

October 7, 2022

Transit Governance and Funding

Workgroup Meeting

Today's Agenda

- 1 Welcome and Workshop Agenda**
- 2 Evaluation Framework**
- 3 Transit Governance and Funding in Washington DC**
- 4 Locally Operated Transit Services (LOTS) Overview**
- 5 Discussion: Governance Models**
- 6 Public Comment and Next Steps**

Welcome and Workshop Agenda



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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?

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

Governance Models: Evaluation Framework



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Evaluation Framework

- **Governance/Decision-Making**

- Who has a seat at the table?
- What do they oversee, manage and control?

- **Funding**

- Where does existing funding come from?
- What authority is there to increase revenues?
- What types of revenues might be included?

- **Regional Coordination**

- How does the governance model improve regional coordination?

Transit Governance and Funding in Washington DC



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Washington Region Transit (Operating) Services

Regionally Operated (and Managed) Services

Metrorail

Metrobus

MetroAccess

(ADA Complementary Paratransit)



Locally Operated (and Managed) Services



Virginia

Local Transit Services

- *Arlington Transit*
- *Loudoun County Transit*
- *Fairfax Connector*
- *DASH (Alexandria Transit Company)*
- *Fairfax City-University Energysaver (CUE)*

Regional Rail

- *Virginia Railway Express (VRE)*



**Washington
D.C.**

- *DC Circulator*
- *DC Streetcar*



Maryland

Local Transit Services

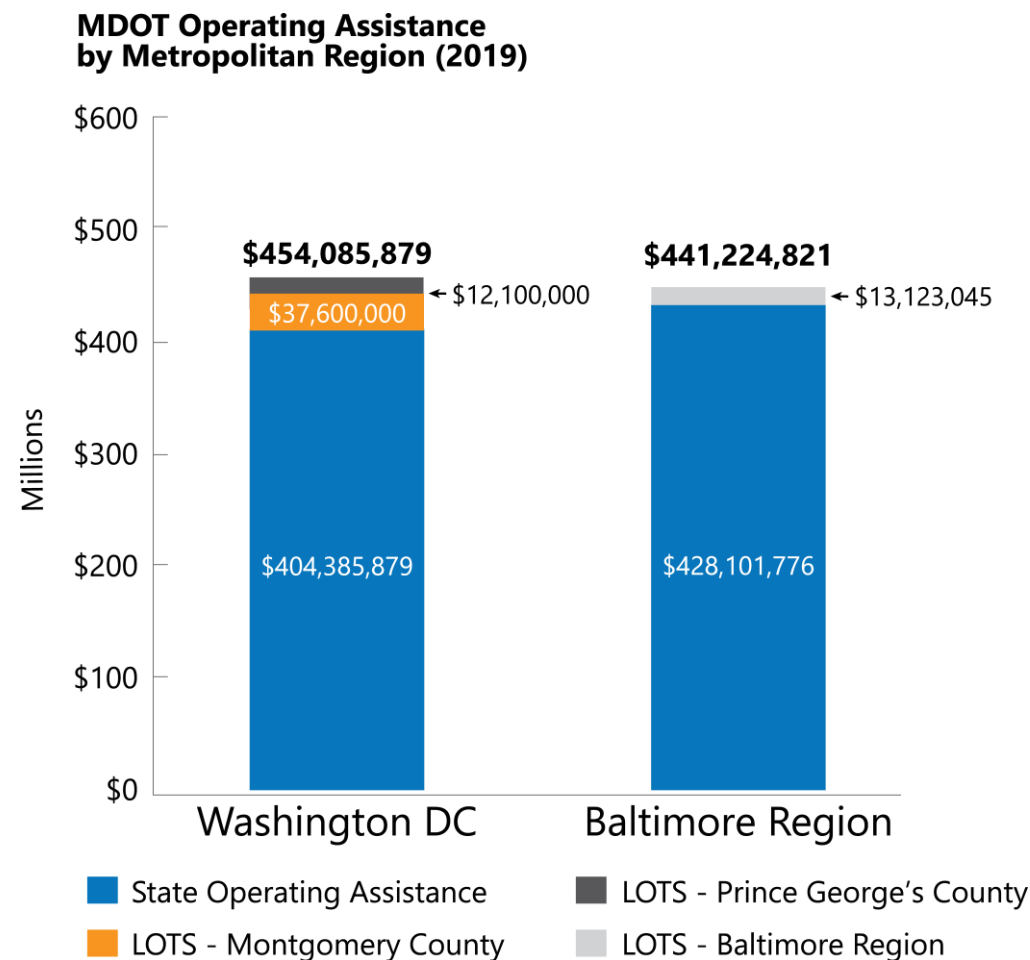
- *Montgomery County Ride On*
- *Prince George's County TheBUS*

Regional Rail

- *MARC*
- *Purple Line*

Maryland Suburbs of Washington DC – Transit Operating Funds (WMATA and Locally Operated Services)

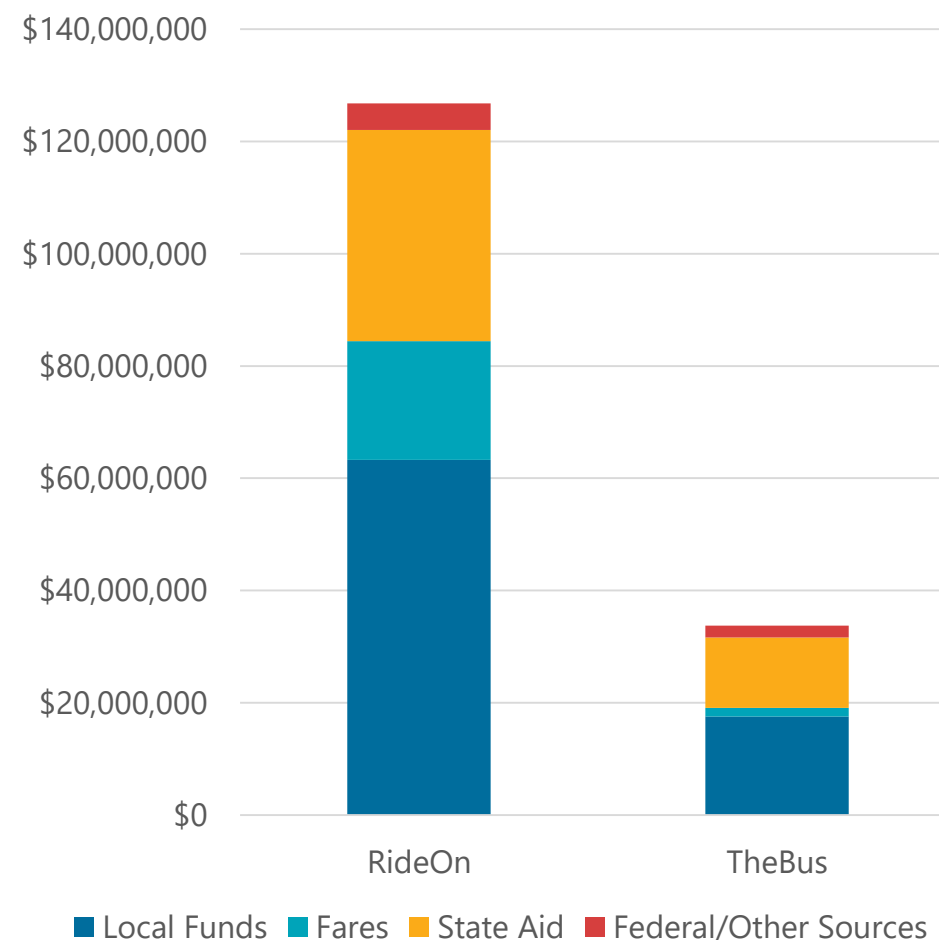
- Operating funds include federal, state and local revenues plus passenger fares
- Passenger fares account for about 40% of WMATA operating revenue
- Remaining 60% (net operating subsidy) mostly paid by WMATA partners
 - Metrobus classified as regional or local routes.
 - WMATA pays for regional routes-costs distributed based on population density, ridership, service hours and miles
 - WMATA operated non-regional local routes paid for by each jurisdiction—in Maryland paid out of MDOT-MTA contributions to Washington Suburban Transit District



