

**J00H01**  
**Maryland Transit Administration**  
**Maryland Department of Transportation**

***Operating Budget Data***

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(\$ in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Operations	\$237,322	\$265,710	\$253,605	\$16,283	\$265,383	\$11,778
Contractual Services	81,129	86,611	90,547	9,418	99,114	8,567
Grants	47,269	52,573	56,597	9,328	56,794	197
Contingent & Back of Bill Reductions	0	0	0	0	-82	-82
<b>Adjusted Grand Total</b>	<b>\$365,720</b>	<b>\$404,894</b>	<b>\$400,750</b>	<b>\$35,030</b>	<b>\$421,210</b>	<b>\$20,461</b>
Special Funds	335,607	352,940	349,114	13,507	367,940	18,826
Contingent & Back of Bill Reductions	0	0	0	0	-82	-82
<b>Adjusted Special Funds</b>	<b>\$335,607</b>	<b>\$352,940</b>	<b>\$349,114</b>	<b>\$13,507</b>	<b>\$367,858</b>	<b>\$18,745</b>
Federal Funds	30,114	51,910	51,606	21,493	53,352	1,746
Reimbursable Funds	0	45	30	30	0	-30
<b>Adjusted Grand Total</b>	<b>\$365,720</b>	<b>\$404,894</b>	<b>\$400,750</b>	<b>\$35,030</b>	<b>\$421,210</b>	<b>\$20,461</b>
<b>Annual % Change</b>		<b>10.7%</b>	<b>-1.0%</b>		<b>5.1%</b>	

- The Maryland Transit Administration's (MTA) fiscal 2005 operating allowance increases by \$20.5 million over the fiscal 2004 working appropriation. Increases are seen in union personnel costs (\$6 million), the cost of the contracts for commuter bus services (\$3.4 million) and for Mobility paratransit services (\$3 million), and workers' compensation costs (\$3.1 million). Additional smaller increases occur in the operating allowance for the Maryland Rail Commuter (MARC) system, the SmarTrip Card Regional Customer Service Center, and certain types of insurance.

Note: Numbers may not sum to total due to rounding.

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## ***PAYGO Capital Budget Data***

(\$ in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>	<u>FY 04-05</u> <u>% Change</u>
Special Funds	85,065	107,411	121,319	156,219	\$34,900	28.8%
Contingent & Back of Bill Reductions	0	0	0	-36	-\$36	
<b>Adjusted Special Funds</b>	<b>\$85,065</b>	<b>\$107,411</b>	<b>\$121,319</b>	<b>\$156,183</b>	<b>\$34,864</b>	<b>28.7%</b>
Federal Funds	120,425	120,298	178,302	132,327	-\$45,975	-25.8%
<b>Adjusted Grand Total</b>	<b>\$205,490</b>	<b>\$227,709</b>	<b>\$299,621</b>	<b>\$288,510</b>	<b>-\$11,111</b>	<b>-3.7%</b>

- MTA's fiscal 2005 capital allowance decreases by 3.7% below the fiscal 2004 working appropriation. The fiscal 2005 special fund allowance increases by 28.7% (\$34.9 million) above the fiscal 2004 working appropriation. However, the fiscal 2005 federal fund allowance decreases by 25.8% (\$46 million) below the fiscal 2004 working appropriation, due to cash flow changes in ongoing projects and the diversion of federal funds to the operating program for preventative maintenance.

## ***Operating and PAYGO Personnel Data***

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Regular Positions	3,133.0	3,103.0	3,030.0	-103.0	3,051.0	21.0
Contractual FTEs	38.0	33.0	33.0	-5.0	33.0	0.0
<b>Total Personnel</b>	<b>3,171.0</b>	<b>3,136.0</b>	<b>3,063.0</b>	<b>-108.0</b>	<b>3,084.0</b>	<b>21.0</b>

### ***Vacancy Data: Regular Positions***

Turnover Expectancy	158.17	5.22%
Positions Vacant as of 12/31/03	71.00	2.32%

- From fiscal 2002 to 2004, MTA lost 103 PINs. In fiscal 2003, 25 PINs that had been added to MTA's allowance as part of the Governor's Transit Initiative but that had never been filled were cut from the allowance; in addition, 5 PINs were taken from MTA's allowance and converted to security functions in other Maryland Department of Transportation modal administrations. An additional 73 PINs were cut from MTA's allowance in November 2003 as part of the reductions made in MDOT's PIN count.

- The fiscal 2005 personnel allowance includes 21 new positions. All of these positions will staff a new paratransit control center to improve the performance of MTA's paratransit services. These positions include reservation agents and supervisors, controllers, schedulers, an operations manager, and a contract oversight manager.
- There are not currently enough vacancies among MTA's positions to meet the turnover rate assumed in the budget. As a result, if the number of vacancies does not increase prior to the start of fiscal 2005, the agency may not have enough funding in its budget allowance to meet personnel expenses throughout the year.

## ***Analysis in Brief***

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### **Operating Issues**

***Required Farebox Recovery Rate of 40% Sunsets at End of Fiscal 2004:*** Chapters 210 and 211, Acts of 2000 lowered the required annual farebox recovery rate from 50 to 40% for Baltimore area transit services (bus service, light rail, and Metro). These chapters also introduced new reporting requirements intended to provide performance measurement data that would supplement the farebox recovery rate information. Senate Bill 282 of 2004 proposes to eliminate the sunset provision of Chapters 210 and 211, thereby maintaining the farebox recovery requirement at 40%. **The Department of Legislative Services (DLS) recommends that the farebox recovery rate be left at 40% and that all additional performance reporting requirements be retained. DLS also recommends that MTA comment on Senate Bill 282.**

***MTA's Lease of Sport Utility Vehicles Violated State Procurement Regulations:*** The DLS Office of Legislative Audits (OLA) has found that MTA violated State fleet purchase criteria by leasing 12 used vehicles – including Sport Utility Vehicles (SUV) – without obtaining the approval of the Department of Budget and Management (DBM). Further, OLA found that DBM had previously denied MTA's request to purchase these vehicles. The leases signed by MTA were cancelled by the Board of Public Works in February 2004 at a cost of \$166,602. **DLS recommends that MTA brief the committees on its policies regarding the purchase and use of SUVs and its compliance with State fleet purchase criteria for SUVs.**

***MTA Sued for Poor Performance of Paratransit System:*** In October 2003, the Maryland Disability Law Center (MDLC) filed a lawsuit in federal district court against MTA seeking a preliminary and permanent injunction and declaratory relief, as well as certification as a class action complaint. MDLC alleges that the Mobility service violates specific requirements of the Americans with Disabilities Act due to continuing service deficiencies. **DLS recommends that MTA brief the committees on the status of the lawsuit filed by MDLC. In addition, MTA should discuss the**

**continued oversight of the Mobility paratransit service by the Federal Transit Administration (FTA). Specifically, MTA should discuss whether satisfactory progress is being made to remedy the service deficiencies cited by the FTA and when FTA is likely to end its oversight of the Mobility system.**

***Procurement of New Paratransit Contractor Marred by Irregularities:*** The current contract for paratransit services with Yellow Transportation/Connex expired on December 31, 2003. Following the release of two requests for proposals, two new contractors were recommended for award. However, the current contractor has appealed that decision to the Maryland Board of Contract Appeals, which has yet to rule on the merits of the case. **DLS recommends that MTA update the budget committees on the status of this procurement.**

## **Capital Issues**

***Transit Capital Projects: Four Major New Starts Under Study:*** MTA is currently developing studies of four major new transit facilities: the Bi-county Transitway, the Corridor Cities Transitway, the Baltimore Regional Transit Plan, and the Magnetic Levitation Transportation System (Maglev). **DLS recommends that MTA update the committees on the status of each of these four major transit studies.**

***What's NEXT at MTA?:*** The NEXT System is an integrated network that uses global positioning satellite systems and wireless technology to monitor transit systems and provide information on public displays and across public announcement systems on train and bus locations and anticipated arrival times. MTA has proposed to install this system at a projected cost of \$50 million through 2007; implementation of this system will apparently require the diversion of at least \$24.2 million from other capital projects, including the diversion of \$16.4 million from the Metro Fire and Safety system upgrading project. **DLS recommends that the General Assembly add language withholding \$24.2 million from MTA's capital program until MTA has submitted a report explaining the NEXT System in more detail.**

## **Operating Budget Recommended Actions**

	<b><u>Funds</u></b>
1. Reduce funding for replacement vehicles in Transit Administration.	\$13,527
2. Reduce funding for replacement vehicles in Bus Operations.	82,029
3. Reduce funding for replacement vehicles in Rail Operations.	53,664
<b>Total Reductions</b>	<b>\$149,220</b>

## **Capital Budget Recommended Actions**

1. Add language prohibiting the expenditure of federal funds for the study, development, or construction of a Magnetic Levitation Transportation System.
2. Add language withholding a portion of capital funding until a report detailing the benefits of the NEXT system is submitted.

## **Updates**

***MTA Reports on Actions Taken to Improve Maintenance Procedures:*** MTA has reported on the steps it is taking to introduce the comprehensive safety systems and implement the revised maintenance procedures recommended by consultants hired to investigate the bus wheel failure incidents that occurred in 2001 and 2002.

***Owings Mills Joint Development Delayed:*** The Owings Mills transit oriented development has been included in MTA's capital program for nearly four years as a partnership between Baltimore County and the State. However, the project has been unable to proceed due to ongoing legal issues associated with clearing the title of the proposed Owings Mills metro property. This matter is currently being litigated; a court date has been set for April 1, 2004.

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## ***Budget Analysis***

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### **Program Description**

The Maryland Transit Administration (MTA) consists of the following operating budget programs:

- **Transit Administration** provides executive direction and support services for MTA.
- **Bus Operations** manages bus service in Baltimore City and surrounding counties. These services include the operation of fixed route and paratransit lines and contracts with commuter and paratransit service providers.
- **Rail Operations** includes the Baltimore Metro heavy rail line and Baltimore area light rail lines and the management of the Maryland Rail Commuter (MARC) contracts with Amtrak and CSX Transportation.
- **Statewide Operations** provides technical assistance and operating grants to local jurisdictions' transit services, including Montgomery County's "Ride-On" and Prince George's County's "the Bus" services. Additionally, the program contracts with private carriers to operate commuter bus services throughout the State into Washington, DC. Assistance is also provided to the Maryland and Delaware Railroad to support the maintenance of State-owned rail lines.

