

September 2022

# **Transit Governance and Funding**

**Workgroup Meeting**

# Today's Agenda

- 1 Welcome and Introductions**
- 2 Workshop Agenda and Schedule**
- 3 Transit Governance and Funding in Maryland**
- 4 Framing the Challenge**
- 5 Governance Models**
- 6 Next Steps / Public Participation Opportunity**

# Welcome and Introductions



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# Workgroup Agenda and Schedule



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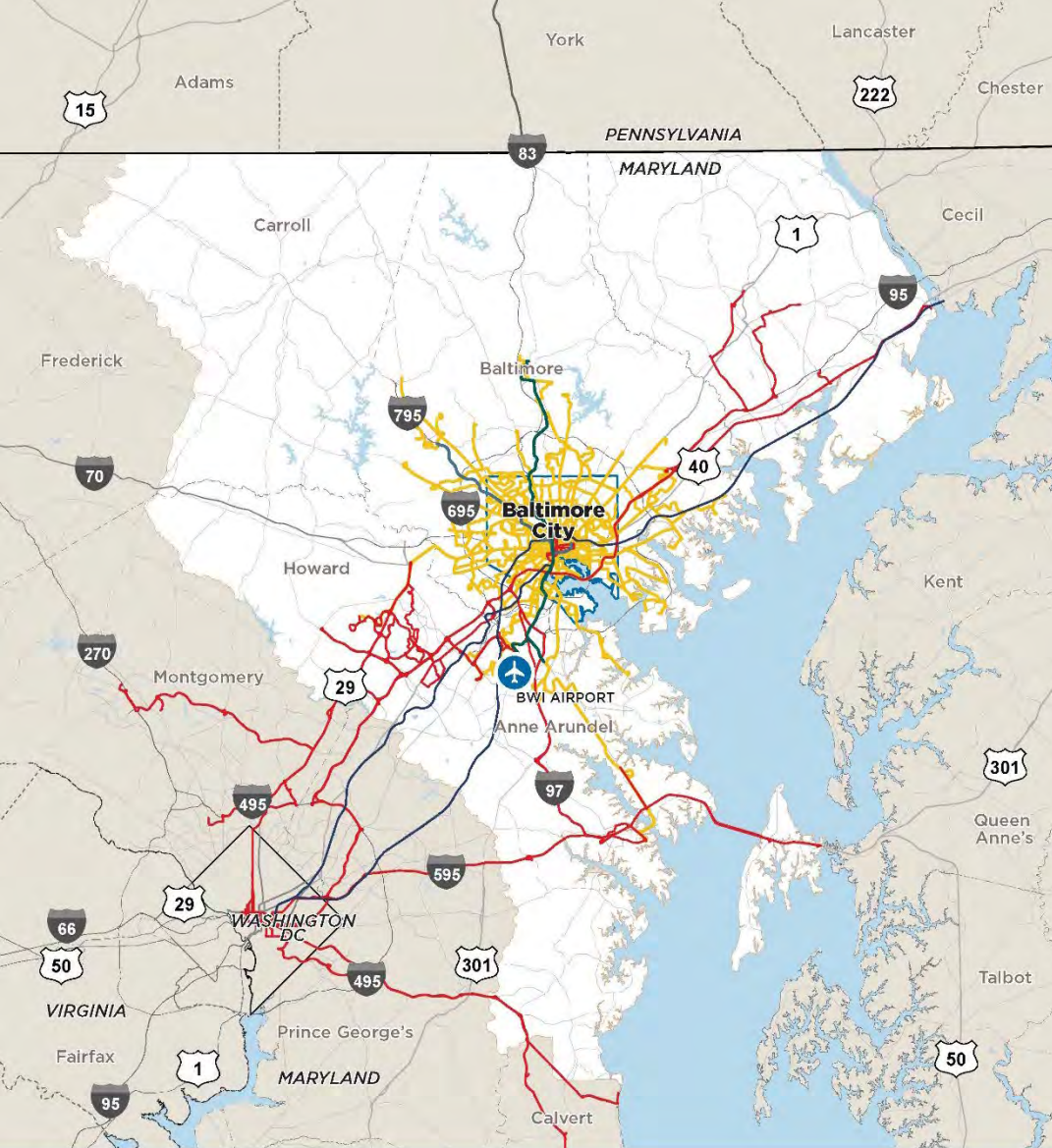
# Transit Governance Workgroup – Schedule

SEPTEMBER 2	OCTOBER 7	NOVEMBER 4	DECEMBER 2
<ul style="list-style-type: none"> <li>• <b>Summarize findings</b> from 2021 study</li> <li>• <b>Discuss governance</b> and funding models</li> <li>• <b>Questions</b> and Initial Prioritization</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Review</b> governance and funding models / answer questions</li> <li>• <b>Implications</b> for Transit funding statewide (Locally Operated Transit Systems (LOTS))</li> <li>• <b>Questions</b> and Discussion</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Update</b> on Baltimore Region Models and LOTS program</li> <li>• <b>Prioritization</b> and Draft Recommendations</li> <li>• <b>Additional Questions</b> and Information Needs</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Recommend</b> Governance and Funding Structure for Baltimore Region</li> </ul>

# Transit Governance and Funding in Maryland



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# MDOT-MTA Ridership (FY19)

