

# MTA Budget Overview

**Baltimore Regional Transit Commission**

**February 2, 2024**

**MDOT**  
MARYLAND DEPARTMENT  
OF TRANSPORTATION

MARYLAND TRANSIT  
ADMINISTRATION

# MTA Budget 101

## *Operating Budget*

Developed on an annual basis for one year at a time

Funds are appropriated and expended in the same fiscal year (July 1 – June 30)

Generally short term in nature

Expenses related to daily operations such as labor, utilities, fuel, supplies and materials, repair parts, contracted services, rent, etc.



## *Capital Budget*

Six-year program (CTP) updated on an annual basis

Funds can be moved within the 6-year window

Generally longer term in nature

Expenses used to fund capital assets which have a useful life of more than 2 years; major asset categories include Vehicles, Guideways, Systems, Facilities, and Stations



# MTA Capital Budget Development

- MTA's capital budget is a portion of the MDOT Capital Program
  - Consolidated Transportation Program (CTP) that outlines the State's 6-year commitment to transportation funding
- Each spring, Jurisdictions submit priority letters to inform funding needs and priorities
- MTA prioritizes available funds for a new year of funding that will enter the CTP, balancing between investment types:
  - State of Good Repair, Enhancement/Modernization, Customer Amenities, planning for growth
- Prioritization occurs through a data-driven Call for Projects process
- Draft CTP is published by September 1 and presented to all jurisdictions for comment in the CTP Tour annually
- Draft CTP is revised and Final CTP is submitted to the legislature in January
  - The legislature reviews and approves the final CTP