### **Governor's Proposed Operating Budget**

MTA's fiscal 2005 operating allowance is \$421.2 million, an increase of \$20.5 million (5.1%) over the fiscal 2004 working appropriation. Changes in the allowance for Transit Administration, Bus Operations, Rail Operations, and Statewide Operations are illustrated in **Exhibit 1**.

**Exhibit 1**  
**Governor’s Proposed Budget**  
**Maryland Transit Administration**  
(\$ in Thousands)

	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 04-05</b>	<b>FY 04-05</b>
	<b><u>Actual</u></b>	<b><u>Approp.</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
Special Funds	\$352,940	\$349,114	\$367,940	\$18,826	5.4%
Contingent & Back of Bill Reductions	0	0	-82	-82	
<b>Adjusted Special Funds</b>	<b>\$352,940</b>	<b>\$349,114</b>	<b>\$367,858</b>	<b>\$18,745</b>	<b>5.4%</b>
Federal Funds	51,910	51,606	53,352	1,746	3.4%
Reimbursable Funds	45	30	30	0	0.0%
<b>Adjusted Grand Total</b>	<b>\$404,894</b>	<b>\$400,750</b>	<b>\$421,240</b>	<b>\$20,491</b>	<b>5.1%</b>

**Where It Goes:**

**Personnel Expenses**

New positions .....	\$771
Union compensation, benefits, and increments.....	6,308
Workers’ compensation premium assessment .....	3,107
Turnover adjustments.....	-1,487
Other fringe benefit adjustments .....	-632

**Transit Administration**

SmarTrip Card Regional Customer Service Center.....	819
Insurance, including property insurance and tort liability insurance.....	781
New and replacement equipment including data processing equipment.....	-643

**Bus Operations**

Mobility paratransit contract .....	2,987
Vehicle repairs.....	1,903
Diesel Fuel.....	1,048
Commuter bus services for buses into Baltimore City .....	575

**Rail Operations**

MARC contracts with CSX and Amtrak.....	848
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**Statewide Operations**

Commuter bus services for buses into Washington, DC .....	2,762
Other Changes .....	1,344

<b>Total</b>	<b>\$20,491</b>
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Note: Numbers may not sum to total due to rounding.

## **Transit Administration**

The fiscal 2005 allowance for Transit Administration is \$42.3 million, an increase of \$2.8 million (7.1%) over the fiscal 2004 working appropriation. An increase of \$1.4 million occurs in the allowance for contractual services, including an increase of just over \$819,000 in funding for a new SmarTrip Card Regional Customer Service Center.

The SmarTrip Card, which was introduced to the Washington Metro system in 1999, is a reusable, rechargeable plastic card that allows transit passengers to automatically deduct a transit fare or parking fee by waving their card over sensors at fare gates. The SmarTrip Card is to be introduced to an additional 15 transit systems in the greater Washington, DC and Baltimore Metropolitan region, thereby allowing passengers to transfer seamlessly from one transit system to another. The current schedule for the introduction of the SmarTrip Card on MTA services is provided in **Exhibit 2**.

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### **Exhibit 2**

#### **Schedule for Introducing the SmarTrip Card to Maryland Transit Services**

<u>Service</u>	<u>Introduction Date</u>
MTA Bus Service	September 2004
MARC	July – December 2005 (First Priority)
Light Rail	July – December 2005 (Second Priority)
Metro	July – December 2005 (Third Priority)
Commuter Bus System and LOTS	November 2004 – January 2005

LOTS = Locally Operated Transit Systems

Source: Maryland Transit Administration

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A regional customer service center is to be established to provide customer services to SmarTrip Card holders. The service center will be open for limited service in July 2004; it will open for full service in December 2004. The \$819,000 provided in MTA's allowance as a contribution toward the operating cost of the service center includes a payment of \$719,000 for MTA itself, as well as smaller payments made on behalf of other LOTS throughout the State, including Harford, Howard, Frederick, Montgomery, and Prince George's counties services, the Corridor Transportation Corporation, and Annapolis Transit.

Within the Transit Administration unit, there is an additional budget increase of \$781,000 in the allowance for insurance other than excess liability insurance, including property insurance and tort liability insurance. There is also an additional increase of approximately \$351,000 in union personnel costs. These increases are partially offset by a decrease of nearly \$643,000 in new and replacement equipment, particularly data processing equipment.

## **Bus Operations**

The allowance for bus operations totals \$176.5 million, an increase of \$11.6 million (7.1%) over the fiscal 2004 working appropriation. All of this increase occurs in the special fund allowance, which totals \$146.2 million in fiscal 2005. Federal funds comprise 17.2% of the fiscal 2005 bus operations allowance; these funds are capital funds expended for preventative maintenance.

An increase of just over \$4 million is seen in the allowance for union personnel costs. Such costs include cost-of-living adjustments, and health and pension benefits negotiated with MTA's three unions, the Amalgamated Transit Union Local 1300, the American Federation of State, County, and Municipal Employees Council 67, and the Office and Professional Employees International Union Local Number 2 (AFL-CIO).

An additional increase of \$3 million is seen in the allowance for motor vehicle costs, including an increase of just over \$1 million for diesel fuel and an increase of nearly \$2 million in vehicle repair costs. The increase in diesel fuel costs occurs because the fuel costs for paratransit buses are now to be handled as a pass-through expense in the new paratransit contract and will therefore be paid directly by MTA. The increase in vehicle repair costs reflects the introduction of new maintenance practices following the bus wheel incidents, including the increased use of new (rather than re-conditioned) repair parts and the increased cost of such parts for the new buses purchased by MTA.

The allowance for motor vehicles also includes \$185,239 to cover the cost of purchasing one van, three Jeeps, six Sport Utility Vehicles (SUV), and two trucks. Two of these vehicles will exceed the required replacement mileage (100,000 miles) at the end of fiscal 2005 by only 6,398 miles and 931 miles respectively. **The Department of Legislative Services (DLS) is recommending that replacement of these vehicles be deferred for one year. MTA has been unable to provide sufficient justification to explain why sedans would be unable to meet the service needs for which the Jeeps and SUVs are requested; DLS is therefore also recommending that the allowance for replacement vehicles be reduced to an amount necessary to purchase 10 sedans.**

The allowance for contractual services in Bus Operations increases by \$3.7 million. This figure includes an increase of \$575,000 in the contract for commuter bus services that carry commuters into Baltimore City.

The remainder of the increase in contractual services is attributable to an increase of nearly \$3 million in the cost of Mobility paratransit services. MTA currently projects that a new paratransit services contract will be awarded and implemented in fiscal 2004. As a result, MTA anticipates the need for a budget amendment in the current fiscal year totaling \$7,000,000 to cover the start-up costs of the new contract as well as the cost of extending the existing contract with Yellow Transportation/Connex while disputes surrounding the award of the new contract are resolved. The Governor's fiscal 2005 allowance includes an increase in the paratransit contract cost attributable only to annualization of the new paratransit contract. Additional information on the paratransit contract is provided later in this analysis.

## **Rail Operations**

The fiscal 2005 allowance for Rail Operations totals \$128.6 million, an increase of just over \$3 million over the fiscal 2004 working appropriation. As in the allowance for Bus Operations, all of the increase in the allowance for Rail Operations occurs in the special fund allowance. Federal funds comprise just 9.8% of the fiscal 2005 allowance in Rail Operations; these funds are capital funds utilized for preventative maintenance on the MARC system.

The allowance for union personnel costs increases by just over \$1.5 million. An additional increase of \$1.4 million occurs in the budget for the MARC system, including a combined increase of \$847,566 in the operating contracts with Amtrak and CSX and smaller increases in diesel locomotive fuel and track maintenance expenses.

## **Statewide Operations**

The fiscal 2005 allowance for Statewide Operations totals \$73.9 million, an increase of \$3.1 million (4.4%) over the fiscal 2004 working appropriation. The allowance for special funds totals \$63.4 million, an increase of \$1.3 million (2.2%) over the fiscal 2004 working appropriation, while the allowance for federal funds totals \$10.5 million, an increase of \$1.7 million (20%) over the fiscal 2004 working appropriation.

There is an increase of nearly \$2.8 million in the contracts for buses that carry passengers into Washington, DC. Many of the commuter bus contracts have been or will soon be re-bid; these contracts are increasing due to higher insurance costs and the need for contractors to use only lift-equipped buses as required by the Americans with Disabilities Act (ADA).

The allowance for Statewide Operations includes \$22.1 million in subsidies to Montgomery County for the “Ride-On” bus service, nearly \$7.1 million in subsidies to Prince George’s County for the “the Bus” service, and \$1.5 million in subsidies for the Corridor Cities Transitway; the fiscal 2005 allowances for these subsidies are unchanged from the fiscal 2004 working appropriation. No funding is included in the allowance for any new transit initiatives undertaken by any county transit agencies.

