

J00B01
State Highway Administration
Maryland Department of Transportation

Operating Budget Data

(\$ in Thousands)

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$775,342	\$764,392	\$757,419	-\$6,973	-0.9%
Federal Fund	<u>14,077</u>	<u>14,569</u>	<u>14,943</u>	<u>375</u>	<u>2.6%</u>
Total Funds	\$789,420	\$778,961	\$772,362	-\$6,599	-0.8%

- The fiscal 2009 operating allowance, net of Highway User Revenues (HUR), totals \$223.7 million for the operating budget, an increase of \$11.5 million, or 5.4%, compared to the fiscal 2008 working appropriation. When adjusting for health insurance, underlying budget growth is \$5.9 million, or 3.0% in fiscal 2009.
- HUR decreases \$18.1 million, or 3.2%, compared to the fiscal 2008 working appropriation. The fiscal 2008 working appropriation does not reflect a downward adjustment in fiscal 2008 revenues. After making this adjustment, the fiscal 2009 allowance decreases approximately \$2.0 million, or 0.4%, largely due to actions taken during the 2007 special session.
- The fiscal 2009 allowance includes approximately \$5.0 million in new spending as a result of the 2007 special session revenue increase for a number of maintenance and system preservation initiatives.

Paygo Capital Budget Data

(\$ in Thousands)

	<u>Fiscal 2007</u> <u>Actual</u>	<u>Fiscal 2008</u> <u>Legislative</u>	<u>Fiscal 2008</u> <u>Working</u>	<u>Fiscal 2009</u> <u>Allowance</u>
Special	\$445,500	\$537,912	\$500,727	\$666,238
Federal	\$601,156	\$568,268	\$572,700	\$437,199
Total	\$1,046,657	\$1,106,180	\$1,073,427	\$1,103,437

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

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J00B01 – MDOT – State Highway Administration

- The fiscal 2008 working appropriation is approximately \$33 million less than the legislative appropriation largely due to cash flow changes in a number of projects across the State.
- The fiscal 2009 allowance is approximately \$30 million more than the fiscal 2008 working appropriation; however, federal funds decrease \$135 million due to funding for the Woodrow Wilson Bridge coming to an end and conservative federal fund estimates. Special funds in the fiscal 2009 allowance increase \$166 million due to the revenue increase, offsetting the decrease in federal funds.

Operating and PAYGO Personnel Data

	<u>FY 07 Actual</u>	<u>FY 08 Working</u>	<u>FY 09 Allowance</u>	<u>FY 08-09 Change</u>
Regular Operating Budget Positions	1,557.00	1,561.00	1,578.00	17.00
Regular PAYGO Budget Positions	<u>1,673.50</u>	<u>1,675.50</u>	<u>1,651.50</u>	<u>-24.00</u>
Total Regular Positions	3,230.50	3,236.50	3,229.50	-7.00
Operating Budget Contractual FTEs	2.75	6.40	3.40	-3.00
PAYGO Budget Contractual FTEs	<u>10.00</u>	<u>15.60</u>	<u>18.60</u>	<u>3.00</u>
Total FTEs	12.75	22.00	22.00	0.00
Total Personnel	3,243.25	3,258.50	3,251.50	-7.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	132.09	4.09%
Positions Vacant as of 12/31/07	224.00	6.92%

- The State Highway Administration (SHA) had 40 positions abolished in fiscal 2008 as part of the Board of Public Works action at the end of January 2008 to abolish 500 vacant positions as directed by the General Assembly in the 2007 special session.
- SHA added 33 positions as part of the fiscal 2009 allowance. Thirty of the new positions are contract maintenance workers with a corresponding offset in contract costs as a result of the new positions, 2 information technology positions, and 1 position for Woodrow Wilson Bridge contract maintenance oversight.
- The fiscal 2009 allowance has turnover expectancy budgeted at 4.1%, requiring 132 vacant positions. As of January 1, 2008, SHA had 224 vacant positions for a vacancy rate of 6.92%.

Analysis in Brief

Major Trends

Highway Fatalities Estimated to Decline: From calendar 2005 to 2006, the number of highway related fatalities increased as the number of vehicle miles traveled increased slightly. SHA estimates that the number of fatalities will decrease in calendar 2007 and 2008 despite an increase in vehicle miles traveled.

Cost Efficiency: SHA attempts to have a cost efficient business model for its maintenance expenditures. To measure efficiency SHA looks at the maintenance cost, excluding snow removal, per lane mile. When adjusted for inflation, expenditures jumped in fiscal 2007; however, they are estimated to remain relatively constant in fiscal 2008 and 2009. **The Department of Legislative Services (DLS) recommends that SHA comment as to why expenditures per lane mile increased in fiscal 2007 and what can be done to reduce or maintain the estimated maintenance cost per lane mile.**

Structurally Deficient Bridges: The recent bridge collapse in Minnesota has brought to the forefront the issue of structurally deficient bridges. SHA has added a new measure that shows the number of structurally deficient bridges on the State highway network each year as reported to the Federal Highway Administration. The number of listed bridges is expected to decline; however, it should be noted that as bridges are taken off the list, other bridges are likely to be added.

Ride Quality: One measure of ride quality is the percentage of roadway mileage with acceptable ride quality. Currently Maryland has 83% of roadways in acceptable ride quality compared to the national average of 93%. **DLS recommends that SHA discuss what can be done to improve this measure and what impact additional revenues and investments in system preservation will have on this measure.**

Issues

Congestion in Maryland: Congestion is increasingly being identified as one of the major transportation policy issues facing the country and state departments of transportation. The issue of congestion is even more pressing in Maryland when considering the level of congestion relative to other states. The Maryland Department of Transportation has undertaken a number of initiatives to reduce the level of congestion in the State; however, there is not an overarching policy goal or direction for how best to address congestion. **DLS recommends that the department develop a long-term strategy for addressing congestion.**

Land Disposition Process: SHA was requested to develop recommendations to address the conflicts between the State procurement law and the Transportation Article regarding the disposition of land. SHA submitted the report and noted that the major problems for the agency were inconsistencies within the Transportation Article. **DLS recommends budget bill language be added that expresses the intent that SHA introduce legislation in the 2009 session to remedy the conflicts in the law.**

Operating Budget Recommended Actions

	<u>Funds</u>
1. Add budget bill language expressing intent that legislation be introduced during the 2009 session regarding the land disposition process.	
2. Add budget bill language to delete 33 new positions and instead reclassify existing vacancies.	
3. Reduce funds for engineering equipment.	\$ 209,603
4. Reduce funds for overtime.	380,000
5. Reduce funds for equipment repairs and maintenance.	165,000
6. Increase turnover expectancy rate.	394,233
7. Adopt committee narrative requesting a report on the State's plan to address congestion.	
Total Reductions	\$ 1,148,836

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

Participation of Women and Minority Owned Businesses in State Highway Administration Contracts: SHA was required to submit a report that evaluated the department's current procurement process and requirements to enable the participation of women and minority owned businesses.

Highway Safety: SHA was requested to submit a report regarding the efforts it was taking to reduce the number of traffic fatalities in the State.

Woodrow Wilson Bridge Update: A status update of the Woodrow Wilson Bridge project is provided.

J00B01 – MDOT – State Highway Administration

J00B01
State Highway Administration
Maryland Department of Transportation

Budget Analysis

Program Description

The State Highway Administration (SHA) is responsible for over 5,200 miles of interstate, primary, and secondary roads, and over 2,500 bridges. SHA employees plan, design, build, and maintain these roads and bridges to safety and performance standards while paying attention to social, ecological, and economic concerns.

SHA employs personnel in seven engineering districts throughout the State and at the Baltimore City headquarters. Each district encompasses a number of adjacent counties, with a district office serving as its headquarters. There is at least one maintenance facility in each county. The districts are responsible for the management of highway and bridge construction contracts, and maintenance functions such as pavement repairs, bridge repairs, snow removal, roadside management, equipment maintenance, and traffic engineering operations.

SHA attempts to manage traffic and congestion through the Coordinated Highways Action Response Team (CHART) program. CHART provides information about traffic conditions and clears incidents on major roadways.

The highway safety program funds the Motor Carrier Division and the State Highway Safety Office. The Motor Carrier Division manages the State's enforcement of truck weight and age limits by inspecting drivers, trucks, and cargo, as well as auditing carriers. The State Highway Safety Office administers highway safety programs and grants to State and local agencies.

