

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



1

Workgroup Agenda and Schedule



2

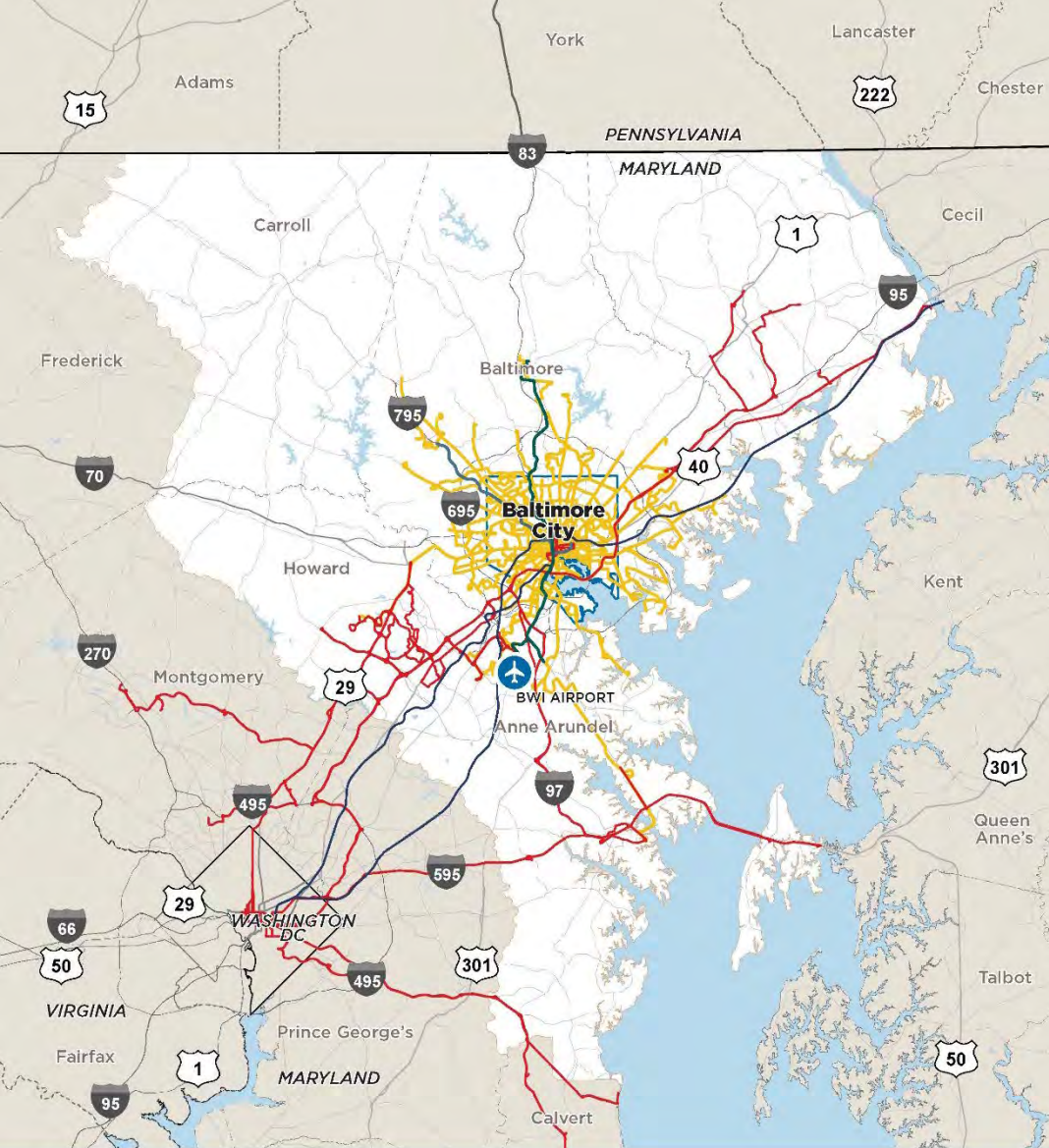
Transit Governance Workgroup – Schedule

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

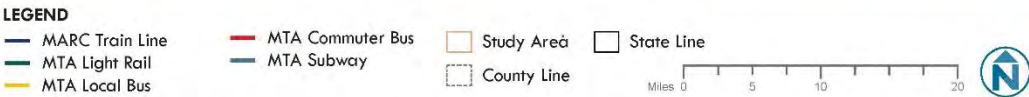
Transit Governance and Funding in Maryland



3



MDOT and MDOT MTA Services



MDOT-MTA Ridership (FY19)