## **PAYGO Capital Program**

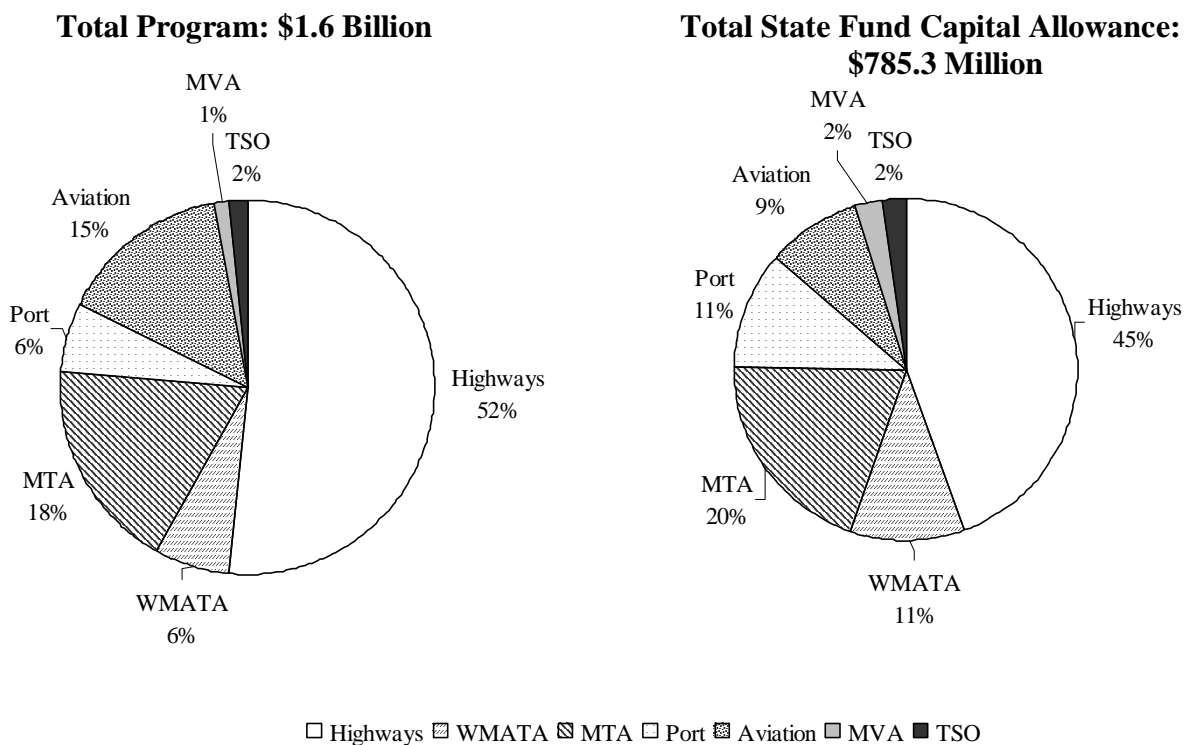
### **Program Description**

MTA's capital program provides funds to support the design, construction, rehabilitation, and acquisition of facilities and equipment for the bus, rail, and statewide programs. Funded items include the purchase of transit buses and rail cars; grade-crossing rehabilitation; and maintenance projects on State-owned light density lines. Additionally, the program provides State and federal grants to local jurisdictions and non-profit organizations to support the purchase of transit vehicles and the construction of transit facilities.

### **Fiscal 2004 to 2009 Consolidated Transportation Program**

As illustrated in **Exhibit 3**, capital expenditures on MTA in fiscal 2005 are expected to comprise 18% of the State's entire transportation capital program from all fund sources, including State funds, federal funds, and "other" funds. For the purposes of comparison, Exhibit 3 shows that MTA's State fund allowance is expected to comprise 20% of all capital expenditures from State-sourced revenues.

**Exhibit 3  
Transportation Capital Allowance  
Fiscal 2005**



Aviation = Maryland Aviation Administration  
 MVA = Motor Vehicle Administration  
 Port = Maryland Port Administration  
 TSO = the Secretary's Office  
 WMATA = Washington Metropolitan Area Transit Authority

Source: Maryland Budget Books

**MTA Capital Program**

**Exhibit 4** lists MTA's ongoing capital projects and provides information on fiscal 2005 expenditures and total project costs.

**Exhibit 4**  
**Major Ongoing Construction Projects**  
(\$ in Thousands)

<u>Mode/ Jurisdiction</u>	<u>Project Description</u>	<u>FY 2005</u>	<u>Total Project Costs</u>
MARC	MARC Frederick Extension	\$3,453	\$56,090
MARC	MARC Maintenance, Layover, and Storage Facilities	13,543	53,050
MARC	MARC Efficiency Improvements on Camden, Brunswick, and Penn Lines	19,367	61,586
MARC/Metro	Silver Spring Transit Center/MARC Station Relocation	5,211	41,816
MARC	Halethorpe MARC Station Parking Improvements	2,118	14,816
MARC	Odenton MARC Station Parking Improvements	587	5,798
Frederick	Point of Rocks MARC Station Parking Improvements	1,120	3,876
Statewide	Freight Bridge Rehabilitation and Freight Line Grade Crossing Improvements	878	10,912
Light Rail	Light Rail Double-tracking	32,714	153,664
Light Rail	Light Rail Cab Code Signal Systems	3,596	13,655
Light Rail	Light Rail Cromwell Maintenance Facility	640	29,563
Light Rail	Light Rail Safety Upgrades	1,157	5,624
Baltimore County	Owings Mills Joint Development	11,608	15,426
Metro	Metro and Agencywide Escalator Rehabilitation	8,337	59,459
Metro	Metro Operations Facilities	6,522	28,816
Metro	Metro Railcar Mid-Life Overhaul	25,000	95,918
Metro	Metro Fire and Security Management Systems	6,960	68,748
MTA Bus System	Bus Procurement	29,572	191,721
MTA Systemwide	Replacement of Fare Collection Equipment	24,638	82,462
MTA Systemwide	Radio Communication Trunking	3,450	11,568
Statewide	Community Safety and Enhancement Projects	1,470	14,128
Locally Operated Transit Systems	Capital Procurement Projects	17,561	129,456
Locally Operated Transit Systems	Capital Procurement Projects for Non-Profit Agencies	2,207	20,601
Montgomery County	Local Bus Program	4,240	34,569
Prince George's County	Local Bus Program	610	5,386
Commuter Bus System	Procurement of Lift-equipped Road Coaches	2,000	22,000
Systemwide	System Preservation and Minor Projects	52,600	Ongoing
N/A	Capital Salaries and Wages	5,600	Ongoing
<b>Total</b>		<b>\$286,759</b>	<b>\$1,230,708</b>

Source: Maryland Department of Transportation, 2004 *Consolidated Transportation Program*

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Projects that are being completed or have experienced significant changes in scope or in funding are discussed below.

### **MARC System**

- **MARC Frederick Extension:** Revenue service on the Brunswick Line's extension to Frederick began in December 2001. A total of \$6.4 million is expected to be spent in fiscal 2005 and 2006 to complete remaining close out tasks on this extension.
- **MARC Efficiency Improvements on Camden, Brunswick, and Penn Lines:** Among the improvements being made on the MARC lines are construction of new main line and storage capacity in the Halethorpe area; realignment of low-speed curves in Hyattsville; and the construction of a four-mile section of double track in the Anacostia area. Other efficiency improvements will be initiated as projects are identified.
- **Silver Spring Transit Center and MARC Station Relocation (Phase II):** During Phase I of the Silver Spring Transit Center, which was completed in fiscal 2003, the MARC Station was relocated and a new pedestrian bridge over the tracks was built. During Phase II, a fully integrated transit center will be constructed at the Silver Spring Metrorail Station. A new facility to house the bus bays for the Metrobus and Ride-On systems will be constructed, as will a new MARC ticketing office. It is anticipated that construction on Phase II will be initiated in fiscal 2005. The State of Maryland is providing \$5.2 million in fiscal 2005 for this project (including \$3.5 million in federal funding). Montgomery County is contributing approximately \$15 million to the entire Phase II project, including \$8 million for land acquisition, \$6.5 million for design and construction costs, and \$1 million for an information technology system.

### **Baltimore Area Services**

- **Light Rail Double Tracking:** In order to complete the Double Tracking project as quickly as possible, MTA will close all 11 light rail stations south of Camden Yards beginning February 28, 2004. This segment of the double tracking project is scheduled to be completed by October 1, 2004, while the entire double tracking project is expected to be completed in 2006. Shuttle bus service will be provided at all stations along the closed portion of the light rail route. Even when the Double Track project is complete; however, 2.6 miles of the light rail route will remain single tracked, including a portion near the Baltimore/Washington International Business District.
- The total cost to the State of the light rail project has increased by \$17.7 million (raising the State's total cost to \$48.5 million). A Full Funding Grant Agreement between the Federal Transit Administration (FTA) and MTA was signed when the project was initiated. This agreement anticipated that the federal share of the project's costs would be 79%; however, funding was subject to availability. Congress has consistently appropriated federal funding

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for the project only at the 60% level rather than at the 79% level assumed in the full funding agreement. MTA has now adjusted its federal aid assumptions to reflect the receipt of federal funding at the 60% level although it continues to apply for federal funding at the 79% level.

- **Light Rail Cromwell Maintenance and Layover Facility (Phase II):** Construction of a light rail storage, maintenance, and repair facility at the Cromwell Light Rail Station is expected to be completed in fiscal 2005. The facility is now in operation and expenditures planned for fiscal 2005 will fund final close-out construction projects at the facility.
- **Metro Fire and Security Management Systems:** This project, which was previously included among MTA's System Preservation/Minor Projects, will support the replacement of the Metro's Supervisory Control and Data Acquisition (SCADA) system. The SCADA system allows emergency personnel to control the Metro and its key safety systems – including communications systems, sprinkler systems, ventilation systems, and elevator systems – in the event of an emergency. The integrity of the existing SCADA system is deteriorating due to age and water infiltration and the original vendor no longer supports the system. A new system will be built using off-the-shelf components; this system will allow for the installation of additional security systems.
- **MTA Bus Procurement:** The total cost of the Bus Procurement project has been revised downward by \$16 million to \$191.7 million. MTA expects to purchase 125 buses during fiscal 2005, 105 buses during fiscal 2006, and 105 buses during fiscal 2007. Federal law allows federal funds to be used to replace buses that are at least 12 years old; based on its review of its fleet, MTA has determined that its total purchase will have to be reduced by 40 buses as the age of these buses will render them ineligible for replacement. Following the purchases made in fiscal 2007, the average annual age of MTA's fleet will be approximately 6 years.
- **Transit Vehicle Automated Stop Announcement System:** MTA has completed a project that retrofitted 266 buses with both audio equipment that automatically announces stops and with LED signs that display route and stop information.

**Exhibit 5** lists the capital studies currently included in MTA's Development and Evaluation program and provides information on fiscal 2005 expenditures on these studies as well as the total costs of each study. Additional information about several of the studies listed in the exhibit is provided later in the analysis.