**New year enters the  
6-year program**



**FY 2024**



**FY 2025**



**FY 2026**



**FY 2027**



**FY 2028**

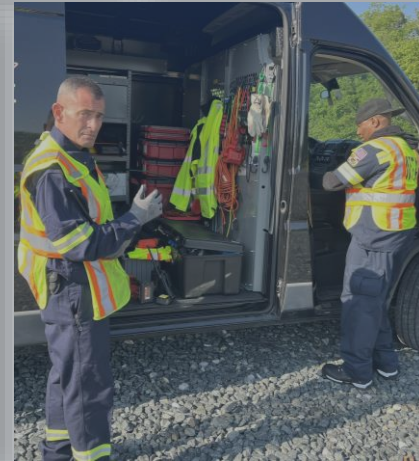


**FY 2029**



**FY 2030**



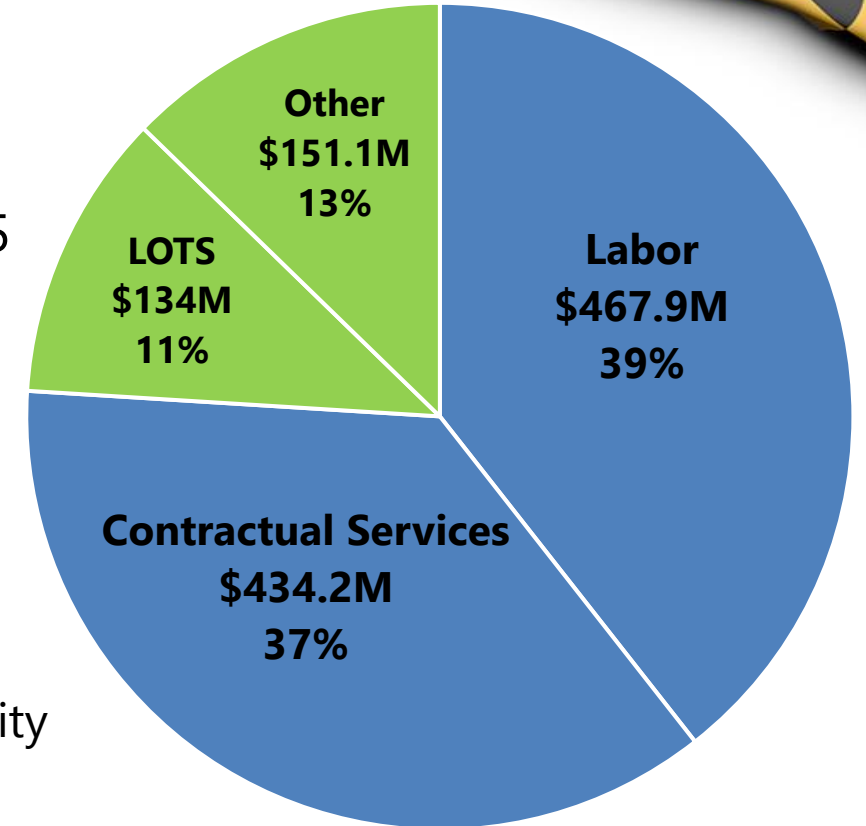


# MTA's Operating Budget



# MTA's FY25 Proposed Operating Budget

- Total for FY25 = \$1.187 billion
  - 76% is labor and contracted services
- One-year infusion of \$150 million for transportation in FY25
  - \$62 million toward transit operations
- FY25 transit service impacts
  - Reduction of Commuter Bus service effective July 1, 2024
    - Highest ridership routes will continue in service
    - Public hearings will take place in Spring 2024
  - No service cuts to Core Bus, Metro, Light Rail, MARC, or Mobility