Source: National Transit Database, 2019, Sources of Operating Funds Expended

Maryland Suburbs of Washington – Local Services Transit Operating Funds

- Montgomery County (Ride On)
 - Annual Operating Budget: \$127.1m
 - Supported through fares, state and federal grants and local funding
 - State funds accounted for 30% of operating costs (\$37.6m)
 - Dedicated local funding through County Special District property tax (for transit)
- Prince George's County (The Bus)
 - Annual Operating Budget: \$33.7m
 - Supported through fares, state and federal grants and local funding
 - State funds accounted for 36% of operating costs (\$12.1m)
 - Local funds from property tax collected by Washington Suburban Transit Commission and County taxes



Source: 2019 National Transit Database

ADA Paratransit Services

Washington region:

- State funding for ADA paratransit service
 - WMATA Metro Access provides all ADA paratransit, funded out of MDOT-MTA contributions to WMATA through WSTD
 - **No locally provided ADA paratransit** provided by Montgomery or Prince George's County, Metro Access provides ADA service for local routes as well as WMATA

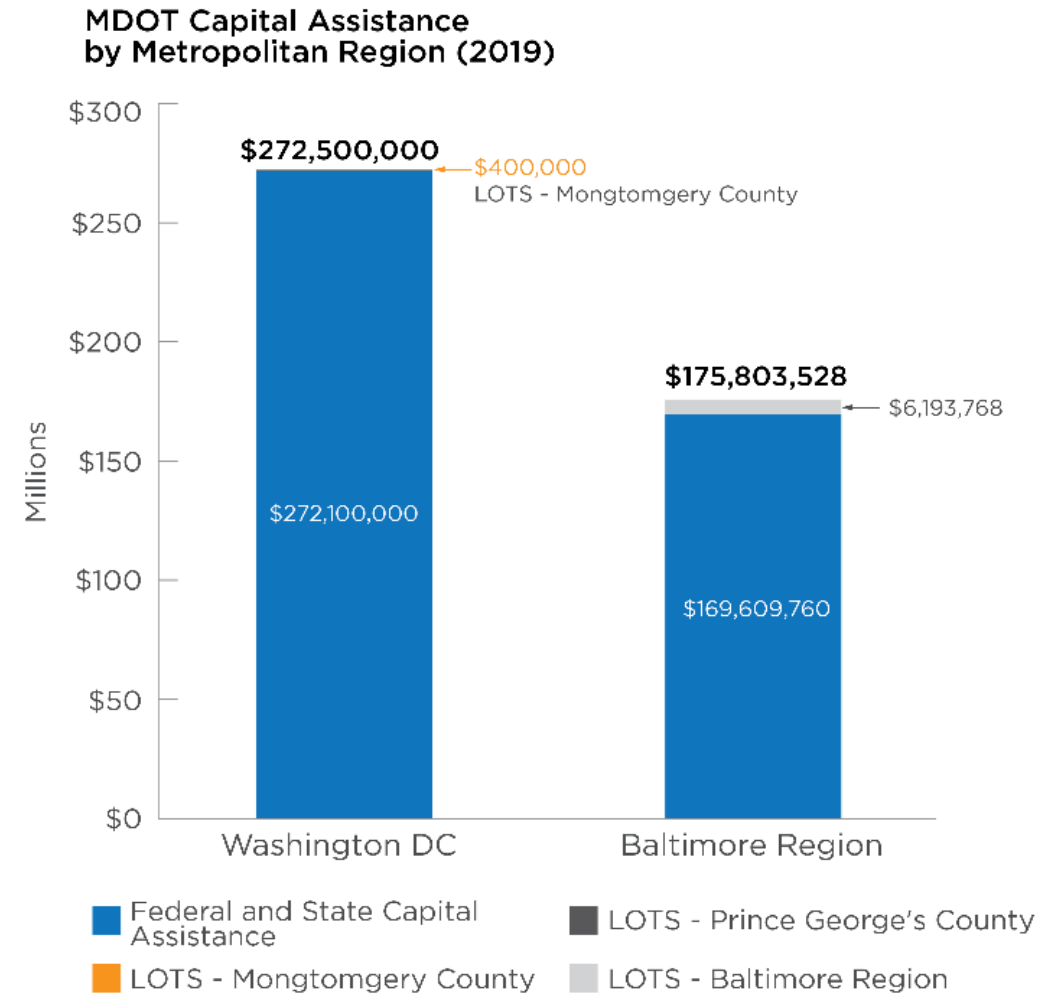
Baltimore region:

- State and local funding for ADA paratransit service
 - MDOT-MTA MobilityLink provides all ADA paratransit for its local services (bus, light- and heavy-rail) routes in the City of Baltimore, Baltimore County and Anne Arundel County.
 - No ADA paratransit provided or required for commuter bus or MARC services/stops
 - LOTS in Anne Arundel, Howard, City of Annapolis, Harford, Carroll Counties provide ADA paratransit for their fixed-route services

ADA paratransit is the federal mandate that requires transit agencies to offer complementary paratransit to individuals unable to use fixed route service because of a disability.

Maryland Suburbs of Washington - Transit Capital Funds (WMATA and Local Services)