TRIPS

63,988,571

FIXED-ROUTE BUS:
CityLink, LocalLink, ExpressLink

6,966,072

LIGHTRAINLINK

7,275,335

METROSUBWAYLINK

2,992,499

MOBILITYLINK

9,180,885

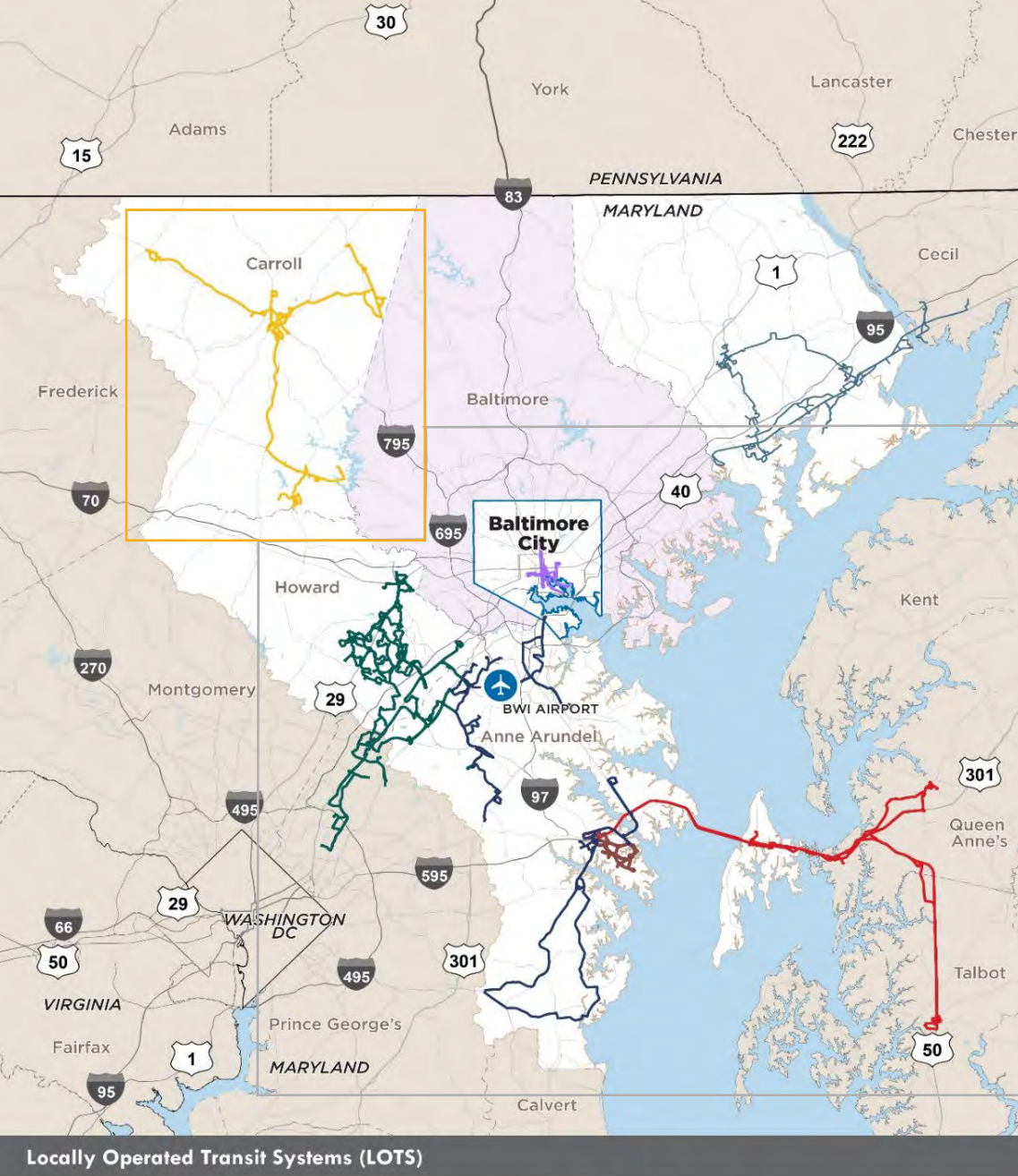
MARC COMMUTER RAIL

3,623,587

MTA COMMUTER BUS

*All trip FY19

LOTS by Jurisdiction

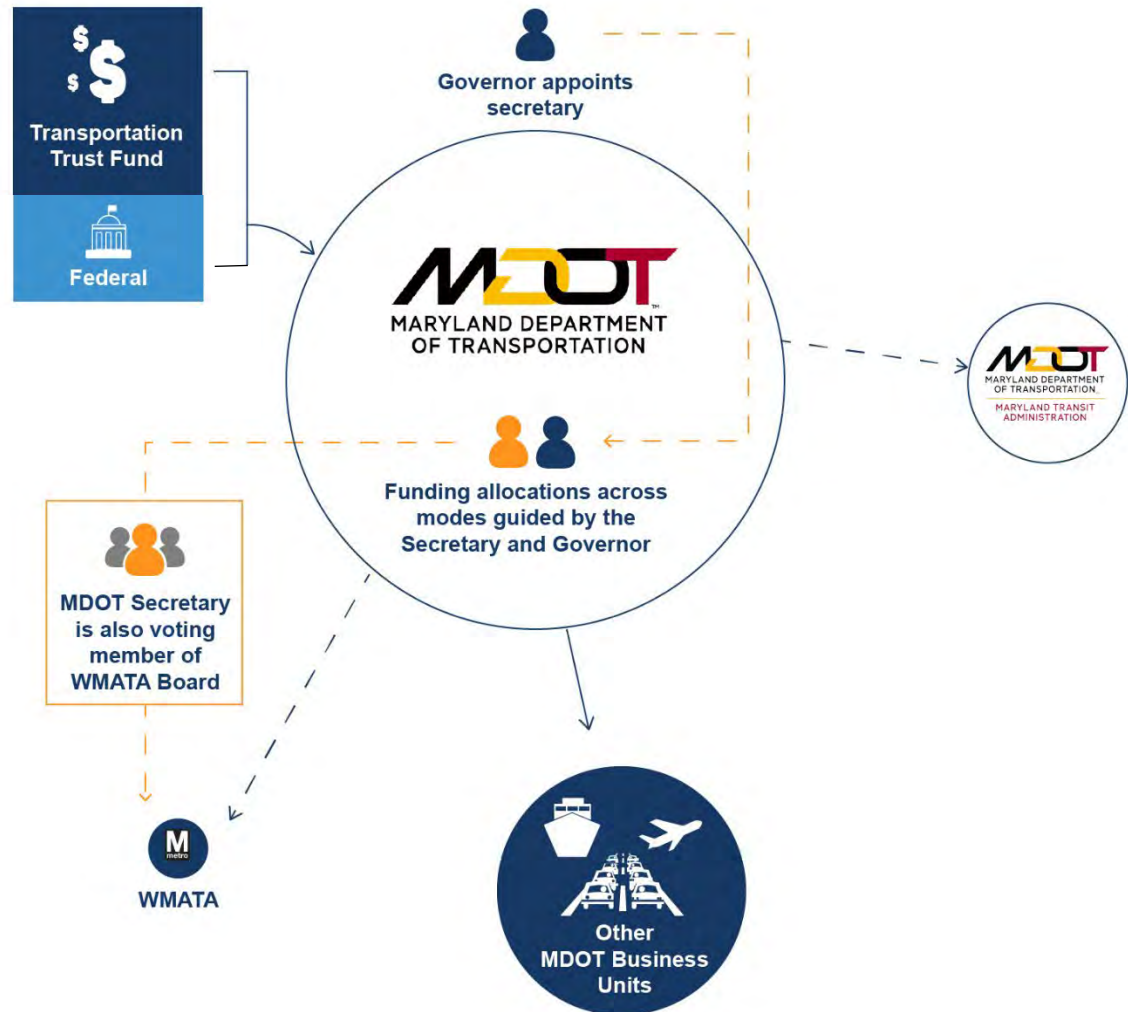


TRIPS

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

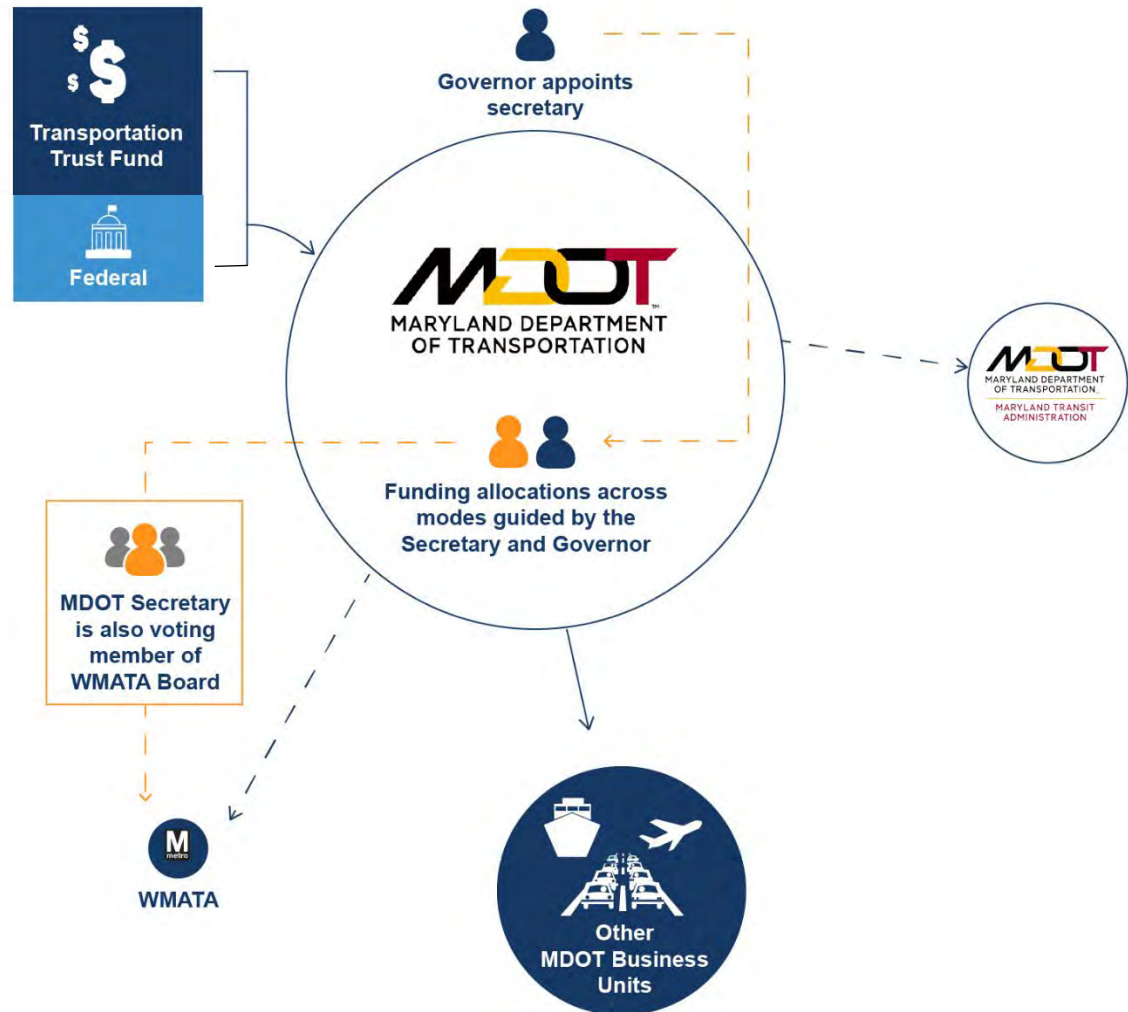
Data is from FY 2019