# MTA's FY25 Operating Budget



## Previous Budget

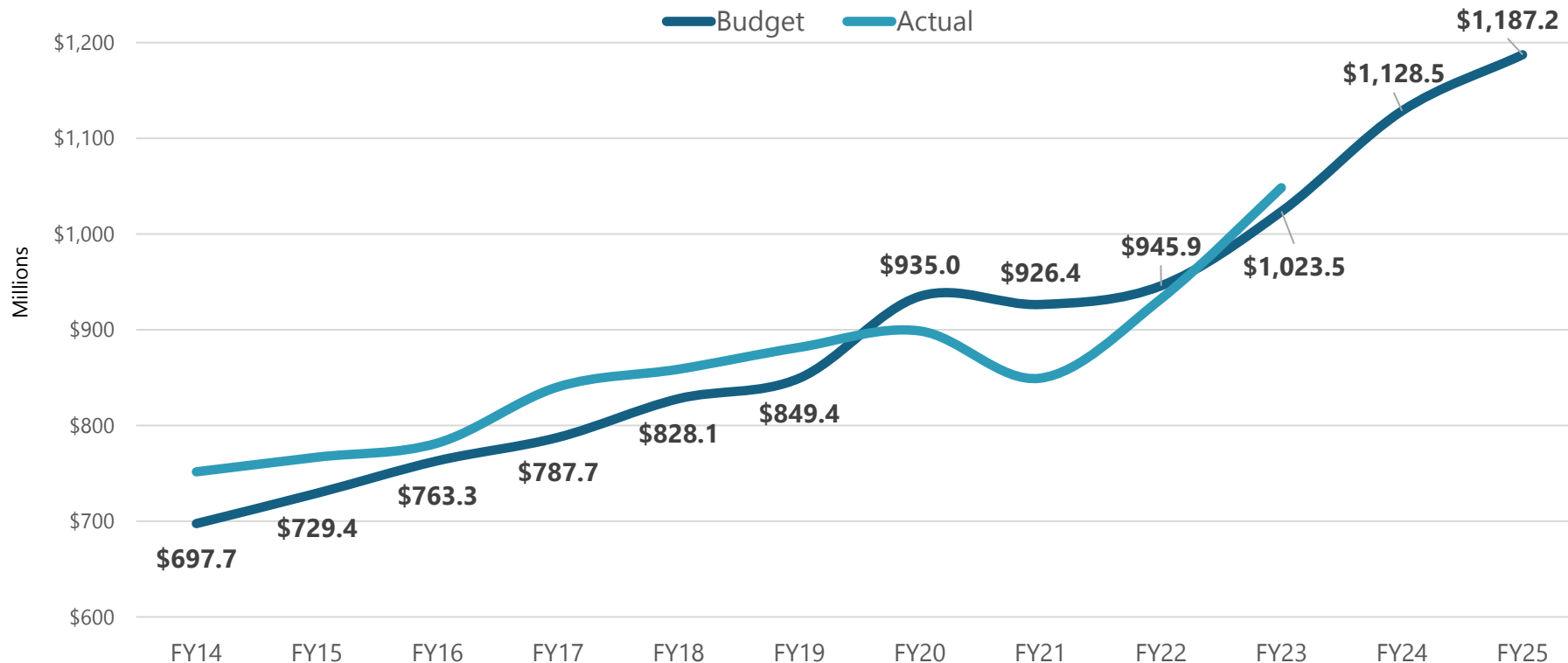
## After \$150M Announcement

	Previous Budget	After \$150M Announcement
<i>Locally Operated Transit Systems (LOTS) Operating Grants</i>	\$26.25M 40% reduction to state match for LOTS operating grants	\$26.25M in FY25 to restore state match for LOTS operating grants
<i>Commuter Bus Operations</i>	\$62M Eliminate all Commuter Bus service July 1 after public hearings	\$28M in FY25 to maintain service on the highest ridership routes
<i>MARC Brunswick Line Operations</i>	\$7.75M Reduce from 3 to 1 daily roundtrips to West Virginia. Do not advance planned service growth (2 trains/day)	\$7.75M in FY25 to restore previously proposed reductions
<i>Baltimore Core Bus, Light Rail, Metro, and Mobility</i>	No reduction	No change

# MTA's Operating Budget Over Time

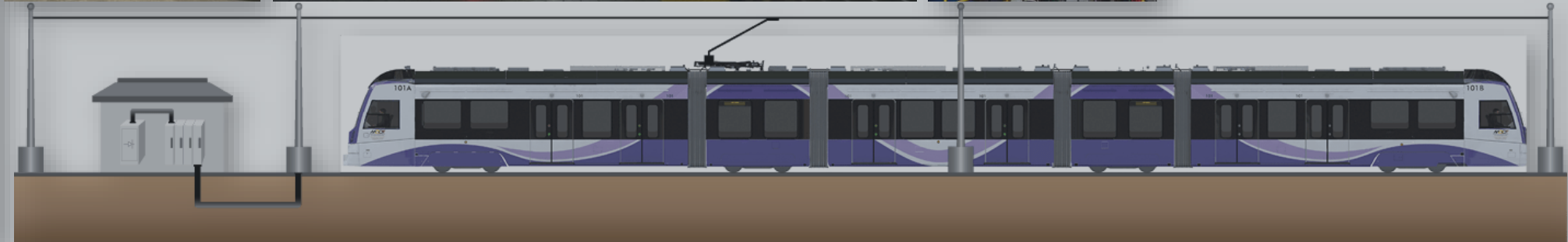
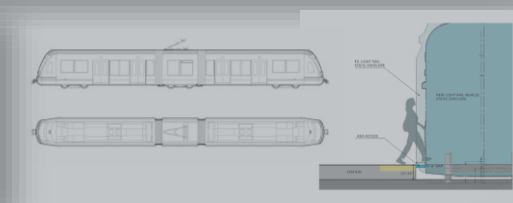
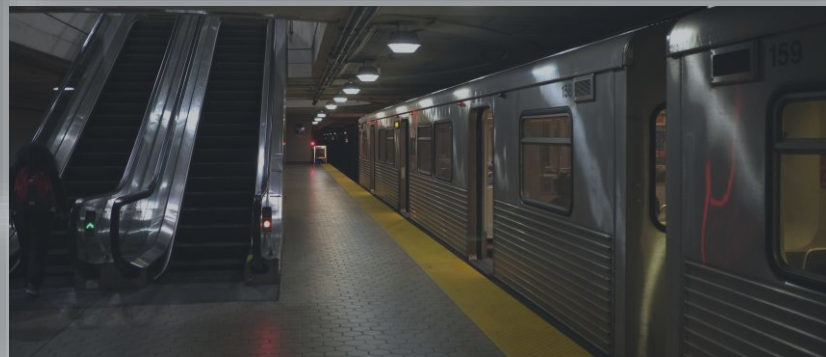
- MTA's operating costs have increased over time
- MTA has improved its budget management in recent years