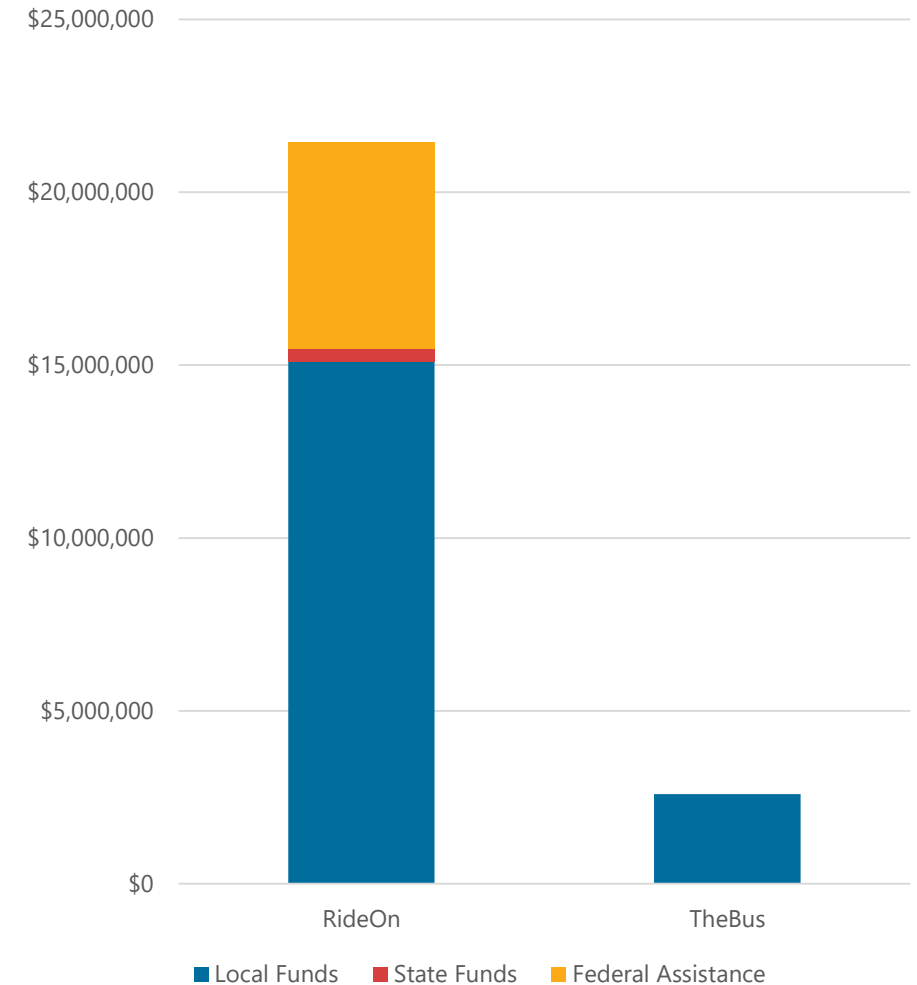
- WMATA's capital program is funded with federal and state funds
 - **Does not include \$334.9m contributed to Purple Line Transitway**
- LOTS fund capital with federal and local funds plus small amounts from MDOT contributions
- In 2018, WMATA partners agreed to dedicate \$500 million annually to fund the system's capital program
 - Maryland's commitment is \$167m annually
 - Funded through General Fund
 - Funding available beginning FY20 (July 1, 2019)



Source: National Transit Database, 2019, Sources of Capital Funds Expended; Purple Line investment from FY19 State of Maryland Budget

Maryland Suburbs of Washington - Transit Capital Funds for Local Services (2019)

- 70% of capital funds are local in Montgomery County (Ride On)
- 100% of capital funds are local in Prince George's County



Source: 2019 National Transit Database

Local Funding Sources: Montgomery & Prince George's County

- Montgomery County
 - District property tax
 - Tax district within county (sub-area)
 - Dedicated for transit – raised \$153.1m for transit in FY21
- Prince George's County
 - Tax district within county (sub-area)
 - Collected by Washington Suburban Transit Commission

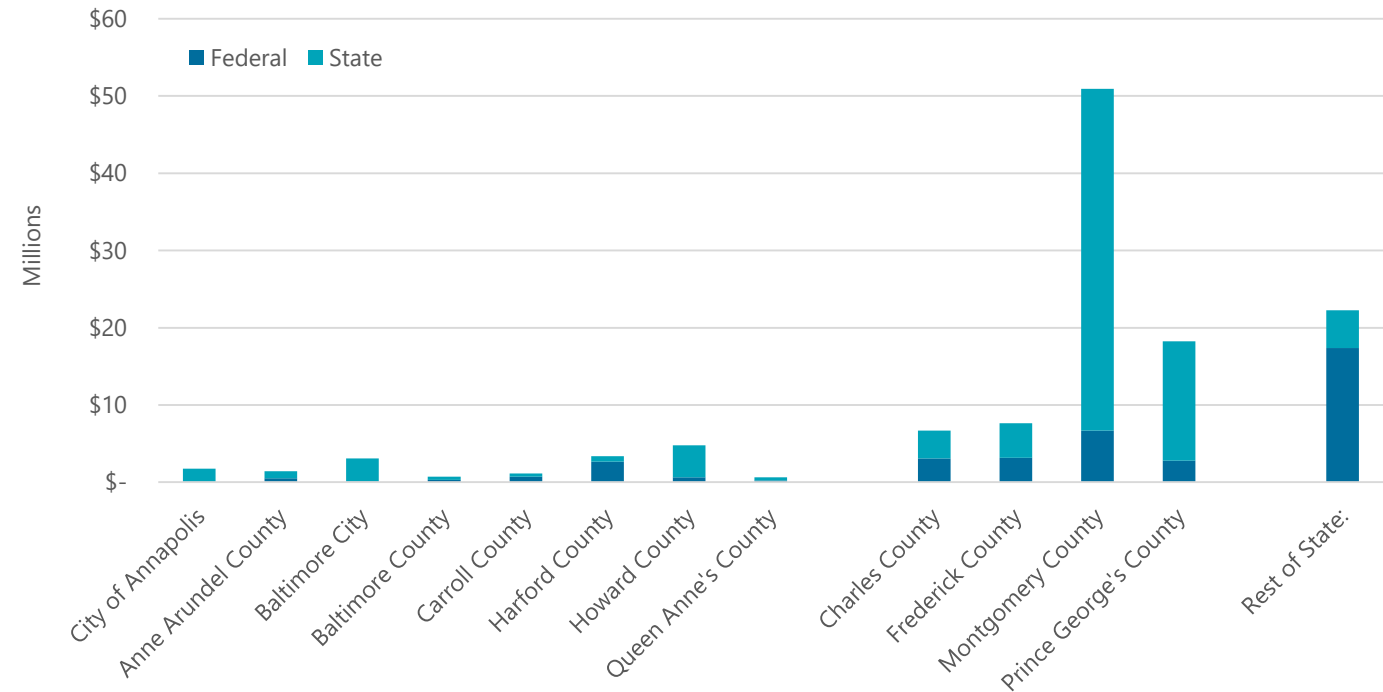
Washington Suburban Transit Commission (WSTC)

- Bi-county commission that provides planning and oversight for transit services in Montgomery and Prince George's counties
- 7-member commission
 - 2 appointed from each county
 - 2 appointed by Maryland Governor (with Senate consent)
 - 1 member is ex-officio
- Authority to levy property tax to support mass transit

Special Agreement for Montgomery & Prince George's Counties

In 1980, Maryland agreed to fund local bus service in the same way they fund WMATA. This means paying the operating cost after fare revenue is applied. **This agreement sets funding in Montgomery and Prince George's County.**

MDOT MTA Distribution of State and Federal Funds to LOTS (FY 2019)



Evaluation Framework

	Organization	Governance/ Decision Making	Funding	Regional Coordination
WMATA	<ul style="list-style-type: none"> Regional entity Governance determined by compact signed by partners (District of Columbia, Maryland, Virginia and Federal Government) 	<ul style="list-style-type: none"> 16-member board (8 principal and 8 alternatives) Maryland appoints 2 principal and 2 alternates One is Secretary of Transportation, and one is appointed by Washington Suburban Transit Commission 	<ul style="list-style-type: none"> 40% from passenger fares Partners pay 60% based on formula by mode (ridership, service and population). In FY19, MDOT paid \$404.4m to WMATA for operating costs 	<p>Quarterly coordinating committee WMATA, Ride On and TheBus</p> <p>Transportation coordination facilitated by Metropolitan Washington Council of Governments (MWCOG)</p>
Washington suburban Transit Commission (WSTC)	<ul style="list-style-type: none"> Commission responsible for administering the Washington Suburban Transit District 	<ul style="list-style-type: none"> 7-member commission Montgomery County appoints 2, Prince George's County appoints 2 and Governor (with Senate consent) appoints 2. One member is ex officio 	<ul style="list-style-type: none"> Funds support Commission administration about \$500,000 annually Costs shared between MDOT, MTA, Montgomery and Prince George's counties 	
Ride On (Montgomery County)	<ul style="list-style-type: none"> County organization 	<ul style="list-style-type: none"> Director of Transportation appointed by County Executive and County Council Shared decision making – County Executive and Council 	<ul style="list-style-type: none"> Revenues include federal, state and local funds plus passenger fares In FY19, MDOT contributed \$37.6m 	
TheBus (Prince George's County)	<ul style="list-style-type: none"> County organization 	<ul style="list-style-type: none"> Director of Transportation appointed by County Executive and County Council Shared decision making – County Executive and Council 	<ul style="list-style-type: none"> Revenues include federal, state and local funds plus passenger fares In FY19, MDOT contributed \$12.5m 	