Transit Governance and Funding in Maryland



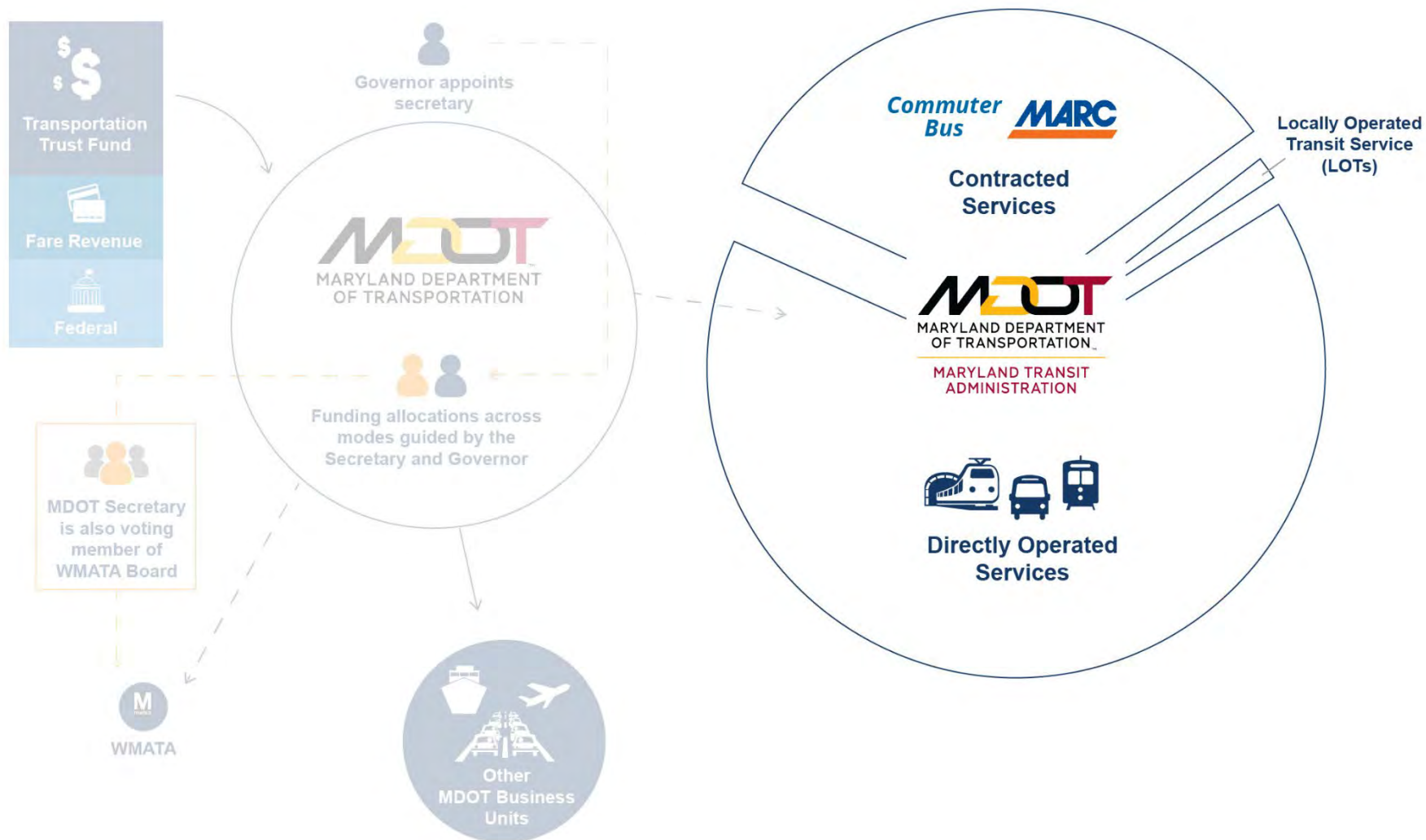
- **Maryland Department of Transportation** (MDOT) funded by statewide Transportation Trust Fund
- **Transportation Trust Fund** supports five "modal" administrations
 1. *Maryland Transit Administration*
 2. *Maryland Aviation Administration*
 3. *State Highway Administration*
 4. *Maryland Port Commission*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