The administration has identified the following key goals:

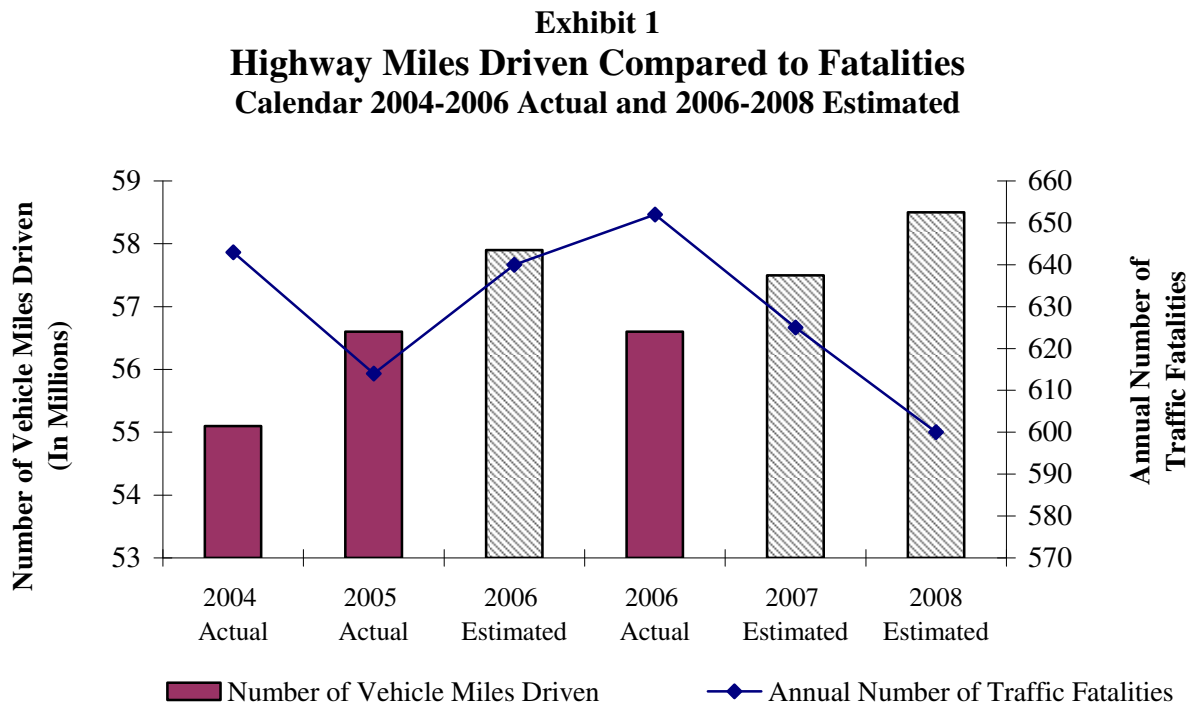
- **Safety:** Improve highway safety in Maryland.
- **Mobility/Congestion Relief:** Improve mobility for customers.
- **System Preservation and Maintenance:** Maintain a quality highway system.
- **Efficiency in Government:** Improve efficiencies in business processes in a fiscally responsible manner.
- **Environmental Stewardship:** Develop and maintain Maryland State highways in an environmentally responsible manner.
- **Customer Satisfaction:** Provide services and products to customers that meet or exceed their expectations.

Performance Analysis: Managing for Results

SHA attempts to provide Managing for Results (MFR) performance measures that relate to its mission and goals. SHA’s mission is to “efficiently provide mobility for our customers through a safe, well-maintained, and attractive highway system that enhances Maryland’s communities, economy, and environment.”

Safety

Goal 1 of the SHA MFR submission is to improve highway safety in Maryland with the objectives of reducing the annual number of traffic and pedestrian fatalities to 550 by December 30, 2010. There are many behavioral factors beyond SHA’s control that impact this measure. In addition, the annual number of miles driven in Maryland typically increases each year increasing the likelihood of a fatality. Considering these two factors, **Exhibit 1** shows that the number of traffic fatalities has increased from calendar 2005 to 2006 similar to levels experienced in fiscal 2004, despite the number of vehicle miles traveled not dramatically increasing. However, traffic fatalities are estimated to decline in calendar 2007 and 2008 even with vehicle miles traveled increasing. Overall the fatality rate in Maryland was 1.15 per 100 million vehicle miles traveled in calendar 2006, below the national average of 1.42 per 100 million vehicle miles traveled.

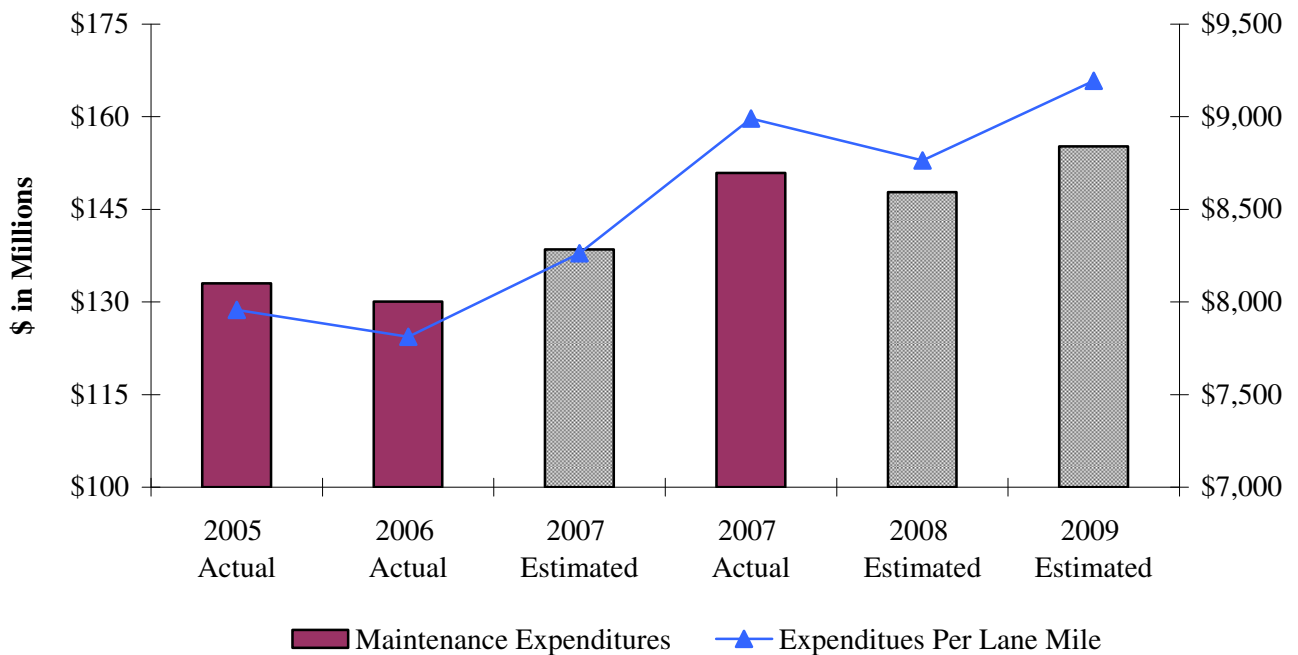


Source: State Highway Administration

Efficiency

One goal of SHA is to improve efficiencies in its business processes. This is measured by maintaining operating expenditures per lane, excluding winter maintenance services, below fiscal 2002 levels or \$9,368 adjusted for inflation. **Exhibit 2** shows that SHA has achieved this goal in fiscal 2007 and is also expected to achieve the goal in fiscal 2008 and 2009. From fiscal 2006 to 2007, overall maintenance expenditures increased \$20 million and are expected to remain relatively flat in fiscal 2008 and 2009. Each year as the number of lane miles maintained has increased so has the level of funding provided. **The Department of Legislative Services (DLS) recommends that SHA should comment as to why expenditures per lane mile increased in fiscal 2007 but is then expected to decrease in fiscal 2008 and then increase in fiscal 2009. SHA should also indicate what can be done to reduce the cost of expenditures per lane mile.**

Exhibit 2
State Highway Administration Expenditure Per Lane Mile
Fiscal 2005-2007 Actual and 2007-2009 Estimated

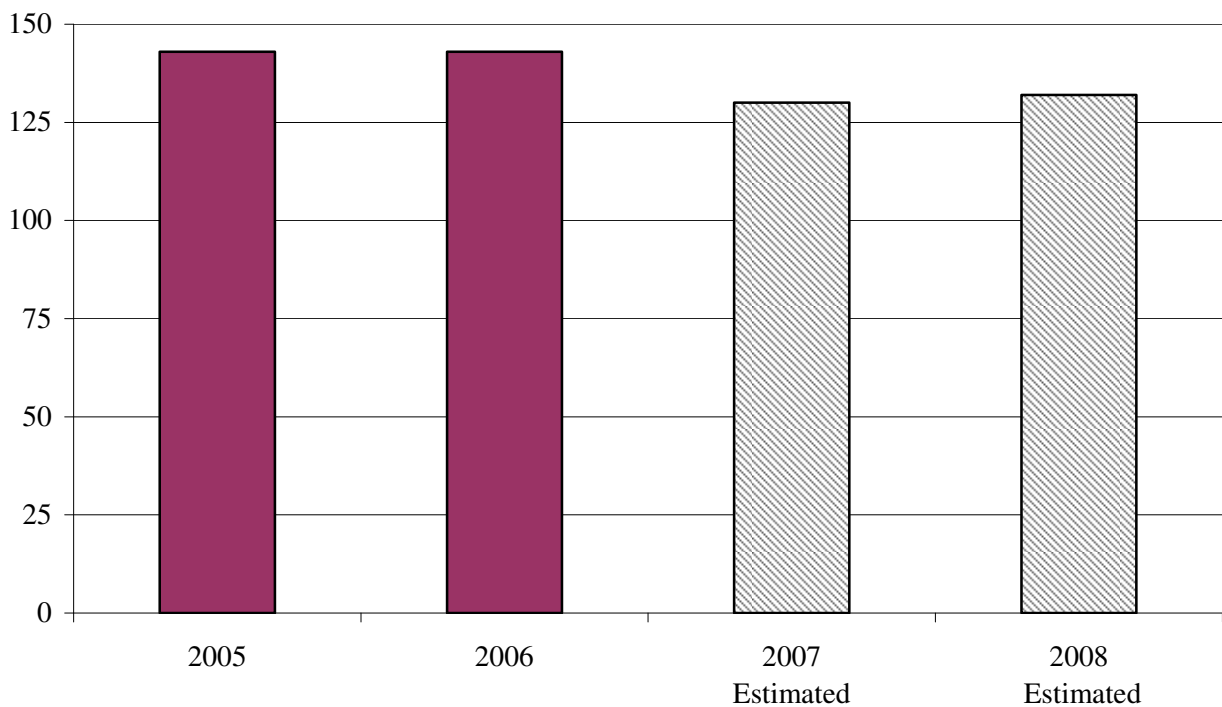


Source: State Highway Administration

System Preservation

Goal 3 from the SHA MFR submission is “System Preservation and Maintenance: Maintain a quality highway system.” The recent bridge collapse in Minnesota highlighted the fact that bridges may be considered structurally deficient or functionally obsolete and still be considered safe for travel. Objective 3.2 deals with bridges and has the goal of maintaining a rate of 100% of bridges that will allow for legally loaded vehicles to safely travel. SHA has consistently achieved this goal and maintained a 100% rating for its bridges. This year the MFR submission also included the number of structurally deficient bridges each calendar year as reported by SHA to the Federal Highway Administration (FHWA). **Exhibit 3** shows that the number of structurally deficient bridges is estimated to decrease from calendar 2006 to 2007. As bridges come off the list most likely other bridges will be added; however, it is anticipated that the overall number will decrease given SHA’s increase in system preservation and bridge replacement funding.