Insights from Comparison with WMATA

- **As compared with Baltimore region, transit investment in DC Maryland suburbs is larger**
 - Increased operating funding reflects increased local contributions
 - MDOT MTA's commitment is similar in both regions
 - Increased capital investments reflects increased state commitment
 - With capital included, MDOT MTA's financial commitment to DC suburbs is larger overall
 - Especially with the Purple Line Transitway

Insights from Comparison with WMATA

- As compared with Baltimore region, investment in DC Maryland suburbs transit is greater
 - Increased operating funding reflects increased local contributions
 - MDOT MTA's commitment is similar in both regions
 - Increased capital investments reflects increased state commitment
 - MDOT MTA's financial commitment to DC suburbs is larger overall
- **The DC Maryland suburbs have more authority over regional transit decisions**
 - Local operation and control of local services (Ride On and TheBus)
 - Indirect input into WMATA decision-making
 - Washington Suburban Transit Commission appoints WMATA Commissioners

Insights from Comparison with WMATA

- As compared with Baltimore region, investment in DC Maryland suburbs transit is greater
 - Increased operating funding reflects increased local contributions
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 - MDOT MTA's financial commitment to DC suburbs is larger overall
- DC Maryland suburbs has more authority over regional transit decisions
 - Local operation and control of local services (Ride On and TheBus)
 - Indirect input into WMATA decision-making
 - Washington Suburban Transit Commission appoints WMATA Commissioners
- **Washington Suburban Transit Commission offers model for Baltimore Region**
 - Regional, shared governance structure
 - Authority to levy taxes (property tax) and distribute funding
 - Inform and influence regional transit decisions

LOTS Overview










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This map of Maryland illustrates the geographic distribution of transit systems. A yellow box in the northwest corner highlights Carroll County. A blue box in the central-eastern part of the state highlights Baltimore City. A red line, representing a specific transit route, starts in the southern part of the state near the Virginia border and extends northwards towards the Baltimore area. The map also shows major highways (Interstates 70, 83, 95, 495, 50, 295, 301) and state roads (Routes 1, 29, 40, 15, 30, 222, 66, 95, 50, 29, 301). Other labeled locations include Adams, York, Lancaster, Chester, Cecil, Kent, Talbot, Queen Anne's, Calvert, Prince George's, Fairfax, and Washington DC. The map is titled 'Locally Operated Transit Systems (LOTS)' at the bottom.


26,662

Queen Anne's County Ride

LEGEND

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


Miles 0 5 10 15 20




Core Baltimore and LOTS Services

Core Baltimore Services


WHAT'S INCLUDED



Fixed Route Bus



Light Rail

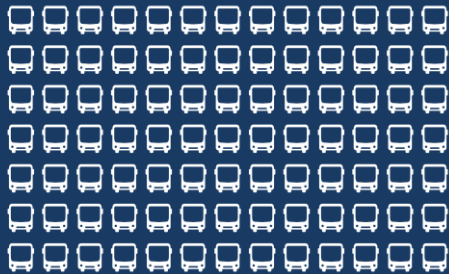


ADA Paratransit
(Demand Response)

