



Maryland Transportation Authority

BOARD MEETING

THURSDAY, MARCH 30, 2023

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HIGHWAY
BALTIMORE, MD 21224

IN-PERSON AND LIVESTREAM



MARYLAND TRANSPORTATION AUTHORITY BOARD MEETING

2310 Broening Highway * Training Room – 2nd Floor * Baltimore, MD 21224

MARCH 30, 2023 9:00 AM

This meeting will be livestreamed on the [MDTA Board Meeting Page](#)

NOTES:

- This is an In-Person Open Meeting being conducted via livestreaming.
- The public is welcomed to watch the meeting at the link above.
- *If you wish to comment on an agenda item please email your name, affiliation, and the agenda item to nhenson@mdta.state.md.us no later than 5:00 p.m. on Tuesday, March 28. You **MUST** pre-register and attend the meeting in person in order to comment.* Once pre-registered, all pertinent information will be emailed to you.

AGENDA

OPEN SESSION – 9:00 AM

Call Meeting to Order

- | | | |
|---|---|---------|
| 1. <u>Approval</u> – <u>Open Session Meeting Minutes of February 23, 2023</u> | Chairman | 3 min. |
| 2. <u>Approval</u> – <u>Open Session Meeting Minutes of the In-Person Express Toll Lanes (ETL) Section 200 Toll Hearing – Baltimore County – February 27, 2023</u> | Chairman | 3 min. |
| 3. <u>Approval</u> – <u>Open Session Meeting Minutes of the Virtual Express Toll Lanes (ETL) Section 200 Toll Hearing – March 2, 2023</u> | Chairman | 3 min. |
| 4. <u>Approval</u> – <u>Open Session Meeting Minutes of the In-Person Express Toll Lanes (ETL) Section 200 Toll Hearing – Harford County – March 6, 2023</u> | Chairman | 3 min. |
| 5. <u>Approval</u> – <u>Contract Awards</u> <ul style="list-style-type: none">• MT-00210626 – Scrap Rubber Removal | Donna DiCerbo | 5 min. |
| 6. <u>Update</u> – <u>Fiscal Year 2024 Department of Legislative Services Budget Analysis</u> | Chantelle Green | 10 min. |
| 7. <u>Update</u> – <u>Major Projects</u> – Quarterly Update on Major Projects Valued Over \$40 Million or of Significant Public Impact | James Harkness | 10 min. |
| 8. <u>Update</u> – <u>Information Technology Major Projects</u> – Quarterly Update on Information Technology Major Projects | Percy Dangerfield
David Goldsborough | 10 min. |
| 9. <u>Update</u> – <u>Civil Rights Fair Practice’s Socioeconomic Programs</u> – Quarterly Update on Socioeconomic Programs | Percy Dangerfield
Tia Rattini | 10 min. |
| 10. <u>Update</u> – <u>Legislative Session</u> – Verbal | Bradley Ryon
James Kittleman | 10 min. |
| 11. <u>Update</u> – <u>Audit Committee Report</u> – Verbal | Member Penny-Ardinger | 5 min. |
| 12. <u>Update</u> – <u>Executive Director’s Report</u> – Verbal | William Pines | 10 min. |

Vote to Adjourn Meeting

TAB 1

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

THURSDAY, FEBRUARY 23, 2023
9:00 A.M.

2310 BROENING HIGHWAY, BALTIMORE MD 21224
IN-PERSON & LIVESTREAMED OPEN MEETING

OPEN SESSION

Paul J. Wiedefeld, Acting Chairman

MEMBERS ATTENDING:

Dontae Carroll – Via Telephone
William H. Cox, Jr.
William C. Ensor, III
W. Lee Gaines, Jr. – Via Telephone
Mario J. Gangemi
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
John F. von Paris

STAFF ATTENDING:

Col. Kevin Anderson
Jeffrey Brown
Percy Dangerfield
Jeffrey Davis
Tonya Dorsey
Allen Garman
Chantelle Green
James Harkness
Natalie Henson
James Kittleman
Jeanne Marriott
Selena McKissick
Kelly Melhem
Kimberly Millender, Esq.
William Pines
Bradley Ryon
Joseph Sagal
Deb Sharpless
Agnes Vadasz

OTHERS ATTENDING:

Robert Hayes, Sr. – Former MDTA Employee

At 9:01 a.m. Acting Chairman Paul J. Wiedefeld called the meeting of the Maryland Transportation Authority (MDTA) Board to order. The meeting was held in-person at MDTA Headquarters, 2310 Broening Highway, Baltimore MD 21224 and was livestreamed on the MDTA Board Meeting web page.

APPROVAL – OPEN SESSION MEETING MINUTES OF JANUARY 26, 2023

Upon motion by Member William H. Cox, Jr. and seconded by Member Mario J. Gangemi, the open session meeting minutes of the MDTA Board meeting held on January 26, 2023 were unanimously approved.

APPROVAL – CLOSED SESSION MEETING MINUTES OF JANUARY 26, 2023

Upon motion by Member Jeffrey S. Rosen and seconded by Member John F. von Paris, the closed session meeting minutes of the MDTA Board meeting held on January 26, 2023 were unanimously approved.

RESOLUTION – YEARS OF SERVICE RECOGNITION

Mr. Will Pines read and presented a Years of Service Recognition Resolution to Mr. Robert Hayes, Sr.

On the occasion of Mr. Hayes' retirement from his distinguished career of service, the Acting Chairman and Members of the Maryland Transportation Authority Board hereby express to him their most sincere appreciation for his excellence and commitment.

APPROVAL – CONTRACT AWARDS

***** At 9:07 a.m. Member John F. von Paris recused himself from Contract No. SV-3092-0000. He left the room prior to the presentation and vote for this item and did not participate in the discussion or vote of the item. *****

- **SV-3092-0000 – Transportation and Consulting Services**

Mr. Jeffrey Davis requested approval from the MDTA Board to execute Contract No. SV-3092-0000 – Transportation and Consulting Services with WSP USA, Inc. in the amount of \$8,698,099.00.

Mr. Davis explained that this contract is for transportation consultant services to support the Maryland Transportation Authority in transportation system analysis and needs forecasting, performance evaluation and reporting, and project/task management services and staff support.

Upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the Members unanimously gave approval to execute Contract No. SV-3092-0000 – Transportation and Consulting Services.

***** At 9:10 a.m. Member von Paris returned to the meeting room after the previous agenda item had been presented, discussed, and approved. *****

UPDATE – PROCURMENT REPORT ON OPEN CONTRACTS

Mr. Jeffrey Davis presented the MDTA Board with a verbal report on how many contracts are currently open with the MDTA excluding state credit card purchases. There are currently 217 total contracts totaling \$2,737,957,731.10.

APPROVAL – QUARTERLY REVIEW OF INVESTMENT STRATEGY AND BENCHMARKS

Mr. Allen Garman requested MDTA Board approval to continue with the current investment strategies and benchmarks for the current quarter.

Mr. Garman explained that for the trailing twelve-month period ended December 31, 2022, investments conformed to Investment Policy limitations. Portfolio structuring by account adhered to Board approved strategy and should remain consistent, despite short-term return volatility associated with the rising interest rate environment. No changes in performance strategy or benchmark are recommended.

Upon motion by Member Jeffrey S. Rosen and seconded by Member Cynthia D. Penny-Ardinger, continuation of the current investment strategy was unanimously approved.

UPDATE – 2ND QUARTER OPERATING BUDGET COMPARISON

**** During the presentation of the 1st Quarter Operating Budget Comparison Update the MDTA Board Meeting was paused due to technical issues with the livestreaming cameras. The technical issues were resolved within a few minutes and the meeting resumed. Mr. Brown re-started his update from the beginning upon resuming the meeting. ****

Mr. Jeffrey Brown updated the MDTA Board on actual versus projected year-to-date spending for the second quarter of Fiscal Year (FY) 2023 Operating Budget. As of December 31, 2022, 38% of the budget was spent compared to a target of 49%. Object 03 (Communications) and Object 13 (Fixed Charges) were above budget. All other Objects are at or below the targeted spending level. The primary drivers for the underspending are personnel vacancies, delayed invoicing by vendors and the timing and/or seasonality of expenses.