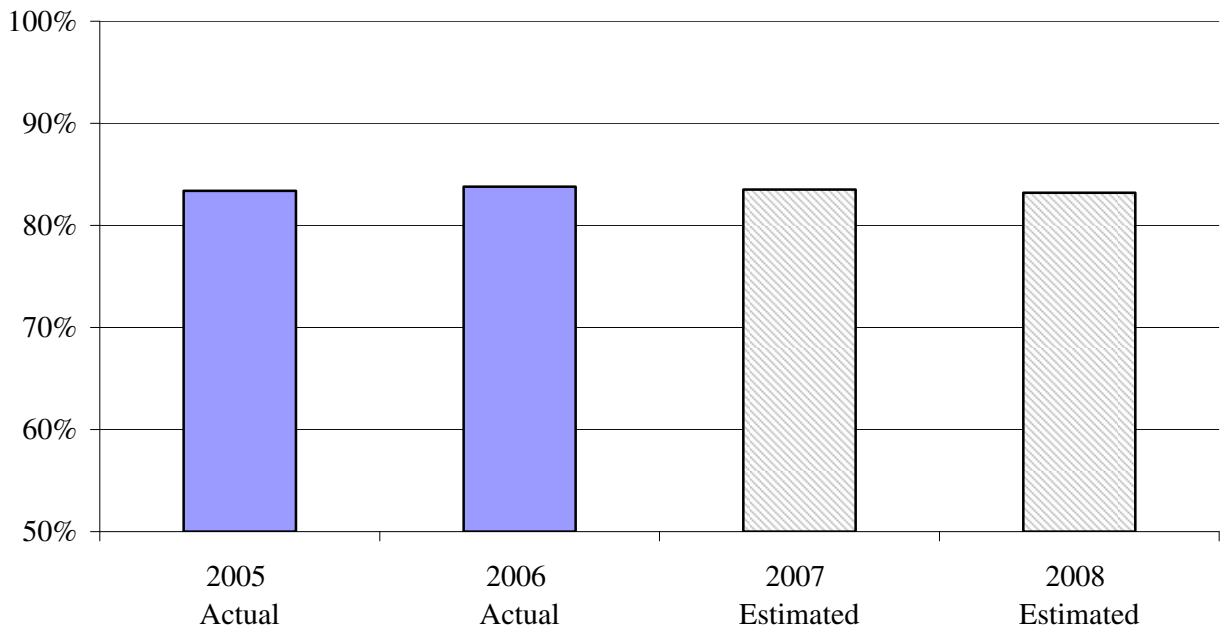
Exhibit 3
Number of Structurally Deficient Bridges in State Highway Network
Calendar 2005-2006 Actual and 2007-2008 Estimated



Source: State Highway Administration

Another measure of system preservation is the percentage of roadway mileage with acceptable ride quality as measured and presented to FHWA. **Exhibit 4** shows the percentage of roadway mileage with acceptable ride quality. As shown, the percentage has remained relatively constant at 83%, compared to a national average of 93% according to FHWA. In recent years the cost of asphalt has increased dramatically thus eroding purchasing power. However, with the recent revenue increase and the emphasis on funding system preservation, one would expect the ride quality to improve. **DLS recommends that SHA discuss with the committees what can be done to improve the ride quality measure such that SHA moves closer to the national average, and how the additional revenues provided will impact ride quality.**

Exhibit 4
Percentage of Roads with Acceptable Ride Quality
Calendar 2005-2006 Actual and 2007-2008 Estimated



Source: State Highway Administration

Governor’s Proposed Budget

The Governor’s proposed budget totals \$772.4 million, a decrease of \$6.6 million, or 0.8%, from the fiscal 2008 working appropriation. Health insurance and the unadjusted total for Highway User Revenues (HUR) in fiscal 2008 make understanding the SHA budget in the aggregate difficult. When looking at only the SHA operating budget, System Maintenance and CHART, the fiscal 2009 allowance increases \$11.5 million, or 5.4%, compared to the fiscal 2008 working appropriation, and when adjusting for health insurance, the allowance increases \$5.9 million, or 3.0%. The major changes in the total allowance, as shown in **Exhibit 5**, are for the following:

- \$18.1 million decrease in HUR due to revenue loss from the trade-in allowance and downward revisions in revenues;
- \$4.5 million increase for other personnel costs including \$2.4 million for increments, \$1.3 million due to a reduced turnover expectancy rate, and \$758,000 for 33 new positions;
- \$4.4 million increase due to the Other Post Employment Benefits long-term liability now being accounted for in each agency’s budget; and
- \$3.1 million increase in contract costs for ongoing system maintenance costs.

Exhibit 5
Governor’s Proposed Budget
State Highway Administration
(\$ in Thousands)

How Much It Grows:	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Total</u>
2008 Working Appropriation	\$764,392	\$14,569	\$778,961
2009 Governor’s Allowance	<u>757,419</u>	<u>14,943</u>	<u>772,362</u>
Amount Change	-\$6,973	\$375	-\$6,599
Percent Change	-0.9%	2.6%	-0.8%

Where It Goes:

Personnel Expenses

Thirty-three new positions	\$758
Forty abolished/transferred positions	-2,204
Increments and other compensation.....	2,403
Health insurance – pay-as-you-go costs.....	1,141
Health insurance – reduce long-term Other Post Employment Benefits.....	4,356
Turnover adjustments due to lower turnover expectancy rate	1,320
Overtime increase based on three-year history	761
Social Security	274
Workers’ compensation premium assessment	-702
Other fringe benefit adjustments.....	87

Contract Maintenance – Revenue Increase Projects and Cost Containment

Increase for highway lighting initiatives from revenue increase	1,700
Increase for line stripping.....	1,100
Increase for brush and tree cutting to address safety issues	1,000
Increase to replace pavement markings	700
Increase for drainage maintenance.....	500
Decrease in contract highway and roadside maintenance from cost containment	-1,871

Other Changes

Increase in contract costs for communication device maintenance for the Coordinated Highway Action Response Team	326
Increase in equipment replacement for engineering and office equipment.....	210
Increase in janitorial services based upon historical average.....	133
Decrease in Highway User Revenues due to trade-in allowance beginning in fiscal 2009 and flattening revenue growth	-18,108

J00B01 – MDOT – State Highway Administration

Where It Goes:

Decrease in cost of additional and replacement vehicle equipment based upon projected need in fiscal year	-201
Decrease in telephone costs based on three-year historical average.....	-140
Decrease in contractual payments due to three fewer administrative contractual positions in district offices.....	-101
Other	-41
Total	-\$6,599

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

Initiatives

As a result of the revenue increase, there is approximately \$5.0 million of new spending in the allowance for the following:

This new spending includes:

- \$1.7 million for lighting initiatives including the installation of light emitting diode signal lights and upgrades to highway lighting;
- \$1.1 million for line striping;
- \$1.0 million for brush and tree cutting to address sight distance and other safety issues;
- \$0.7 million to increase efforts to replace pavement markings and raised or recessed pavement markers; and
- \$0.5 million to address drop-off or build-up and drainage maintenance, which affects the safety of the traveling public by not allowing water to runoff and reduces long-term capital replacement expenditures.

Impact of Cost Containment

Cost containment was taken in both fiscal 2008 and 2009. Fiscal 2008 cost containment totaled \$6.2 million and included \$4.4 million from highway and roadside maintenance, \$1.2 million in utilities, \$300,000 for the purchase of a pollutant discharge unit, and \$300,000 in equipment purchases. All of the fiscal 2008 cost containment actions were carried forward into fiscal 2009 except for the utility cost containment, for a total cost containment of \$5.0 million.

Highway User Revenues

Exhibit 6 provides a summary of the HUR distribution by county and Baltimore City. When adjusting the fiscal 2008 working appropriation to account for the revised revenue estimates from softening vehicle sales, the HUR distribution in fiscal 2009 decreases \$2.0 million.

Exhibit 6 Apportionments of Estimated Highway User Revenue Fiscal 2009

<u>County</u>	<u>Counties</u>	<u>Municipalities and Baltimore City</u>	<u>Total</u>
Allegany	\$4,748,180	\$2,547,745	\$7,295,925
Anne Arundel	29,459,459	1,919,083	31,378,542
Baltimore	42,661,933	0	42,661,993
Calvert	5,855,879	579,325	6,435,204
Caroline	4,088,276	953,445	5,041,721
Carroll	11,627,819	2,638,154	14,265,973
Cecil	6,407,826	1,477,529	7,885,355
Charles	9,389,020	731,804	10,120,824
Dorchester	4,261,746	1,327,444	5,589,190
Frederick	13,695,656	5,033,801	18,729,457
Garrett	5,334,826	979,422	6,314,248
Harford	14,526,336	1,993,570	16,519,906
Howard	15,775,487	0	15,775,487
Kent	2,241,524	591,732	2,833,256
Montgomery	37,521,149	6,988,894	44,510,043
Prince George's	29,513,872	9,301,401	38,815,273
Queen Anne's	5,459,256	361,241	5,820,497
St. Mary's	7,632,362	133,129	7,765,491
Somerset	2,903,973	454,265	3,358,238
Talbot	3,198,928	1,408,107	4,607,035
Washington	8,953,619	3,103,911	12,057,530
Wicomico	7,203,442	2,004,687	9,208,129
Worcester	5,247,616	1,667,247	6,914,863
Total Counties	\$277,708,184	\$46,195,936	\$323,904,120
Baltimore City		\$224,770,000	\$224,770,000
Total	\$277,708,184	\$270,965,936	\$548,674,120

Source: Governor's Budget Books, Fiscal 2009

The 2007 special session provided additional revenue for the Transportation Trust Fund (TTF); however, almost all additional revenues were dedicated directly to the department and not shared with local governments. In addition, a trade-in allowance was adopted for the titling tax which reduced the overall purchase price of vehicles, and as a result, the amount of revenue collected. The loss of revenues was shared between the local jurisdictions and the department, with the loss in local HUR estimated to be \$16 million.

