

Meeting Follow-Ups October 18, 2023

Question: The number of responses to the CTP development survey is pretty low. Provide additional information about the survey recipients. (Multiple Commissioners had similar questions)

Answer: The goal of the CTP development survey was to gain insight from a targeted group of stakeholders that are familiar with the CTP project selection process to capture their assessment of the current process and recommendations for improvement. It was not intended to be widely distributed or to be a comprehensive survey of a larger population. The survey was directed at entities that submit projects for inclusion in the CTP and/or have entities that have direct involvement in the CTP development process. The survey was distributed via email on September 19, 2023, and a follow-up email was sent on September 28, 2023, to encourage participation and to extend the response deadline.

The survey was sent to 230 stakeholders, and 33 responded, for a response rate just under 15%. Survey recipients included all 188 members of the General Assembly, a representative from each of Maryland's seven metropolitan planning organizations, a representative from each of Maryland's 23 counties and Baltimore City, a representative from each of the planning offices at MDOT's modal administrations, a representative from the Washington Metropolitan Area Transit Authority, the Chair of this Commission, and three staff from the Department of Legislative Services. A full list of survey recipients is included in Appendix 1.

Survey respondents can be categorized by type of entity. Of the 33 survey responses, 12 respondents self-identified as being from a city, 4 from a county, 4 from metropolitan planning organizations, and 13 other. Based on position titles the 13 "other" respondents were determined to be from the General Assembly.

Question: What feedback does MDOT provide to counties about the priority letters that are submitted, including whether or not additional information is needed to evaluate the requests? (Commissioner Henninger)

Answer: MDOT's website (<u>Priority Letter Guidance</u>) provides guidance on priority letter development, a questionnaire to assist with priority letter development, and contact information for MDOT staff that can assist with questions about priority letter development. Further, staff at the modal administrations, including the State Highway Administration's district offices, are available to assist with questions and coordination on local priorities.

Upon receipt of a county priority letter, MDOT provides a written acknowledgement of the submission. Feedback on the projects contained in the letter follows a fluid process throughout the year that includes ongoing dialogue between MDOT and local jurisdictions. Projects are discussed in various executive and staff level meetings throughout the year, including meetings with each county during a summer conference held in Ocean City, staff-level meetings in advance of each CTP tour meeting, and a CTP tour meeting in each jurisdiction that is open to the public and attended by various elected officials. At the CTP tour meetings, MDOT's Secretary and modal administrators provide opening remarks highlighting projects and priorities in that county and region. After that, the meeting content is left to the discretion of each jurisdiction and provides an opportunity to discuss other local projects, priorities, or concerns.

Question: Do you have thoughts on what states are doing to integrate strategies for clean transportation, especially electric vehicles and charging stations, outside of federal National Electric Vehicle Infrastructure (NEVI) funding? Are there best practices that Maryland can learn from? (Commissioner Thompson)

Answer: The American Association of State Highway and Transportation Officials (AASHTO) has a partnership with the federal <u>Joint Office of Energy and Transportation</u> to support implementation of the NEVI plans that all state departments of transportation had to develop. All of the state department of transportation NEVI plans have been approved are available <u>here</u>.

On July 15, 2022, MDOT and the Maryland Energy Administration submitted Maryland's Plan for National Electric Vehicle Infrastructure (NEVI) Formula Funding Deployment in advance of the August 1, 2022 federal deadline. Maryland's NEVI Plan will guide the installation of EV charging infrastructure and serve as the foundation for the Maryland Zero Emission Vehicle Infrastructure Plan. The document is available <u>here</u>.

The National Association of State Energy Officials (NASEO) and AASHTO have jointly developed the <u>EV States Clearinghouse</u> which provides models, tools, and the latest updates on electric vehicle infrastructure to state agencies. One recent report from the Transportation Research Board's National Cooperative Highway Research Program, <u>Electric Vehicle Charging:</u> <u>Strategies and Practices</u>, documents current strategies and practices is use by state departments of transportation to facilitate and coordinate the provision and operation of EV charging facilities.m We are not aware of any best practices that have been developed regarding the planning and deployment of EV charging stations or any synthesis/scan of the state NEVI plans has been conducted to assess commonalities or differences between approaches that states are using to deploy the EV infrastructure. Since the requirement to develop and submit NEVI plans is still fairly new and actions are still being implemented, we expect that an assessment and evaluation of various strategies will be forthcoming once sufficient information exists to evaluate strategies that were most impactful.