FLEET

1,053


MDOT MTA Annual
Maximum Vehicles in Service



TRIPS

73.9M

MDOT MTA Annual
Unlinked Passenger Trips



Baltimore Area LOTS

Local Fixed Services


ADA Paratransit

Specialized Services
*(Demand Response/
dial-a-ride)*

General public demand
response

231

LOTS
Maximum Vehicles in Service



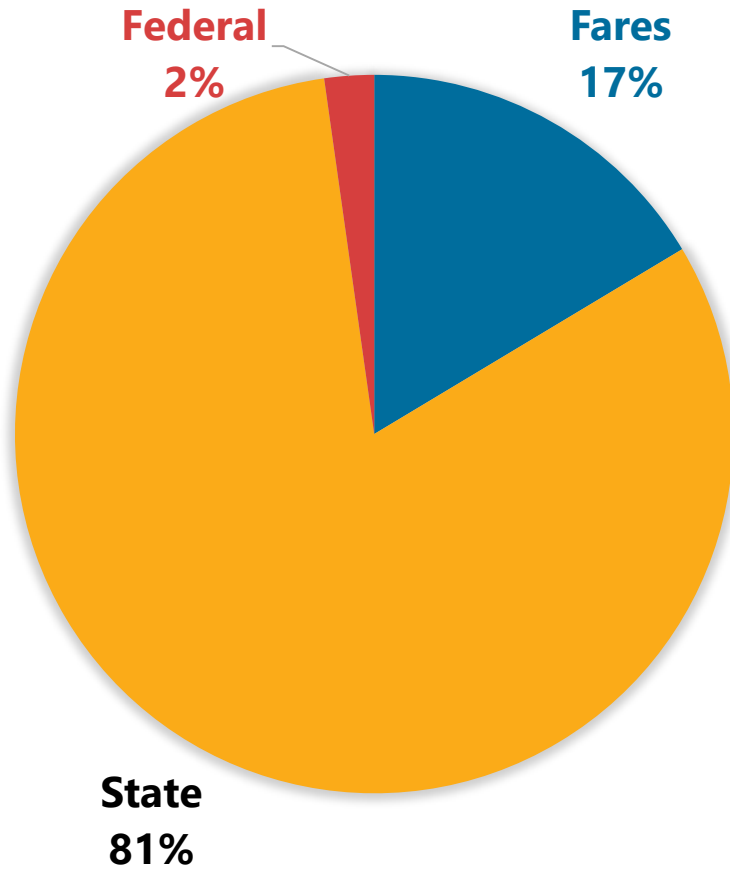
3.8M

LOTS Annual
Unlinked Passenger Trips

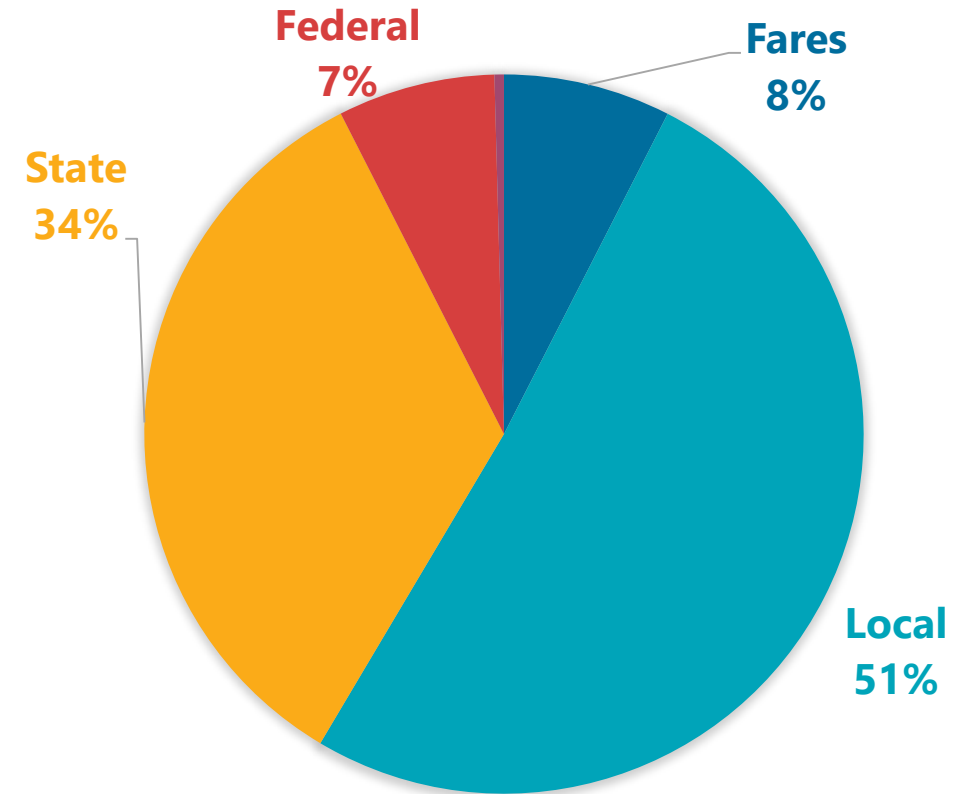


Operating Funding By Source

MDOT MTA



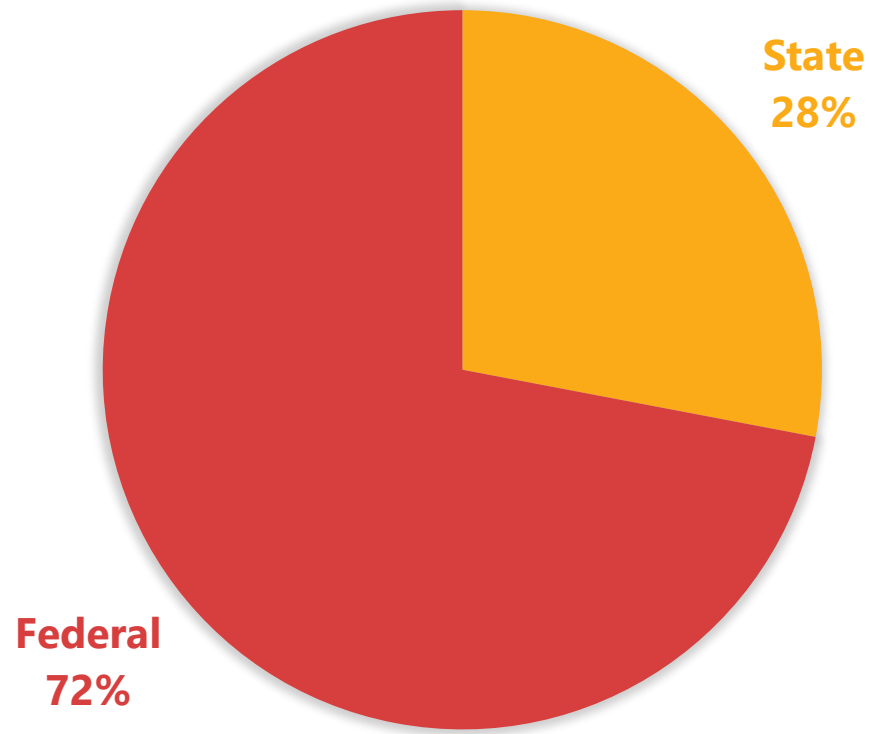
LOTS



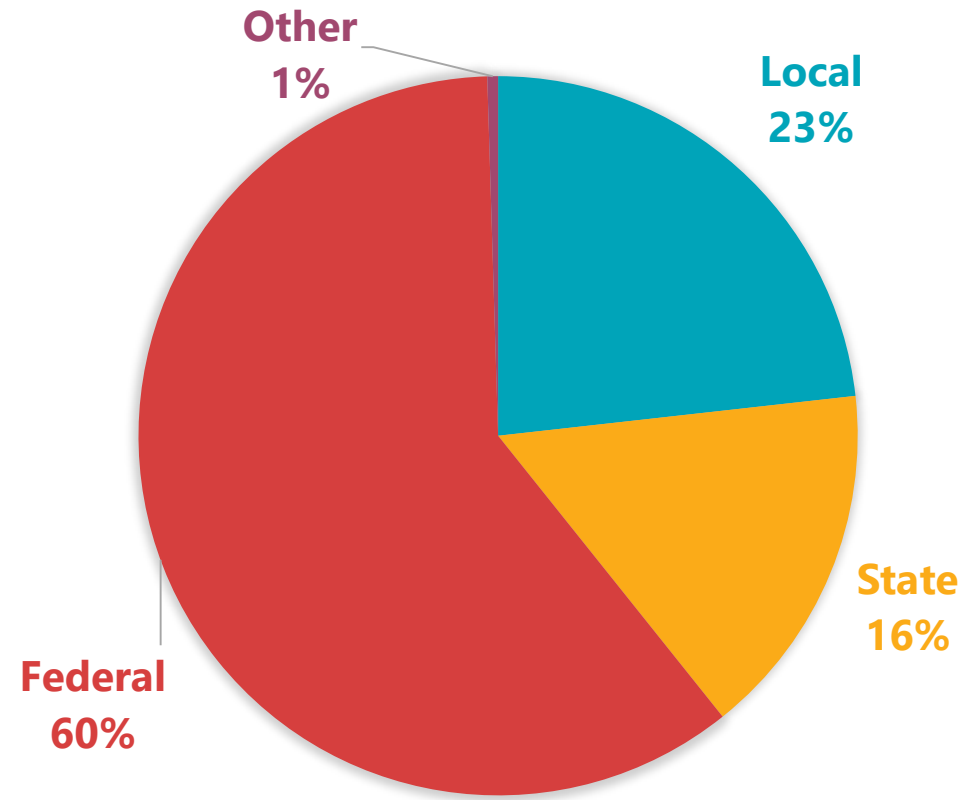
Source: National Transit Database 2019

Capital Funding By Source

MDOT MTA



LOTS

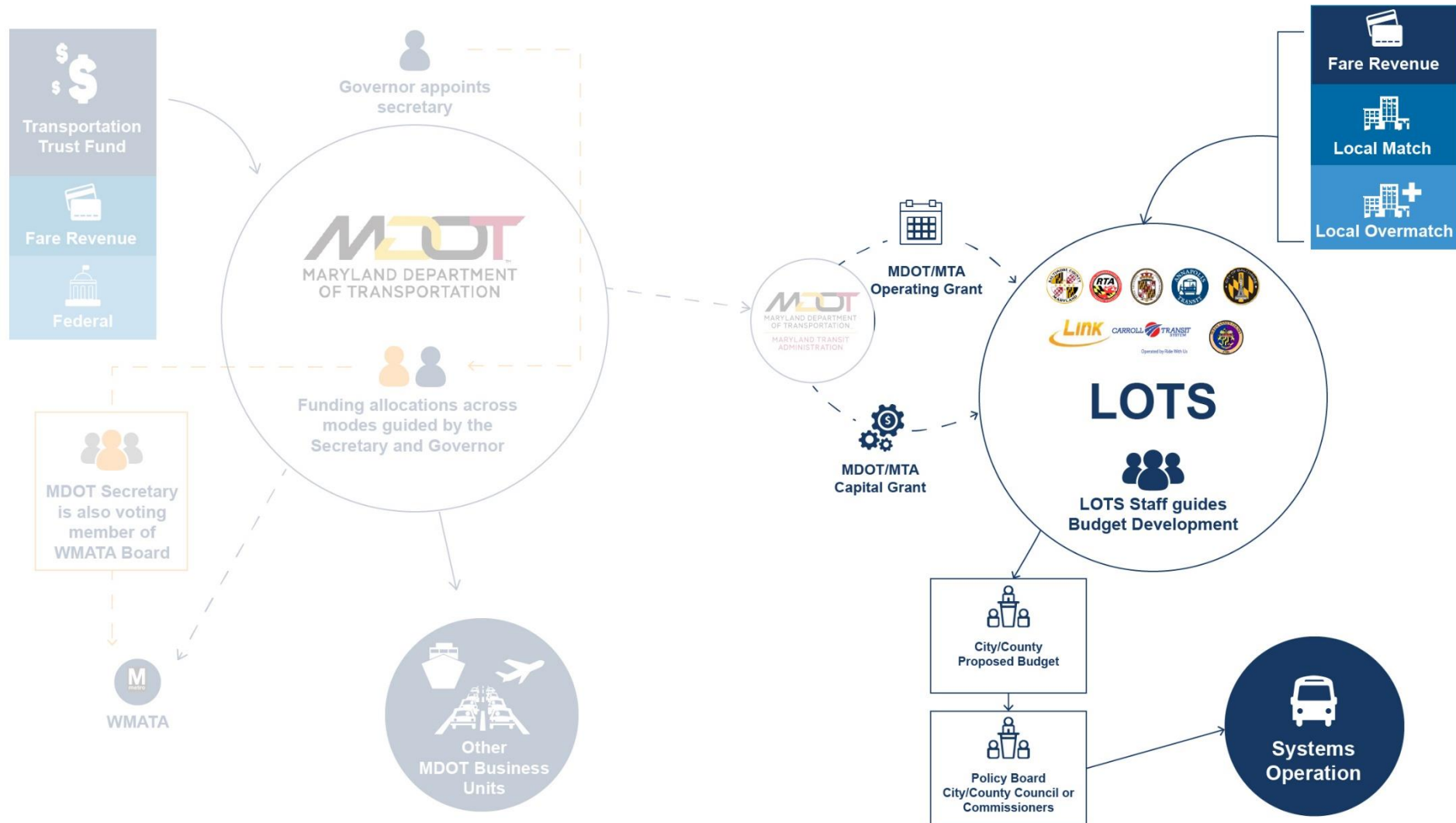


Source: National Transit Database 2019

MDOT-MTA LOTS Program

- Administered at MDOT-MTA by the Office of Local Transit Support (OLTS)
- **Not a single funding source, includes funds from many programs each of which has their own restrictions:**
 1. Section 5307—Federal/State and State supplemental