PAYGO Capital Program

Program Description

The State System Construction program provides funds for the capital program of SHA. Financing is available from current revenues, federal aid, and bond proceeds for construction and reconstruction projects on the State highway system, program-related planning and research, acquisition of major capital equipment, and all other capital expenditures. Funding is also provided for local capital programs through the State Aid in Lieu of Federal Aid program and various federal grants, including bridge replacement and rehabilitation, and the national highway system.

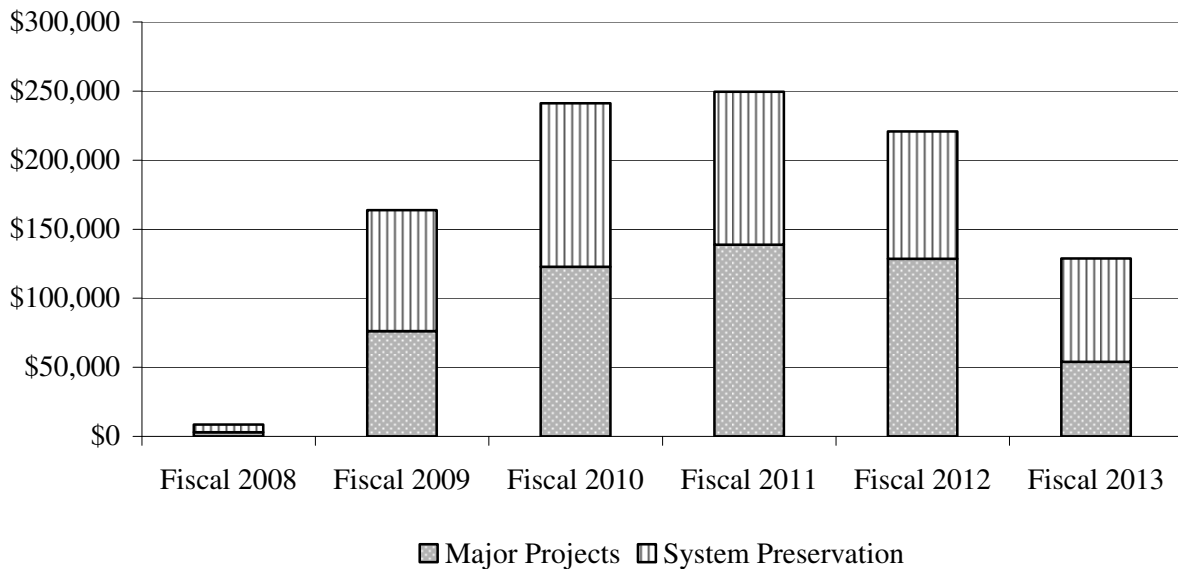
The *Consolidated Transportation Program* (CTP) includes a development and evaluation program (D&E) and a construction program. Generally, projects are first added to the D&E program where they are evaluated by planners/engineers, and rights-of-way may be purchased. The Maryland Department of Transportation (MDOT) also prepares final and draft Environmental Impact Statements for projects in the D&E program. These studies examine alternatives which include a no-build option and a number of different alignments. Spending on a project while in the D&E program is usually less than 15% of the total project cost. When MDOT wants to move a project forward and begin construction, it is moved into the construction program.

Impact of Special Session on Capital Program

As a result of the 2007 special session, revenues to the TTF increased approximately \$2.6 billion from fiscal 2008-2013. Of the revenue raised, \$2.1 billion is programmed in the capital program over the six years. MDOT has indicated that on average there is approximately \$450 million in spending each fiscal year of the capital program with the first \$250 million being used for system preservation and the remaining \$200 million to be divided evenly between SHA and the Maryland Transit Administration. This translates into an additional \$1.0 billion in spending over the six-year program period for SHA.

Exhibit 7 shows the level of funding in each fiscal year of the program period as well as how the funds will be distributed between major projects and system preservation for SHA. As the chart shows, capital spending will reach a peak of approximately \$250 million in fiscal 2011 and then begin to decline in fiscal 2012 and 2013. Over the six-year period, funding for major projects accounts for approximately \$523 million, or 52%, of additional spending, and system preservation accounts for \$490 million, or 48%.

Exhibit 7
Additional State Highway Administration
Spending as a Result of the 2007 Special Session
Fiscal 2008-2013
(\$ in Millions)



Source: Maryland Department of Transportation, 2008-2013 Consolidated Transportation Program

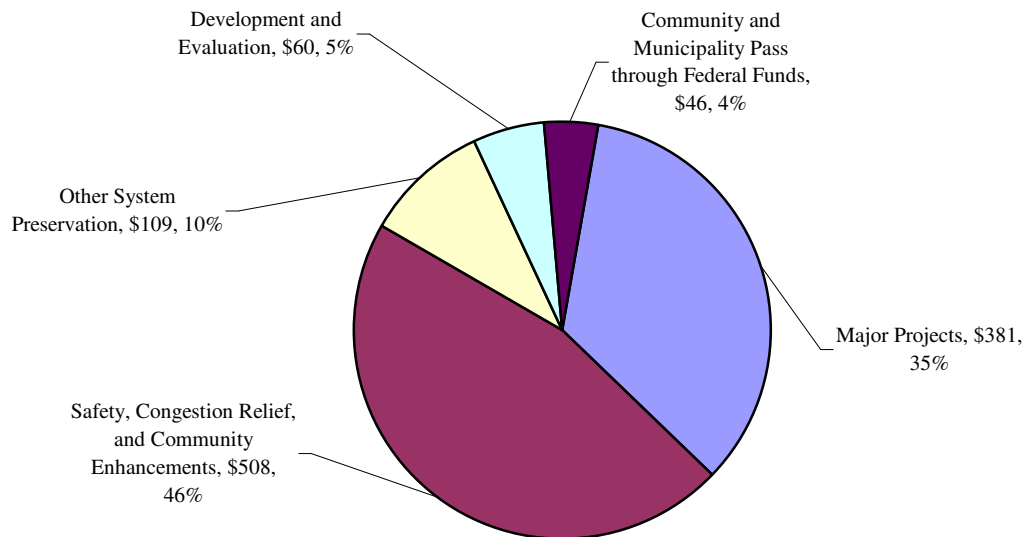
Most of the major projects added as a result of the revenue increase will be noted in later exhibits. System preservation funding, while not as project specific as major construction projects, does include funding for the following over the six years:

- pavement resurfacing and rehabilitation programs across the State totaling \$115 million over the six years;
- bridge replacement and rehabilitation statewide totaling \$120 million over the six years;
- traffic management and the Coordinated Highway Action Response Team totaling \$83 million;
- building and facilities improvements totaling \$30 million; and
- environmental compliance programs totaling \$22 million.

Fiscal 2008 to 2013 Consolidated Transportation Program

The fiscal 2009 allowance totals \$1.1 billion, an increase of approximately \$30 million from the fiscal 2008 working appropriation. **Exhibit 8** provides highlights of the funding of the fiscal 2009 program by area. As shown, a majority of the funds, 81% of all funding, is to be used for major construction and safety, congestion relief, and community enhancement projects.

Exhibit 8
State Highway Administration Capital Program by Area
\$1.1 Billion Total Capital Program
Fiscal 2009 Allowance
(\$ in Millions)



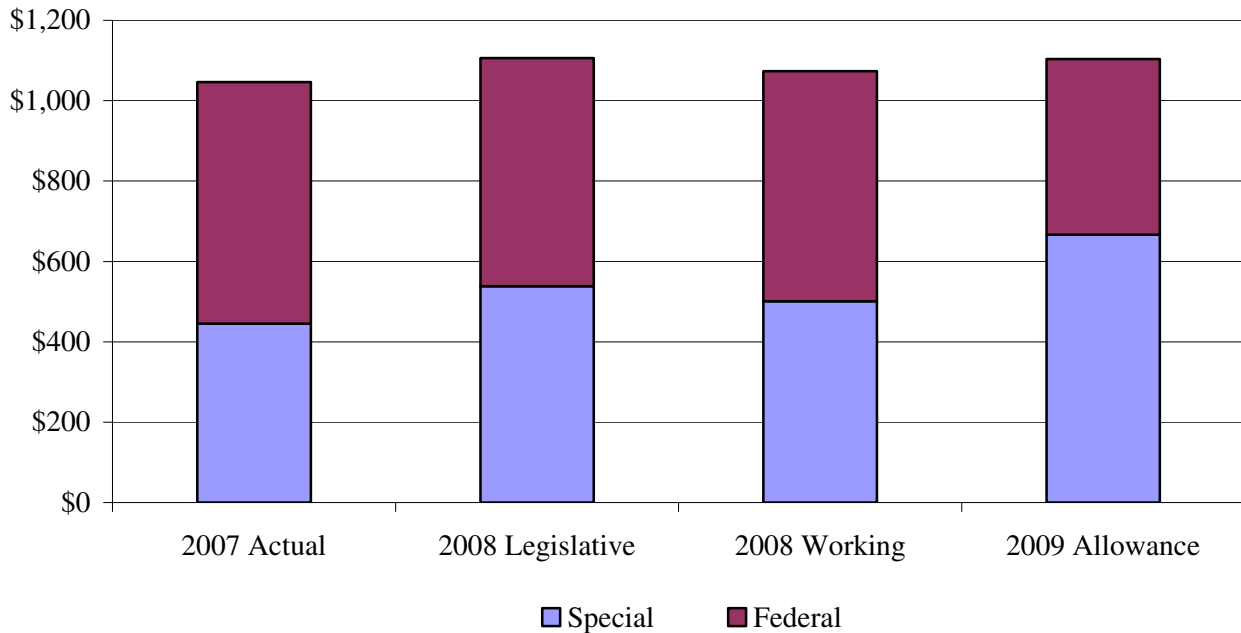
Source: Maryland Department of Transportation, 2008-2013 Consolidated Transportation Program

Fiscal 2008 and 2009 Cash Flow Analysis

The fiscal 2008 working appropriation decreases \$33 million from the legislative appropriation due to cash flow changes in a number of projects across the State as shown in **Exhibit 9**.

