

# Goal Promote Fiscal Responsibility

*Ensure responsible investment and management of taxpayer resources to add value and deliver quality transportation improvements through performance-based decision-making and innovative funding mechanisms and partnerships*



## OBJECTIVES:

- Accelerate project completion through improved and efficient use of alternative project delivery methods and strategic partnerships
- Provide transportation services and solutions that maximize value
- Ensure a consistent revenue stream and ample financing opportunities

MDOT is responsible for not just providing Maryland residents and visitors with exceptional transportation infrastructure to meet their travel needs, but must also ensure that the value of its transportation investments are maximized. As stewards of the revenues and user fees that fund Maryland transportation, MDOT realizes fiscal responsibility through thoughtful project management, innovative project delivery, and effective fund management and reallocation.

Utilizing grants as a funding source is a practical way to ensure financial accountability. In October 2020, MDOT MTA was awarded more than \$4 million in federal grants to improve the safety and reliability of MDOT MTA's transit network and enhance mobility options for transit riders locally and statewide. The majority of these funds went to MARC Train for modernization of the rail switch at the Martin's Yard on the Northeast Corridor in Middle River in Baltimore County. The next largest portion is going towards two Baltimore City

projects: a community-based planning study of a mobility hub that will include passenger amenities, such as shelters, ticket vending machines, and real-time signage for the Fayette Street corridor; and expansion of the track warning and detection pilot program to five additional stations on the Metro Subway.

Similarly, in state FY 2021, MDOT MAA administered \$2.2 million to public-use airports across the state through the Statewide Aviation Grant Program. These grants support the flying public with airport improvement and infrastructure preservation projects, safety equipment acquisitions, and environmental compliance activities. This state investment leveraged more than \$33.082 million in Federal Aviation Administration (FAA) funds and \$1 million in airport owner investment. These investments support the financial health of the local communities by providing facilities for all general aviation interests including recreational, business, corporate, and emergency response activities.

MDOT continues to improve how cost-efficiently freight moves through, from, to, and within the state using several strategies. MDOT SHA has invested in new freight performance tools like the Maryland Roadway Performance Tool, which provides performance indicators such as delay per mile, cost of congestion, and freight commodity costs. This information can be used to inform how freight can be moved in the state more productively. MDOT MPA is continuing to plan the Howard Street Tunnel expansion. This project will add double-stacked container shipping capability to and from the Port of Baltimore, which is expected to increase container volumes at the Port by 100,000 annually and create thousands of additional jobs. The Port of Baltimore is a nationally significant freight facility and is the port that is closest to Mid-American inland markets.