Question: Maryland is unique in its use of a consolidated department of transportation and consolidated funding source for transportation. Are there any studies or analysis comparing this consolidated multi-modal approach to other alternatives? (Commissioner Winstead)

Answer: Since its creation in 1971 as a multi-modal department of transportation, Maryland remains fairly unique in its approach to consolidated transportation planning and funding. MDOT was modeled on the U.S. Department of Transportation, which began its full operations in 1967. According to the National Transportation Library:

"[President Lyndon Johnson] recognized the dilemma the American transportation system faced. While it was the best-developed system in the world, it had proved incapable of meeting the needs of the time. "America today lacks a coordinated transportation system that permits travelers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each." Johnson maintained that an up-to-date transportation system was essential to the national economic health and well-being, including employment, standard of living, accessibility, and the national defense."

We are not aware of any research that has been conducted that examines the specific question of what types of benefits are derived from a multi-modal organizational structure of a state department of transportation. In 2022, AASHTO published the 3rd edition of its *Transportation Governance and Finance: A 50 State Review of State Legislatures and Departments of Transportation.* This resource provides comparison charts and state-by-state profiles of transportation governance and funding but does not include a comparative analysis whether one structure is better than another. A section of the report focused on the structure of state departments of transportation will be provided to Commissioners with this document. The complete document can be provided upon request.

Transportation has evolved and become more complex over the last 50+ years since MDOT's creation. It is no longer just a system of roads and rails but plays a much larger societal role in environmental stewardship, equity, and connecting communities, making its integrated and multi-disciplinary approach more important than ever. Yet even in 1970, the task force established by Maryland Governor Marvin Mandel to create a state department of transportation saw the need for an integrated department of transportation. In its final report, entitled *Marland's Transportation Opportunity*, the task force found that:

"In large measure the thinking of the Task Force has been guided by the overriding principle that transportation is a total system and that within that system promotional efforts must be organized and financed with sufficient flexibility to permit the strongest response to defined economic, social, political and environmental demands that are placed upon the system. Under this approach, the position of the Task Force is that transportation that should be viewed as one economic system that governs the operational subcomponents whether the service is provided by rail, by highway, by water or by air. An administrative and fiscal policy that reflects this philosophy will permit the State to attack the areas of greatest need in the transportation network. In large measure the inefficiencies of our transportation system are created by the transfer point barriers between the various subsystems. Only by effectively integrating all the modes can we exploit the relative efficiencies and advantages of each.

Friendship Airport is ineffectively used if its ground access is poor. The full competitive advantages of the Port of Baltimore are not exploitable unless ground transportation services to the Port's terminals are geared to the service demands of the Port. Public transit services are underutilized unless they are appropriately meshed with highway and parking facilities.

The Task Force has taken due note of the persuasive and forceful argument that trust funds and special earmarking of government revenues erode the State's management and administrative flexibility of meeting total public developmental demands on a priority basis. The Task Force believes that financial approach taken in its recommendations is the only practical means available at this time for assuring the establishment of a more responsive and effective state transportation system.

More recently, in 2013, the Local and Regional Transportation Funding Task Force convened by the Maryland General Assembly to study the feasibility of creating regional transit financing entities and local-option transportation revenues, found in its <u>final report</u> that:

First and foremost, the Task Force observes that the State of Maryland has a unique strength relative to peer states in its coordinated approach to transportation infrastructure funding. Both the Task Force and representatives of local government who appeared before the Task Force at public meetings noted that Maryland's more centralized approach has served the State well in terms of a multi-modal system focus, the extent of transportation investment, and the efficiency and effectiveness of that investment. This strength should be preserved moving forward.

Question: Please provide a summary of the highway user revenues program. (Commissioner Laria)

Answer: Transportation infrastructure and services in Maryland are delivered by both the State and local jurisdictions. Although 71% of all vehicle miles traveled in Maryland are on State roads, 84% of all roads in Maryland are operated and maintained by local jurisdictions. The ability of local jurisdictions to impose taxes is limited by the authority granted to them by the General Assembly. Since most transportation revenues are collected at the State level, the highway user revenues program was developed to share transportation revenues between the State and local jurisdictions.