## TRIPS

63,988,571

### FIXED-ROUTE BUS:

CityLink, LocalLink, ExpressLink

6,966,072

### LIGHTRAILLINK

7,275,335

### METROSUBWAYLINK

2,992,499

### MOBILITYLINK

9,180,885

### MARC COMMUTER RAIL

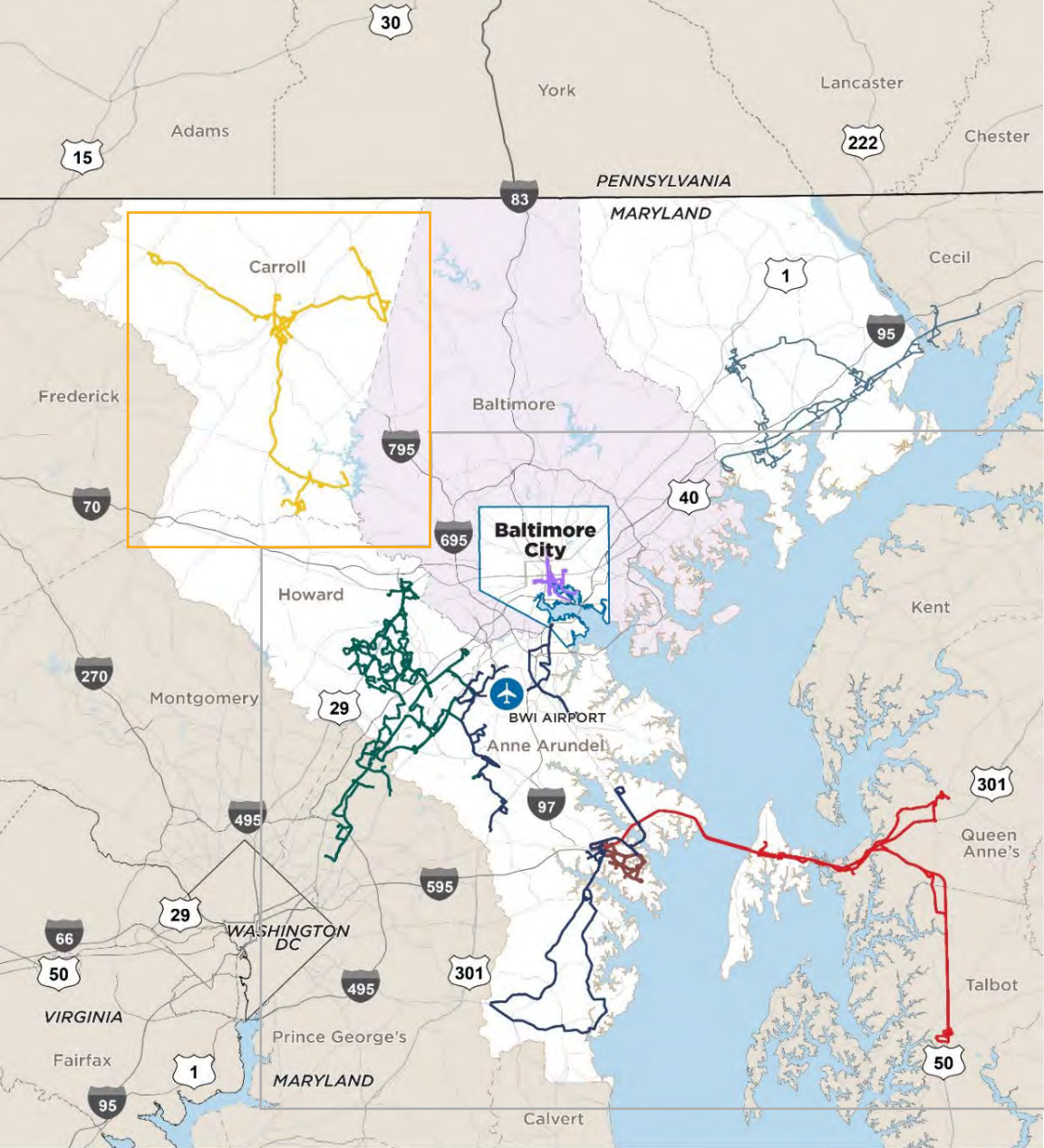
3,623,587

### MTA COMMUTER BUS

\*All trip FY19



# LOTS by Jurisdiction



TRIPS

413,457	<i>Annapolis Transit</i>
295,177	<i>Anne Arundel County Office of Transportation</i>
1,400,238	<i>Baltimore City Charm City Circulator</i>
332,561	<i>Harbor Connector</i>
38,533	<i>Baltimore CountyRide</i>
161,867	<i>Carroll Transit</i>
358,500	<i>Harford Link</i>
751,434	<i>RTA</i>
26,662	<i>Queen Anne's County Ride</i>

Locally Operated Transit Systems (LOTS)

**LEGEND**

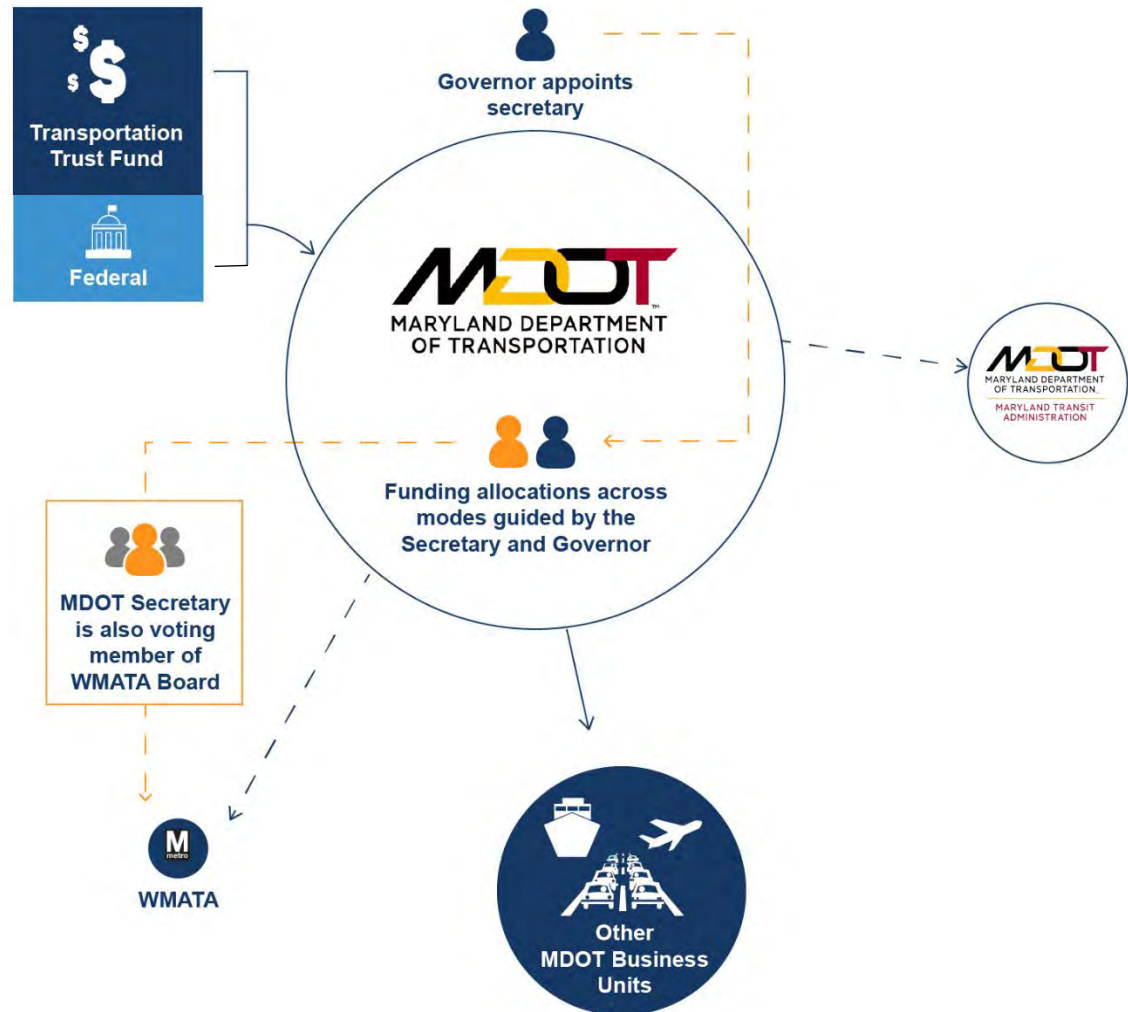
- RTA Routes
- AAOOT
- Annapolis Transit
- Queen Anne's County Ride
- Harford LINK
- Carroll Transit System
- Charm City Circulator
- Baltimore CountyRide
- Study Area
- County Line
- State Line