Transit Governance and Funding in Maryland

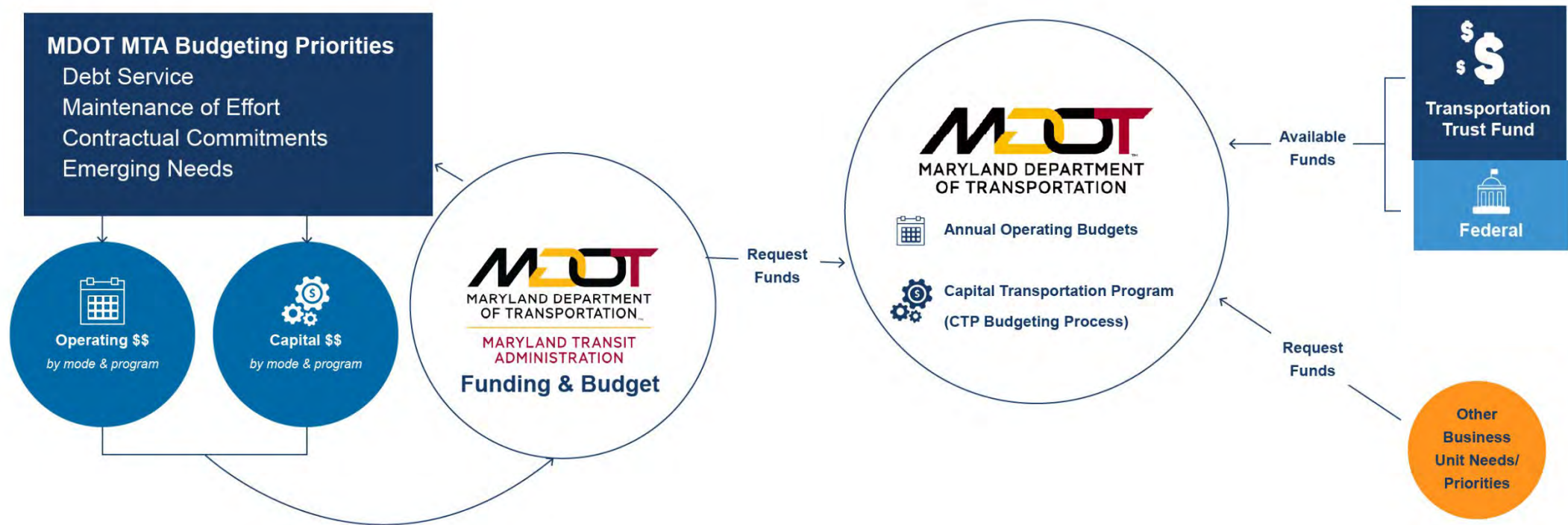


- **Secretary of Transportation** appointed by Governor
 - Also sits on WMATA Board
- **Funding allocations** across five “modal” administrations guided by history, Secretary of Transportation and Governor

Transit Governance and Funding in Maryland



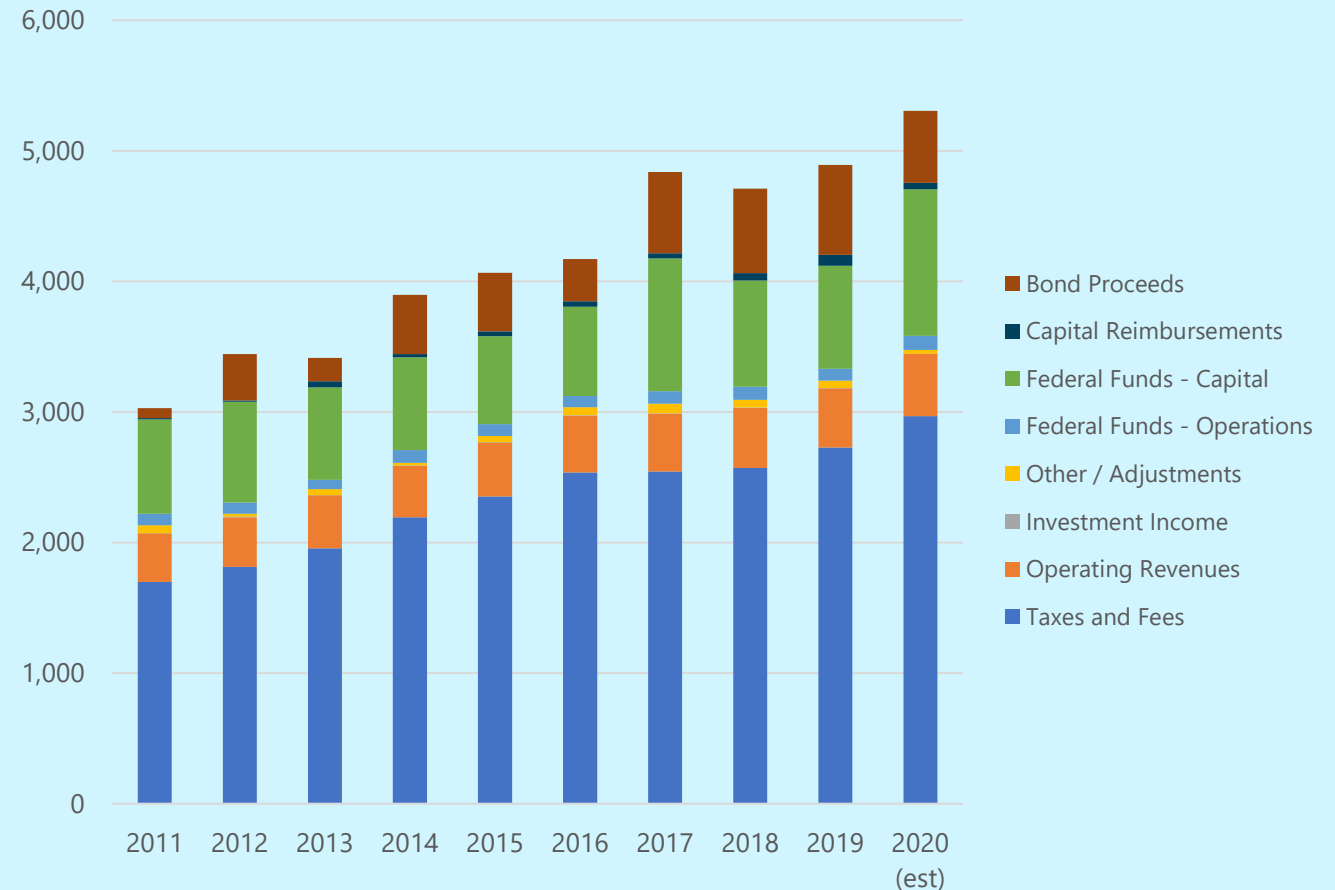
Transit Governance and Funding in Maryland