The fiscal 2009 allowance increases \$30 million compared to the working appropriation. Of note is that special funds increase \$166 million largely due to the revenue increase while federal funds decrease \$135 million. Federal funds decrease in fiscal 2009 due to the Woodrow Wilson Bridge nearing completion and conservative estimates of future levels of federal funds.

Exhibit 9
Cash Flow Changes
Fiscal 2007-2009
(\$ in Millions)



Source: Maryland Department of Transportation, 2008-2013 *Consolidated Transportation Program*

Exhibit 10 provides a list of the major projects funded in the SHA budget. These 32 projects represent 77% of funding for all major projects in fiscal 2009, and cost a total of \$2.7 billion. Projects in bold were added or received additional funding as a result of the revenue increase.

Exhibit 10
Selected State Highway Administration Major
Consolidated Transportation Program Construction Projects
Fiscal 2009
(\$ in Millions)

<u>County</u>	<u>Project</u>	<u>Fiscal 2009</u>	<u>Total \$</u>	<u>Completion of Fiscal Cash Flow</u>
Statewide	BRAC intersections near Bethesda Naval Center – design and construct intersection improvements	\$10,550	45,300	2011
Statewide	BRAC intersections near Aberdeen Proving Grounds – design and construct intersection improvements	12,300	46,000	2011
Statewide	BRAC Intersections near Fort Meade – design and construct intersection	3,700	47,900	2012
Allegany	US 220, McMullen Highway – Replace bridge 1060 over Potomac River	2,649	13,847	2013
Anne Arundel	MD 295, Baltimore/Washington Parkway – widen MD 295 from four to six lanes	3,915	12,369	2011
Baltimore	I-695 Baltimore Beltway – replacement of MD 139 bridge	7,466	47,198	2012
Calvert	MD 2/4 Solomon’s Island Road – reconstruct intersection at MD 231	10,192	30,613	2010
Caroline	MD 404 Shore Highway – upgrade and expand roadway to address seasonal spikes in traffic	7,331	27,034	2011
Carroll	MD 30, Hampstead Bypass – construct a new two-lane limited access highway	16,353	83,528	2013
Frederick	I-70, Baltimore National Pike – construct an extension of MD 475	18,655	94,938	2009
Frederick	I-270, Eisenhower Memorial Highway – Replace Bridge 10080 over Doctor Perry Road	4,974	8,048	2010
Garrett	US 219 Relocated – Oakland Bypass	5,406	42,098	2014
Harford	MD 24, Vietnam Veterans Memorial Highway – Construct improvements to MD 24/MD 924 intersection	20,463	42,863	2010
Howard	MD 32, Patuxent Freeway – construct a new interchange at Burntwoods Road	6,915	27,513	2010
Howard	US 29, Columbia Pike – widen northbound section from Seneca Drive to MD 175	2,040	53,901	2012
Howard	MD 32, Patuxent Freeway – construct access management improvements	3,728	9,808	2012
Montgomery	MD 124, Woodfield Road – construct six-lane divided highway	14,199	57,351	2011

J00B01 – MDOT – State Highway Administration

<u>County</u>	<u>Project</u>	<u>Fiscal 2009</u>	<u>Total \$</u>	<u>Completion of Fiscal Cash Flow</u>
Montgomery	MD 97, Georgia Avenue – construct interchange improvement at Randolph Road	12,352	76,944	post 2013
Montgomery	MD 355, Rockville Pike – construct interchange at Randolph Road/Montrose Parkway	3,609	47,197	2012
Prince George’s	I-95/I-495 Woodrow Wilson Bridge Improvement	29,189	1,318,292	2010
Prince George’s	I-95/I-495 Capital Beltway – improve access from MD 5 and Beltway to Branch Avenue Station	4,697	74,296	2013
Prince George’s	I-95/I-495 Capital Beltway – reconstruct the interchange of MD 5 and I-95/I-495	6,686	50,759	2010
Prince George’s	I-95/I-495 Capital Beltway – construct interchange at Arena Drive	13,943	32,196	2010
Prince George’s	I-95/I-495 Capital Beltway – construct full interchange at Greenbelt Metro Station	4,415	10,895	2011
Prince George’s	I-295/I-495, National Harbor – construct access improvements and MD 414 extended	5,100	53,350	2011
Prince George’s	MD 4, Pennsylvania Avenue – construct a new interchange at MD 4 and Suitland Parkway	22,218	113,845	2011
Prince George’s	MD 450, Annapolis Road – replace old MD 450 bridge 16017 over CSX Railroad	7,681	74,749	2010
Prince George’s	MD 201, Kenilworth Avenue – replace bridge over Amtrak	4,237	24,524	2009
St. Mary’s	MD 237, Chancellor’s Run Road	14,342	62,542	2011
Washington	I-70, Eisenhower Memorial Highway – replace bridges over Black Rock Road	4,016	7,909	2010
Worcester	US 113, Worcester Highway – upgrade to a four-lane divided highway from Hayes Landing Road to Goody Hill Road	7,926	23,658	2010
Worcester	US 113, Worcester Highway – upgrade to four-lane divided highway from Goody Hill Road to Massey Branch	4,071	21,689	2011
Total		\$295,318	\$2,656,661	

Projects in bold indicate projects added or received additional funding as a result of revenue increase.

Source: Maryland Department of Transportation, 2008-2013 *Consolidated Transportation Program*

Projects Added to the Construction Program

In total, 17 projects were added to the construction program in the fiscal 2008-2013 CTP at a total cost of \$246 million. **Exhibit 11** provides a summary of the projects added. Projects in bold were added as a result of the revenue increase.

Exhibit 11
State Highway Consolidated Transportation Program Projects
Added to the Construction Program
Fiscal 2008-2009
(\$ in Thousands)

<u>Project</u>	<u>2008</u>	<u>2009</u>	<u>Total Project Cost</u>
MD 35, Ellerslie Road – Replace Bridge over Branch of Wills Creek (Allegany)	\$734	\$615	\$1,612
MD 450, Defense Highway – Replace Bridge over Bacon Ridge Branch (Anne Arundel)	1,215	1,716	3,238
US 40, Pulaski Highway – Middle River Road to MD 43 Interchange (Baltimore)	250	1,000	10,848
MD 335, Hooper Island Road – Replace Bridge over Wallace Creek (Dorchester)	137	1,157	1,572
MD 28, Tuscarora Road – Replace Bridge over Washington Run (Frederick)	1,197	886	2,273
I-270, Eisenhower Memorial Highway – Replace Bridge over Doctor Perry Road (Frederick)	40	4,974	8,048
MD 180, Jefferson Pike – Replace Bridge over tributary of Potomac River (Frederick)	833	1,537	3,048
MD 159, Philadelphia Road – Replace Bridge over Cranberry Run (Harford)	443	1,705	2,417
MD 24, Rocks Road – South of Sharon Road to North of Stirrup Run over Cranberry Run (Harford)	300	800	9,548
US 29, Columbia Pike – Seneca Drive to MD 175 (Howard)	500	2,040	53,901
MD 108, Clarksville Pike – Centennial Lane to Woodland Road (Howard)	0	0	0
MD 362, Mt. Vernon Road; Replace Bridge over Monie Creek (Somerset)	335	984	1,610
BRAC Intersections near Aberdeen Proving Grounds – Intersection Improvements (Statewide)	500	12,300	46,000
BRAC Intersections near Fort Meade – Intersection Improvements	500	3,700	47,900
BRAC Intersections near Bethesda Naval Center – Intersections Improvements	250	10,550	45,300
MD 303, Lewistown Road – Replace Bridge over Tuckahoe Creek (Talbot)	187	723	1,200
I-70, Eisenhower Memorial Highway – Replace Bridge over Black Rock Road (Washington)	1,220	4,016	7,909
Total	\$8,641	\$48,703	\$246,424

Projects in bold indicate projects added as a result of revenue increase.

Source: Maryland Department of Transportation, 2008-2013 *Consolidated Transportation Program*

Projects Moved from the Development and Evaluation (D&E) Program to the Construction Program

Exhibit 12 shows that 8 projects were moved from the D&E Program to the Construction Program at a total cost of \$307 million, and \$43.5 million in fiscal 2009. Projects in bold were added as a result of the revenue increase.