MTA's Operating Budget vs Expended Over the Last 10 Years



- Primary operating cost drivers:
  - Increased labor costs
  - Inflation
  - Supply chain issues for repair parts & materials
  - Access fees for host railroads
  - Contract cost escalators



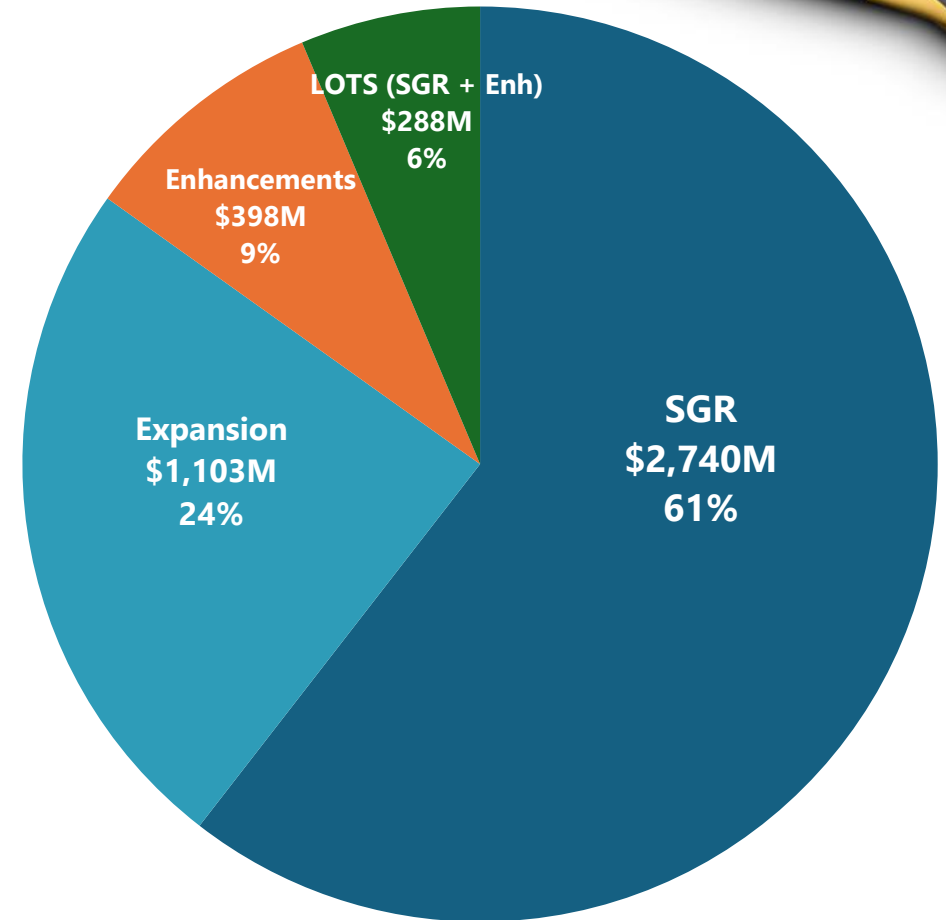


# MTA's Capital Budget



# MTA's FY24-FY29 Capital Budget

- Total 6-year capital program = \$4.53 billion
  - Over 850 projects
  - Over 60% toward State of Good Repair
    - State of Good Repair (SGR) refers to keeping capital assets in a condition sufficient for the asset to operate at a full level of performance
  - Expansions include Purple Line and Red Line
  - Enhancements include Frederick Douglass Tunnel
- Total 6-year capital reduction = \$554 million
  - SGR reduction = \$519 million
  - \$15 million restored for SGR