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

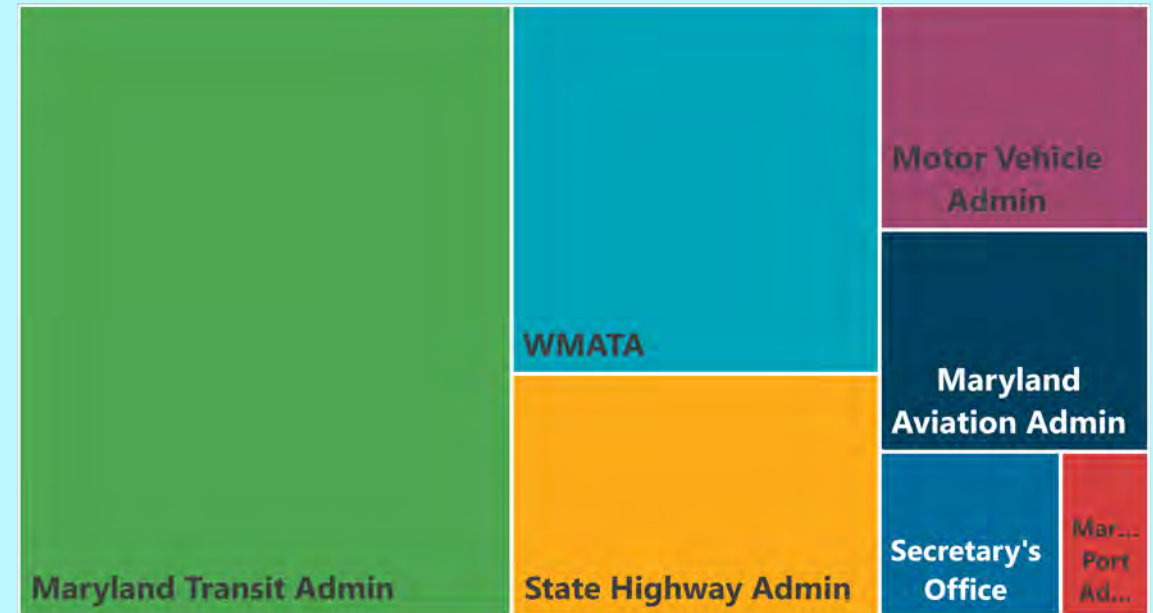
Allocating Funding: (State and Federal Funds)

- 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)

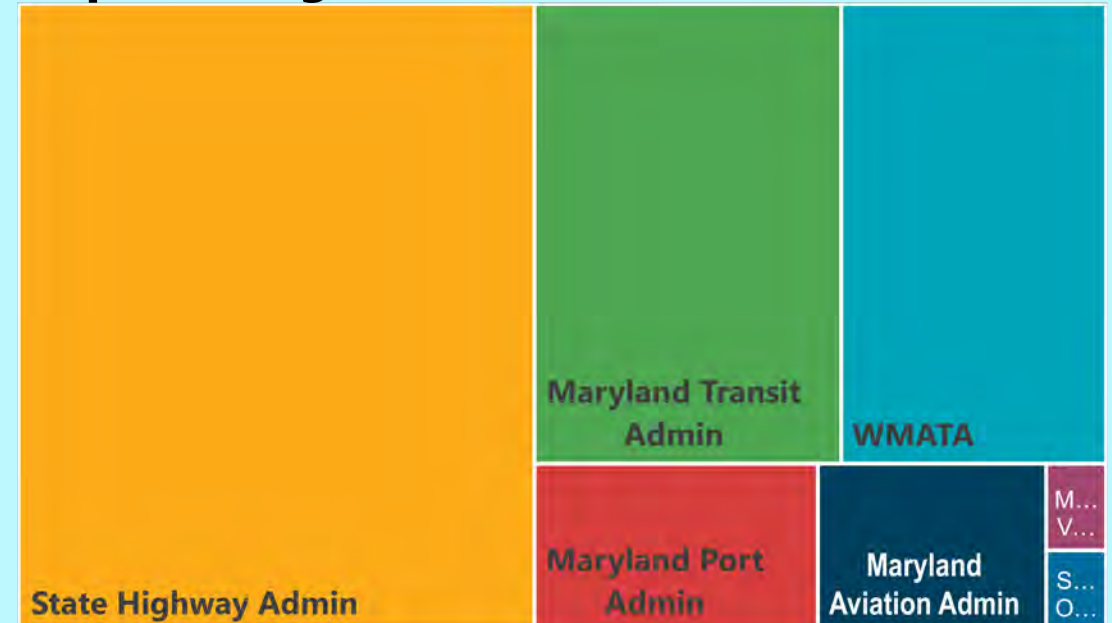
Data is from FY 2019

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
Baltimore Region Fixed Route Bus <i>(CityLink, LocalLink, ExpressLink)</i> Light Rail Link MetroSubway Link MobilityLink	Statewide Services MARC Commuter Rail MTA Commuter Bus	Locally Operated Transit Systems 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

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

MDOT MTA	MDOT MTA	Local Entities*
-----------------	-----------------	------------------------