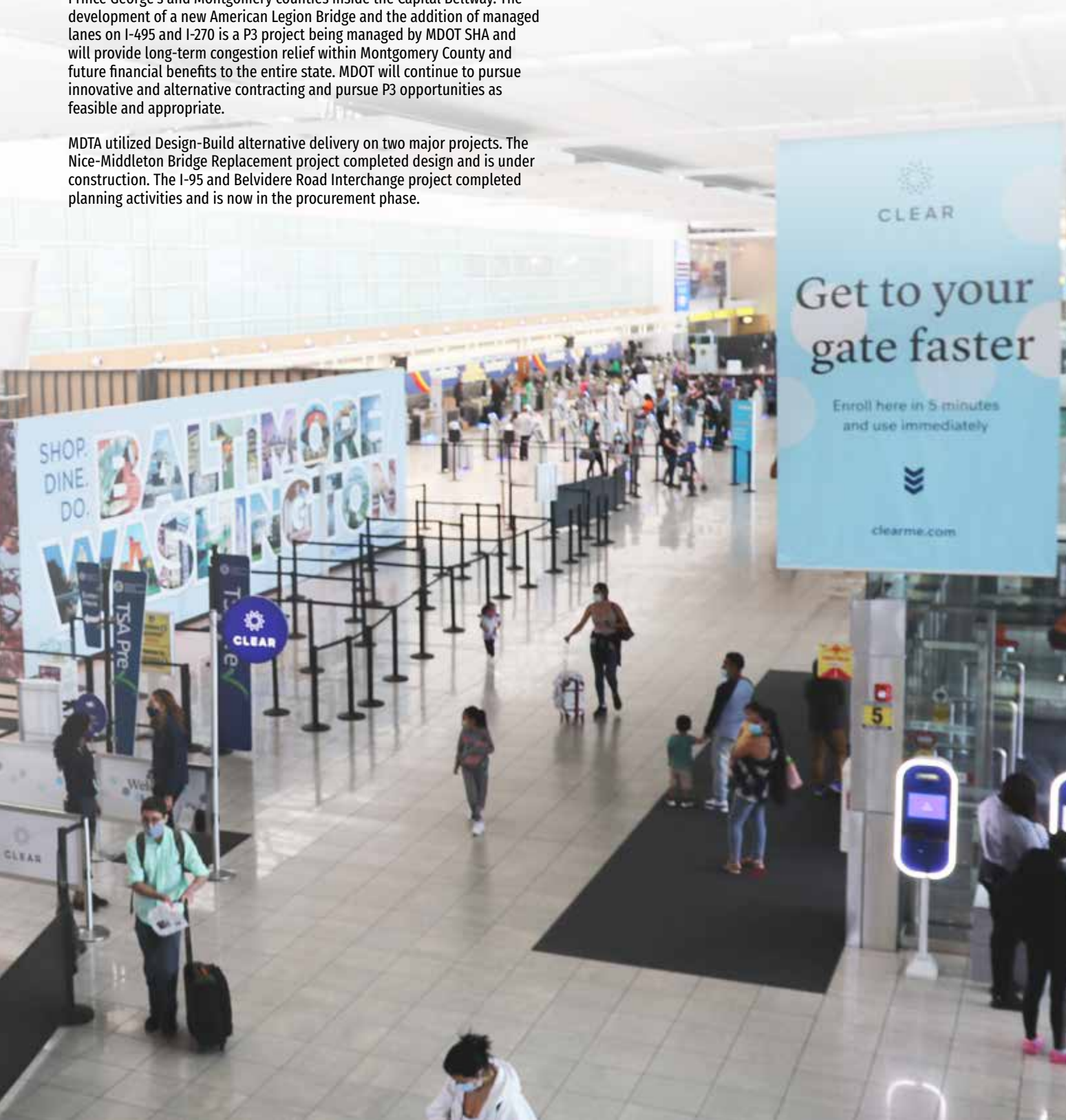
**OBJECTIVE:**

Accelerate project completion through improved and efficient use of alternative project delivery methods and strategic partnerships

MDOT's transportation needs are thoroughly assessed to identify the best delivery method. Public-Private Partnership (P3), Design-Build (DB), Construction Management at Risk (CMAR) projects, and other alternative-delivery methods are evaluated for each major project. P3 continues to be an important tool for project delivery across Transportation Business Units (TBUs) in the state. The P3 agreement between Ports America Chesapeake (PAC) and MDOT MPA to modernize the Seagirt Marine Terminal also includes state and federal funding. The Purple Line light rail project will connect Prince George's and Montgomery counties inside the Capital Beltway. The development of a new American Legion Bridge and the addition of managed lanes on I-495 and I-270 is a P3 project being managed by MDOT SHA and will provide long-term congestion relief within Montgomery County and future financial benefits to the entire state. MDOT will continue to pursue innovative and alternative contracting and pursue P3 opportunities as feasible and appropriate.

MDTA utilized Design-Build alternative delivery on two major projects. The Nice-Middleton Bridge Replacement project completed design and is under construction. The I-95 and Belvidere Road Interchange project completed planning activities and is now in the procurement phase.