# MTA's Asset Management Status

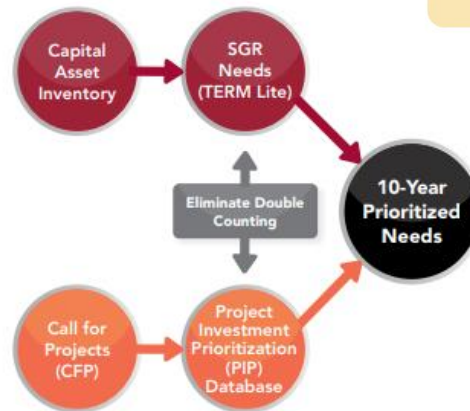
- What is Transit Asset Management (TAM)?
  - Framework to monitor and manage transit assets
  - Prioritizes funding based on asset conditions to achieve and maintain SGR
  - Transit agencies are required to develop TAM plans per Federal Transit Administration (FTA) regulations

- MTA's Transit Asset Management (TAM) Program

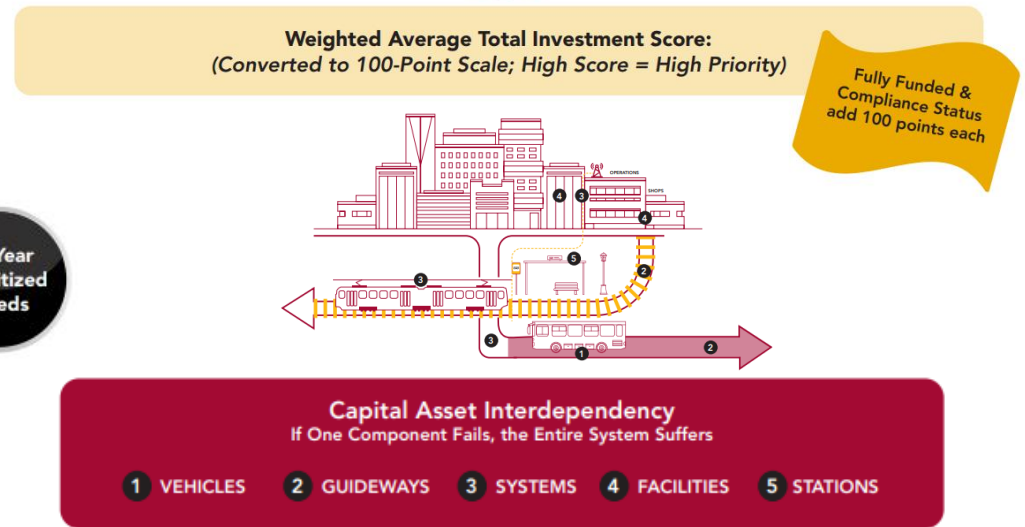
- Improved methods of capital needs prioritization
- Data-driven and risk-based decision-making
- Accuracy of asset information has improved

- Guiding documents

- Transit Asset Management Plan
- Capital Needs Inventory
- Lifecycle Management Plans
- SOPs for Inventory Data Maintenance



Asset Condition	Safety & Security	Service Reliability	O&M Impact	Equity Impact	Customer Impact
Score: Declining condition yields higher priority score	Score: Reduced risk of injuries, fatalities, and/or property damage	Score: Reduced risk of service failures, disruptions or delays	Score: Impact on reducing operating and maintenance costs	Score: Based on service equity score and project characteristics	Score: Based on number of riders served by a location, asset type, and improvement type





# MTA's Asset Condition Ratings



<i>Mode</i>	<i>Condition Rating</i>
<b>Core Bus</b>	<b>2.9</b>
Guideway	3.6
Systems	2.29
Vehicles	3.26
Stations	3.48
Facilities	2.56

<i>Mode</i>	<i>Condition Rating</i>
<b>Light Rail</b>	<b>3.1</b>
Guideway	3.21
Systems	3.07
Vehicles	2.88
Stations	2.75
Facilities	3.52

<i>Mode</i>	<i>Condition Rating</i>
<b>Metro</b>	<b>3.09</b>
Guideway	3.5
Systems	2.48
Vehicles	2.07
Stations	2.76
Facilities	3.52

