20 and #21.
- Includes mechanical, electrical, plumbing, fire suppression and architectural scope.
- Project 100% funded with Passenger Facility Charges (PFCs).



Runway 10/28 Rehabilitation



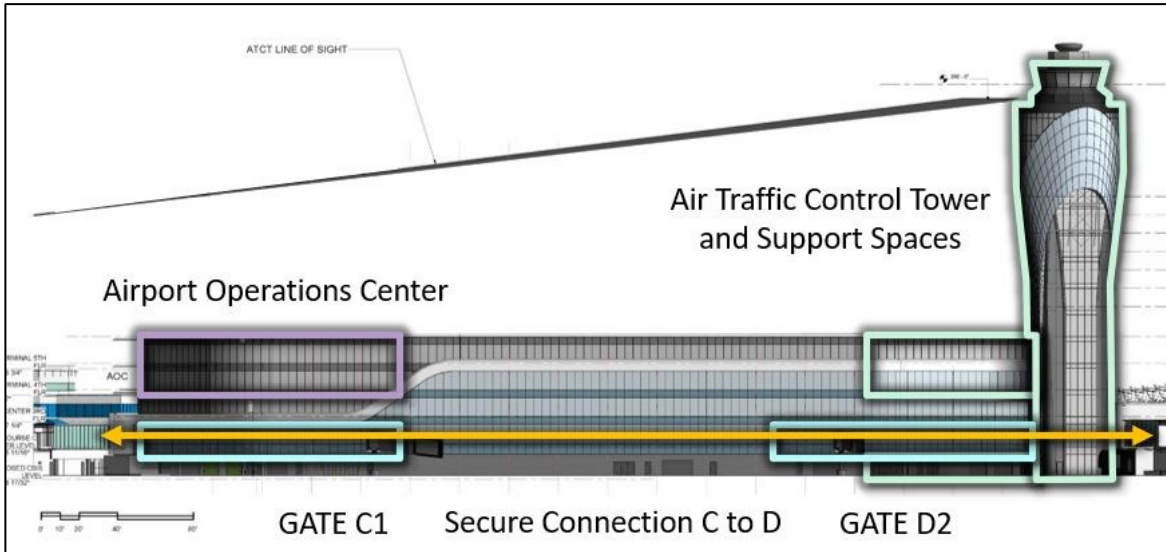
Program Cost = \$77.5M

Target completion – FY 2027

- Project will resurface the longest runway at BWI Marshall as well as the critical runway intersection.
- Project will result in evening airport closures during runway intersection work that is expected August - October 2026.
- Additionally, while the runway is closed, all existing pavement lighting will be replaced with LED lights to reduce power usage and maintenance.
- Project leverages over \$57M in Federal Airport Infrastructure Grant (AIG) Funds to complete. Program cost based on Engineer's Estimate.
- TTF recovered through Airline Rates and Charges.

Project Funding Sources (\$ in millions)		% of Funding Source
TTF	\$20.2	26%
Federal Grants	\$57.3	74%
Total	\$77.5	

BWI Air Traffic Control Tower(ATCT)/BHS/ C&D Connector Program – 30% Design



CTP Program 30% Design Cost = \$9M

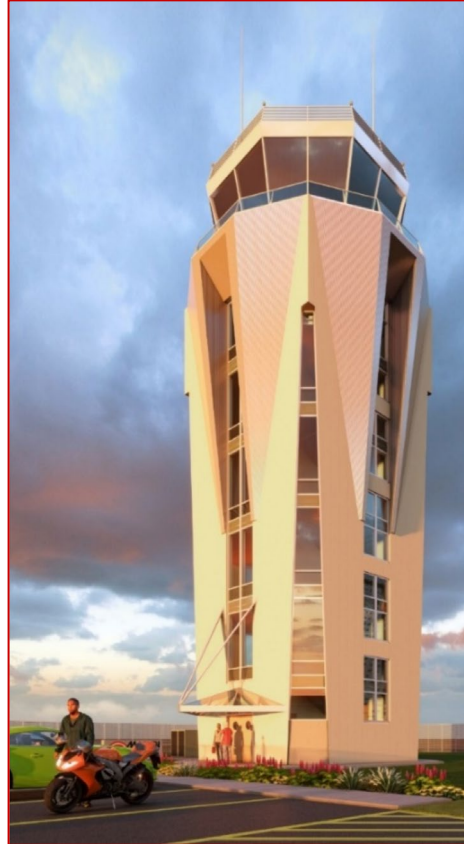
30% DE Target Completion – Spring 2026

- Project will replace the existing 70+ year old BWI owned ATCT, replace aging and undersized baggage handling systems as well as construct additional security lanes, consolidated Airport Operations Center and a post-security passenger connection between Concourse C & D.
- TTF recovered through Airline Rates and Charges