MDOT MVA has pursued an innovative delivery approach with the reconstruction of their headquarters at Glen Burnie. They are securing a CMAR contract to renovate and consolidate their ground floor operations with the ultimate goal of improving customer flow and enhancing customer service. MDOT MAA is also pursuing a CMAR for its Concourse A/B Connector and baggage handling system. These projects are currently in pre-construction. MDOT SHA is also pursuing a CMAR for the Pennsylvania Avenue at Suitland Parkway Interchange project.





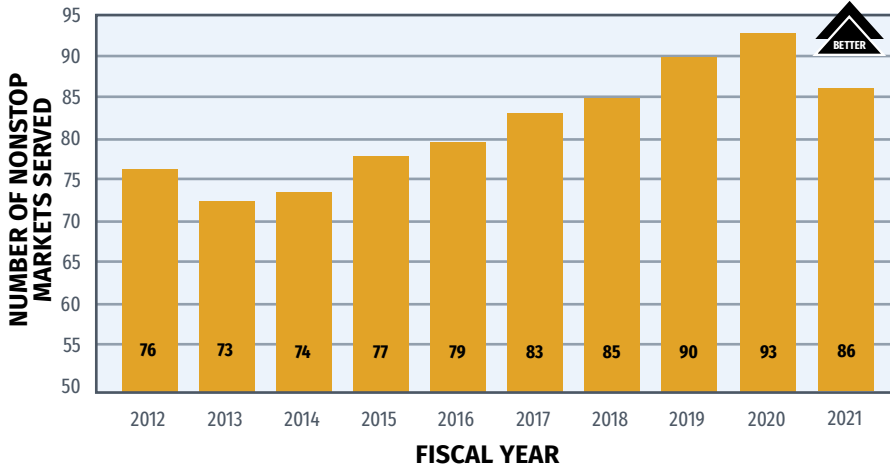
## OBJECTIVE:

Provide transportation services and solutions that maximize value

### NUMBER OF NONSTOP AIRLINE MARKETS SERVED



The number of nonstop airline markets served is an example of Maryland's reach regionally, nationwide, and globally. Growth in the number of nonstop destinations served opens up markets to the state's businesses and residents. As more airlines fly through BWI Marshall Airport, it becomes a more-attractive option in the Mid-Atlantic region and reflects the success of MDOT MAA's marketing and management efforts to make it a more-competitive airport.



Target: Near-Term Target: 90 nonstop markets served; Long-Term Target: 100 nonstop markets served

#### WHY DID PERFORMANCE CHANGE?

- The number of nonstop markets served from BWI Marshall Airport decreased from 93 to 86 in FY 2021 as airlines pulled service due to lack of demand during the COVID-19 pandemic
- Despite an overall loss, FY 2021 did see new routes to Jackson, MS; Massena, NY; Pensacola, FL; and Punta Gorda, FL

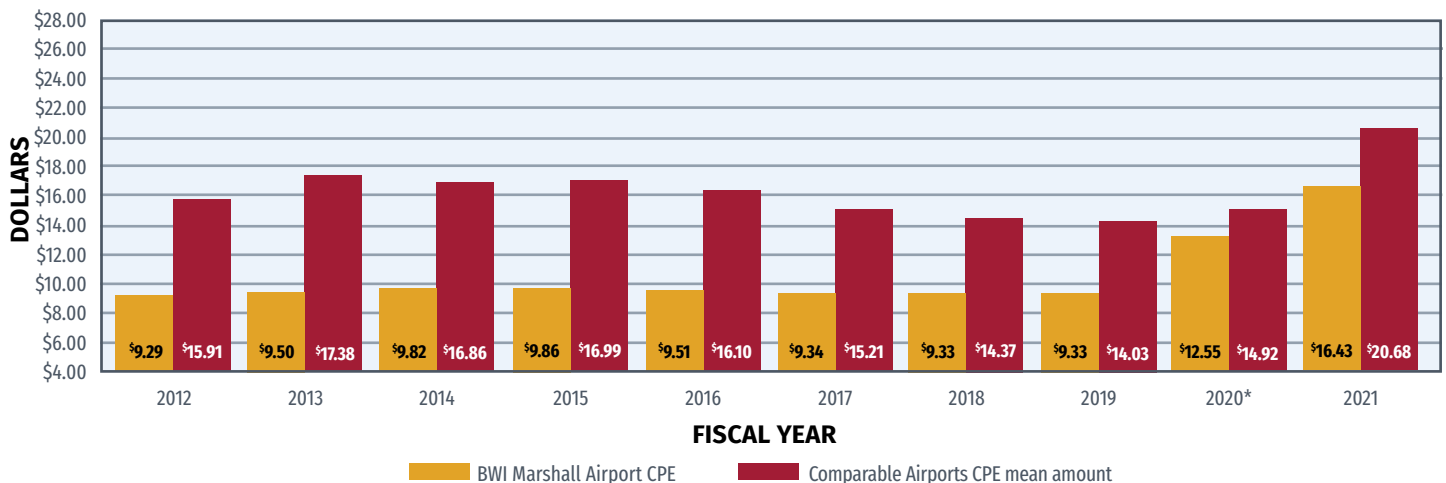
#### WHAT ARE FUTURE PERFORMANCE STRATEGIES?

