Funding and Governance Models

Baltimore Region Transit Governance and Funding Study
Today’s Agenda

- Project Status
- Governance and Models
- Upcoming Public Engagement
- Next Steps
Project Status
June 22

We are here

Public Forums

Final Documentation & Wrap-up

Governance & Funding Options

History of MDOT MTA & LOTS

Financial Review

Transit Funding Measures

Study Purpose & Approach

Review of Current Status

Review of Peer Agencies & Regions
Governance and Funding Models
Goals Scorecard

- Improve Coordination
- Improve Quality of Service
- Regional Connections
- Increase Investment
- Enhance Decision Making
- Ensure Equitable Investment
Governance and Funding Models

1. Status Quo / Do Nothing
2. State Transportation Commission
3. State Transit Commission
4. Baltimore Advisory Board
5. Baltimore Transit Commission (BTC)
6. Baltimore Regional Transit Authority (RTA)
Status Quo: Existing Structure

GOVERNANCE AND FUNDING MODELS

Transportation Trust Fund
Fare Revenue
Federal

Governor appoints secretary

Funding allocations across modes guided by the Secretary and Governor

MDOT Secretary is also voting member of WMATA Board

WMATA

Other MDOT Business Units
Status Quo: Existing Structure
Status Quo: Funding and Budgeting

MDOT MTA Budgeting Priorities
- Debt Service
- Maintenance of Effort
- Contractual Commitments
- Emerging Needs

MDOT MTA Funding & Budgeting Process
- Operating $$ by mode & program
- Capital $$ by mode & program

Available Funds
- Transportation Trust Fund
- Fare Revenue
- Federal

Request Funds
- Annual Operating Budgets
- Capital Transportation Program (CTP Budgeting Process)

Other Business Unit Needs/Priorities
Governance and Funding Models

1. Status Quo / Do Nothing
2. State Transportation Commission
3. State Transit Commission
4. Baltimore Advisory Board
5. Baltimore Transit Commission (BTC)
6. Baltimore Regional Transit Authority (RTA)
State Transportation Commission

HOW IT WORKS

- Modifies role of existing Maryland Transportation Commission to oversee Maryland’s Transportation Trust Fund (TTF)—Oversees all MDOT modal investments and operations (e.g., not just transit).
- Secretary of Transportation works with Commission to allocate TTF and approve major transportation investments.
- Board members currently appointed by Governor, could be expanded to include representatives appointed by the General Assembly and regional and/or local jurisdictions.

DECISION-MAKING

- State Transportation Commission overseeing MDOT.
- Commission size and representation to be determined but assumes Commission represents diversity of transportation interests and geography.
- Increases and diversifies input into transportation investment decisions, including allocation of TTF.

FUNDING

- No major changes to funding model.
- MDOT MTA is FTA Direct Recipient and is funded with federal and state funds plus passenger fares.

New funding measures which align best with this model include:

- VMT Tax
- Tolling (state)

BENEFITS

- Increases transparency into MDOT MTA decision making.
- Diversifies and shares responsibility for decision making.
- Does not increase transit funding but could reallocate priorities within MDOT.
- Expanded representation could help expand funding.

ISSUES

- Local and regional input is limited.
- Does not address regional coordination between services.
- Expanded funding is not a requirement, but could shift priorities within MDOT.
- Risks politicizing decision-making, depending on make-up and powers of expanded Commission.

MOST SIMILAR TO...

- Several states: Maryland plus Pennsylvania, Michigan, Washington, California, and others.

GOAL SCORECARD

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<thead>
<tr>
<th>Goal</th>
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<td>Improve Coordination</td>
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State Transit Commission

**HOW IT WORKS**
- Create a new Statewide Transit Commission to oversee MDOT MTA and transit related investments. Commission would inform and guide decision-making around MDOT MTA investments.
- MDOT MTA retains existing responsibilities for MDOT MTA Baltimore Core services LOTS, commuter bus, MARC trains.
- MDOT MTA Administrator directed by the State Transit Commission.
- Board members must include representatives from Baltimore core service area and other regions, and would be appointed by the Governor and approved by the Maryland State Assembly.

**DECISION-MAKING**
- State Transit Commission overseeing MDOT MTA including MDOT MTA’s priorities and budget.
- Commission size and representation should reflect a diversity of transit interests and geography; the composition could be based on population or service investment within each community.

**BENEFITS**
- Increases transparency into MDOT MTA decisions.
- Diversifies and shares responsibility for decision making.
- Creates a forum for input into MDOT MTA decision making.

**FUNDING**
- No major changes to funding model.
- MDOT MTA is FTA Direct Recipient and is funded with federal and state funds plus passenger fares.

**ISSUES**
- Local and regional input is limited.
- Regional coordination encouraged, but not required.
- Expanded funding is not a requirement, but could shift priorities of Core Services.
- Does not necessarily increase transit funding.

**MOST SIMILAR TO...**
- NJ Transit.
Baltimore Advisory Board

**HOW IT WORKS**
- Create a new Baltimore focused Advisory Board to guide Baltimore Core Services.
- Board provides input and advice on budget, asset improvement, operational, service delivery and planning decision making.
- MDOT MTA continues to operate transit services.
- No change in LOTS program.
- Could include funding formula that allocates budget for Baltimore Core services.