State law prescribes which transportation revenues are shared with local jurisdictions and the amounts at which they are shared. The following transportation revenues are part of the revenue-sharing calculation:

- 100% of revenues from the base motor fuel tax (23.5 cents per gallon);
- 100% of MDOT's portion of the corporate income tax;
- 100% of vehicle registration fees, after required statutory deductions;
- 80% of MDOT's portion of the rental car sales tax; and
- 67% of the vehicle titling tax.

Of the total revenue collected from the above revenue sources, an allocation is made to MDOT, Baltimore City, the counties, and the municipalities to provide funding for transportation projects. The largest portion flows to MDOT to deliver the State's transportation network and services. The next largest portion goes to Baltimore City, since all roads within the City (except I-95) are owned and maintained by Baltimore City.

Of the allocations made to counties and municipalities, sub-allocations are made to each county and municipality based on road miles and vehicle registrations within that jurisdiction. In addition to highway user revenues allocations to local jurisdictions, other local aid from the Transportation Trust Fund include operating and capital grants to locally operated transit systems to operate and maintain local transit services and grants to local public-use airports.

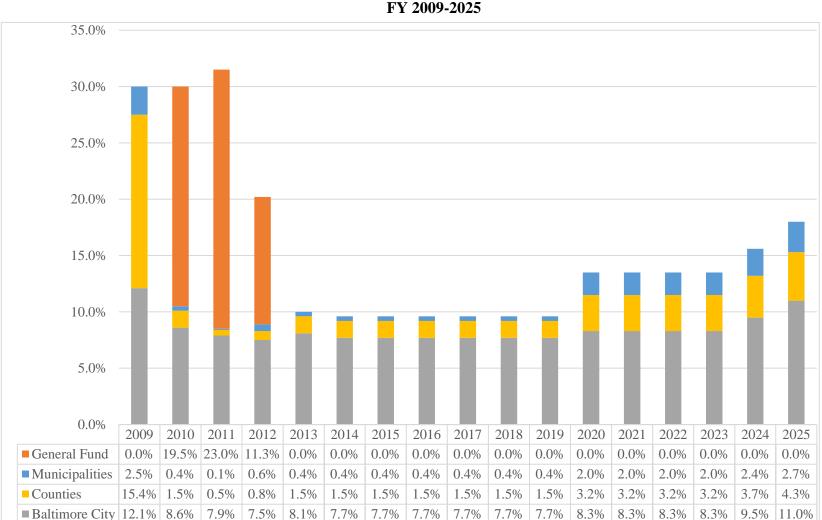
The chart on the following page provides a history since 2009 of the allocation of highway user revenues to local jurisdictions, as well as the portion distributed to the State's General Fund from 2010 through 2012. A description of the changes is included below.

- Chapter 487 of 2009, the Budget Reconciliation and Financing Act of 2009, required distributions of highway user revenues to the State's General Fund for certain fiscal years and changed the highway user revenue formula to allow for separate calculations for the county and individual municipal shares based on each county's or municipality's road mileage and vehicle registrations as a percentage of the statewide totals for each.
- Chapter 484 of 2010, the Budget Reconciliation and Financing Act of 2010, reduced the share of highway user revenues distributed to counties and municipalities to provide a greater portion to the General Fund for budget relief.
- Chapter 397 of 2011, the Budget Reconciliation and Financing Act of 2011, divorced the relationship between the Transportation Trust Fund and the State's General Fund. Since the 2007 Special Session, the Transportation Trust Fund had been receiving 6.5% of revenues from the State's sales tax and that was reduced to 0% beginning in FY 2012. The legislation also reduced the share of vehicle titling tax distributed to the Transportation Trust Fund. To offset these changes, the distribution of highway user revenues to the General Fund ended and the funds were reallocated to MDOT.
- In FY 2014 and 2015, municipalities received additional transportation funding in the form of municipal transportation grants totaling \$15.4 million in FY 2014 and

\$16 million in FY 2015. Although the supplemental grants were provided in addition to funding required through the highway user revenue law, the funds were still allocated in accordance with the statutory formula. In FY 2014, the counties and Baltimore City received supplemental funding of \$10 million for pothole repairs that was distributed based on road miles.