Miles 0 5 10 20

Data is from FY 2019

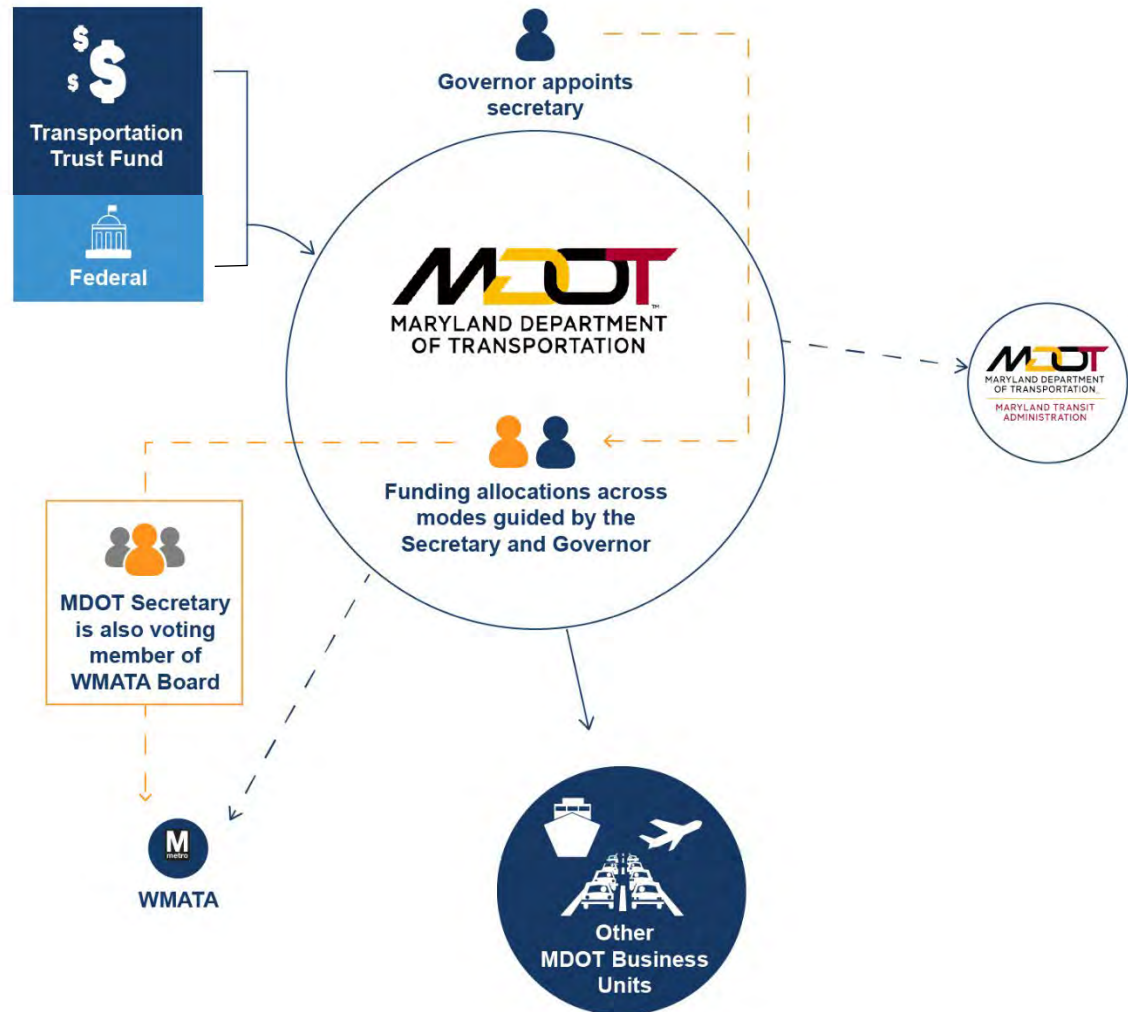


# Transit Governance and Funding in Maryland



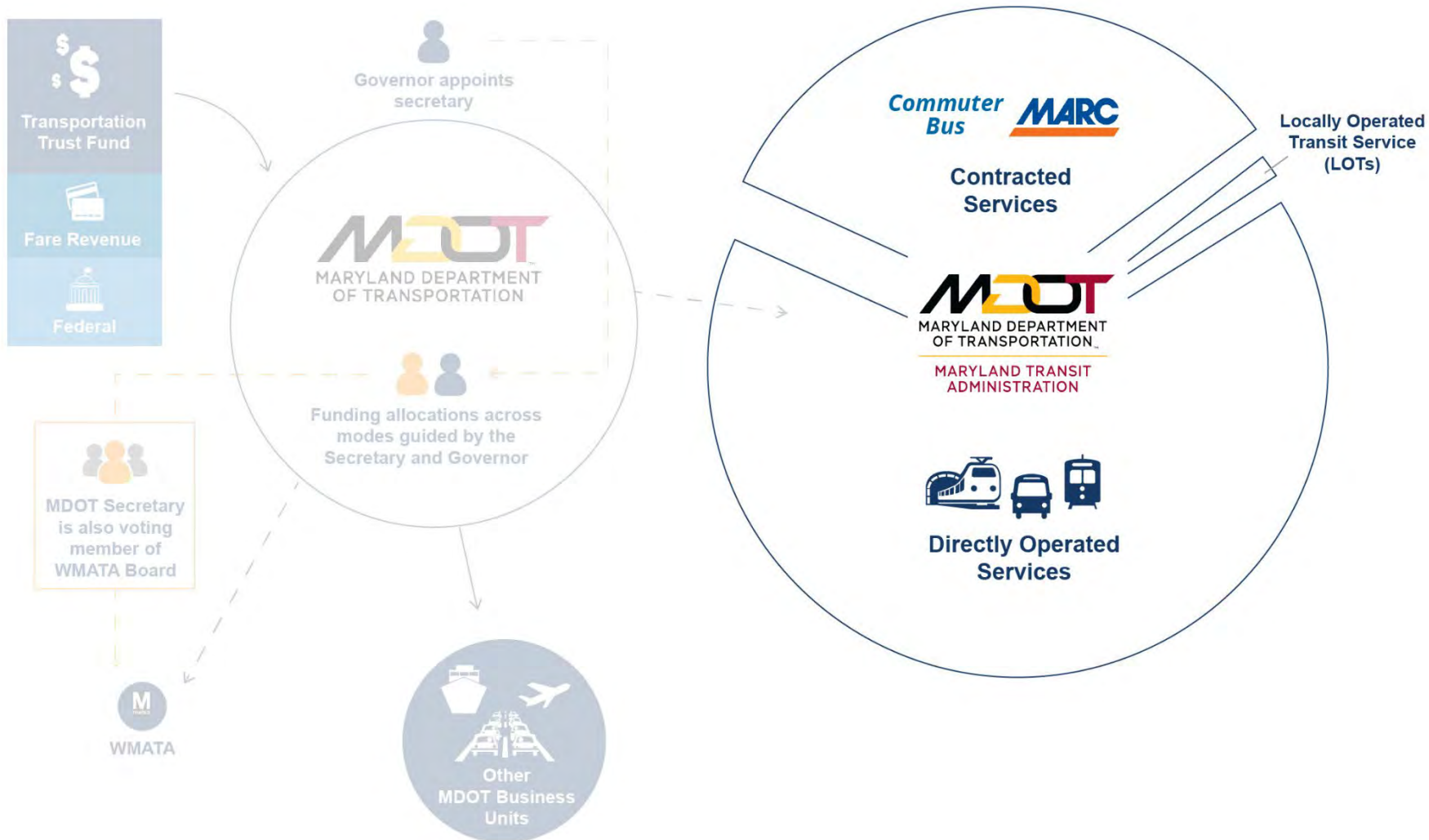
- **Maryland Department of Transportation (MDOT)** funded by statewide Transportation Trust Fund
- **Transportation Trust Fund** supports five “modal” administrations
  1. *Maryland Transit Administration*
  2. *Maryland Aviation Administration*
  3. *State Highway Administration*
  4. *Maryland Port Commission*
  5. *Motor Vehicle Administration*
- **Maryland Transportation Authority** funded through tolls

# Transit Governance and Funding in Maryland

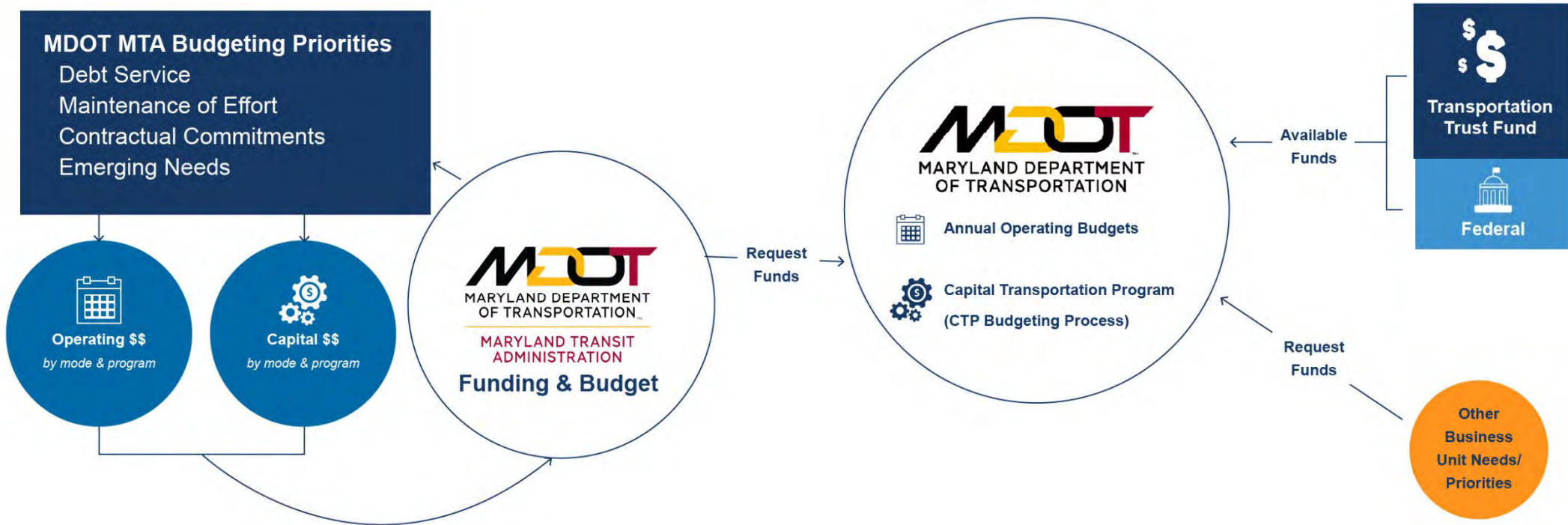


- **Secretary of Transportation** appointed by Governor
  - Also sits on WMATA Board
- **Funding allocations** across five “modal” administrations guided by history, Secretary of Transportation and Governor