**Exhibit 5**  
**Major Ongoing Development and Evaluation Projects**  
 (\$ in Thousands)

<u>Mode/Jurisdiction</u>	<u>Project Description</u>	<u>FY 2005</u>	<u>Total Project Costs</u>
Light Rail	Cold Spring Light Rail Station Park and Ride	\$139	\$2,091
Washington Metro	Bi-county Transitway Study	2,301	18,845
Baltimore	Baltimore Region Transit Plan	2,387	8,844
Maglev	System Study	0	15,584
Southern Maryland	Mass Transportation Analysis	502	3,008
I-270 Corridor	Corridor Cities Transitway Study*	780	12,591
<b>Total</b>		<b>\$6,109</b>	<b>\$60,963</b>

\* Funded in the SHA budget.

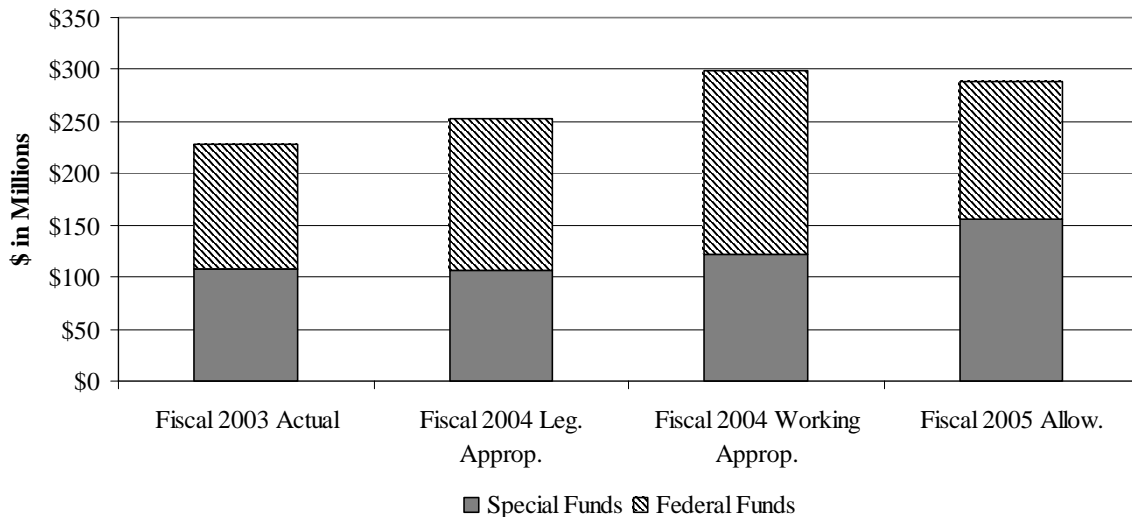
Maglev = Magnetic Levitation Transportation System

Source: Maryland Department of Transportation; 2002 *Consolidated Transportation Program*

**Fiscal 2004 and 2005 Cash Flow Analysis**

**Exhibit 6** presents the cash flow changes in MTA’s capital program from fiscal 2003 to 2005. MTA’s fiscal 2004 working capital allowance totals \$299.6 million, an increase of \$46.2 million over the fiscal 2004 legislative appropriation. The fiscal 2005 capital allowance totals \$288.5 million, a decrease of \$11.1 million (3.7%) below the fiscal 2004 working appropriation. This decrease is due to cash flow changes among ongoing capital projects.

**Exhibit 6**  
**Cash Flow Changes**  
 Fiscal 2003 – 2005



Source: Maryland Department of Transportation, 2004 *Consolidated Transportation Program*

## ***Operating Issues***

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### **1. Required Farebox Recovery Rate of 40% Sunsets at End of Fiscal 2004**

Chapters 210 and 211, Acts of 2000 lowered the required annual farebox recovery rate from 50% to 40% for Baltimore area transit services (bus service, light rail, and Metro). These chapters also required MTA and the transit systems operated by Prince George's and Montgomery counties to report on performance measurement data that would supplement the farebox recovery rate including:

- performance indicators that track service efficiency – including measures of operating expenses per vehicle mile, operating expenses per passenger trip, and passenger trips per vehicle mile;
- comparable performance data for the service efficiency measures from comparable mass transit systems in the United States; and
- independent management audits of the operational costs and revenues of mass transit in the Baltimore region and in Prince George's and Montgomery counties every four years.

These actions were taken in support of the goal of doubling transit ridership, which was a key objective of the Transit Initiative. Chapters 210 and 211 sunset at the end of fiscal 2004; with the abrogation of these chapters, MTA's required annual farebox recovery rate reverts to 50%, and the additional performance reporting requirements are no longer in effect.

Beginning in fiscal 2002, MTA has been unable to achieve the required 40% farebox recovery rate. Even with the significant fare increase instituted at the beginning of fiscal 2004, the system is still not projected to achieve the 40% farebox recovery rate. Thus, without significant service eliminations or increases in its annual revenues, it is unrealistic to expect that the system would achieve a 50% farebox recovery rate.

Senate Bill 282 of 2004 proposes to eliminate the June 30, 2004, sunset provision, thereby maintaining the farebox recovery requirement at 40%. This bill would also continue to require MTA and the transit systems operated by Prince George's and Montgomery counties to submit annual performance measurement information and to conduct performance audits. **DLS recommends that the farebox recovery rate be left at 40% and that all additional performance reporting requirements be retained. DLS also recommends that MTA comment on Senate Bill 282.**

## **2. MTA’s Lease of SUVs Violated State Procurement Regulations**

DLS’ Office of Legislative Audits (OLA) has found that MTA violated the Department of Budget and Management (DBM) vehicle purchase criteria by leasing 12 used vehicles, including SUVs, without obtaining required DBM approval.

On May 22, 2002, MTA Police entered into a lease agreement for the use of 7 SUVs to supplement their fleet. Again on January 9, April 17, and May 6, 2003, additional leases were signed, adding a total of 5 additional vehicles to MTA Police’s fleet. MTA Police have explained that these vehicles were needed for increased patrols following the terrorist attacks of September 11, 2001. DBM had previously denied MTA’s requests for SUV purchases; however the MTA Administrator approved MTA’s lease of the 12 vehicles in question.

On February 11, 2004, the Board of Public Works (BPW) approved an agenda item that reported the retroactive expenditure and cancelled MTA’s vehicles leases. The lease payments made by MTA through December 2003 and additional contract costs (including excess mileage fees of nearly \$50,000 and early termination costs) resulted in a total cost of \$166,602 for these vehicle leases. OLA has estimated that the cost of purchasing these 12 vehicles outright would have been only \$240,000. MTA reports that it will now begin re-assigning vehicles from its other divisions to MTA Police on an as-needed basis.

**DLS recommends that MTA brief the committees on its policies regarding the purchase and use of SUVs and its compliance with State fleet purchase criteria for SUVs.**

## **3. MTA Sued for Poor Performance of Paratransit System**

### **Requirements of ADA**

Title II, subtitle B of ADA of 1990 requires public entities that operate fixed route transit systems (defined as consistent routes traveled on regular schedules) to provide paratransit or other specialized services to individuals with disabilities that are comparable to the level of service provided to individuals without disabilities who use the fixed route system. The paratransit service must be provided to origins and destinations within corridors located three-quarters of a mile on either side of each fixed route service, and the service must be available during the same hours and on the same days as fixed route service is available. ADA specifies that public entities may charge paratransit riders up to twice the fare that would be charged to an individual paying full fare for a trip of similar length at a similar time of day on the fixed route service.

## **Paratransit Services Provided by MTA**

MTA has provided paratransit services since 1978. This service, called “Mobility,” is provided within the required three-quarters mile corridor of MTA’s fixed bus, light rail, and Metro services. The one-way cash fare for a paratransit trip is \$1.85; pre-registered personal care attendants are allowed to accompany paratransit patrons free of charge.

In fiscal 2003, MTA operated approximately 16% of paratransit services directly using its own fleet of approximately 30 vehicles, while 84% of the service was provided by the Yellow Transportation/Connex company. In fiscal 2003, approximately 564,000 unlinked trips were provided by Mobility at an operating cost per passenger of \$25.50.

## **Assessment of Mobility by FTA**

FTA conducted an assessment of MTA’s Mobility service in June 2002. This assessment included data analysis, an on-site inspection of MTA’s Mobility service conducted from June 17 through June 21, 2002, interviews with consumer representatives and customers, and review of complaints previously filed with the FTA regarding “capacity constraints” at MTA. Capacity constraints are defined to include impermissible restrictions on the number of trips an eligible individual is provided, the establishment of waiting lists for service access, or any other operational patterns or practices that might lead to substantial numbers of significantly late trips, denied trips, missed trips, or excessively long trip lengths.

The final Paratransit Assessment Report was issued by the FTA on January 26, 2003. This report presented findings on seven assessment categories:

- **Eligibility Determinations**, including assessment of procedures related to the assessment of applicants’ eligibility to use Mobility services;
- **Telephone Access**, including assessment of the ease of scheduling services;
- **Service Performance**, including assessment of practices for collecting data pertaining to missed trips, on-time performance, etc.;
- **Trip Requests**, including assessment of the performance of call center personnel in collecting pertinent information from those calling to schedule Mobility trips;
- **Scheduling**, including assessment of procedures for dividing trips among the services operated by MTA and by its contractor;
- **Service Provision**, including assessment of dispatching procedures and the use of taxis to provide service in certain situations; and

- **Resources**, including assessment of the number/type of vehicles used to provide service, spare ratios, and staffing levels.

Following the FTA's 2002 assessment, which identified specific actions to be taken by MTA to correct service deficiencies and improve performance in each of the seven assessed areas, MTA has been required to file quarterly progress reports with the FTA. MTA submitted its most recent report on January 6, 2004 (a yearly closeout report was submitted on January 15, 2004). Among other service issues, MTA is currently still required to report on the Mobility contractor's performance, routing and scheduling procedures, dispatch procedures, and fleet maintenance.

### **Lawsuit Filed Against MTA by the Maryland Disabilities Law Center**

In October 2003, the Maryland Disability Law Center (MDLC) filed a lawsuit in federal district court against MTA seeking a preliminary and permanent injunction and declaratory relief; the suit also seeks certification as a class action complaint. The MDLC alleges that the Mobility service violates specific requirements of ADA due in part to continuing severe deficiencies in the areas of service performance and quality (including failing to provide timely service etc.), and to ongoing capacity constraints that "limit the availability of paratransit services to paratransit-eligible individuals" etc. The lawsuit further alleges that MTA's "omissions, unless enjoined, will continue to inflict irreparable injuries for which plaintiffs have no adequate remedy at this time."