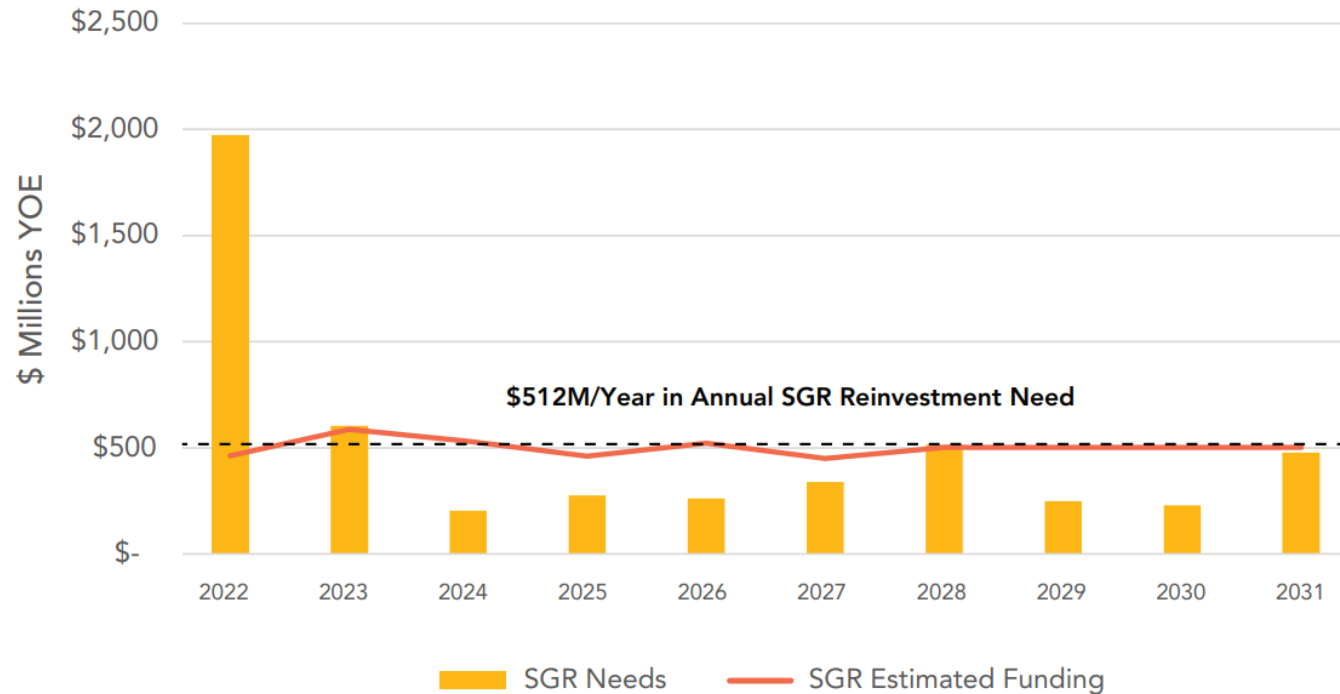
<i>Mode</i>	<i>Condition Rating</i>
<b>MARC</b>	<b>3.4</b>
Guideway	3.78
Systems	3.53
Vehicles	3.41
Stations	3.24
Facilities	3.28

<i>Mode</i>	<i>Condition Rating</i>
<b>Mobility</b>	<b>2.59</b>
Guideway	N/A
Systems	2.37
Vehicles	2.56
Stations	N/A
Facilities	3.27

<i>Condition Rating</i>	<i>FTA Rating</i>	<i>Priority Score</i>	<i>Description</i>
Excellent	5	1	New asset
Good	4	2	Minimal signs of wear
Adequate	3	3	Asset had reached its mid-life
Marginal	2	4	Asset reaching or just past its useful life
Poor	1	5	Asset past its useful life/in need of immediate repair or replacement