# Transit Governance and Funding in Maryland



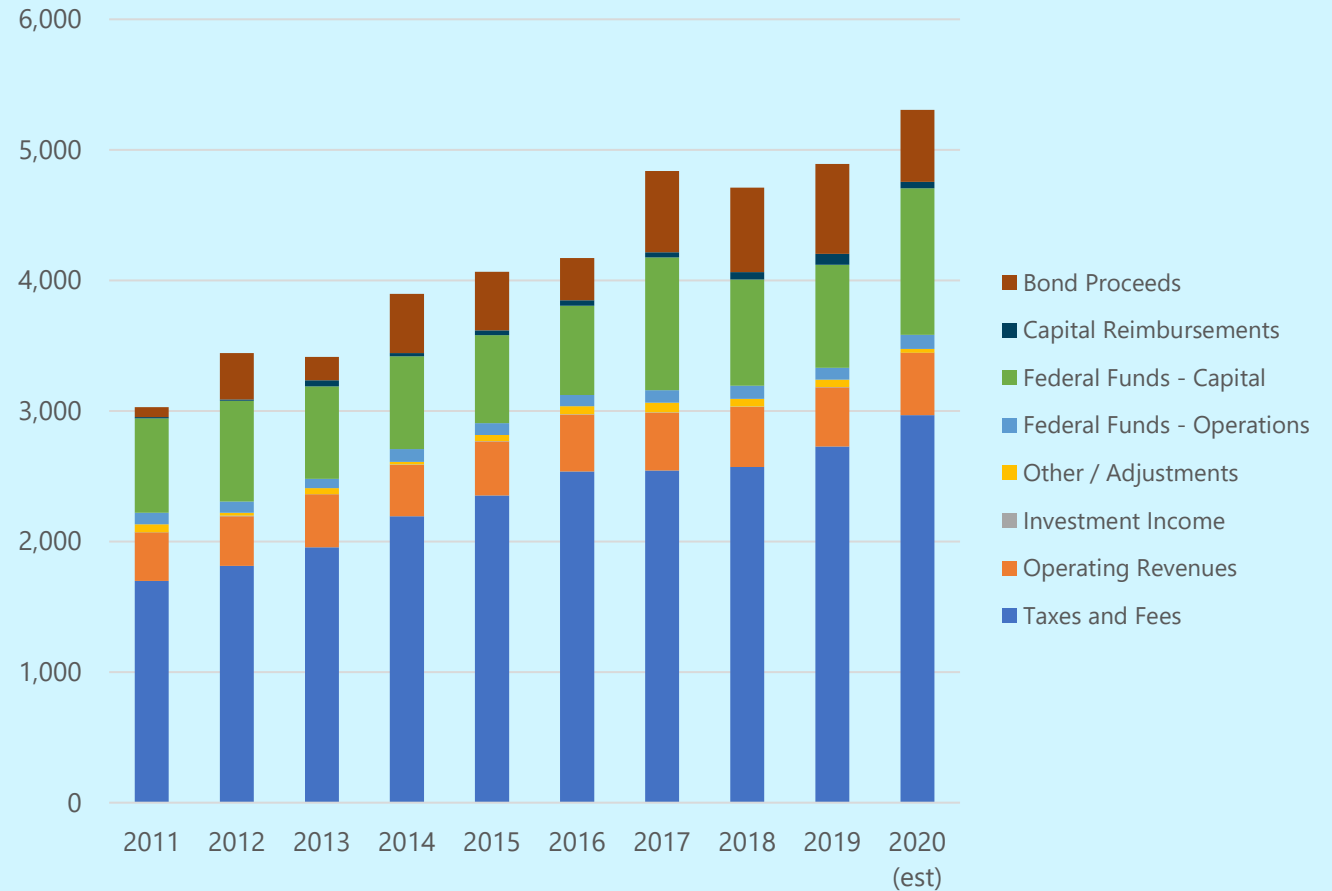
# Transit Governance and Funding in Maryland



# Maryland Transportation Trust Fund

- Constrained by revenues - largest revenue source is taxes and fees
- Longer-term vulnerability
  - Reliance on motor fuel tax, user fees
  - Alternative delivery mechanisms have a place, no substitute for \$

## Transportation Trust Fund FY 2011 – 20 (\$ millions)



Source/notes: Maryland Department of Budget and Management  
Operating Budget Detail. excludes county and municipal funds.

**Data is from FY 2019**



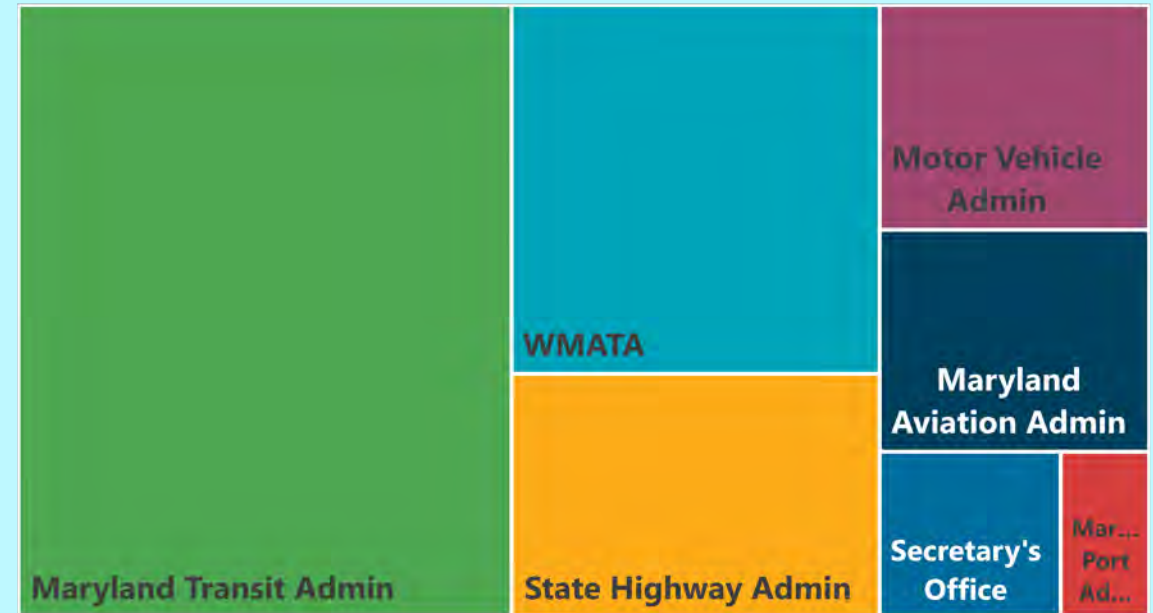
# Allocating Funding: (State and Federal Funds)

- Transit investments account for about half of MDOT's transportation investments:
  - MDOT MTA receives about one-third of funding
    - 44% Operating (\$6.3 billion total)
    - 21% Capital (\$3.1 billion total)
  - WMATA receives about 20% (includes general fund contributions)
    - 19% Operating (\$2.8 billion)
    - 18% Capital (\$2.7 billion)

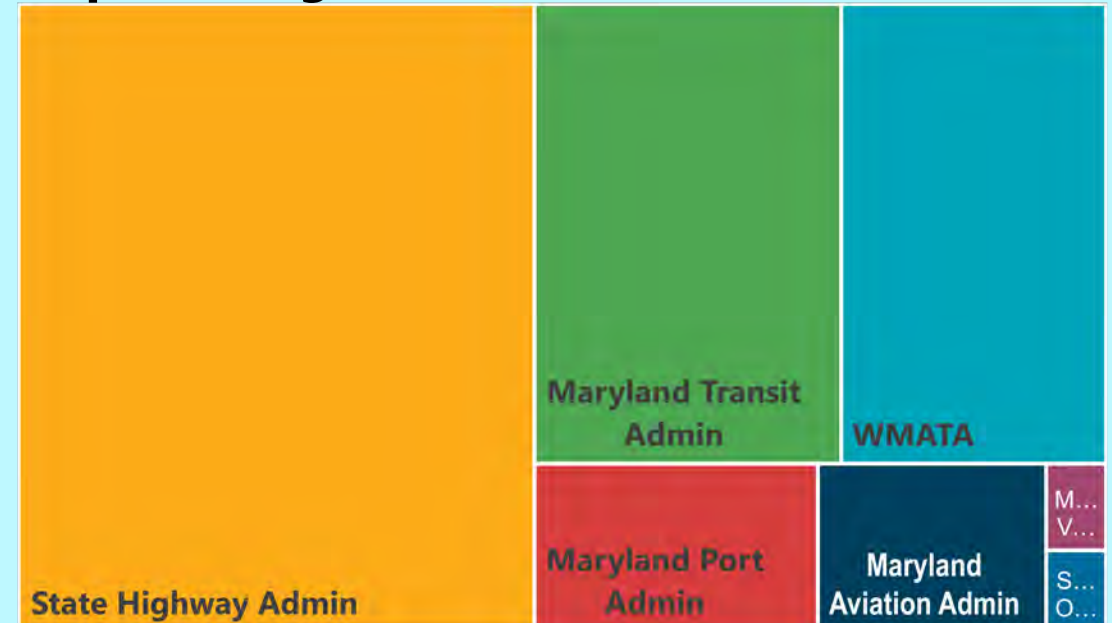
Data is from FY 2019

Source: FY 2021 – FY 2026 Maryland Consolidated Transportation Program

## Operating Cost by Modal Agency, FY 2021-26 CTP



## Capital Program by Modal Agency, FY 2021-26 CTP



# Maryland Transit Administration

## HISTORICAL INSIGHTS

- State of Maryland has strong role in transit
  - Historic role – over one hundred years of involvement
  - Includes funding support and governance
  - Created stability for transit services
- Transit in Baltimore Region funded with state and federal funds, administered by MDOT-MTA. Decision making is at state level.
- Local transit in Baltimore uses federal and state funds administered by MDOT-MTA plus local funding. Decision making is local