The parties have filed additional pleadings for the Judge's consideration. It is likely that this matter will proceed to trial in the spring of 2004. The court will render a decision on the MDLC's request for class action certification prior to the trial; the court will then consider the request for the injunction and relief simultaneously at trial. While ADA does not allow monetary judgments for damage to be awarded to a plaintiff, the court could potentially order MTA to speed up its timeline for correcting service deficiencies.

**DLS recommends that MTA brief the committees on the status of the lawsuit filed by MDLC. In addition, MTA should discuss the continued oversight of the Mobility paratransit service by the FTA. Specifically, MTA should discuss whether satisfactory progress is being made to remedy the service deficiencies cited by the FTA and when FTA is likely to end its oversight of the Mobility system.**

## **4. Procurement of New Paratransit Contractor Marred by Irregularities**

The current contract for paratransit services with Yellow Transportation/Connex company expired on December 31, 2003. MTA conducted a procurement process in the summer and fall of 2003. An initial Request for Proposals (RFP) was released on December 10, 2002; due to insufficient financial competition, this RFP was withdrawn and a revised RFP was issued on July 29, 2003. This revised RFP introduced terms of service under the new contract that differ from those extant in its current contract. One such change is the requirement that contractors engaged under the new contract provide dedicated service to MTA patrons. Thus, while the existing contract allows the contractor to

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mix MTA patrons with those from other paratransit providers, the new contract requires the contractor to carry only MTA patrons on each MTA trip.

Following evaluation of bids submitted in response to its RFP, MTA's evaluation panel recommended that the new contract for the provision of paratransit services be awarded to MV Transportation of Fairfield, California, and Laidlaw Transit Services of Overland Park, Kansas. Yellow Transportation/Connex company has appealed this decision to the Maryland Board of Contract Appeals (MBCA); a hearing was initiated on January 27, 2004. As of February 17, 2004, no decision had been rendered by the MBCA on this case. It has become apparent from testimony before the MBCA, however, that there were irregularities in MTA's procurement process; these irregularities have resulted in the reassignment of the former head of MTA Mobility service to a new position in MTA.

At a December 2003 meeting, BPW decided to defer action on the award of the new contract given the challenges alleging bias in the procurement process. As it became clear that a new contract would not be in place by the time the current contract with Yellow Transportation/Connex company expired, MTA negotiated an extension of the existing contract with Yellow Transportation/Connex company that is valid through June 30, 2004. For the period of July 1, 2003, to December 31, 2003, MTA paid Yellow Transportation/Connex company \$5.4 million for paratransit services; however, under the new extension contract (which covers the period from January 1, 2004, to June 30, 2004), MTA is paying \$7.2 million for the contract (a 25% increase in the contract cost).

In the fiscal 2005 allowance, the Governor's budget has assumed that a new paratransit services contract will be awarded and implemented in fiscal 2004. As a result, MTA anticipates it will need a budget amendment in the current fiscal year totaling nearly \$7,000,000. This figure includes \$5.2 million to cover the start-up costs of the new contract as well as \$1.6 million to cover the costs incurred during the 6-month extension of the current contract.

As illustrated in **Exhibit 7**, the award of the new contract coupled with the extension of the old contract are projected to significantly increase the costs of providing paratransit services in fiscal 2004. The cost of the paratransit contract will decrease in 2005 (when it is anticipated that only one contract will be in place) below the high level reached in fiscal 2004. However, the overall cost of providing paratransit services will continue to exceed \$20 million in fiscal 2005 due in part to the hiring of 21 new personnel to staff a Mobility Control Center. The introduction of this Control Center was called for by two consulting groups who studied the problems in MTA's paratransit services and recommended that MTA adopt a new service model to correct service deficiencies.

**Exhibit 7**  
**Cost of Paratransit Services**  
**Fiscal 2002 – 2005**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Annual % Change</u>
Cost of Paratransit Services Contract	\$9,818,069	\$10,605,275	\$17,013,922	\$14,384,621	13.6%
Total Cost of Paratransit Services	\$13,593,822	\$14,773,701	\$21,898,353	\$20,235,289	14.2%
Annual Change in Total Cost of Paratransit Services		8.7%	48.2%	-7.6%	

Source: Maryland Transit Administration

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**DLS recommends that MTA update the budget committees on the status of this procurement.**

## ***Capital Issues***

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### **1. Transit Capital Projects: Four Major New Starts Under Study**

MTA is currently developing studies of four major new transit facilities: the Bi-county Transitway (formerly known as the “Purple Line”), the Corridor Cities Transitway, the Baltimore Regional Transit Plan (including the proposed Red and Green Lines), and the Magnetic Levitation Transportation System (Maglev). While the Maglev system could potentially be constructed and ready for operation by 2009, it is unlikely that any of the other three major new transit facilities could be ready to begin construction before 2009 given the current stage of the study on each of these facilities. The current status of each of the four major transit new starts studies being conducted by the Administration is detailed below.

#### **Bi-county Transitway**

***Current Status of Study:*** The Bi-county Transitway (BCT) corridor extends 14 miles along an east-west route between Bethesda and New Carrollton inside the Capital Beltway (I-495). This alignment encompasses two individual segments that were the subject of previous environmental impact studies:

- A 4.4 mile segment extending from Bethesda to Silver Spring was the subject of a Major Investment Study/Draft Environmental Impact Statement (DEIS) in 1996, which was updated in a supplemental DEIS conducted in early 2003; work on this study has been halted to accommodate the reformulation of this project.
- An approximately 10 mile segment extending between Silver Spring and New Carrollton was the subject of a “line and grade” study completed by the Washington Metropolitan Area Transit Authority in summer 2003; additional work on the DEIS along this route has been halted.

MDOT has taken full control of the study of both segments of BCT and has begun preparing a single DEIS along the entire length of this corridor. MDOT has indicated that several modes and alignments will be studied, including Bus Rapid Transit (BRT) and Light Rail Transit (LRT). Among other alignments, MDOT will study the option of running a BRT along the Georgetown Branch right-of-way and then separating from that right-of-way at Jones Mill Road and following Jones Mill to the Rockville Pike.

***Estimated Cost:*** It is estimated that the new BCT study will cost a combined total of approximately \$8.7 million over fiscal 2004, 2005, and 2006 to complete; this cost will be in addition to the \$10.1 million that had already been spent on all previous studies of the alignments encompassed in BCT. A total of \$15 million in federal funding to fund the study of BCT was requested by the Administration as part of its SAFETEA funding request; it is unclear at this time if this money will be approved as part of the SAFETEA authorization.

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**Project Timeline:** The study of BCT is expected to proceed according to the following schedule:

- **Fall 2005** – DEIS completed
- **Spring 2006** – Locally preferred alternative selected
- **Spring 2007** – Final Environmental Impact Statement (FEIS) issued
- **Construction** – The dates by which construction of BCT could be initiated vary by mode and alignment; however, it is unlikely that construction of any mode could be initiated before 2009.

### **Corridor Cities Transitway**

**Current Status of Corridor Study:** The Corridor Cities Transitway (CCT) is one among several combinations of highway and transit system improvements being studied for implementation in the I-270/US 15 Multi-Modal Corridor Study, which was initiated in 1994. Other options under study include the improvement of existing highways, construction of new highways, addition of High-Occupancy Vehicle (HOV) lanes to existing or new highways, and development of bus service on managed lanes. To reflect the priorities of the Administration, MDOT has expanded this Corridor Study to include assessment of a managed lane option along I-270 from I-70 to I-370.

**Corridor Cities Transitway:** The CCT itself is proposed to run northwest from the Shady Grove Metro station to the COMSAT facility, ultimately serving 18 stations; in the future (beyond the 2025 horizon year for the current study), the CCT could be extended to serve Frederick. MTA is currently studying the following transit options along the corridor:

- BRT along one 12-foot lane in each direction along the corridor;
- LRT along a double-tracked system;
- Premium bus service along proposed HOV lanes; and
- Transportation System Management/Transportation Demand Management (TSM/TDM), which would combine lower cost measures meant to improve the operation of existing transportation facilities but not to provide any capacity improvement (components of a TSM/TDM could include increasing existing bus service, enhancing feeder bus service to extant Metro and MARC stations, and providing additional park/ride lots).

While study of the CCT is still ongoing, as part of the development of the current study, MDOT has calculated cost effectiveness data for each of the transit options included in the Corridor Study. These data, which are presented in **Exhibit 8**, show that projected farebox recovery rates for each type of fixed route transit service in the year 2025 (by which time any bus or fixed rail service along

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the corridor would presumably have been in operation for several years) are likely to be far below the statutorily required farebox recovery rate of 40% (currently in effect through the end of fiscal 2004). The exhibit also shows that the cost of constructing the various modes under study could range from as little as \$54.5 million for the TSM/TDM to as much as \$706.3 million to construct LRT along the entire length of the corridor.

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**Exhibit 8**  
**Cost Effectiveness Data – Corridor Study Transit Options**  
**(Data Current as of July 17, 2003)**  
**(\$ in Millions)**

<u>Alternative</u>	<u>Cost to Construct</u>	<u>Anticipated Daily Boardings</u>	<u>Projected Farebox Recovery Rate</u>	<u>Annual Operating Subsidy (2025 in Current Dollars)</u>
TSM/TDM	\$54.5	5,000	4%	\$33.4
LRT	706.3	22,000	28%	17.2
LRT to Metro Grove only	432.2	14,000	28%	11.2
BRT	414.0	23,500	31%	17.0
BRT to Metro Grove only	248.6	14,800	25%	13.5
Premium Bus Service	200.1	10,000	29%	7.6

Source: Maryland Transit Administration

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These cost effectiveness data were calculated before the assessment of the managed lane option was added to the Corridor Study; however, it is considered likely that the addition of the managed lane option will have the effect of reducing projected ridership on the transit options under consideration for the CCT. These data will be revised once the assessment of the managed lane option has been completed; however, these data indicate that none of the transit options currently under study appear to be truly cost effective.