Framing the Challenge



4

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



5

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**

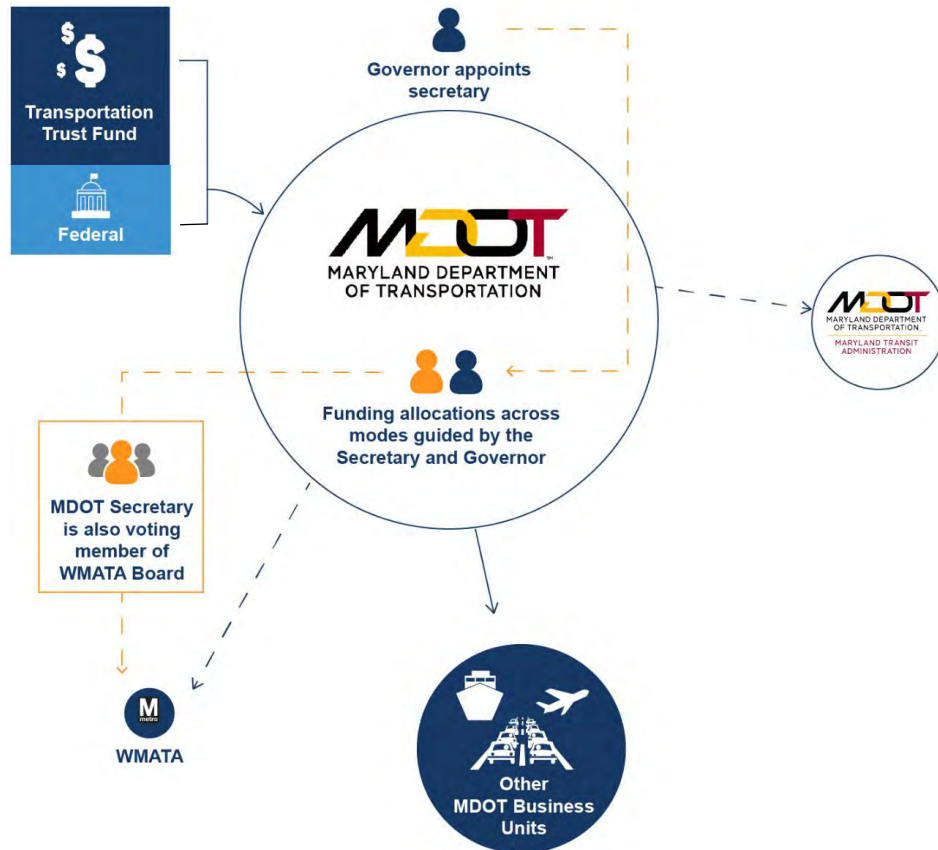


**Baltimore
Transit
Commission
(BTC)**



**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.

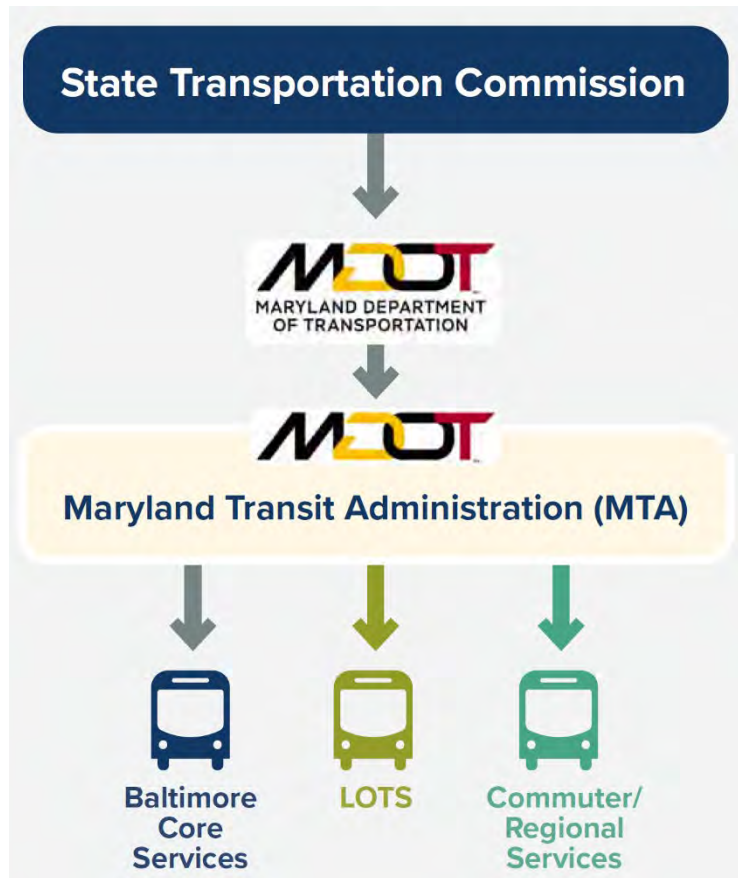
Benefits

- **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