# Maryland Transit Administration

## MULTIPLE RESPONSIBILITIES

- Transit operator for Baltimore Region
  - Directly operated by MDOT-MTA
  - Employees are unionized
    - Agreements with MDOT-MTA
- Transit operator for regional/statewide services (commuter bus and statewide rail)
  - Operated under contract to private provider
  - Rail employees are unionized
    - Agreements with contractors
- Program Administrator for transit funding programs (state and federal programs)



# Transit Services in Baltimore Region

>>> *How are the services funded (capital and operating)?*

Federal and State Grants	Federal and State Grants	Federal and State Grants • Local Revenues
<p><b>Baltimore Region</b></p> <p>Fixed Route Bus <i>(CityLink, LocalLink, ExpressLink)</i> Light Rail Link MetroSubway Link MobilityLink</p>	<p><b>Statewide Services</b></p> <p>MARC Commuter Rail MTA Commuter Bus</p>	<p><b>Locally Operated Transit Systems</b></p> <p>Annapolis Transit Anne Arundel County Office of Transportation Baltimore Charm City Circulator Harbor Connector Baltimore CountyRide Carroll Transit Harford Link RTA Queen Anne’s County Ride</p>

>>> *Who Makes Decisions about services, funding and investments?*

<b>MDOT MTA</b>	<b>MDOT MTA</b>	<b>Local Entities*</b>
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# Framing the Challenge



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# Goals for Transit in Baltimore Region

- **Improve Transit Service**
- **Improved Service Coordination**
- **Strengthen Regional Connections**

} Create an integrated, efficient regional transit network

- Enhance Decision Making
- Increase Transit Investment
- Ensure Equitable Investment



# Integrated, Regional Transit Network

## How it works today

- Transit services planned, operated and funded independently
  - Baltimore services and LOTS
  - Individual LOTS services
- Limited local input on investments and decision making about Baltimore services
- Lack of regional coordination
- Funding constrains investments

## Governance & Funding Models Evaluation

- Support regional coordination / Integrate with regional growth and development
- Address regional transit needs
- Address local transit needs
- Balance regional and local needs



# Enhance Decision Making

## How it works today

- Centralized Decision-Making
  - State executive makes key decisions
  - Maryland Transportation Commission
  - No state level transit advisory or policy board
- Lack of Transparency
  - MDOT-MTA decision making is driven by staff within MDOT budget/program constraints
- Local decision making by LOTS through City/County Budget process

## Governance & Funding Models Evaluation

- Transparency of decision making
- Ability to influence decision-making
  - Regional level
  - Local level

# Increase Transit Investment

## How it works today

- Funding collected statewide through combination of user fees and taxes
  - Transportation Trust Fund determines available funds
  - Difficult to target increased funds for transit
    - Increasing TTF taxes and fees possible, but shared across all modes
- State of Maryland is recipient of federal funds (Federal Transit Administration)

## Governance & Funding Models Evaluation

- Ability to receive state funding
- Funding authority
  - Opportunities to increase transit funding
  - Opportunities to diversify transit funding sources
- Funding base
  - Strength of funding base (yield)
  - Diversity of funding resources (reliability)



# Ensure Equitable Transit Investment

## How it works today

- Funding collected statewide through combination of user fees and taxes
- Opaque funding distribution model
  - History
  - Needs / Federal funding programs

## Governance & Funding Models Evaluation

- Influence over the distribution of funding
  - State and local funding
- Ability to create equitable funding strategies
  - Who pays and who benefits?
  - Are the people who can afford to pay contributing the most?

# Critical Challenge

## Status Quo

Decision making and funding is concentrated at **State level**

**Local/regional level** no funding responsibility but no decision-making authority

## Future Governance Model

**How best to balance** increased decision-making authority with more funding responsibility?

# Governance and Funding Models



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# Governance and Funding Models

**Baltimore Transit Funding and Governance Study (2021) identified six 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)

# Governance and Funding Models



**State  
Transportation  
Commission**



**State  
Transit  
Commission**



**Baltimore  
Advisory  
Board**

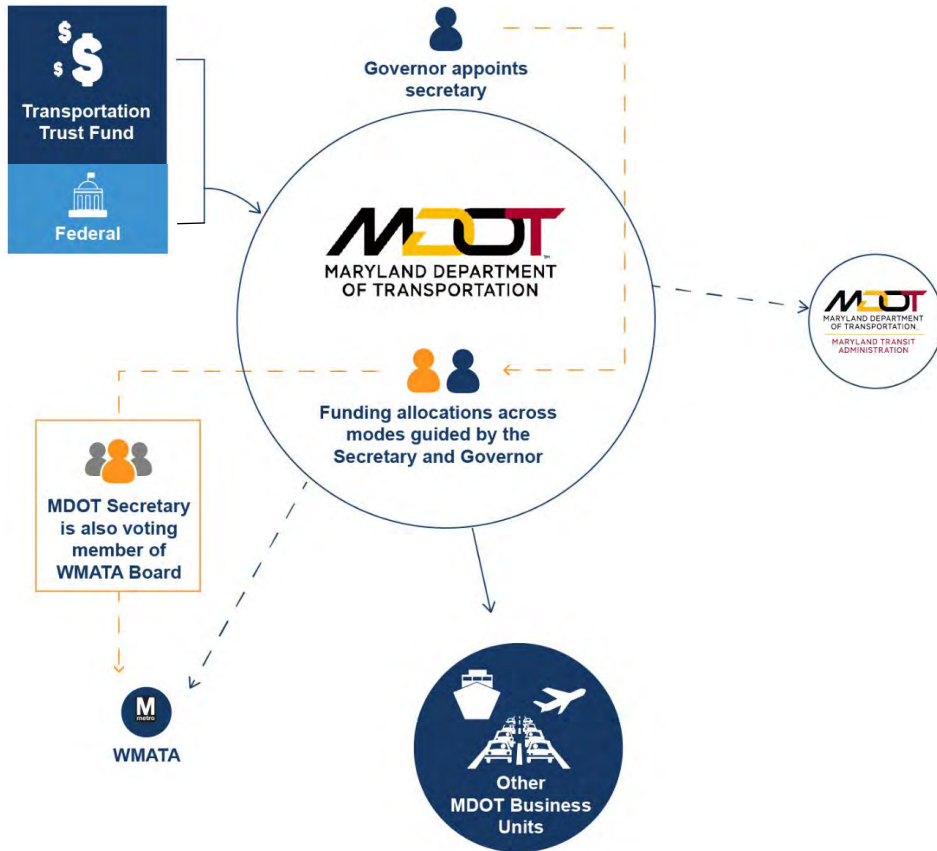


**Baltimore  
Transit  
Commission  
(BTC)**



**Baltimore  
Regional Transit  
Authority  
(BRTA)**

# Do Nothing



## How it works

- Secretary of Transportation and modal administrators make decisions about budgets and system investments
- Transportation Commission and other modal boards/commissions serve as advisory roles
- MDOT MTA is a Direct Recipient of Federal Transit Administration funds for Baltimore Urbanized area.