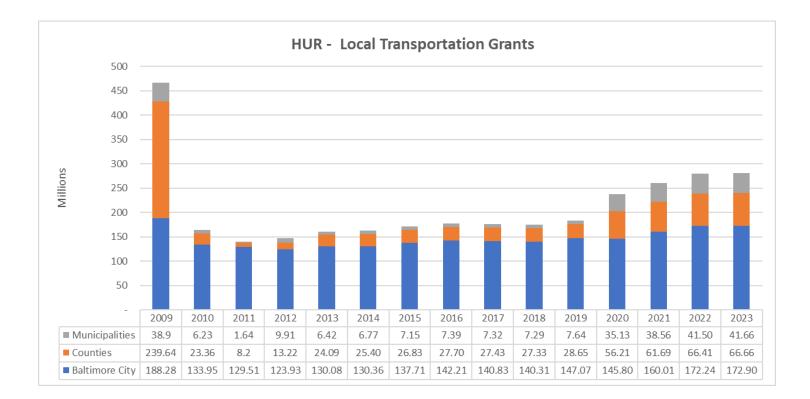
- In FY 2016 and 2017, supplemental grants were provided to counties, municipalities, and Baltimore City. In each year, these additional grants totaled \$4 million for counties, \$2 million for Baltimore City, and \$19 million for municipalities. Although the supplemental grants were provided in addition to funding required through the highway user revenue law, the funds were still allocated in accordance with the statutory formula.
- Chapters 330 and 331 of 2018 increased the share of highway user revenue funding to local jurisdictions for FY 2020 through 2024 and altered the program from a revenue-sharing program to a capital grant program.
- Chapter 240 of 2022 provided an enhanced level of funding for the local share of highway user revenues in FY 2024 through 2027 and provided the Transportation Trust Fund an increased share of corporate income tax revenues in FY 2024 through FY 2027 to partially offset the increased share to local jurisdictions. Since corporate income tax revenue is shared with local jurisdictions, the local jurisdictions benefited from both the higher distribution percentage and the additional revenue being included in the calculation. In FY 2028 both the share of funding allocated to local jurisdictions and the Transportation Trust Fund's share of corporate income tax revenues return to FY 2024 levels.

Maryland Commission on Transportation Revenue and Infrastructure Needs Meeting Follow-Ups – October 18, 2023



Distribution of Highway User Revenues Reflects Non-MDOT Portion Only FY 2009-2025

Highway User Revenue Funding to Local Jurisdictions FY 2009-FY 2023



Appendix 1

Project Prioritization Survey Recipients	
Name	Organization/Jurisdiction
All 188 Members of the General Assembly	
Todd Lang	Baltimore MPO
Kanti Srikanth	Washington MPO
Tigist Zegeye	Wilmington MPO
Keith Hall	Salisbury MPO
Courtney Jenkins	Calvert/St. Mary's MPO
Matt Mullenax	Hagerstown MPO
Robert Smith	Cumberland MPO
Whitney Patterson	Allegany County
Brian Ulrich	Anne Arundel County
Angelica Daniel	Baltimore County
Veobia Akilo	Baltimore City
Jessica Gaetano	Calvert County
Kaleigh Leager	Caroline County
Mary Lane	Carroll County
Matthew Littlejohn	Cecil County
Jason Groth	Charles County
Donna Lane	Dorchester County
Mark Mishler	Frederick County
Siera Wigfield	Garrett County
Alex Rawls	Harford County
David Cookson	Howard County
Carla Gerber	Kent County
Gary Erenrich	Montgomery County
Oluseyi Olugbenle	Prince George's County
Steve Cahoon	Queen Anne's County
James Gotsch	St. Mary's County
Woody Barnes	Somerset County
Ray Clarke	Talbot County
Matt Mullenax	Washington County
Keith Hall	Wicomico County
Joseph Parker	Worcester County

Maryland Commission on Transportation Revenue and Infrastructure Needs Meeting Follow-Ups – October 18, 2023

Matt Baker	SHA Planning Director (former)
Elizabeth Gordon	MTA Planning Director
Kevin Clarke	MAA Planning Director
Dominic Scurti	MPA Planning Director
Jessica Mettle	MVA Planning Director (acting)
Melissa Williams	MDTA Planning Director
Charlie Scott	WMATA
Frank Principe – TRAIN Chair	Chair-Maryland TRAIN Commission
Michele Lambert	DLS
Matthew Jackson	DLS
Steve McCulloch	DLS