- While the pandemic brings much uncertainty, the number of nonstops is expected to return to previous levels in the years following the pandemic
- Some airlines are expected to add new service in FY 2022 to BWI Marshall Airport including flights to Cancun, Mexico; Syracuse, NY; and Reykjavik, Iceland
- Planned airport improvements, both inside the terminal and on the airfield, and enhanced operational controls to maximize gate and apron efficiency will provide opportunity for expanded route options and new service

### AIRLINE COST PER ENPLANED PASSENGER (CPE)\*



Airline operation costs, such as landing fees, fuel flowage fees, and terminal rents support BWI Marshall Airport's competitiveness in a highly competitive market. BWI Marshall Airport is in a region with three other proximate airports: Ronald Reagan National, Washington Dulles International, and Philadelphia International. The CPE at BWI Marshall Airport continues to be the lowest in the mid-Atlantic region and is below the mean of comparable airports.



Target: BWI Marshall Airport CPE below the mean CPE of comparable airports\*\*

\* 2020 CPE mean amount has been revised from previous report.

\*\* Comparable airports are defined as Washington Reagan National, Washington Dulles International, and Philadelphia International.

#### WHY DID PERFORMANCE CHANGE?

- BWI Marshall Airport continues to have the lowest CPE in the Mid-Atlantic region and below the mean of comparable airports despite the significant decline in enplanements due to COVID-19
- Revenues increased due to negotiated terms, facility improvement projects, and a review of operational cost allocation to airline cost centers

#### WHAT ARE FUTURE PERFORMANCE STRATEGIES?

- CPE at BWI Marshall Airport continues to be the lowest in the Mid-Atlantic region and below the mean of comparable airports despite the significant decline in enplanements; thus, CPE should decrease as enplanements rebound from the pandemic

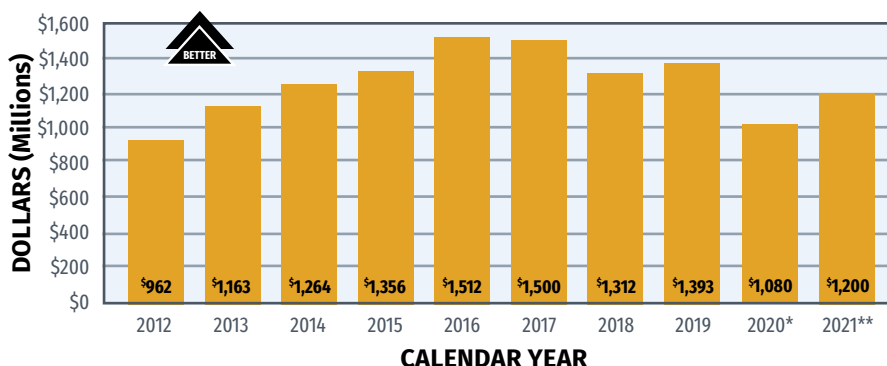


## USER COST SAVINGS FOR THE TRAVELING PUBLIC DUE TO INCIDENT MANAGEMENT

MAKING  
PROGRESS

Reduced delay on Maryland roadways reflects the tangible effects and benefits of the Coordinated Highways Action Response Team (CHART) incident management program. This in turn saves money for motorists and commercial carriers, such as passenger coach buses and freight trucks.