**DECISION-MAKING**
- Advisory Board provides advice and feedback to proposed investment decisions associated with Baltimore Core services.
- Participation includes MDOT MTA and jurisdictions where Core services operate.

**BENEFITS**
- Increases transparency into MDOT MTA decision making.
- Advisory Board represents regional transit interests.
- Increases opportunity for service coordination / integration.
- Works best if MDOT MTA establishes a clear funding formula.

**FUNDING**
- MDOT MTA is FTA Direct Recipient.
- Advisory Board would be authorized to levy membership fee from participating jurisdictions.
- Membership fees would be established by formula and used to support Board responsibilities (mostly administrative and planning functions).

**ISSUES**
- Advisory Board has limited authority.
- State commitment to formula funding may be difficult.
- Challenge to generate new local/ regional sources of revenue.

**MOST SIMILAR TO...**
- Middle Tennessee Regional Transportation Authority.

**GOAL SCORECARD**

- Improve Coordination
- Improve Service
- Increase Transit Investment
- Regional Connections
- Enhance Decision Making
- Ensure Equitable Investment

New funding measures which align best with this model include:
- Membership Fees
Baltimore Transit Commission (BTC)

**HOW IT WORKS**
- Establish a new Baltimore Transit Commission (BTC):
  - Joint state-regional commission.
  - Manages and oversees transit investments in Central Maryland.
  - Raises funds regionally for transit.
- LOTS may join BTC or remain independent.
- General Manager is MDOT MTA employee who serves at pleasure of BTC.
- MDOT MTA continues to operate Baltimore Core services.
- Somewhat similar approach to transit as how Maryland region supports transit in Washington D.C., but MDOT MTA would participate in Transit Commission and operate service.

**DECISION-MAKING**
- BTC advises and directs transit investments in Central Maryland.
- Participation includes MDOT MTA and jurisdictions where Baltimore Core services operate.

**FUNDING**
- BTC is funded with:
  - FTA funds
  - State funds
  - Passenger fares
  - Optional local funding (administered by BTC)
- BTC becomes FTA Direct Recipient for Baltimore urbanized area.
- Authority for local or regional funding authorized by the state.
- BTC determines funding need.

**BENEFITS**
- Centralized body responsible for planning and organizing public transit in the region.
- Diversifies input to transit decision making.
- Increases service coordination / integration.
- Increases funding for transit with new, local resources.

**ISSUES**
- State must cede authority without diminishing funding.
- Local tax will be difficult to implement.

**MOST SIMILAR TO...**
- Washington Suburban Transit Commission (WSTC).
- Northern Virginia Transportation Commission (NVTC).

New funding measures which align best with this model include:
- Ridesharing Tax
- Local Property Tax
Baltimore Regional Transit Authority (RTA)

**HOW IT WORKS**
- Create a new transit agency – Regional Transit Authority (RTA) who is responsible for the administration of transit services in the Baltimore region.
- RTA, through member jurisdictions who have the authority to raise funds for transit.
- RTA hires a General Manager, who serves at pleasure of RTA Board. GM implements RTA’s vision and manages agency operations.
- RTA governs and manages transit service. Services provided through contracts.
- MDOT MTA provides state transit funding via a formula that is set in law and runs rest of state transit operations.

**DECISION-MAKING**
- Baltimore City and Baltimore County LOTS must join RTA; others can opt in.
- RTA’s Board includes representation from service area.
- MDOT MTA has significant share of seats/voting authority on BRTA’s Board.

**FUNDING**
- RTA is a Direct Recipient of FTA funds; it is also funded with:
  - Passenger fares
  - State funds
  - Regional and Local transit taxes/assessments
- Turned over to RTA.
- Requires MDOT MTA to create a funding formula for state funds, including transit capital.

**BENEFITS**
- Centralized body responsible for planning and organizing public transit.
- Increases and diversifies input to transit decision making.
- Shifts transit investments decision making to regional level.
- Increases transit funding by raising additional funds locally/regionally.
- Transit services coordinated at regional level.

**ISSUES**
- LOTS may not want to participate.
- State must cede authority without diminishing funding.
- Local tax will be difficult to implement.
- Labor reorganization challenges.

**MOST SIMILAR TO…**
- Central Maryland Regional Transportation Plan
- Southeastern Pennsylvania Transportation Authority (SEPTA).

**GOAL SCORECARD**

- Improve Coordination [ ]
- Improve Service [ ]
- Increase Transit Investment [ ]
- Regional Connections [ ]
- Enhance Decision Making [ ]
- Ensure Equitable Investment [ ]

New funding measures which align best with this model include:
- Regional Sales Tax
- Local Property Tax
GOVERNANCE AND FUNDING MODELS

All Models

MODEL 1
State Transportation Commission

MODEL 2
State Transit Commission

MODEL 3
Baltimore Advisory Board

MODEL 4
Baltimore Transit Commission (BTC)

MODEL 5
Baltimore Regional Transit Authority (BRTA)
Next Steps
Next Public Forum

June 29, 2021  6:00 PM – 7:30 PM

Topic:  Present Potential Options
Next Steps

- **Tech Memo #6 – Governance and Funding Models**
  - Sent out Monday June 21
  - Posted to BRTB Website

- **Draft Final Report**
  - Thursday, July 15th

- **Final Report**
  - Friday, July 30th
Thank you!

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