 2. Section 5310 – Federal funds for older adults and people with disabilities
 3. Section 5311—Federal/State and State supplemental
 4. State ADA funding
 5. State Large Urban funding with local match
 6. State Large Urban funding with no local match
 7. Statewide Coordination and Technical Assistance funds with local match
 8. Statewide Specialized Transportation Assistance Program (SSTAP) state formula funding
 9. State Job Access Reverse Commute (JARC) funding
 10. State Senior-Ride funding – door to door service for low-income seniors
- OLTS administers Washington Area Grants (federal and state) for local bus services for the Washington Suburban Transit District

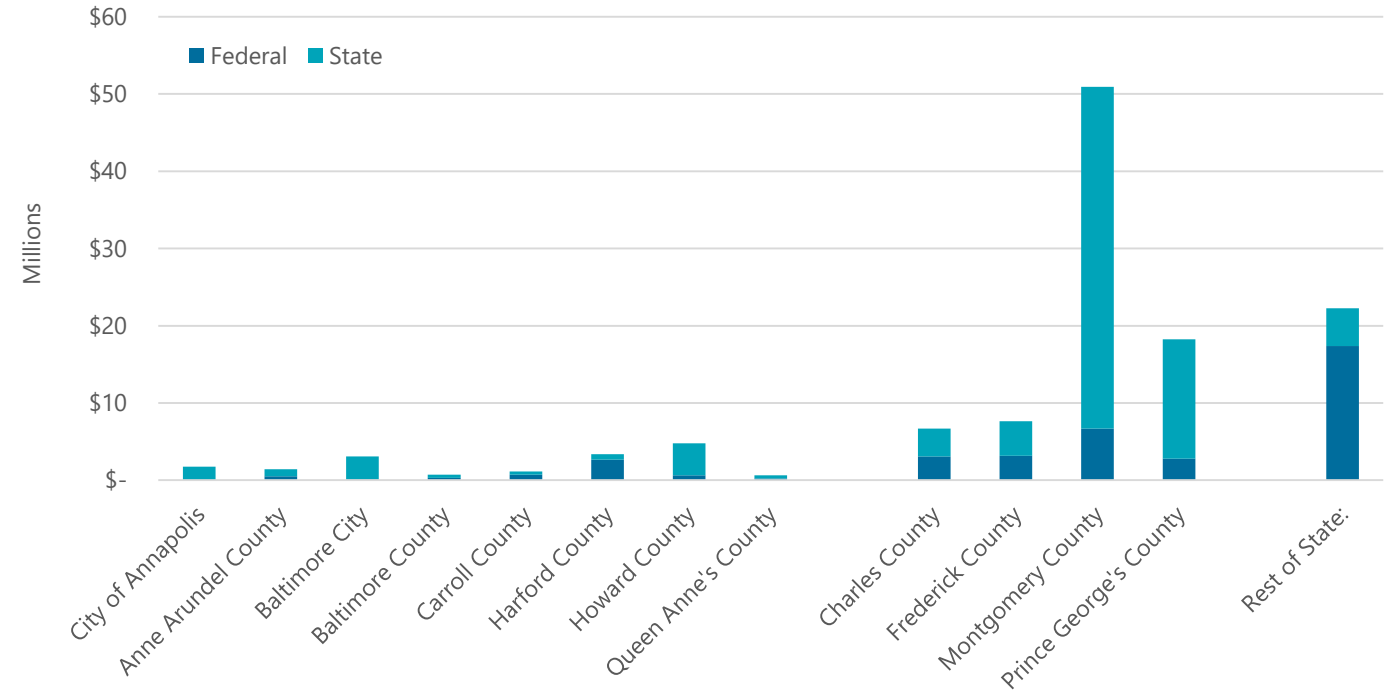
LOTS Budget Process



LOTS Funding

- In FY 2019, \$107 million distributed to LOTS statewide
 - About one-third (36%) from federal (FTA Funds)
 - Remaining funding (64%) from state sources

MDOT MTA Distribution of State and Federal Funds to LOTS (FY 2019)