Exhibit 12
State Highway Administration Projects Moved from the
Development and Evaluation Program to the Construction Program
Fiscal 2008-2009
(\$ in Thousands)

<u>Project</u>	<u>2008</u>	<u>2009</u>	<u>Total Project Cost</u>
I-695, Baltimore Beltway – Replace Bridge on MD 139 over I-695 (Baltimore)	\$1,110	\$7,466	\$47,198
I-70, Baltimore National Pike – I-70, Phase 2D (Frederick)	20	1,419	55,851
MD 97, Georgia Avenue – Interchange at Randolph Road (Montgomery)	150	12,352	76,944
MD 5, Branch Avenue – Widen from MD 373 to US 301 (Prince George’s)	200	3,269	13,503
I-95/I-495 Capital Beltway – Improve access from MD 5 and I-95/I-495 to Branch Avenue Metro (Prince George’s)	1,300	4,697	74,246
I-95/I-495 Capital Beltway – Access to Greenbelt Metro Station (Prince George’s)	300	4,415	10,895
MD 822, University of Maryland Eastern Shore Access Road – Construct roundabouts at MD 675 (Somerset)	88	1,987	4,491
US 113, Worcester Highway – Goody Hill Road to Massey Branch (Worcester)	855	4,071	21,689
Total	\$4,023	\$39,676	\$304,817

Projects in bold indicate projects added as a result of revenue increase.

Source: Maryland Department of Transportation, 2008-2013 *Consolidated Transportation Program*

Projects Added to the D&E Program

Exhibit 13 shows that 3 projects were added to the D&E program at a total cost of \$17 million. Projects in bold were added as a result of the revenue increase. **DLS recommends that SHA discuss with the committees the nature of the Broening Highway project and the need for a \$10.0 million grant to Baltimore City, particularly in light of the city’s share of HUR for transportation projects.**

Exhibit 13
State Highway Administration Projects Added to the
Development and Evaluation Program
Fiscal 2008-2009
(\$ in Thousands)

<u>Project</u>	<u>2008</u>	<u>2009</u>	<u>Total Project Cost</u>
Broening Highway – Broening Highway access to I-695 (Baltimore)	\$100	\$10,600	\$11,000
MD 97, Georgia Avenue – I-495 to 16th Street (Montgomery)	150	700	3,000
MD 349, Nanticoke Road – US 50 to Rockawalking Road (Wicomico)	150	600	3,000
Total	\$400	\$11,900	\$17,000

Source: Maryland Department of Transportation, 2008-2013 *Consolidated Transportation Program*
 Projects in bold indicate projects added as a result of revenue increase.

Construction Schedule Delays

As shown in Exhibit 14, one project was delayed from the fiscal 2007-2012 CTP.

Exhibit 14
SHA CTP Project Delays

<u>Project</u>	<u>Reason</u>	<u>Delay</u>
MD 295, Baltimore Washington Parkway; I-69 to I-195 (Anne Arundel)	Construction delayed from fiscal 2007 to 2008 due to a project bid review	Fiscal 2007 to 2008

Source: Maryland Department of Transportation; 2008-2013 *Consolidated Transportation Program*

Issues

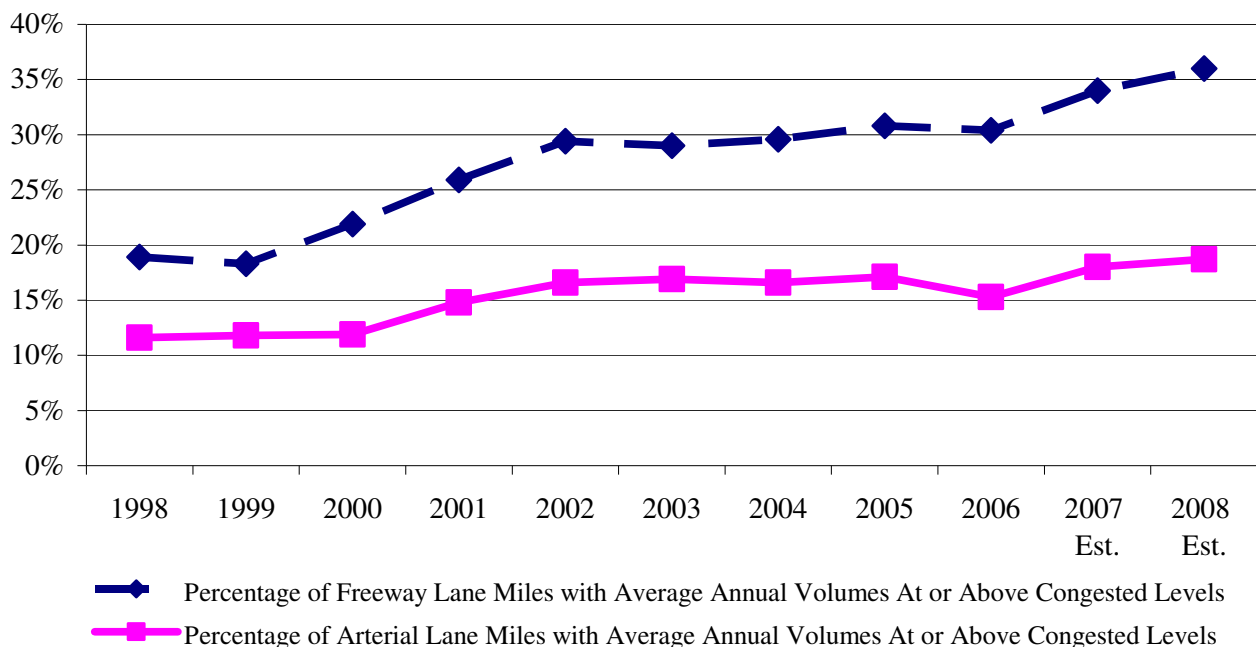
1. Congestion in Maryland

Introduction

Businesses and individuals using the State’s transportation network typically encounter some form of congestion, whether it is on the highway from a bottleneck or accident, or on a local road where the timing of a stop light is poorly conceived. By SHA’s own measure, as shown in **Exhibit 15**, the level of congestion has been steadily increasing on the State’s main and secondary highways. The percentage of freeway lane miles at or above congested levels has almost doubled from 1998 to the 2008 estimate.

Congestion has become one of the major transportation issues facing the country. In 2006 the United States Department of Transportation identified congestion as its top priority, and the Government Accountability Office identified transportation capacity as one of the most high risk issues facing the country in 2007.

Exhibit 15
Percentage of Freeway and Arterial Lanes At or Above Congested Levels
Calendar 1998-2008



Source: Maryland Department of Transportation

Congestion in Maryland

There is not a standard national measure of congestion; however, several groups have attempted to quantify congestion. When looking at these various measures one theme emerges, Maryland and the Baltimore and Washington metropolitan areas are consistently ranked as having some of the most congested roadways in the country. For example, a study by the Reason Foundation found that 68% of Maryland’s urban interstate network has congestion, fifth worst in the nation as shown in **Exhibit 16**. Another national measure from the Census Bureau indicates that Maryland commuters have the second longest commute time to work.

Exhibit 16 Percent of Interstate Urban Congestion

<u>Rank</u>	<u>State</u>	<u>% Congested</u>
1	California	83
2	Minnesota	77
3	New Jersey	73
4	North Carolina	72
5	Maryland	68
12	Delaware	58
28	Pennsylvania	43
30	Virginia	42

Source: The Reason Foundation, 16th Annual Report on the Performance of State Highway Systems (1984-2005).

There are other impacts associated with congestion beyond travel time; congestion also impacts the economy and environment. For example, the Texas Transportation Institute (TTI) estimates:

- in 2005 congestion resulted in an additional 91 million gallons of fuel being consumed and a total economic cost of \$2.3 billion in the Washington Metropolitan area and an additional 41 million gallons of fuel and a total economic cost of \$1.1 billion for the Baltimore Metropolitan area; and
- total roadway congestion costs the citizens of Maryland over \$3.1 billion per year in lost working hours and fuel, or over \$800 annually per person based upon a 2007 report commissioned by the Greater Baltimore Committee, the Greater Washington Board of Trade, and the Maryland Chamber of Commerce.

Causes of Congestion

Congestion is created by a number of factors including an individual’s choices of when, where, and how he/she travels and is not limited simply to urban areas in the State. There has not been an analysis to clearly determine the causes of congestion in Maryland; however, the situation in

Maryland is somewhat similar to other states. The following statistics help illustrate some of the causes of congestion in Maryland:

Travel Choices: MDOT estimates that over 70% of individuals drive to work alone and less than 10% use public transportation across the State. As a result of more cars and trucks on the roadways, the use of the network may, or does in some cases, exceed the existing capacity.

Transportation Network Capacity: According to MDOT, over the past 20 years, the number of vehicle miles traveled on State-owned roads has increased 65% while the number of lane-miles has only increased 7%.

Traffic Incidents: Another cause of congestion is unplanned and non-reoccurring events such as accidents and vehicle breakdowns. FHWA estimates that 25% of congestion is caused by traffic incidents.

Solutions

In addressing the problem of congestion, there is not one specific solution. Each state and metropolitan area has unique issues that require unique solutions. However, there are clearly certain activities that may be taken to reduce congestion regardless of the area; these include:

- **Add Capacity:** This option would involve expanding the existing highway or transit network; however, resources such as money and land needed to expand capacity are increasingly scarce. According to an analysis from TTI, additional road capacity can reduce the rate of increase in congestion on roadways; however, it will not reduce the overall level of congestion.
- **Manage Demand:** Managing demand could involve congestion pricing to promote alternative work schedules. Another demand management measure could include a focus on land use and planning for future developments to better manage transportation needs and insure growth and transportation are considered in tandem.
- **Incident Management:** According to FHWA, 25% of congestion is related to poor incident response. The ability to address traffic and roadside incidents in a timely manner is critical. To assist in this effort, an important aspect is improving interagency coordination and communication to expedite the process.
- **Using Technology:** Technology can be used to better manage traffic signals or inform travelers of congestion. As indicated above, technology can also be used as a way to expand travel or work options. Open road tolling and other technology improvements to toll collection can also enhance the flow of traffic.