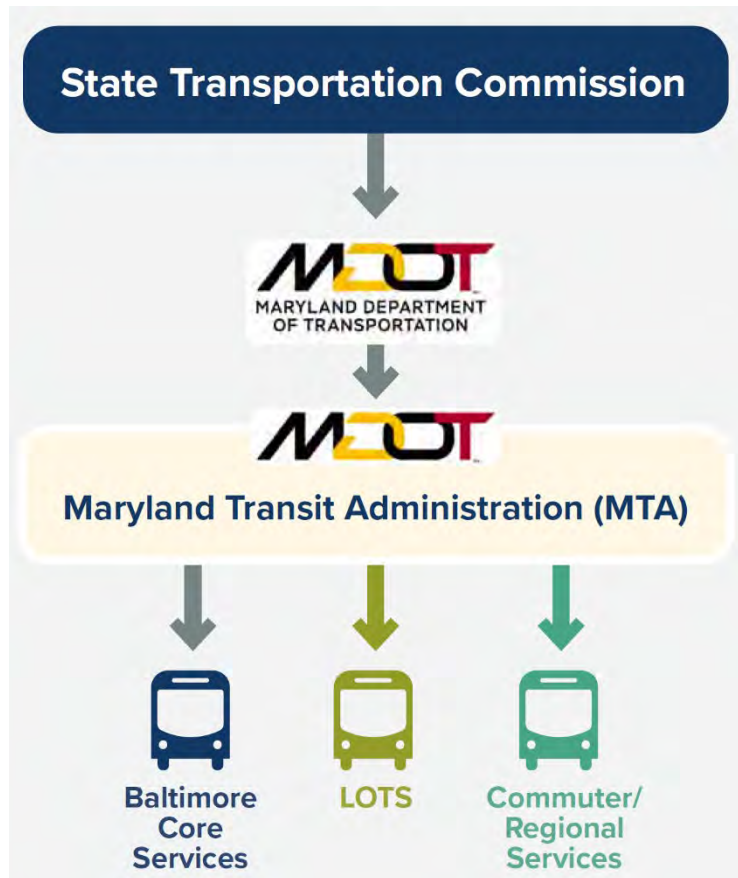
## Benefits

- **Decisions rest with state's executive**
- **Lack of transparency** about decision-making
- **Difficult to raise funds**
- **Eight transit systems** in Baltimore region
- **Real and perceived inequities** regarding Baltimore and Washington DC

## Considerations

- MDOT MTA supports transit capital and operating costs with **no local match**
- Transportation Trust Fund provides **flexibility** across the state's transportation system
- **Supports modal coordination**

# State Transportation Commission



## How it works

- **Modify existing** Maryland Transportation Commission to oversee Transportation Trust Fund
- Secretary of Transportation and Commission **allocate TTF**
- **Expand Board** to include representatives appointed by General Assembly and regional and/or local jurisdictions

## Benefits

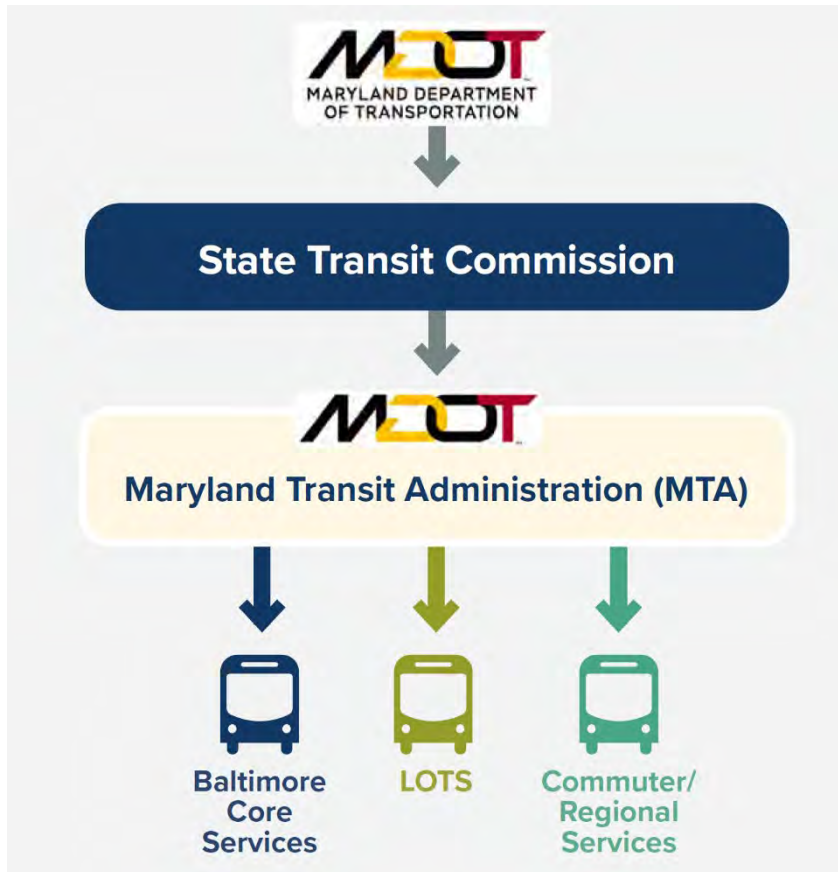
- Increases **transparency**
- **Diversifies** decision-making / shares responsibilities
- **Expanded representation** could expand funding

## Considerations

- Local and regional **input limited**
- Does not address **regional coordination**
- Could reallocate priorities but **doesn't expand funding**
- Risks **politicizing** decision-making



# State Transit Commission



## How it works

- Creates a **new commission** to oversee spending and investment decisions
- State Transit Commission **oversees all MDOT MTA programs**
- MDOT MTA's Administrator is **MDOT employee** but serves at the pleasure of the State Transit Commission
- Commissioners include **statewide and Baltimore** representatives

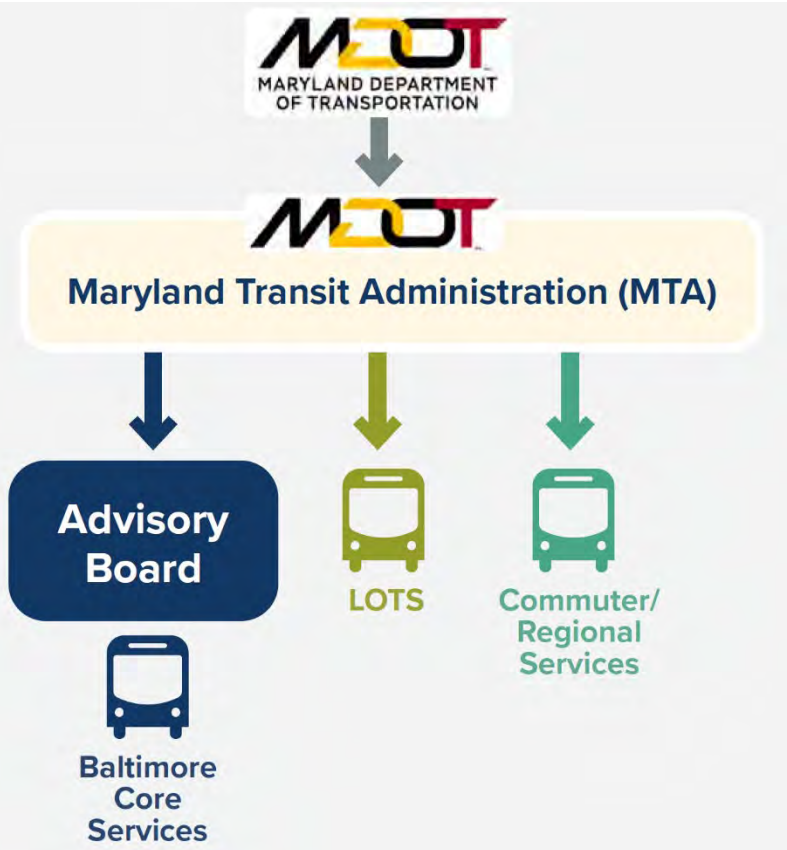
## Benefits

- Increases **transparency**
- **Diversifies** decision-making / shares responsibilities
- **Expanded representation** could expand funding

## Considerations

- Limited local and regional input
- Does not address regional coordination
- Could reallocate priorities but **doesn't expand funding**
- Risks politicizing decision-making

# Baltimore Advisory Board



## How it works

- **Create a new regional body** to oversee spending and investment decisions associated with Baltimore Core Services
- **Does not have responsibilities** associated with LOTS or MARC, but would influence commuter bus
- **MDOT MTA operates** service
- Would be **stronger if Advisory Board managed** a predictable operating and capital budget.