Heavy volumes of traffic, stop-and-go commuter peaks, and lack of comprehensive information regarding current, real-time conditions on available alternatives contribute to, and compound the effects of, unexpected incidents. With the growth in traffic outpacing any realistic hope of expanding capacity through building new highways, or expanding existing ones, it is imperative to operate the existing system more efficiently through the application of Intelligent Transportation System (ITS) technologies and interagency teamwork.



Target: \$1,200 (\$1.2 billion) million annually

\* 2020 data has been revised from previous report.

\*\* 2021 is preliminary and subject to change.

### WHY DID PERFORMANCE CHANGE?

- Incident management saved roadway users \$1.08 billion in CY 2020, a decrease in savings from CY 2019 (\$1.393 billion)
- This drop is due to the effects of COVID-19; while the target has been adjusted due to COVID-19 impacts, this quantity of savings still falls short of the reduced target of \$1.2 billion
- MDOT SHA and MDTA employees are still responding to many incidents each year; CHART drivers patrol 2.4 million miles a year, respond to approximately 23,000 incidents, and assist another 27,000 motorists; MDTA drivers patrol more than 1.2 million miles a year, in CY 2020 they assisted 6,453 drivers, changed 5,940 flat tires, while also removing 6,537 disabled vehicles from the roadway

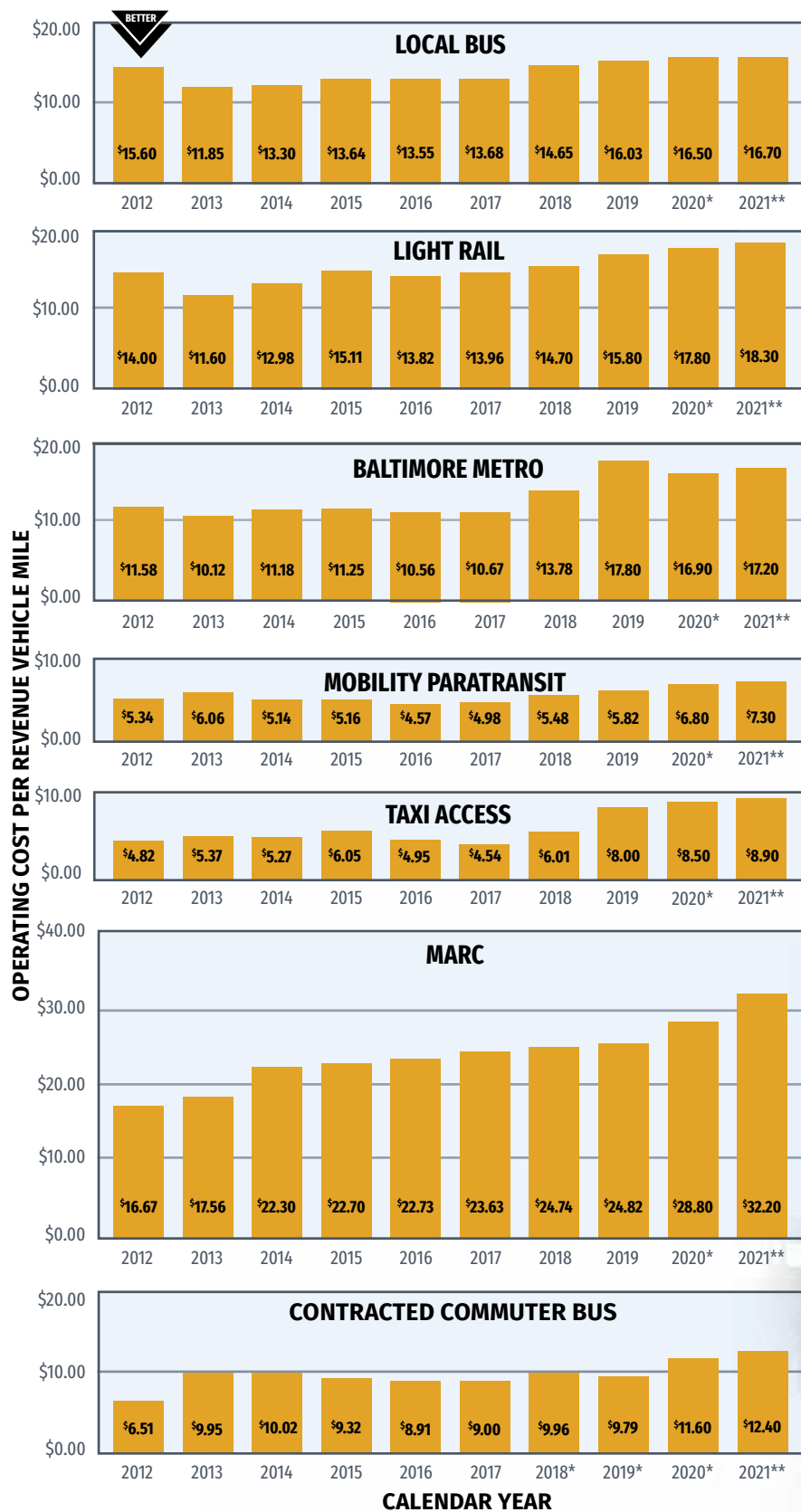
### WHAT ARE FUTURE PERFORMANCE STRATEGIES?