Maryland Specific Solutions

Maryland is unique in that it has two metropolitan areas that are heavily congested as well as other major highways and roads across the State that are heavily traveled. In regard to the solutions

listed above, Maryland and MDOT have already implemented a number of the solutions. For example:

- a telework partnership program in the Secretary's Office to promote this type of work arrangement;
- the Maryland Commuter Tax Credit offers employers a tax credit for 50% of the eligible costs of providing commuter benefits to employees;
- the Coordinated Highway Action Response Team, a joint venture between the State Police, the Maryland Transportation Authority, and MDOT to quickly identify and respond to traffic incidents and provide information to travelers on traffic conditions;
- efforts to expand the transportation network with the construction of the InterCounty Connector and the expansion of I-95 north of Baltimore, each of which will be using a pricing mechanism to manage congestion and open road tolling; and
- efforts to expand the transit network through the addition of commuter bus lines and proposals to expand MARC service and build additional transit lines in the Baltimore and Washington areas.

While MDOT has implemented various strategies to address congestion in the State, there is not a comprehensive long-term strategy as to how best to address congestion. For example, in Texas the Governor requested that the Department of Transportation develop a plan to improve mobility and reduce congestion. As a result, each of the metropolitan areas in the state developed long-term strategies and goals for reducing congestion and increasing mobility through a financially unconstrained plan. Financial investments are then based upon the long range plan for addressing congestion. This is not to say that a similar planning process is needed for Maryland; however, a broad statewide plan for addressing congestion may be warranted.

DLS recommends that:

- **MDOT discuss with the committees what actions are being taken to address congestion and how spending decisions are affected by congestion; and**
- **MDOT discuss the need for a statewide strategy for addressing congestion.**

DLS also recommends that committee narrative be adopted requesting a report on the State's plan to address congestion.

2. Land Disposition Process

SHA was directed by the committees in the 2007 JCR to develop recommendations to address the conflicts between the State Procurement law and the Transportation Article regarding the disposition of land. SHA submitted this report and noted that the major problems for the agency

J00B01 – MDOT – State Highway Administration

regarding land disposition have to do with inconsistencies within the Transportation Article as opposed to inconsistencies with procurement law.

The current process is plagued by conflicting provisions that result in different procedures for land that is abandoned or from a completed project. As a result, SHA has been hesitant to dispose of land, revenues have been limited, and there has been a significant amount of litigation. Specifically abandoned projects, which rarely occur, allow for a county, municipality, or State agency to have the right of first refusal only if the property is to be used for transportation purposes. For completed projects, the same collection of interested parties may acquire an excess parcel for any purpose.

In regards to the State procurement law and potential conflicts between the requirements there and the Transportation Article, SHA indicates that it tries to meet the intent of the procurement law except in instances where the Transportation Article takes precedence. For example, SHA has two appraisers appraise the value of land even though the Transportation Article only requires one appraisal, and SHA also goes through the clearinghouse process even though not required.

In conclusion, SHA acknowledges statutory changes need to be made to recognize the intent of the Transportation Article and to simplify the process.

DLS recommends that budget bill language be added that expresses the intent that SHA should introduce legislation during the 2009 session to remedy the conflicts within the Transportation Article.

Operating Budget Recommended Actions

1. Add the following language:

It is the intent of the General Assembly that the State Highway Administration introduce legislation during the 2009 session that resolves any conflicts within the Transportation Article or the State Procurement and Finance Article regarding the process of disposing land.

Explanation: This language expresses the intent of the General Assembly that the State Highway Administration introduce legislation that would resolve the problems of disposing land that were identified in a report to the budget committees during the 2007 interim.

2. Add the following language to the special fund appropriation:

, provided that the 33 new positions provided for in the fiscal 2009 allowance shall be deleted.

Explanation: As of January 2008, the State Highway Administration (SHA) has 224 vacant positions with 40 positions to be abolished as part of the actions taken in the 2007 special session. This will result in the agency still having 184 vacant positions. To fill the request of 33 new positions, SHA can reclassify existing vacant positions or reclassify positions from across the Maryland Department of Transportation. Since 30 of the 33 positions are considered budget neutral additions, no funding is deleted with this action.

- | | <u>Amount</u> | |
|---|-------------------------|----|
| | <u>Reduction</u> | |
| 3. Reduce funds for engineering and office equipment. The fiscal 2009 allowance increases by 53% compared to the fiscal 2007 actual expenditure level and the fiscal 2008 working appropriation. This reduction would provide funding equal to prior fiscal years. | \$ 209,603 | SF |
| 4. Reduce funds for overtime. Overtime expenditures increase 10.3% in the fiscal 2009 allowance compared to the fiscal 2008 working appropriation. The allowance is based upon a three-year historical average where the actual costs in fiscal 2007 were extremely high relative to historical levels. This reduction still provides for a 5% increase in overtime expenditures. | 380,000 | SF |

J00B01 – MDOT – State Highway Administration

- | | | |
|----|---|------------|
| 5. | Reduce funds for equipment repairs and maintenance. The fiscal 2009 allowance increases approximately \$326,000, or 9.2%, compared to the fiscal 2008 working appropriation. This reduction provides for a \$161,000 increase, or 4.6% increase over the fiscal 2008 working appropriation. | 165,000 SF |
| 6. | Increase turnover expectancy rate. This action increases the turnover rate to 4.3%, or 139 positions, to more accurately reflect the historical trend in the vacancy rate. Currently the vacancy rate is 6.92%, or 224 positions, before 40 positions are abolished. The vacancy rate was budgeted at 5.5% in fiscal 2008, or 178.5 positions. This vacancy rate will still provide vacant positions for the agency to reclassify positions for the 33 positions that were recommended to be deleted and more accurately reflects the agency’s historical vacancy rate. | 394,233 SF |
| 7. | Adopt the following narrative: | |

State Plan on Congestion: The committees are concerned about the growing level of congestion in the State and what is being done to address this issue. As a result, the State Highway Administration (SHA) and the Maryland Department of Transportation (MDOT) shall submit a report by November 14, 2008, to the committees that details what the State plan is to address congestion. The report shall include the following:

- (1) What are MDOT’s long-term outlooks of congestion in the State;
- (2) What steps MDOT is currently taking to address congestion beyond road or transit construction activities;
- (3) How the additional revenues provided for in the 2007 special session will be used to address congestion; and
- (4) How highway and/or transit investment decisions are based upon the need to address congestion.

Information Request	Authors	Due Date
Report on State Plan to address congestion	MDOT SHA	November 14, 2008

Total Special Fund Reductions	\$ 1,148,836
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PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Participation of Women and Minority Owned Businesses in State Highway Administration Contracts

Fiscal 2008 budget bill language required SHA to evaluate its current procurement process and requirements to enable the participation of women and minority owned businesses. Following is a summary of that report.

SHA pursues contracts in accordance with Maryland and federal regulations. In 2001 the State enacted a revised Minority Business Enterprise (MBE) statute that increased the MBE goal from 14% to 25% with sub-goals of 10% for women-owned firms and 7% for African American owned firms. The Disadvantaged Business Enterprise (DBE) goal for federally funded projects in fiscal 2007 is set at 24%. In fiscal 2007 SHA awarded \$201.5 million to DBE/MBE vendors representing 21.4% of eligible procurements.

Internally, SHA has a policy that requires all maintenance contracts (largely State funded) in excess of \$25,000 and construction contracts (largely federally funded) in excess of \$50,000 to be evaluated by a Goal Waiver Advisory Panel for the establishment of a MBE goal for State contracts and a DBE goal for contracts with federal aid funding. To provide context, SHA awarded over \$89 million (21%) in construction contracts and over \$24 million (30%) in maintenance contracts to MBE, Women Business Enterprise, and DBE prime and subcontractors. In addition, SHA has designated over 10% of the State-funded maintenance projects for award under the provisions of the Small Business Reserve program.

SHA has also developed a joint partnership with the Delaware Department of Transportation and FHWA to pilot two projects that are intended to provide MBE/DBE's greater opportunities to participate in projects. The purpose of the projects is to assist in the growth and sustainability of these enterprises through highway construction and maintenance projects. The contract for these two projects is anticipated to be awarded in the final quarter of fiscal 2008.

In addition, SHA started a DBE advisory group in 2002 to facilitate dialogue around the challenges and opportunities associated with SHA's DBE/MBE program. The group is comprised of a number of stakeholders from the department and construction industry. This group will continue to meet to evaluate opportunities for DBE/MBE participation.

2. Highway Safety

As part of the 2007 JCR, narrative was adopted that required a report from SHA regarding efforts to reduce the number of traffic fatalities in the State. SHA submitted a report that met the requirements of the narrative. Following is a summary.

Background

Overall crashes have decreased from 2002 to 2006. From 2002 to 2005, traffic fatalities had decreased from 661 to 614; however, in 2006 the number increased to 652. Traffic injuries from crashes decreased from 38,875 in 2002 to 35,864 in 2006. Overall the fatality rate in Maryland was 1.15 per 100 million vehicles miles traveled, below the national average of 1.42 per 100 million vehicle miles traveled.

Improving highway safety is the highest priority of SHA. SHA emphasizes what it calls the three Es which are Education, Enforcement, and Engineering for its comprehensive safety program. As part of the most recent federal highway reauthorization for funding, SHA developed a five-year statewide coordinated safety plan with a comprehensive framework for reducing fatalities and injuries. As part of the plan, the goal of eliminating motor vehicle fatalities and serious injuries was established with clear measurable objectives. The objectives are measured on a quarterly basis and are internalized into the local area plans for district offices.

Highway Safety Programs and Priorities

In its report, SHA provided a number of brief examples of activities being taken to enhance highway safety. Following is a summary of those examples.

Infrastructure: SHA is enhancing the use of traffic barriers and rumble strips and markings to protect vehicles as they leave the roadway. In addition the CHART program is used to alert motorists to traffic congestion and assist motorists in moving through crash sites.