## Benefits

- Increases **transparency**
- **Diversifies** decision-making / shares responsibilities
- **Increased opportunity** for service integration and coordination
- **Expanded representation** could expand funding

## Considerations

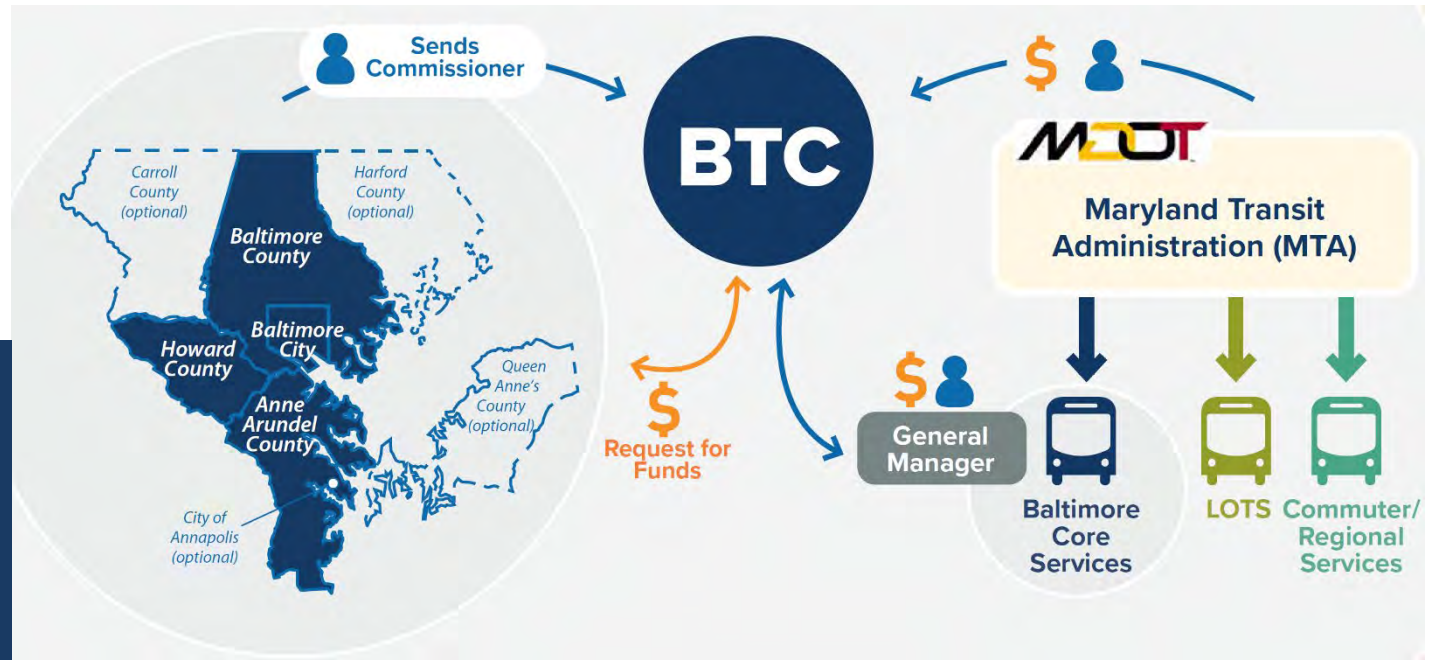
- Local and regional **input limited**
- Could reallocate priorities but **doesn't expand funding** (automatically)
- Risks **politicizing** decision-making

MODEL  
**4**

# Baltimore Transit Commission (BTC)

## How it works

- **New state-regional commission** to oversee and manage transit in the Baltimore Region
- Commission includes state, regional and local representation
- Has **authority to raise distribute and spend funds** for transit service and capital projects
- **General Manager would be MDOT MTA** employee appointed by the BTC Board.
- **MDOT MTA operates** Baltimore area's core bus service, light rail, subway and paratransit
- BTC Board **does not have responsibility for LOTS or statewide programs.**



## Benefits

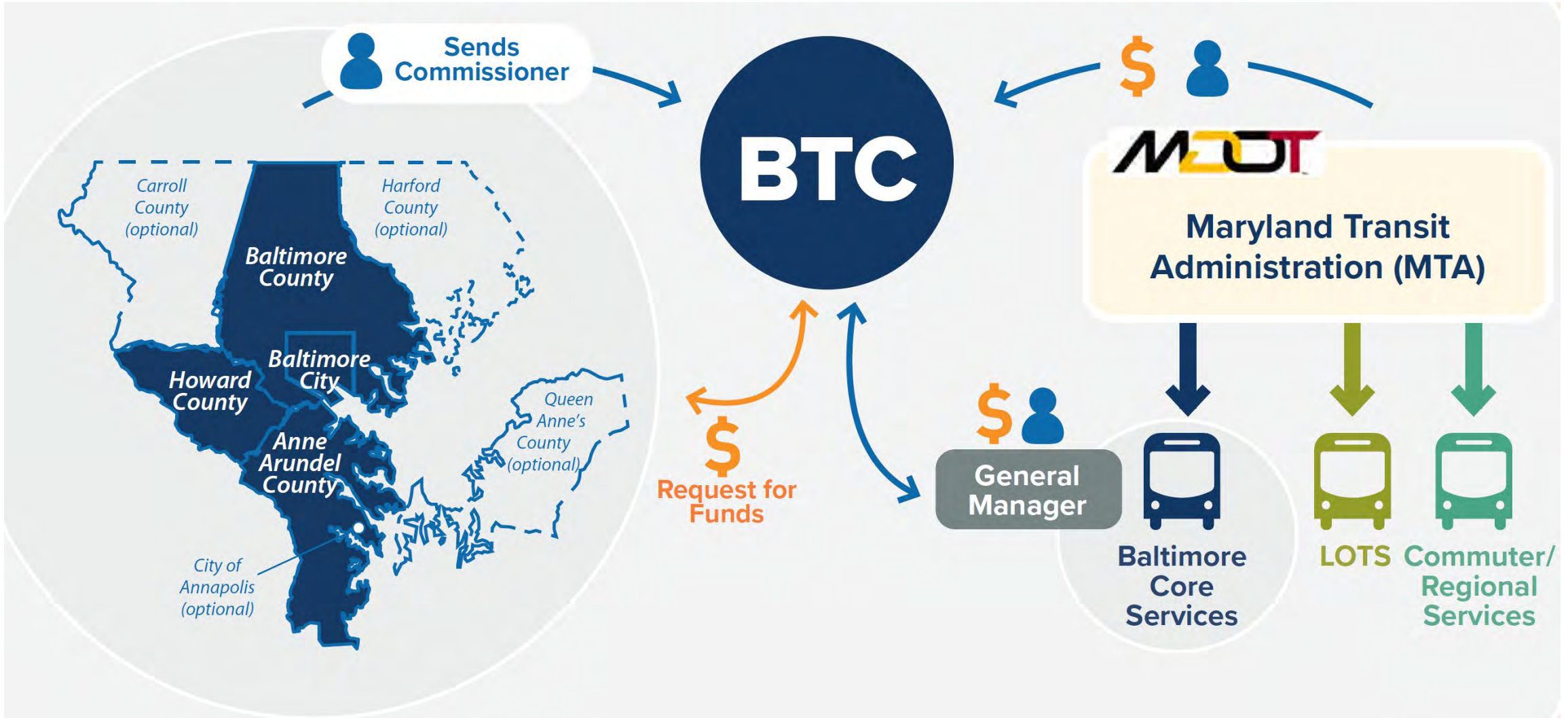
- Creates a **centralized body** responsible to Baltimore region
- **Diversifies** decision-making / shares responsibilities
- Increased **opportunity** for service integration and coordination
- Increased funding with **new regional resources**

## Considerations

- **Requires state legislation** to create the organization and define membership and authorities
- Would likely also **need local ordinances** to create
- Requires MDOT and MDOT MTA to **cede authority** for decision-making without changing funding responsibilities
- Challenge to get local authority to **levy local and regional taxes**