Governance and Funding Models



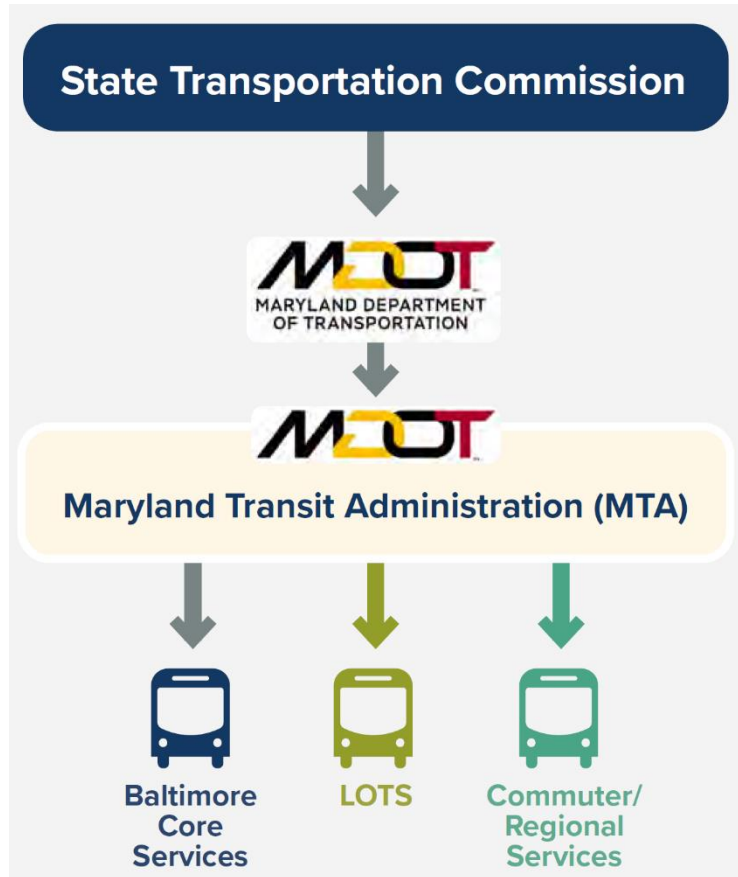
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Governance and Funding Models

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 (BRTA)