- MDTA will extend the northbound two-lane I-95 Express Toll Lanes (ETL) through Baltimore County to MD 24 in Hartford County, an area that experiences routine congestion during peak hours; the extension includes several improvements, will address capacity concerns, and allow for better incident management and maintenance activities
- MDTA is also working on an automated lane closure system for the Bay Bridge crossovers to reduce the response time and improve safety for implementing lane closure and two-way traffic operations on the bridge for incidents and construction work



## OPERATING COST PER REVENUE VEHICLE MILE

MAKING  
PROGRESS



\* Data has been revised from previous report.

\*\* 2021 is preliminary and subject to change.

### WHY DID PERFORMANCE CHANGE?

- Operating cost per revenue mile increased across all options year-over-year, which can be attributed to additional operating expenses from cleaning, personal protective equipment, and other safety measures related to the COVID-19 pandemic; additionally, temporary service reductions related to the pandemic, in 2020 and 2021, decreased revenue vehicle miles, which resulted in increases to MDOT MTA's cost per mile
- Operating costs are also affected by labor contracts and increased wages provided to attract and retain the transit labor force

### WHAT ARE FUTURE PERFORMANCE STRATEGIES?

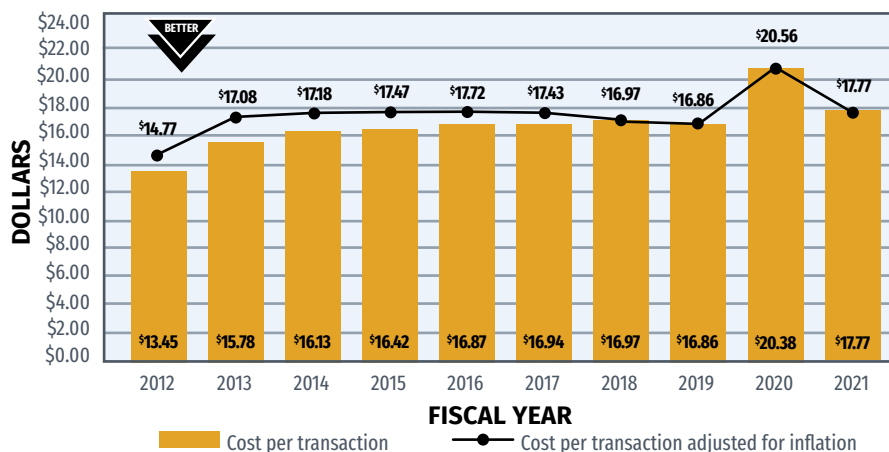
- As MDOT MTA implements fare collection and zero-emissions buses, the agency will prioritize optimal solutions that reduce operating costs
- MDOT MTA will also continue to prioritize funding for state of good repair projects across all its modes, with particular focus on older assets