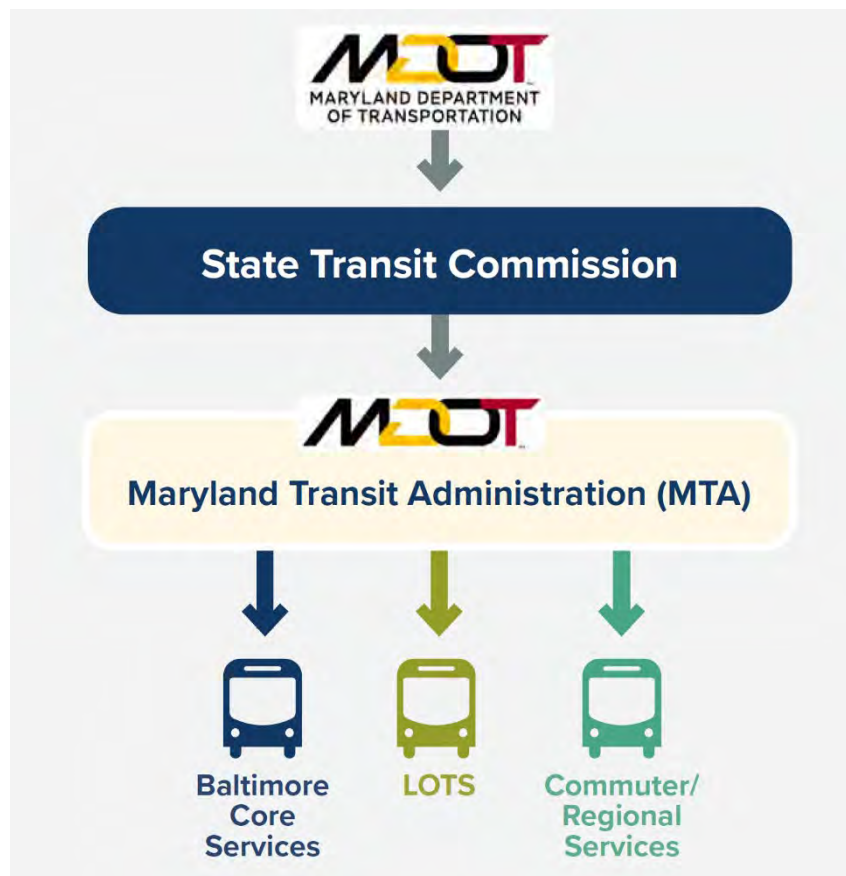
Benefits

- 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

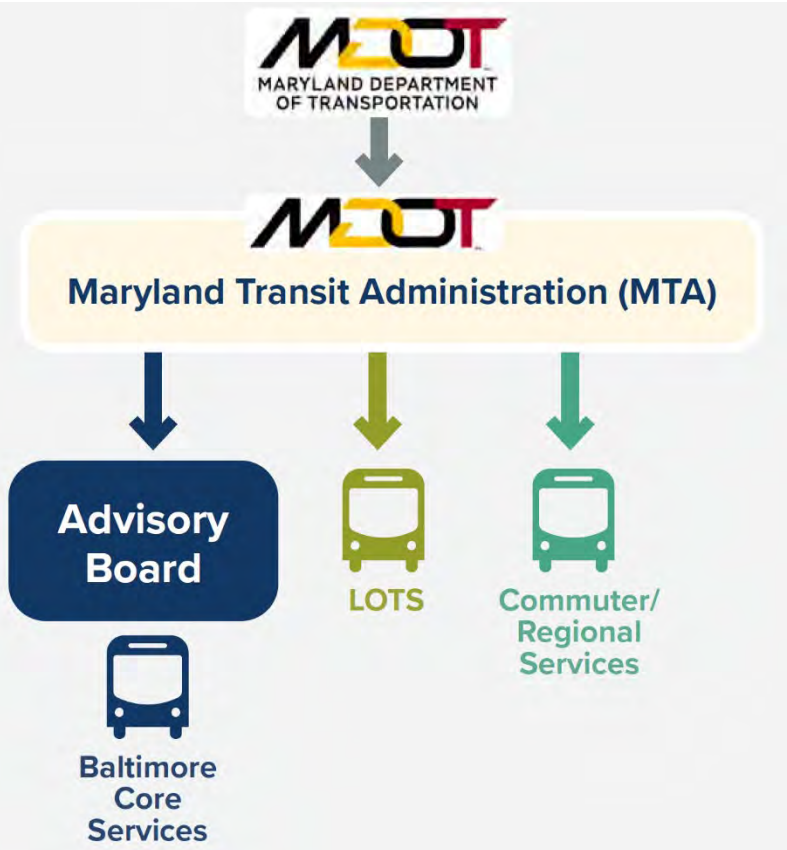
Benefits

- 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

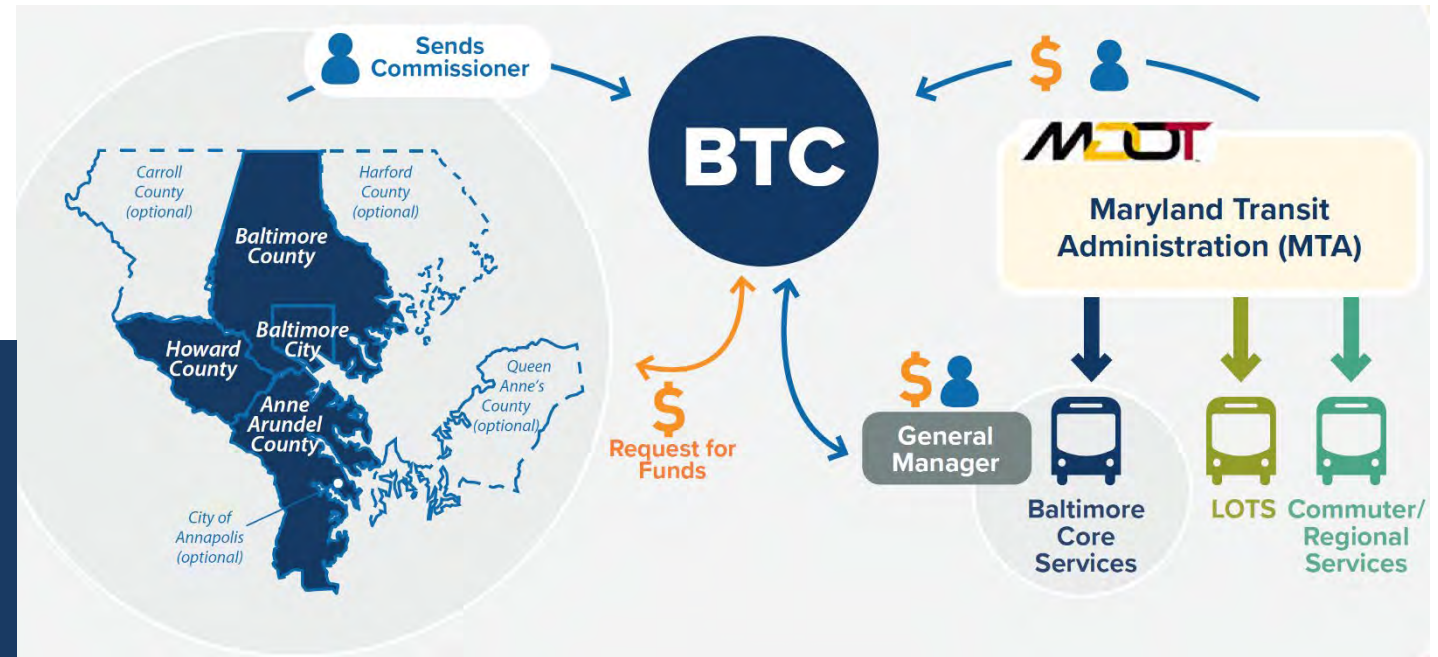
- Local and regional **input limited**
- Could reallocate priorities but **doesn't expand funding** (automatically)
- Risks **politicizing** decision-making