***Estimated Cost of Corridor Study:*** At the present time, the total estimated cost to MTA of the original Corridor Study is approximately \$12.6 million (including \$8.1 million in federal funds). The study is being conducted jointly by MTA and the State Highway Administration (SHA); a total of \$780,000 is included in CTP for this study in fiscal 2005. At the present time, no money has been programmed for future years. Due to the addition of the managed lane alternative, however, MTA and SHA are each requesting an additional \$3 million to complete the Corridor Study.

***Project Timeline:***

- **Fall 2004** – Complete analysis of managed lane alternative; seek FTA approval to begin preliminary engineering on CCT
- **Fall 2005** – Complete preliminary engineering
- **Summer 2006** – FEIS is completed
- **Construction:** It is currently estimated that construction on any of the transit or highway options included in the Corridor Study could not begin before 2009.

**Baltimore Region Transit Plan Phase I: Red Line and Green Line**

***Current Status of Study:*** The Baltimore Region Transit Plan (BRTP), which was developed in 2002 by the Baltimore Region Rail System Plan Advisory Committee, outlines a series of transit system expansion projects for the Baltimore region to be implemented over the next 40 years. If implemented as planned in the BRTP, these projects would create 66 miles of new rapid transit lines and 58 new stations in the Baltimore metropolitan area.

The Advisory Committee recommended that in Phase I of the implementation of the BRTP, priority be given to the construction of the:

- **Red Line** from Social Security Administration to Fells Point; and
- **Green Line** from Johns Hopkins University to Morgan State University.

Brief descriptions of these two lines are provided below:

- **Red Line** – As conceptualized in the BRTP, the Red Line would extend 21 miles in length and connect eastern and western communities of Baltimore City and County with the downtown area. MTA has initiated project planning studies and a DEIS on a “selected priority segment” of the Red Line that is approximately 10.5 miles in length and extends from Patterson Park to the Social Security Administration. These studies, which are evaluating alignment alternatives and transit modes – including BRT, enhanced bus service, and light rail transit – are estimated to require 18 to 24 months to be completed.
- **Green Line** – As conceptualized in the BRTP, the Green Line would build on the existing Metro Subway between Owings Mills and Johns Hopkins Medical Campus by extending the line to White Marsh and then to I-95 and Martin State Airport via two separate branches. MTA has initiated project planning studies and a DEIS on a “selected priority segment” of the Green Line that is approximately 4.5 miles in length and extends from the current John Hopkins terminus to

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Morgan State University. Given that the Green Line builds on the existing Metro line, MTA will study a subway option for this route as well as BRT and enhanced bus service; MTA has indicated that light rail is not to be considered as an option for this route.

***Estimated Cost of Study:*** A total of \$6.6 million has been included in the final 2004 CTP to fund studies of lines included in the BRTP in fiscal 2004, 2005, and 2006. A total of \$15 million in federal funding to fund the study of the Red and Green Lines was requested by the Administration as part of its SAFETEA funding request; it is unclear at this time if this money will be approved as part of the SAFETEA authorization.

***Project Timeline:*** MTA is currently conducting scoping activities (the first stage of the DEIS process) on both lines simultaneously; however, it is likely that one line will eventually be chosen to receive initial priority and thus to advance more rapidly through the DEIS process than the other line. A total cost estimate for study of the Red and/or Green Lines will not be developed until it becomes clearer which line will be chosen to advance before the other in the study process.

***Construction:*** It is estimated that the earliest possible construction date for the Red Line would be 2011.

### **Magnetic Levitation Transportation System (Maglev)**

***Current Status of Study:*** The Magnetic Levitation Transportation System (Maglev) is a new mode of transportation technology that uses electromagnetic power to lift (“levitate”), guide, and propel a vehicle along a single guide rail at speeds up to 300 miles per hour. The proposed Maglev project between Washington and Baltimore is one of two demonstration projects selected in January 2001 by the Federal government as finalists that were to be considered to receive \$950 million in funding authorized under TEA-21.

MTA has completed a DEIS on the Maglev system using the federal funding appropriated for that purpose in the 2003 session. However, it is likely that the contest that was established in TEA-21 will now not occur given the expiration of TEA-21 and its imminent replacement by a new federal transportation authorization. Thus, the Federal Railroad Administration (FRA) has deferred action on Maglev; FRA will await the enactment of the new authorization and then take that action that is required by the authorization. While Maglev was not included in the Administration’s proposed reauthorization act, it is possible that the final authorization could include money for the Maglev, perhaps even as a direct appropriation to a specific project, although the size and nature of the appropriation are not clear at this time.

A total of \$1,000,000 has been included in the fiscal 2004 federal appropriations bill for MTA’s Maglev study. This money does not require a match from State or other federal funds and does not have to be spent in fiscal 2005. MTA has advised that it could utilize this money to complete the

FEIS; however, it is unclear at this time if MTA will utilize the money. Language was added in the Budget Reconciliation and Financing Act of 2003 prohibiting the expenditure of State general or State special funds for the purpose of studying, developing, or constructing a Maglev system; however, MTA could bring the federal funds contained in the federal appropriation into its budget through a budget amendment.

**DLS recommends that MTA update the committees on the status of each of the capital studies discussed in this issue. Specifically, MTA should provide the following updates to the committees:**

- **Bi-county Transitway:** MTA should discuss the status of the current study, including discussing whether the Jones Mill road alignment is still considered a viable alignment.
- **Corridor Cities Transitway:** Given that cost effectiveness data for all transit modal options being studied for the Corridor Cities Transitway indicate that none of the modes under study would produce a farebox recovery rate above 31% by the year 2025, MTA should discuss whether transit options along this alignment are truly viable.
- **Baltimore Regional Transit Plan:** MTA should discuss the status of the study of both the Red and the Green Lines and should discuss with the committees which line is likely to be selected to be the initial priority in future studies.
- **Maglev system:** MTA should discuss with the committees the findings of the DEIS; MTA should also discuss whether it intends to utilize the federal funding available to it to complete the Final Environmental Impact Statement.

## **6. What's NEXT at MTA?**

### **What Is the NEXT System?**

MTA has proposed installing the NEXT system on the Baltimore area transit systems and on the MARC system. The NEXT System is an integrated network that uses global positioning satellite systems and wireless technology to monitor and display information on an entire transit system. Among other components, when fully completed, MTA's NEXT System is projected to include the following:

- Electronic message signs providing real-time schedule information at light rail and MARC stations and at 200 high usage bus stations, and a public announcement system at light rail, MARC, and Metro stations;
- Scheduling software systems that provide real-time trip planning information at kiosks throughout the rail system;

- Closed circuit television surveillance systems at light rail, Metro, and MARC stations; and
- Computer-aided Dispatch/Automatic Vehicle Location System housed in MTA's Communications Control System that will enable bus supervisors to monitor the location of every bus in the fleet and to conduct diagnostic assessments of each bus (on such issues as engine temperature, oil pressure, and transmission fluid levels etc.).

### **Cost of the NEXT System**

Implementation of all planned components of the NEXT system is currently projected to cost approximately \$50 million; the project is to be completed by the fall of 2006 except for installation of the last 150 vehicle arrival signs at bus stops, which is not expected to be completed until 2007.

As illustrated in **Exhibit 9**, projects totaling \$11.7 million are currently included in the CTP that are now considered to be part of the NEXT system project. The NEXT System project components already programmed in the CTP include bus system improvement/rehabilitation projects, a light rail public announcement upgrading system project, and projects that support transit station enhancements.

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### **Exhibit 9 Funding for the NEXT System**

**NEXT System Total Project Cost** **\$50,000,000**

<u>Source of Funds</u>	<u>Amount of Funding</u>
Existing NEXT Project Components Already Contained in CTP	\$11,740,000
Existing Projects in CTP from which Funding Will Be Diverted to the NEXT Project	\$24,200,000
Additional Funding Required (Funding Not Yet Available in the CTP)	\$14,060,000
<b>Total Funding for NEXT System Project</b>	<b>\$50,000,000</b>

Source: Maryland Transit Administration

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In addition to the project components already contained in the CTP, MTA is planning to divert \$24.2 million from capital projects that are already programmed in the CTP but that are unrelated to the NEXT System project. Projects from which funding is to be reprogrammed include the METRO Fire and Security Management Project (from which \$16.4 million is to be reprogrammed), and freight bridge and rail rehabilitation and improvement projects (from which \$4.3 million is to be

reprogrammed). An additional \$14 million in funding not yet programmed in the CTP will be needed by MTA to complete the NEXT system projects.

It is currently estimated that \$5.7 million – including \$1.5 million diverted from existing projects – will be spent on the NEXT System in fiscal 2005. The remaining \$44.3 million in project costs will be expended in fiscal 2006 and 2007.

### **Experience of Other Transit Systems with the NEXT System**

Several major transit systems across the United States have installed some components of the NEXT system, including WMATA and Chicago; however, apparently no other transit system has installed all the components that MTA is proposing to combine in its system. Among the transit systems that have installed the NEXT system, it is unclear what the impact of the system has been on ridership.

MTA's Baltimore area transit services experienced a 6% drop in ridership from fiscal 2002 to 2003 and are expected to experience another ridership decline in fiscal 2004; ridership is, however, projected to show a slight increase in fiscal 2005 of 1.7%. From fiscal 2002 to 2005, MTA's special fund allowance is projected to have grown at least \$32.3 million. Further, the MTA system is centered around its bus system; thus, in fiscal 2005, the bus system is projected to carry nearly 76% of all transit riders in the Baltimore metropolitan area.

MTA is in need of system improvements that will grow its ridership – particularly on its bus service – at least to the level seen in fiscal 2002 before ridership began to decline. It is unclear at this time whether installation of the NEXT System – at a cost of \$50 million – is likely to produce significant increases in ridership. It is also unclear why installation of the NEXT system on MTA buses will be completed after installation on the light rail, MARC, and Metro systems; given that the bus system carries the majority of MTA's passengers, it should be the priority system to receive upgrades that may potentially increase ridership. Finally, given the need to ensure the safety of the existing system – including the Metro system – it is unclear whether construction of the NEXT system should be done with money diverted from fire safety projects.