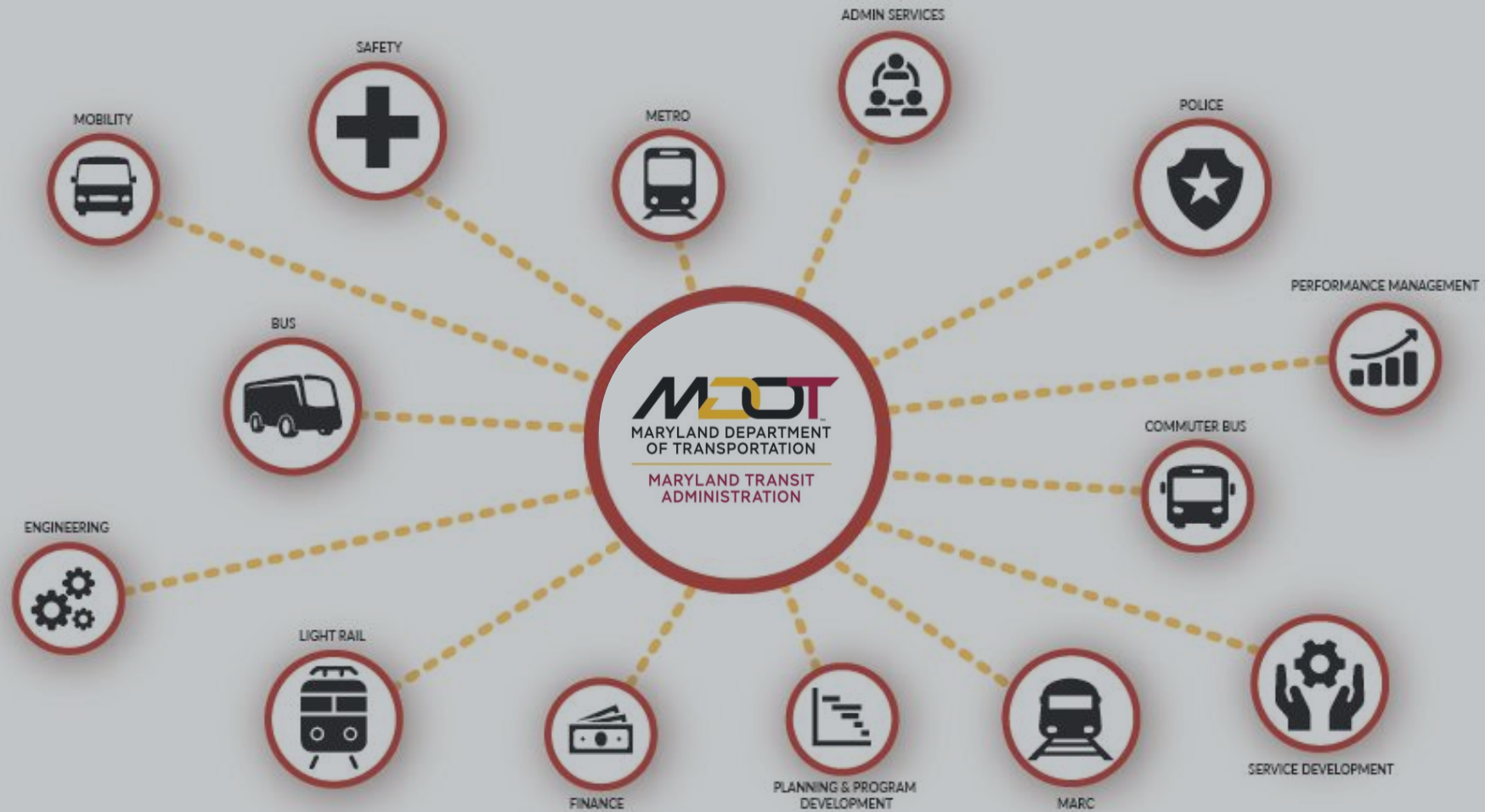
# Capital Needs Inventory

- First published in 2019
  - Updated every three years
- Captures and quantifies unconstrained capital needs over a 10-year period