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.**



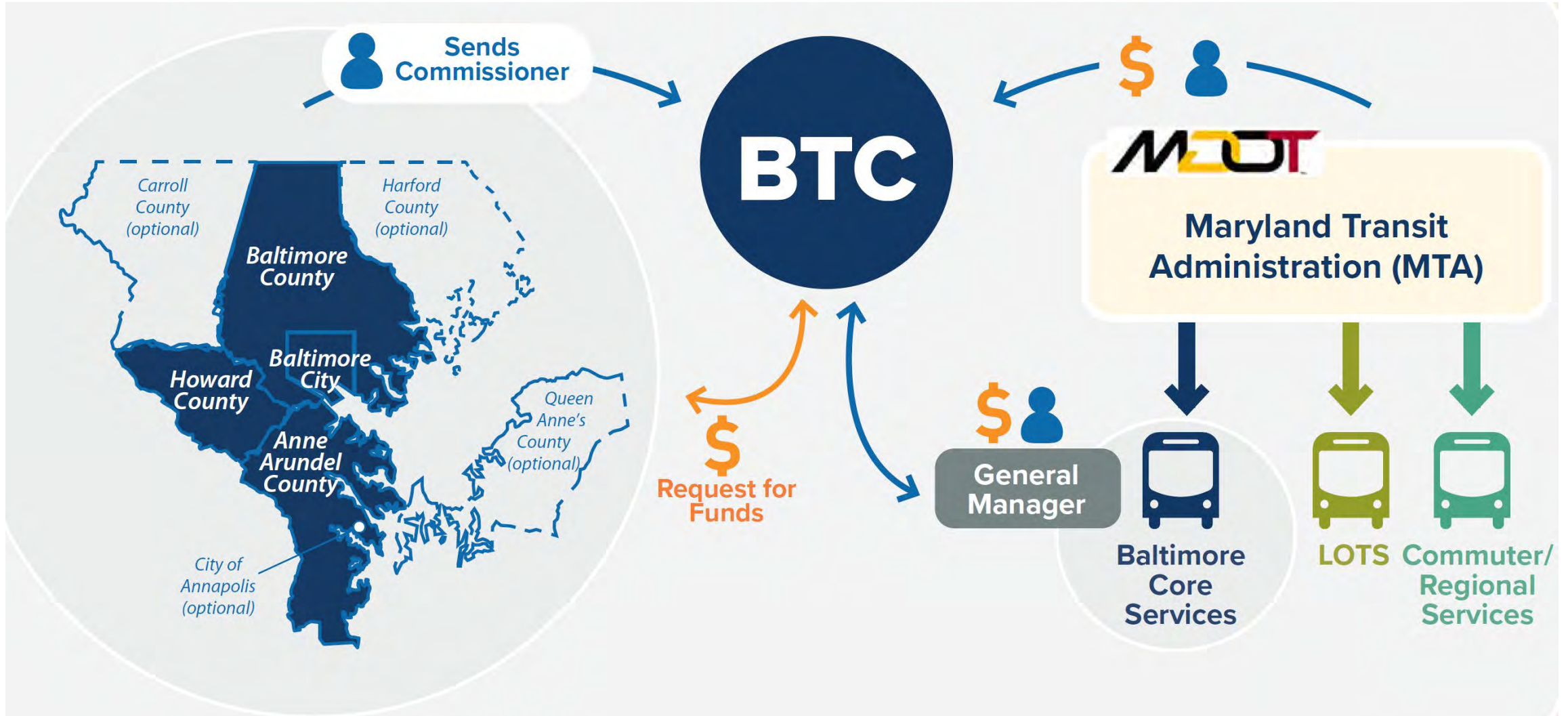
Benefits

- 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**

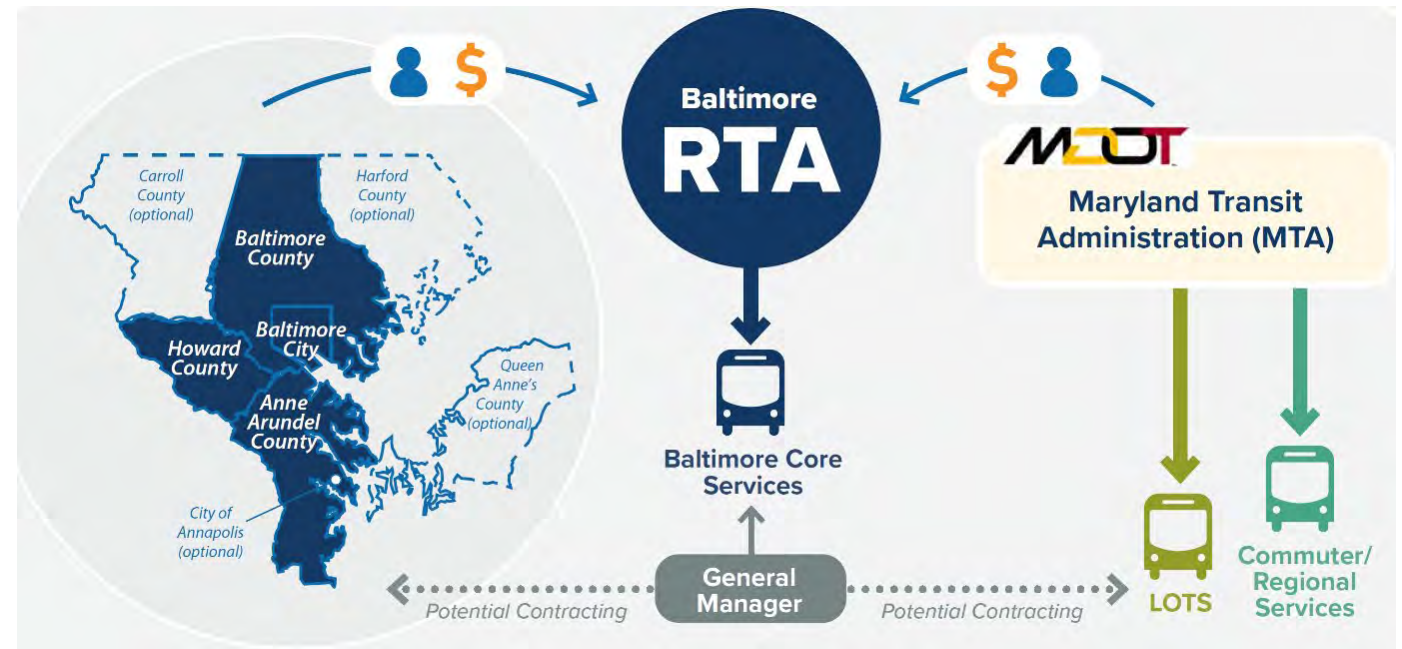
Baltimore Transit Commission (BTC)



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**

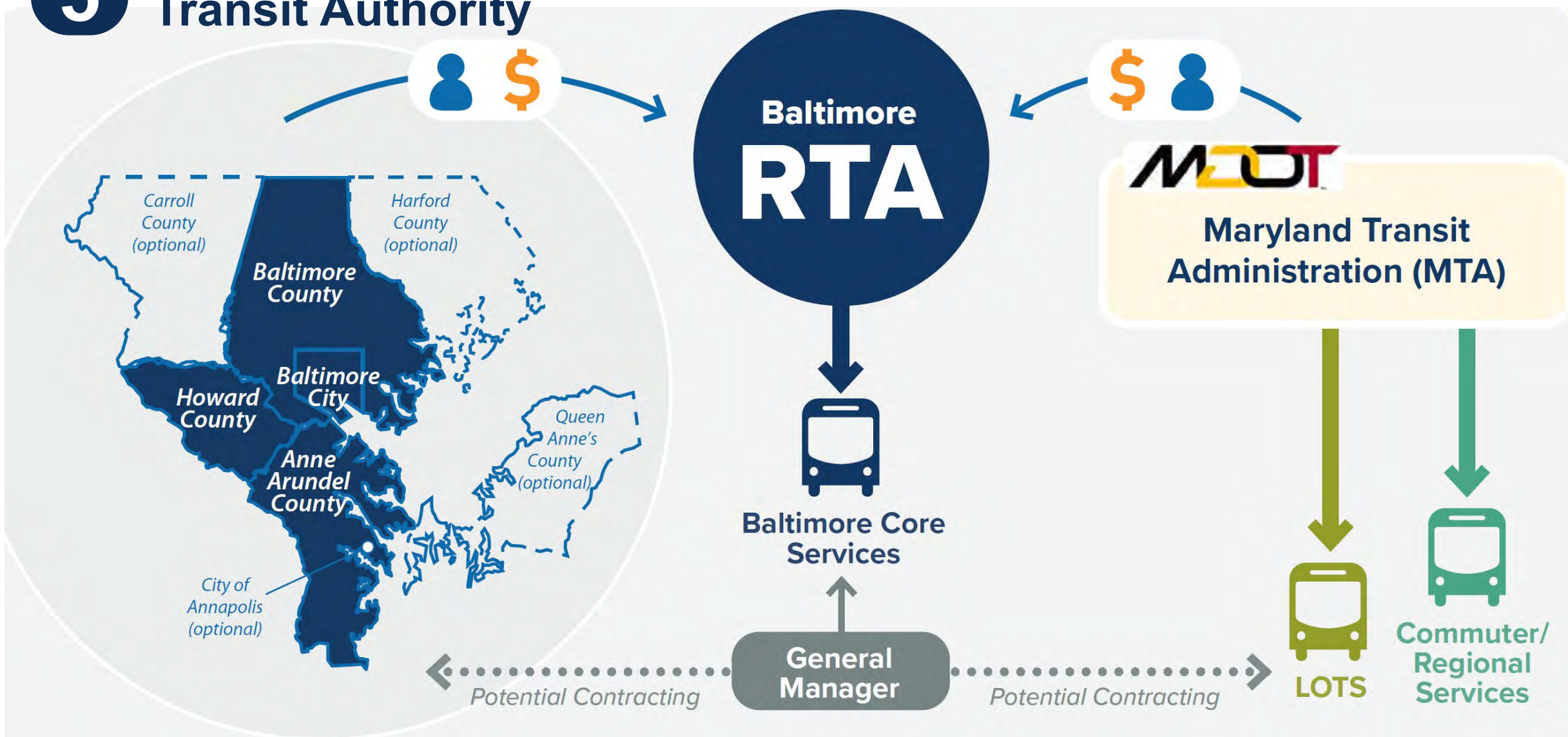
Considerations

- **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

5

Baltimore Regional Transit Authority



Governance and Funding Models



Discussion, Questions and Initial Priorities



6

Next Steps and Public Participation Opportunity



7

Transit Governance Workgroup – Schedule

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

Thank you!



Bethany Whitaker

bwhitaker@nelsonnygaard.com

Fred Fravel

ffravel@kfhgroup.com