**DLS therefore recommends that the General Assembly add language withholding \$24.2 million from MTA's capital program until MTA has submitted a report explaining the NEXT System in more detail. Such a report should present detailed information on the impact that the installation of components of the NEXT System has had on the ridership in other major urban transit systems that have implemented the system – particularly on their bus systems. The report should provide a plan to guide the limited implementation of the NEXT System on MTA's bus system on a pilot basis. The plan should also specify performance criteria that can be used to evaluate the impact of the NEXT System prior to roll-out of the system on all MTA modes.**

## Operating Budget Recommended Actions

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	<b><u>Amount Reduction</u></b>
1. Reduce funding for replacement vehicles in the Transit Administration unit. The fiscal 2005 allowance includes \$44,490 for the replacement of one Ford Bronco, one Ford Expedition, and one Dodge Ram. These vehicles should be replaced with sedans. Funding has therefore been reduced to yield an amount equal to the purchase cost of 3 standard State sedans as priced by the Department of Budget and Management.	\$ 13,527 SF
2. Reduce funding for replacement vehicles in Bus Operations. The fiscal 2005 allowance includes \$185,239 for the replacement of 12 vehicles, including 3 Jeeps, 5 Ford Explorers, 1 Ford Expedition, 1 GMC Truck, 1 GMC Rally, and 1 Dodge Van. One of the Ford Explorers to be replaced will exceed the required replacement mileage by just 6,398 miles, while one of the Jeeps to be replaced will exceed the required replacement mileage by just 931 miles; replacement of these vehicles should be deferred for one year. The remaining 10 vehicles should be replaced with sedans. Funding has therefore been reduced to yield an amount equal to the purchase cost of 10 standard State sedans as priced by the Department of Budget and Management.	82,029 SF
3. Reduce funding for replacement vehicles in Rail Operations. One of the vehicles to be replaced will exceed the required replacement mileage by just 3,505; replacement of this vehicle should be deferred for one year. The other vehicles to be replaced include three Ford Explorers, one Ford Ranger, one Jeep Cherokee, and one Ford Expedition. These vehicles should be replaced with sedans. Funding has therefore been reduced to yield an amount equal to the purchase cost of 6 standard State sedans as priced by the Department of Budget and Management.	53,664 SF
<b>Total Special Fund Reductions</b>	<b>\$149,220</b>

## Capital Budget Recommended Actions

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1. Add the following language:

Provided that no federal funds may be expended for the purpose of studying, developing, or constructing a Maglev system.

**Explanation:** Current Maryland law prohibits the expenditure of State funds for the study, development, or construction of a Maglev system. Given the extraordinarily high costs of constructing such a system and the unproven nature of the technology utilized by the system, its construction appears unfeasible. A draft Environmental Impact Statement on a proposed Maglev alignment between Washington, DC and Baltimore, Maryland has been completed; further study of the system is not required. This language would prohibit the expenditure of any federal funds on the study of any Maglev alignment or system in the State of Maryland.

2. Add the following language:

, provided that \$24.2 million of this appropriation may not be expended until the Maryland Transit Administration (MTA) submits to the budget committees a report on the NEXT System. This report shall provide the following information:

(1) an explanation of all major NEXT System components that are to be installed in all light rail stations, Metro stations, MARC stations, and Baltimore area bus stations and on light rail trains, Metro trains, MARC trains, and Baltimore area buses and the benefits that these components are anticipated to provide, and a plan for limited implementation of the NEXT system on a pilot basis on the bus system and criteria for evaluating the impact of the pilot prior to roll-out of the system on all MTA modes;

(2) a detailed budget for the NEXT System that identifies those projects contained in the final 2004 Consolidated Transportation Program (CTP) that are to be part of the NEXT System, those projects contained in the final 2004 CTP from which funding is to be diverted to the NEXT System and the amount of funding that is to be diverted from them, and all additional funding required to complete the NEXT System; and

(3) information on the impact that the installation of the NEXT System has had on ridership in at least three other urban transit systems in the United States, including information on the NEXT System components installed in these systems, the dates of installation, the cost of the installations, and the total ridership of each mode in the system during the two years prior to the installation of the system and for that period of time that has elapsed subsequent to the installation of the components of the NEXT System.

*J00H01 – MDOT – Maryland Transit Administration*

MTA shall submit this report on or before August 15, 2004. The budget committees shall have 45 days to review and comment prior to the release of funds.

**Explanation:** This language restricts \$24.2 million of the special fund capital appropriation for MTA until it submits a report to the budget committees explaining the benefits that installation of the NEXT System is expected to produce. MTA proposes to spend \$50 million on the installation of the NEXT System on the light rail, Metro, MARC, and bus systems, of which at least \$24.2 million is to be diverted from existing capital projects – including projects to improve the fire management system in the Metro. Prior to making such a significant capital investment, MTA should assess the impact that the NEXT System has had on the ridership of other major urban transit systems that have installed components of the NEXT System.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on the NEXT System	MTA	August 15, 2004

## ***Updates***

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### **1. MTA Reports on Actions Taken to Improve Maintenance Procedures**

Following the bus wheel failure incidents<sup>1</sup> that occurred at MTA between August 10, 2001, and June 12, 2002, the consulting firm of Booz, Allen, Hamilton was engaged to complete a comprehensive review of bus maintenance management procedures at MTA; working with MTA staff, Booz, Allen also conducted performance tests on bus wheel assemblies and their component parts. Booz, Allen published their findings in two separate reports which included specific recommendations of steps that should be taken by MTA to improve maintenance practices and to ensure that all components of wheel assemblies meet specific quality assurance standards. These recommendations covered three broad areas, including the upgrading of bus components and equipment; the introduction of codified maintenance practices and procedures; and the implementation of bus quality and safety-related systems.

Fiscal 2004 budget bill language required MTA to report on steps being taken to introduce the comprehensive safety systems and implement the revised maintenance procedures recommended by the consultant. MTA was also required to report on the steps it has taken to fill five critical safety management positions that had been vacant for an extended period of time. The progress reported by MTA in implementing the systems and procedures and filling the positions is presented in **Exhibit 10**.

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<sup>1</sup> During the August 2001-June 2002 time period, there were 18 incidents of rear wheel separation on buses in revenue service; in addition, 21 buses were found to have been in service or in MTA yards with 3 or more broken rear wheel studs.

**Exhibit 10**  
**MTA’s Progress in Upgrading Bus Components and**  
**Introducing Comprehensive Safety Systems**

<u>Recommended Improvements</u>	<u>Illustrative Actions</u>	<u>Estimated Costs (FY 2003)</u>	<u>Status (as of January 1, 2004)</u>
<b>Bus Components and Equipment</b>	<ul style="list-style-type: none"> <li>• Implement campaign to replace old/defective parts in front and rear wheel assemblies and train personnel on proper maintenance procedures.</li> <li>• Purchase specialized equipment and conduct checks on new and reworked wheel assemblies.</li> </ul>	\$5,725,075	All steps have been completed.
<b>Bus Maintenance Practices</b>	<ul style="list-style-type: none"> <li>• Develop a training package describing proper bus wheel assembly and installation procedures; establish ongoing training program for new hires.</li> <li>• Ensure that superintendents conduct weekly meetings with staff to review maintenance practices and procedures.</li> <li>• Obtain specialized tools and establish audit trail for ensuring correct procedures are followed in all maintenance activities.</li> </ul>	1,467,206	Training is ongoing.  Meetings are ongoing.  To be completed in Spring-Summer 2004.
<b>Quality Assurance and Safety-Related Procedures</b>	<ul style="list-style-type: none"> <li>• Remove entire stock of bolts and nuts and replace with one type of fastener that is directly obtained from manufacturers (not distributors).</li> <li>• Implement a quality assurance system to ensure that replacement parts comply with quality standards.</li> <li>• Establish engineering technical support services to identify and develop responses to technical issues as they arise in MTA’s maintenance operations unit; establish shop oversight responsibility in the Quality Assurance group to monitor shop work quality, tool calibration, parts configuration etc.</li> <li>• Establish systems to investigate safety component failure incidents and preserve evidence.</li> </ul>	759,267	Completed.  Ongoing.  Procedures and positions are being developed.  Computer system used to document incidents.
	<b>Sub-total</b>	7,951,548	
	Additional Costs <sup>2</sup>	82,393	
	<b>Total</b>	<b>\$8,033,941</b>	

Source: Maryland Transit Administration

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<sup>2</sup> Additional costs include payment of claims submitted to MTA by those injured during bus wheel incidents as well as operator costs associated with the positioning of buses during maintenance campaigns.

*J00H01 – MDOT – Maryland Transit Administration*

As the exhibit shows, a total of \$8,033,941 was expended in fiscal 2003 to replace sub-standard parts, purchase new equipment, replace all front and rear wheel assemblies, implement new quality assurance and training systems, and settle claims arising from the bus wheel incidents. In addition to the expenditures that were directly attributed to MTA’s effort to correct the bus wheel problem, MTA has also incurred increased expenses related to maintenance as it has introduced new maintenance systems and acquired other specialized tools and replacement parts. In order to sustain these new systems and procedures, MTA is likely to continue to incur increased costs in areas pertaining to maintenance.

**MTA’s Progress in Filling Vacant Safety-related Positions**

The budget bill language identified six-safety related positions that were vacant for an extended period of time at MTA. **Exhibit 11** shows MTA’s progress in filling these positions.

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**Exhibit 11**  
**MTA’s Progress in Filling Vacant Safety-related Positions**

<u>Position Identified in JCR</u>	<u>Hiring Status</u>
Director of Safety and Risk Management	Position Filled.
Chief Safety Officer/Engineer	Position Unfilled.
System Safety Officer	Position Filled.
Metro Safety Officer	Additional System Safety Officer hired instead of Metro Safety Officer.
Document Control Officer	Additional System Safety Officer hired instead of Document Control Officer.
Manager of Bus Operations	Position Filled.

Source: Maryland Transit Administration

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MTA has filled five of six safety-related positions identified. The chief safety officer/engineer position is expected to be advertised in February 2004.

**2. Owings Mills Joint Development Delayed**

The Owings Mills Transit Oriented Development (TOD) has been included in MTA’s capital program for nearly four years as a partnership between Baltimore County and the State through MDOT/MTA. The TOD is envisioned as a mixed use development based on a “Main Street” concept that will integrate commercial, residential, retail, and public use properties, including a 2,200 space Metro parking garage, a civic plaza, and other infrastructure.