30% Design Funding Sources (\$ in millions)		% of Funding Source
TTF	\$5.0	56%
PFC	\$4.0	44%
Total	\$9.0	

Capital Investments – Martin State

MTN New Airport Traffic Control Tower (ATCT)



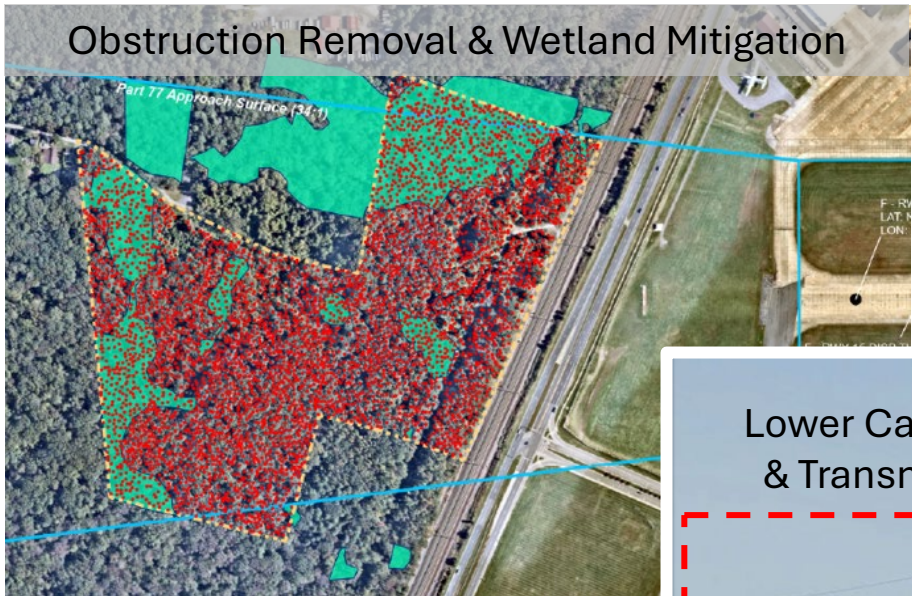
Program Cost = \$27.3M

Target completion – FY 2027

- Project currently 51% complete.
- New ATCT replaces 1942 tower with associated access drive, parking lot, utilities. Will be ADA assessable, provide improved climate-controlled facilities and state of the art technology.
- Relocated 2,600 feet Southeast of existing ATCT to remain for better visibility and unobstructed view of MTN Runway 15-33.
- \$6.4M was secured in FAA ATP Funding in FFY24 and FFY25 and using \$3.4M in FAA AIG and AIP entitlement.
- MAA will seek additional Federal Funds in upcoming FFY26 ATP and FCT Programs.

Program Funding Sources (\$ in millions)		% of Funding Source
TTF	\$16.5	60%
Federal Grants	\$10.8	40%
Total	\$27.3	

Runway Improvement Program – MTN State



Program Cost = \$43.2M

Ongoing

- Runway Rehabilitation Completed.
- Concept Design of NAVAID Relocation Completed.
- Amtrak Catenary Lowering design underway. \$850k of federally directed spending included in bipartisan "minibus" funding bill.
- Vegetative Obstruction Removal is in advance planning and permitting phase. Wetland mitigation required.
- FAA collaboration on Airport Layout Plan update to reclaim full use of existing runway pavement (8,100 feet) underway.
- \$32M in federal funding secured by the Maryland Air National Guard.

Program Funding Sources (\$ in millions)		% of Funding Source
TTF	\$8.9	21%
Federal	\$34.3	79%
Total	\$43.2	

Thank You