Behavioral Programs: There are a number of State agencies that participate in the effort to reduce traffic fatalities and injuries. Some of those State agencies include the Maryland State Police, Maryland Institute for Emergency Medical Services Systems, Maryland State Department of Education, and other modes of the Maryland Department of Transportation. SHA also works with local jurisdictions to support local community traffic safety efforts.

There are also a number of specific behavioral safety programs which include the following. First, there is an impaired driving program that uses media and the courts to end impaired driving violations. Another importation program is the occupant protection program which focuses on getting drivers and passengers to use the safety equipment provided for in vehicles. There is also an aggressive driving program that works with local media and police to reduce aggressive driving throughout the State. Finally there are bicycle, pedestrian, and motorcycle safety programs to promote safety through the use of media.

3. Woodrow Wilson Bridge Update

MDOT, the Virginia Department of Transportation, the Washington, DC Department of Transportation, and FHWA are in the process of constructing a \$2.4 billion project to replace the

Woodrow Wilson Bridge (WWB). The old bridge offered 6 total lanes while the new facility will offer 12 lanes. Eight lanes will match the capacity of I-495; 2 lanes will be for merging/exiting; and 2 lanes will be for future rail transit, bus service, or HOV. The project also includes contracts to improve interchanges at I-295 (Maryland), MD 210 (Maryland), Route 1 (Virginia), and Telegraph Road (Virginia).

The Maryland portion of the WWB contract is on budget. As of September 30, 2007, SHA advises that 84% of the Maryland construction is complete, and 100% percent of the Maryland construction is under contract. I-95/I-495 traffic was switched to the new outer loop bridge in mid-2006. Much of the old bridge has been demolished, though a portion of it has been preserved as a work platform for the work in the river. It will also be demolished at the end of construction. The inner loop is scheduled for completion in 2008.

Exhibit 17 provides a revenue forecast for Maryland’s share of the project. Final amounts and amounts for Virginia will not be available until an approved WWB Financial Plan and revised Project Cost Estimate worksheet are issued. Maryland provided an estimated \$119 million in State funds for the project as of September 30, 2007.

Exhibit 17
Woodrow Wilson Bridge
Maryland Revenue Forecast Summary
(\$ in Millions)

<u>FFY Ending</u>	<u>Obligated Dedicated Federal Funds</u>	<u>Obligated Regular Federal Funds</u>	<u>State Match Cash Flow Maryland</u>
Prior Years	\$981.7	\$109.0	\$86.8
2008	3.3	49.0	16.3
2009	-	12.3	5.3
2010	-	0	0
2011	-	0	0
2012	-	0	0
2013	-	0	5.1
2014	-	40.7	5.1
Total	\$985.0	\$211.0	\$118.6

Source: State Highway Administration

Current and Prior Year Budgets

**Current and Prior Year Budgets
State Highway Administration
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2007					
Legislative Appropriation	\$0	\$767,196	\$13,719	\$0	\$780,915
Deficiency Appropriation	0	6,899	0	0	6,899
Budget Amendments	0	33,909	1,450	0	35,359
Reversions and Cancellations	0	-32,661	-1,092	0	-33,753
Actual Expenditures	\$0	\$775,343	\$14,077	\$0	\$789,420
Fiscal 2008					
Legislative Appropriation	\$0	\$762,875	\$14,554	\$0	\$777,429
Cost Containment	0	0	0	0	0
Budget Amendments	0	1,517	15	0	1,532
Working Appropriation	\$0	\$764,392	\$14,569	\$0	\$778,961

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

Fiscal 2007

Fiscal 2007 actual expenditures for SHA totaled \$789.4 million which is a net increase of \$8.5 million, compared to the legislative appropriation of \$780.9 million.

Special fund expenditures increased a net of \$8.1 million from the legislative appropriation of \$767.2 million, with deficiency and budget amendments increasing expenditures by \$40.8 million and cancellations totaling \$32.7 million.

Special fund deficiencies totaled \$6.9 million to fund fuel and electricity expenses due to increases in market rates for each.

Special fund budget amendments totaled \$33.9 million with an increase of \$31.2 million due to winter storms and other severe weather incidents; \$2.7 million to cover damage done to SHA property through accidents and vandalism; \$1.6 million to fund the 2.0% cost-of-living adjustment (COLA) for State employees; and a reduction of \$1.6 million from the deficiency appropriation for fuel and utilities as actual expenditures were less than the amount appropriated.

Special fund cancellations totaled \$32.7 million. Of this amount, \$30.0 million came from the local share of highway user revenues because overall transportation revenues were lower than anticipated. Other cancellations were from \$1.1 million in State aid in lieu of federal aid and \$670,000 in unspent health insurance due to a higher than anticipated vacancy rate.

Federal fund expenditures increased \$1.5 million due to a budget amendment to increase the CHART program and additional highway safety grants. Federal fund cancellations totaled \$1.1 million due to Highway Safety Grants being unexpended in the fiscal year.

Mandated Appropriations

Actual spending for HUR, a mandated appropriation, decreased by \$30.9 million compared to the appropriation due to revenues coming in less than expected.

Fiscal 2008

The special fund appropriation increases by \$1.5 million, and federal funds increase by \$14,565 to fund the COLA and other salary benefits that were provided for in the fiscal 2008 budget but not included in the SHA appropriation.

**Object/Fund Difference Report
MDOT State Highway Administration**

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1557.00	1561.00	1578.00	17.00	1.1%
02 Contractual	2.75	6.40	3.40	-3.00	-46.9%
Total Positions	1559.75	1567.40	1581.40	14.00	0.9%
Objects					
01 Salaries and Wages	\$ 91,691,465	\$ 89,002,143	\$ 97,195,760	\$ 8,193,617	9.2%
02 Technical and Spec. Fees	10,340,930	9,198,570	9,076,367	-122,203	-1.3%
03 Communication	1,432,998	1,770,240	1,625,800	-144,440	-8.2%
04 Travel	794,258	425,950	433,549	7,599	1.8%
06 Fuel and Utilities	14,735,600	15,942,153	15,999,160	57,007	0.4%
07 Motor Vehicles	13,228,274	12,792,927	12,602,823	-190,104	-1.5%
08 Contractual Services	69,162,163	57,969,589	61,562,995	3,593,406	6.2%
09 Supplies and Materials	24,914,148	15,598,955	15,474,800	-124,155	-0.8%
10 Equip. – Replacement	386,636	395,549	605,152	209,603	53.0%
11 Equip. – Additional	305,552	262,950	278,979	16,029	6.1%
12 Grants, Subsidies, and Contributions	562,010,847	575,227,567	557,112,909	-18,114,658	-3.1%
13 Fixed Charges	416,701	374,364	393,981	19,617	5.2%
Total Objects	\$ 789,419,572	\$ 778,960,957	\$ 772,362,275	-\$ 6,598,682	-0.8%
Funds					
03 Special Fund	\$ 775,342,327	\$ 764,392,102	\$ 757,418,918	-\$ 6,973,184	-0.9%
05 Federal Fund	14,077,245	14,568,855	14,943,357	374,502	2.6%
Total Funds	\$ 789,419,572	\$ 778,960,957	\$ 772,362,275	-\$ 6,598,682	-0.8%

Note: The fiscal 2008 appropriation does not include deficiencies.

**Fiscal Summary
MDOT State Highway Administration**

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
01 State System Construction and Equipment	\$ 1,001,864,413	\$ 998,484,800	\$ 1,039,777,192	\$ 41,292,392	4.1%
02 State System Maintenance	221,789,883	197,668,132	209,012,886	11,344,754	5.7%
03 County and Municipality Capital Funds	40,581,380	65,710,270	50,375,000	-15,335,270	-23.3%
04 Highway Safety Operating Program	13,568,904	14,510,584	14,675,269	164,685	1.1%
05 County and Municipality Funds	554,060,785	566,782,241	548,674,120	-18,108,121	-3.2%
08 Major Information Technology Development Projects	4,259,393	9,232,200	13,284,808	4,052,608	43.9%
Total Expenditures	\$ 1,836,124,758	\$ 1,852,388,227	\$ 1,875,799,275	\$ 23,411,048	1.3%
Special Fund	\$ 1,220,842,692	\$ 1,265,119,172	\$ 1,423,656,918	\$ 158,537,746	12.5%
Federal Fund	615,233,616	587,269,055	452,142,357	-135,126,698	-23.0%
Total Appropriations	\$ 1,836,076,308	\$ 1,852,388,227	\$ 1,875,799,275	\$ 23,411,048	1.3%
Reimbursable Fund	\$ 48,450	\$ 0	\$ 0	\$ 0	0.0%
Total Funds	\$ 1,836,124,758	\$ 1,852,388,227	\$ 1,875,799,275	\$ 23,411,048	1.3%

Note: The fiscal 2008 appropriation does not include deficiencies.

Budget Amendments for Fiscal 2008
Maryland Department of Transportation
Agency – Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
	\$1,517,212	SF	This amendment funds the cost-of-living adjustment granted to all eligible State employees.
	<u>14,565</u>	FF	
Pending	\$1,531,777		

Source: Maryland Department of Transportation

Budget Amendments for Fiscal 2008
Maryland Department of Transportation
Agency – Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Pending	\$1,764,957 <u>557,355</u> \$2,322,312	SF FF	This amendment funds the cost-of-living adjustment granted to all eligible State employees.
Projected	\$(38,949,810) <u>2,524,645</u> (36,425,165)	SF FF	Adjusts the amended appropriation to agree with the anticipated actual expenditures for the current year as reflected in the fiscal 2008-2013 CTP.
Projected	\$1,350,000	RF	Adjusts the amended appropriation to agree with the anticipated actual expenditures for the current year as reflected in the fiscal 2008-2013 CTP.

CTP: Consolidated Transportation Program

Source: Maryland Department of Transportation