*J00H01 – MDOT – Maryland Transit Administration*

A ground lease between MDOT/MTA and Owings Mills Transit LLC (OMT) was approved by BPW on October 2, 2002; this agreement established OMT's status as the selected developer and preceded final negotiations of the controlling three-party Master Development Agreement between MTA, Baltimore County, and OMT for implementation of the TOD.

However, the project has been unable to proceed due to ongoing legal issues associated with clearing the title of the proposed Owings Mills metro property. In summary, the land proposed for the site of the TOD was originally taken by SHA and later transferred to MTA by BPW in September 1997; this transfer was approved at the time by FTA, which also endorsed the development of a TOD at the site. In the intervening period, the original owner of the metro property has claimed that their right to reacquire the property when it was no longer needed by the SHA was violated; MDOT maintains that the original owner has no remaining rights to repurchase the property. This matter is currently being litigated; a court date has been scheduled for April 1, 2004.

Despite the pending litigation, MDOT/MTA and Baltimore County intend to engage in further negotiations pertaining to the Master Development Agreement so that this agreement can be resolved and ready for approval by BPW and the Baltimore County Council immediately upon resolution of the pending litigation.

***Current and Prior Year Budgets***

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**Current and Prior Year Budgets  
MDOT – Transit Overview  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2003</b>					
Legislative Appropriation	\$0	\$337,503	\$45,027	\$0	\$382,530
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	18,143	7,550	45	25,738
Cost Containment	0	-2,706	0	0	-2,706
Reversions and Cancellations	0	0	-667	0	-667
<b>Actual Expenditures</b>	<b>\$0</b>	<b>\$352,940</b>	<b>\$51,910</b>	<b>\$45</b>	<b>\$404,895</b>
<b>Fiscal 2004</b>					
Legislative Appropriation	\$0	\$348,893	\$51,606	\$0	\$400,499
Cost Containment	0	0	0	0	0
Budget Amendments	0	220	0	30	250
<b>Working Appropriation</b>	<b>\$0</b>	<b>\$349,113</b>	<b>\$51,606</b>	<b>\$30</b>	<b>\$400,749</b>

Note: Numbers may not sum to total due to rounding.

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## **Fiscal 2003**

Approximately \$18.1 million in special funds was added to the MTA's legislative appropriation through budget amendments. These funds covered a variety of expenses, including increases in union contract and health expenses (\$6.7 million), bus wheel corrective actions (\$3 million), an increase in operating agreements with Amtrak for the MARC service (\$2.4 million) increases in the cost of diesel fuel (\$1.8 million), and additional smaller increases in miscellaneous expenses such as paratransit costs, snow removal costs, and increased security costs.

These increases were offset by cost containment decreases of just over \$2.7 million in special funds. Approximately \$1.3 million was withdrawn from personnel expenses throughout the MTA; additional decreases were achieved by reducing reserves for accident claims (\$1 million) and by reducing contractual services (just over \$317,000).

Budget amendments also added a total of \$7.55 million in federal funds to MTA's appropriation, including \$5 million in federal funds substituted for special funds expended for rail maintenance expenses, and an additional \$2 million in Job Access grants provided to assist welfare recipients and low-income workers utilize transit to travel to job sites.

**Object/Fund Difference Report  
MDOT – Maryland Transit Administration**

<u>Object/Fund</u>	<u>FY03 Actual</u>	<u>FY04 Working Appropriation</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	2968.00	2902.00	2925.00	23.00	0.8%
02 Contractual	29.50	29.00	29.00	0	0%
<b>Total Positions</b>	<b>2997.50</b>	<b>2931.00</b>	<b>2954.00</b>	<b>23.00</b>	<b>0.8%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 206,959,634	\$ 202,684,641	\$ 210,751,443	\$ 8,066,802	4.0%
02 Technical & Spec Fees	1,121,163	1,379,641	1,229,091	-150,550	-10.9%
03 Communication	944,041	1,147,060	1,185,399	38,339	3.3%
04 Travel	383,836	166,339	167,039	700	0.4%
06 Fuel & Utilities	7,432,152	7,986,234	7,439,950	-546,284	-6.8%
07 Motor Vehicles	34,383,047	27,913,505	31,101,667	3,188,162	11.4%
08 Contractual Services	86,611,184	90,547,493	99,114,280	8,566,787	9.5%
09 Supplies & Materials	8,829,193	4,738,938	4,990,592	251,654	5.3%
10 Equip - Replacement	224,212	1,029,054	505,557	-523,497	-50.9%
11 Equip - Additional	200,637	398,132	390,418	-7,714	-1.9%
12 Grants, Subsidies, Contr	52,572,517	56,597,408	56,794,414	197,006	0.3%
13 Fixed Charges	5,219,243	6,161,416	7,622,145	1,460,729	23.7%
14 Land & Structures	13,259	0	0	0	0.0%
<b>Total Objects</b>	<b>\$ 404,894,118</b>	<b>\$ 400,749,861</b>	<b>\$ 421,291,995</b>	<b>\$ 20,542,134</b>	<b>5.1%</b>
<b>Funds</b>					
03 Special Fund	\$ 352,939,769	\$ 349,113,641	\$ 367,939,764	\$ 18,826,123	5.4%
05 Federal Fund	51,909,549	51,606,220	53,352,231	1,746,011	3.4%
09 Reimbursable Fund	44,800	30,000	0	-30,000	-100.0%
<b>Total Funds</b>	<b>\$ 404,894,118</b>	<b>\$ 400,749,861</b>	<b>\$ 421,291,995</b>	<b>\$ 20,542,134</b>	<b>5.1%</b>

Note: The fiscal 2004 appropriation does not include deficiencies and the fiscal 2005 allowance does not reflect contingent reductions.

**Fiscal Summary**  
**Maryland Transit Administration Operating Budget**

<u>Unit/Program</u>	<u>FY03 Actual</u>	<u>FY04 Legislative Appropriation</u>	<u>FY04 Working Appropriation</u>	<u>FY03 - FY04 % Change</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 % Change</u>
01 Transit Administration	\$ 36,444,443	\$ 37,522,298	\$ 39,520,204	8.4%	\$ 42,344,130	7.1%
02 Bus Operations	181,159,700	165,532,475	164,846,673	-9.0%	176,471,450	7.1%
04 Rail Operations	122,210,133	125,207,344	125,608,538	2.8%	128,609,005	2.4%
05 Facilities and Capital Equipment	212,985,888	235,626,569	284,117,000	33.4%	261,271,000	-8.0%
06 Statewide Programs Operations	65,079,842	72,237,489	70,774,446	8.8%	73,867,410	4.4%
08 Major IT Development Projects	14,722,806	17,801,000	15,504,000	5.3%	27,275,000	75.9%
<b>Total Expenditures</b>	<b>\$ 632,602,812</b>	<b>\$ 653,927,175</b>	<b>\$ 700,370,861</b>	<b>10.7%</b>	<b>\$ 709,837,995</b>	<b>1.4%</b>
Special Fund	\$ 460,350,615	\$ 454,646,955	\$ 470,432,641	2.2%	\$ 524,158,764	11.4%
Federal Fund	172,207,397	199,280,220	229,908,220	33.5%	185,679,231	-19.2%
<b>Total Appropriations</b>	<b>\$ 632,558,012</b>	<b>\$ 653,927,175</b>	<b>\$ 700,340,861</b>	<b>10.7%</b>	<b>\$ 709,837,995</b>	<b>1.4%</b>
Reimbursable Fund	\$ 44,800	\$ 0	\$ 30,000	-33.0%	\$ 0	-100.0%
<b>Total Funds</b>	<b>\$ 632,602,812</b>	<b>\$ 653,927,175</b>	<b>\$ 700,370,861</b>	<b>10.7%</b>	<b>\$ 709,837,995</b>	<b>1.4%</b>

Note: The fiscal 2004 appropriation does not include deficiencies and the fiscal 2005 allowance does not reflect contingent reductions.

**Budget Amendments for Fiscal 2004**

**Maryland Department of Transportation  
Maryland Transit Administration**

**Operating**

<u>Status</u>	<u>Amount</u>	<u>Fund</u>	<u>Justification</u>
Pending	\$220,255	SF Operating	Cover increases in Excess Liability insurance coverage.
Pending	30,000	RF Operating	Federal grant provided through the Maryland Emergency Management Agency to support branch security upgrades.
Projected	1,000	SF Operating	Support the IWIF Workplace Incentive Grant program.
Projected	7,000,000	SF Operating	Meet the start-up costs associated with implementation of the new paratransit contract (\$5.2 million). Amendment will also cover the costs associated with the extension of the existing paratransit contract with Yellow Transportation/Connex company through the end of June 2003 (\$1.6 million); further, the amendment will cover the additional costs in fiscal 2004 of providing maintenance on 40 new paratransit vehicles leased by MTA to Yellow Transportation/Connex company (\$200,000).
Projected	5,482,000	SF Operating	Cover a variety of operating expenditures, including providing funds for the new SmartCard Regional Customer Service Center; farebox equipment maintenance costs; additional utility costs for buildings near the Washington Boulevard Complex; terrorist insurance for MARC services operated by CSX; and insurance on new Mobility vehicles operated by Yellow Transportation/Connex company.

**Budget Amendments for Fiscal 2004**

**Maryland Department of Transportation  
Maryland Transit Administration**

**Operating**

Projected	4,300,000	SF Operating	Cover increases in the MARC contract with Amtrak, including additional access fees and fees arising from increased vehicle miles; and higher than expected vehicle inspection and repair costs.
Projected	1,550,000	FF Operating	Grant to support the conduct of emergency preparedness training drills; and additional federal funding for LOTS grants.
Projected	64,063	SF Operating	Estimated damage costs from Hurricane Isabel.

**Capital**

Pending	-44,000	SF Capital	Realign the fiscal 2004 appropriation for major IT development projects with the cash flow projected in the draft 2004 CTP.
	-\$,992,000	FF Capital	
Pending	18,007,421	SF Capital	Adjust the amended appropriation to reflect anticipated expenditures as shown in the final 2004 CTP.
	\$32,222,000	FF Capital	

Source: Maryland Department of Transportation

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