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

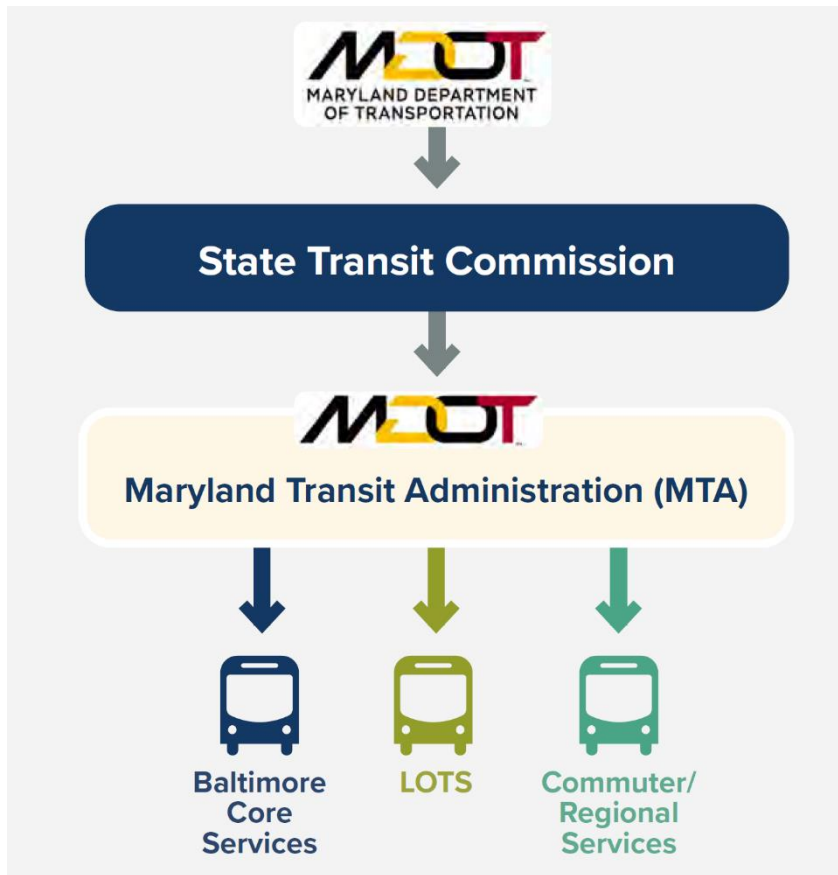
Benefits

- 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

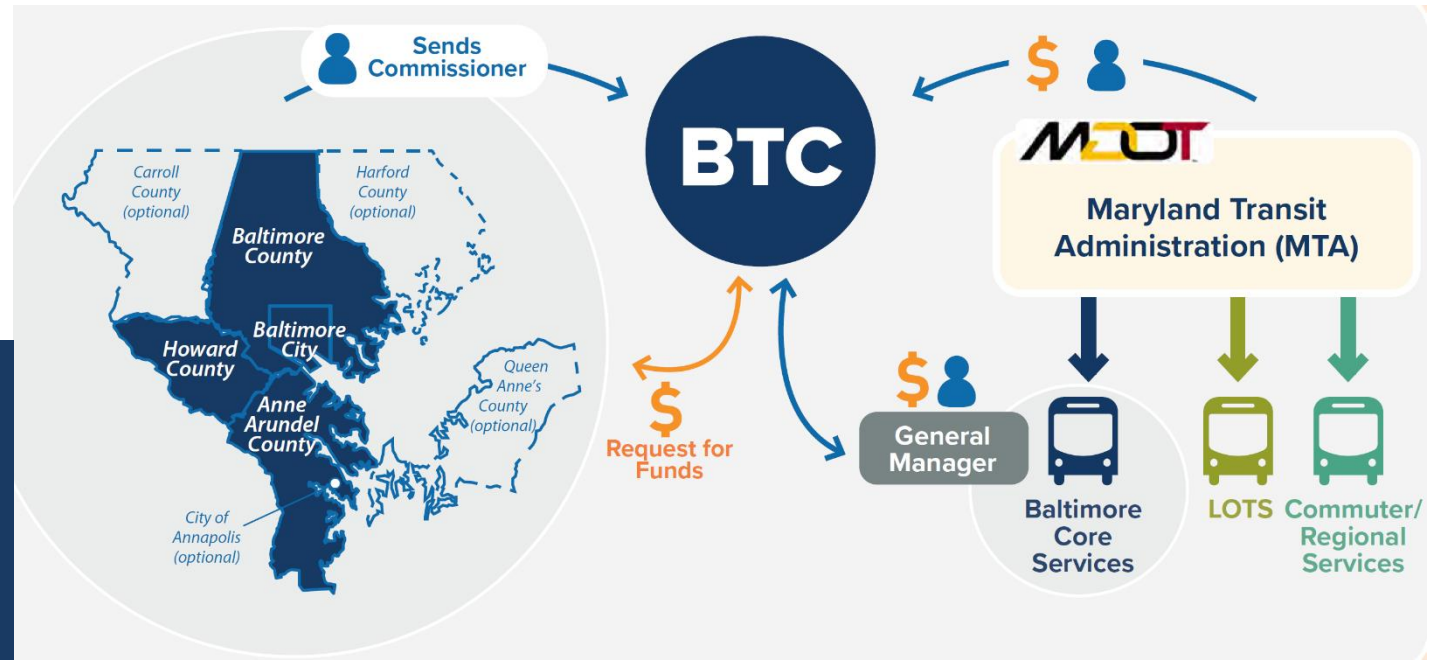
Considerations

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

Baltimore 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**

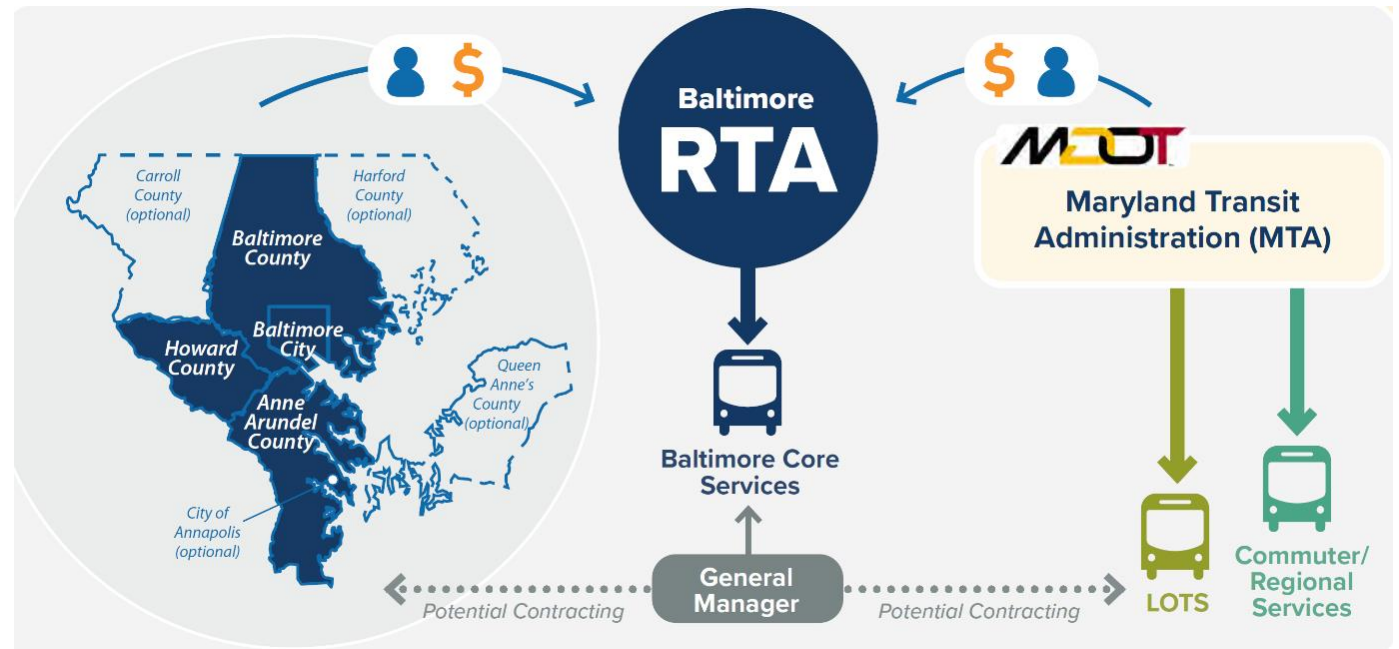
Considerations

- **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 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

Transportation Commission

Transit Commission

Organization

What type of organization is it?	State Commission <i>Mostly likely governor appointed</i>	State Commission <i>Hybrid governor and locally appointed</i>
Who leads it?	Secretary of Transportation	MDOT MTA Administrator
What does it do?	Sets policy and oversees MDOT <i>(all modes)</i> Ideally, sets/allocates MDOT budget	Sets policy and oversees MDOT MTA Ideally, sets/allocates MDOT MTA budget

Transit Operations

What does MDOT MTA do?	All modes	All transit modes <i>(MARC, Commuter Bus, Baltimore Regional Services, LOTS program)</i>
Who operates services?	MTA operates Baltimore services LOTS operate LOTS service	MTA operates Baltimore services LOTS operate LOTS service

Funding

Can raise funds?	None , but could advocate for changes	None , but could advocate for changes
How are federal funds administered?	MDOT MTA receives FTA Funds	MDOT MTA receives FTA Funds
How are state funds administered?	No change	No change
What happens to the LOTS agencies?	No change	No change

BTC

BRTA

Organization

What type of organization is it?

Regional Commission

State, regional and local representation

Transit Agency

State, regional and local representation

Who leads it?

General Manager

MDOT MTA employee, reports to Commission

General Manager

BRTA employee, reports to Commission

What does it do?

Sets policy, funds, and
oversees transit services

Sets policy, funds, oversees, and
operates transit services

Transit Operations

What does MDOT MTA do?

Operates **Baltimore services,**
MARC & Commuter Bus
Manages **Statewide LOTS**

Operates **MARC, Commuter Bus**
Manages **Statewide LOTS**

Who operates services?

MTA operates Baltimore services
LOTS operate LOTS service

BRTA operates fixed-route services in Baltimore Region
(combines MDOT MTA and LOTS)

Funding

Can it raise funds?

Ability to increase funding with
authority to levy regional taxes and fees

Ability to increase funding with
authority to levy regional taxes and fees

How are federal funds
administered?

MDOT MTA is Direct Recipient,
but **BTC receives and spends** FTA funds

Direct Recipient of FTA Funds

How are state funds
administered?

No change

No change

What happens to the LOTS
agencies?

Statewide LOTS no change

Local LOTS join BRTA
Statewide LOTS no change

Evaluation Framework

	Organization	Governance/ Decision Making	Funding	Regional Coordination
State Transportation Commission	<ul style="list-style-type: none"> Commission with statewide authority 	<ul style="list-style-type: none"> Oversee Transportation Trust Fund Sets statewide transportation policy and investment decisions 	<ul style="list-style-type: none"> No direct authority Could advocate for additional funding or tax increase 	<ul style="list-style-type: none"> Best for multimodal planning / coordination
State Transit Commission	<ul style="list-style-type: none"> Commission with statewide authority 	<ul style="list-style-type: none"> Oversee MDOT MTA spending Set statewide transit policy and investment decisions 	<ul style="list-style-type: none"> No direct authority Could advocate for additional funding or tax increase 	<ul style="list-style-type: none"> Increase coordination between MDOT MTA and LOTS
Baltimore Transit Commission (BTC)	<ul style="list-style-type: none"> Commission with regional authority 	<ul style="list-style-type: none"> Oversee / manage regional transit spending Direct capital and operating investments 	<ul style="list-style-type: none"> Administer transit funds allocated to Baltimore Region Authority to increase funds 	<ul style="list-style-type: none"> Coordinate transit investment and land use policies through regional partnerships
Baltimore Region Transit Authority (BRTA)	<ul style="list-style-type: none"> Transit Agency governed by a commission with regional authority 	<ul style="list-style-type: none"> Oversee, manage and operate regional transit service Direct and implement capital and operating investments 	<ul style="list-style-type: none"> Administer and spend transit funds allocated to Baltimore Region Authority to increase funds 	<ul style="list-style-type: none"> Coordinate transit investment and land use policies through regional partnerships

**Next Steps
Public Comment**

6

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!



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