## MDOT MVA COST PER TRANSACTION\*

MAKING  
PROGRESS

This measure indicates whether MDOT MVA's business practices and programs are cost effective. Cost effectiveness is realized through improved technology and operational practices.



\* Includes all transactions (e.g. licensing, registration, titling).

### WHY DID PERFORMANCE CHANGE?

- Average cost per transaction decreased from \$20.56 to \$17.77 this fiscal year, after an increase in FY 2020 due to a decrease in total transactions
- As MDOT MVA branches have reopened after unexpectedly closing due to COVID-19 in 2020, the number of total transactions have rebounded, lowering the cost per transaction

### WHAT ARE FUTURE PERFORMANCE STRATEGIES?

- MDOT MVA will continue to implement and encourage using alternative and online services including online transactions, self-serve kiosks, mail-in options, and others as an alternative to in-branch transactions

## OBJECTIVE:

Ensure a consistent revenue stream and ample financing opportunities

Once transportation declined at the start of the COVID-19 pandemic, transportation revenue also dropped. To mitigate this funding instability, several stopgap measures were used to ensure consistent funding for transportation in the state of Maryland. For example, MDOT received roughly \$500 million from the American Rescue Plan Act of 2021 through the state of Maryland and more than \$500 million through the Federal Transit Administration (FTA). This funding was leveraged to preserve capital projects in the program as well as enable additional high-priority projects to move forward. A majority of these funds were directed to crucial system preservation needs. MDOT SHA utilized funding to ensure that the MDOT SHA bridge and highway assets remain in a state of good repair. In addition to two major bridge preservation projects, a portion of these funds was applied to multiple highway resurfacing projects statewide. MDOT MTA was also able to preserve funding for state of good repair needs for bus, metro, MARC and light rail facilities and systems. The funds also enabled investments in a zero-emission bus fleet, dedicated bus lanes, and improved access to bus service. MDOT MVA was able to preserve funding for critical preservation needs related to branch office buildings, as well as Customer Connect upgrades. The COVID-19 global pandemic significantly impacted Transportation Trust Fund (TTF) revenues, and by effectively leveraging American Rescue Plan Act (ARPA) funds, MDOT was able to continue to provide critical services and invest in critical infrastructure needs.

Additional funding came in the form of the FY 2021 Appropriations and COVID Relief legislation on December 27, 2020. This legislation includes a \$2 billion General Fund supplement for highways. Of this, Maryland received approximately \$11 million for bridge replacement and rehabilitation, and \$10 million for Surface Transportation Block Grant (STBG) program eligible projects. For the COVID relief portion of this legislation, \$10 billion is provided to state Departments of Transportation (DOTs). These funds are not considered stimulus funds, rather, a recovery (backstop) for lost revenue due to the pandemic. Maryland's share of this backstop funding is approximately \$150 million.

As travel behavior and patterns have rebounded since the start of the pandemic, MDOT has reported gradual recoveries after the unprecedented speed and depth of decline of transportation revenues due to the COVID-19 pandemic. Revenues have stabilized and are expected to recover during the six-year period as the state recovers from the impact of COVID-19 and more normal travel patterns resume.