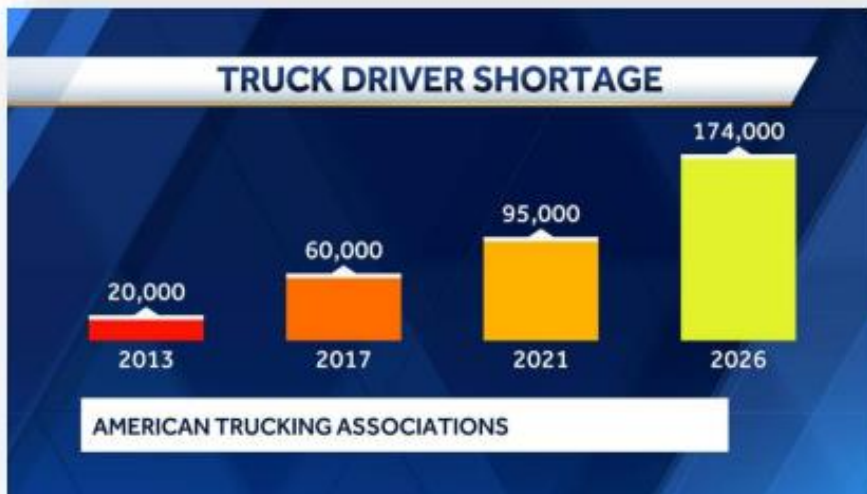
\*Note: Analysis does not include MDOT MTA needs or funding associated with the Purple Line, LOTS, or freight rail.





# Factors Influencing MTA's Budget

# National Labor Context



## Transportation | Special report: RTD can't seem to overcome its labor shortages — a problem that's affecting bus and train riders

Recent service problems show impact of high vacancies as agency works to recover





# Industry Challenges

MASS TRANSIT SUBSCRIBE MAGAZINE ADVERTISE CONTACT US SUPPLIER'S DIRECTORY

APTA EXPO 2023 COVID-19 NEWS BUS RAIL TECHNOLOGY SAFETY & SECURITY ALT. MOBILITY MANAGEMENT TRANSIT BIDS CAREER CENTER

MANAGEMENT

## What Can Be Done About Transit's Supply Chain Challenges?

As with most challenges, collaboration with various stakeholders will provide a starting point to easing the strain.

Mischa Wanek-Libman

Dec. 27, 2022

ARCHITECTURE CONSTRUCTION DEVELOPMENT ENGINEERING FINANCING INVESTMENT

Home > Reports > Average National Construction Costs Rise 5.28 Percent Year-Over-Year

Reports

## Average National Construction Costs Rise 5.28 Percent Year-Over-Year

By Boston Real Estate Times - January 8, 2024

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RAIL > INFRASTRUCTURE

## Inflation raises cost of Santa Clara VTA BART to Silicon Valley Project by nearly \$3 billion

The cost of the project has risen from \$9.3 billion to \$12.2 billion; Santa Clara VTA is still able to fund the project but the project opening has been pushed back from 2033 to 2036.

Oct. 5, 2023

Related To: Santa Clara Valley Transportation Authority (VTA)

NPR

## Public transit tries to avoid death spiral after COVID

Big public transit systems are warning of deep service cuts as they struggle to make up lost revenue from fewer riders. But in some places,...

Nov 15, 2023

Eno Center for Transportation

Shining More Lights on a Multi-Billion Dollar Problem: High Costs for Transit Construction

TRANSPORTATION

## Why does it cost so much to build things in America?

# MTA Challenges



- MTA's system is currently showing the symptoms of many years of deferred maintenance and decreased staffing levels
  - Assets approaching or past their useful life
  - Lack of redundancy in equipment leading to service disruptions
  - Preventive maintenance performed, but often not early enough and at levels that do not extend asset useful life past its expectation
- Inadequate levels of SGR funding means increased emergency repairs, reduced service reliability, and an increased backlog of needed projects
  - Longer wait times and fewer options for riders

# Moving Forward

- Increasing organizational capacity to deliver capital projects
  - What we've done so far:
    - Added 3 PINs to MTA's Procurement office
    - Added new Director of Capital Program and Asset Management position
    - Added Capital Program support staff to speed up funding approvals and provide more information to department managers and directors on spending progress
    - Hired additional Planning and Engineering consultants to drive projects
- Improving program management
  - What we've done so far:
    - Established Program Management Oversight office that is responsible for ensuring projects are coordinated, bundled and prioritized to maintain schedules
    - Implemented process changes to reduce work order and funding approval bottlenecks
- Focusing on the customer experience
  - What we've done so far:
    - Established Office of Customer Experience
    - Launched Customer Experience dashboard