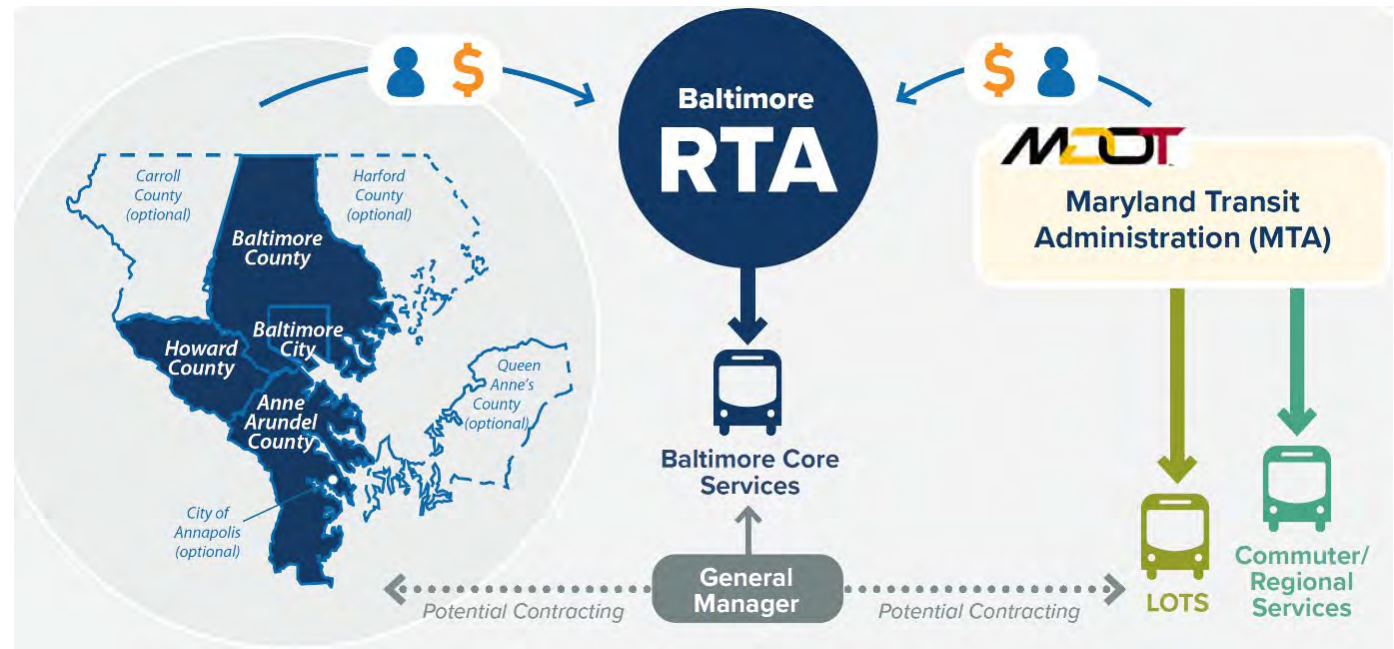
# Baltimore Transit Commission (BTC)



# Baltimore Regional Transit Authority

## How it works

- New **regional authority**
- Merge existing transit services into **single governance structure**
- **Direct recipient** of federal funds
- **Directly contracts** for service (could contract with MDOT MTA)
- Assumes **State participates as a Commissioner** and continues to support transit at the same levels. Funding would be distributed through a funding formula.
- **General Manager is RTA employee** (serve at pleasure of the Board)
- **No responsibilities** for LOTS or Statewide Services



## Benefits

- A **centralized body** responsible to region
- **Diversifies** decision-making / shares responsibilities
- Shifts transit investment decision making to **regional level**
- Increased funding with **new regional resources**
- **Regional transit service** coordination
- Statewide **parity potential**

## Considerations

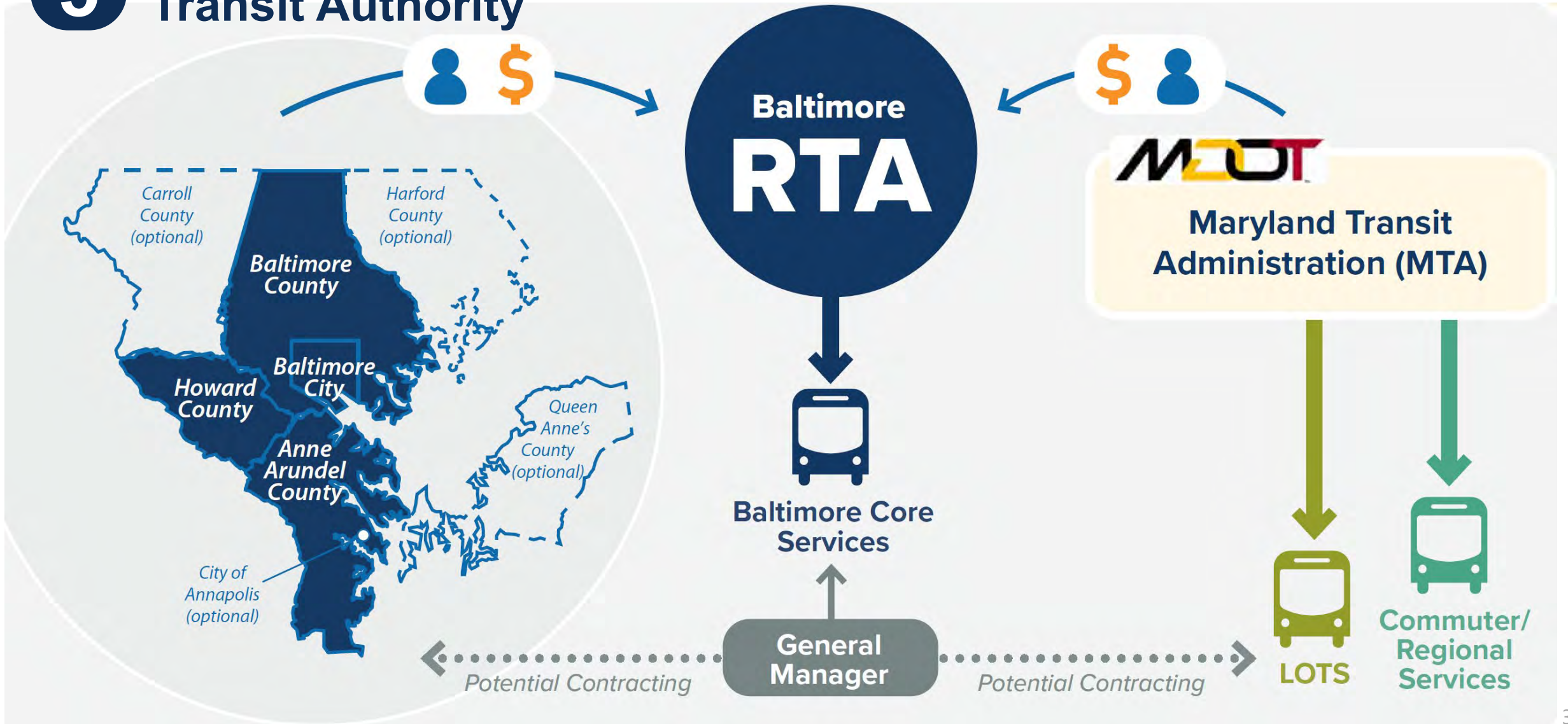
- **Requires state legislation** to create the organization and define membership and authorities
- Would **need local ordinances** to create
- Requires MDOT and MDOT MTA **to cede authority** for decision-making without changing funding responsibilities
- LOTS may be **reluctant to join** the RTA
- RTA would have **authority to contract** for services which would create changes in labor relations
- Formulas would need to **define and obligate** commitment to LOTS



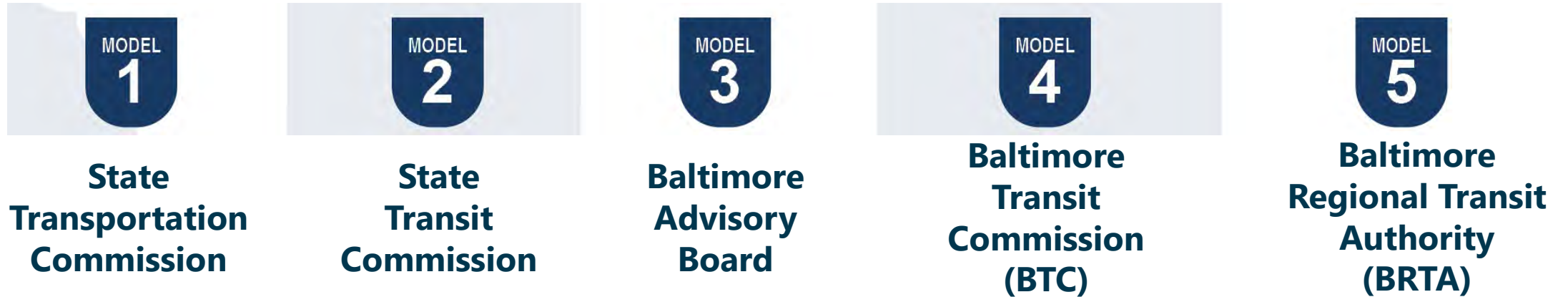
MODEL

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# Baltimore Regional Transit Authority



# Governance and Funding Models



# Discussion, Questions and Initial Priorities



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# Next Steps and Public Participation Opportunity



7

# Transit Governance Workgroup – Schedule

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# Thank you!



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