UPDATE – 2ND QUARTER CAPITAL BUDGET COMPARISON

Ms. Jeanne Marriott updated the MDTA Board on the second quarter Fiscal Year (FY) 2023 Capital Budget Comparisons. As of December 31, 2022, 38.8% of the FY 2023 budget was spent as compared to the targeted spending level of 50%. The total budget for FY 2023 is \$556.0 million. The actual spending through the second quarter was \$215.7 million.

UPDATE – TRAFFIC AND REVENUE

Ms. Deb Sharpless gave a quarterly and year-to-date update to the MDTA Board regarding traffic and toll revenue trends compared to the previous year and the forecast.

Ms. Sharpless explained the quarterly review looks at traffic and toll revenue trends and compares actual system-wide experience with traffic and toll revenue forecasts. CDM Smith continues to track and evaluate the performance of traffic at the lane level and traffic and revenue collected on a cash basis.

She further explained that the key takeaways are: 1) Passenger vehicle traffic levels continue to track closely to pre-pandemic levels; 2) Commercial vehicle traffic levels continue to outperform pre-pandemic levels; and 3) Systemwide, transactions and revenue exceed the forecast by 5.6% and 10.9%, respectively and when adjusting for timing differences, systemwide revenue exceeds the forecast by 6.5%.

UPDATE – LEGISLATIVE SESSION

Mr. Bradley Ryon gave an update to the MDTA Board regarding the bills that have been filed that will have an impact to the MDTA. Mr. James Kittleman updated the Board on the number of legislative casework/inquiries that their office has received thus far.

UPDATE – HUMAN RESOURCES COMMITTEE

Member W. Lee Gaines, Jr. presented an update on the Human Resources Committee meeting that took place on February 7, 2023. The Human Resources Committee Members were given updates on: Placement and Career Transition Services provided to the Toll Collection Staff; 2022 Recruitment Activities and New Initiatives for 2023; Overview of the Classification and Compensation Activities undertaken in 2022; Overview of Salary Increases Employees will receive on July 1st due to Collective Bargaining Negotiations; Career Development Program and Partnerships MDTA has in place with Several Higher Education Institutions; Training Available via Cornerstone OnDemand and Reported Increased Employee Usage; Biannual Supervisor Essentials Training; and MDTA's newly established Diversity, Equity, and Inclusion Committee and Advised of the Climate Survey provided to Employees.

UPDATE – EXECUTIVE DIRECTOR'S REPORT

Mr. William Pines gave the Executive Director's Report. He advised the MDTA Board that 2023 will be another productive year for the MDTA as we continue to advance vital transportation that delivers Governor Moore's vision for our great State.

Mr. Pines then gave updates on the following items: February 1st full draw of the TIFIA loan following the interest rate lock that occurred in April 2022; February 3rd MDTA Police 56th Recruit Class Graduation Ceremony at Towson University with Acting Chairman Wiedefeld and Member Cox; MDTA Police First Sergeant Brendan Foard participated as a "Super Plunger" as part of the

2023 Polar Bear Plunge Maryland State Police fundraising event to benefit the Maryland Special Olympics; February 8th Hard Hat Tour of the New Great Wolf Lodge Resort Maryland located in Cecil County; February 17th Executive Director and Chiefs Virtual Town Hall for all MDTA Employees; March 8th Doing Business with MDTA Event that is upcoming; Upcoming ETL Section 200 Toll Hearings; Outstanding Achievement in Coatings Work in a Fixed Shop Project Award received for the new Nice/Middleton Bridge Project; MDTA presented at several workshops/seminars at the MDQI Conference; and announced that MDTA's Chief Operating Officer Joey Sagal has been chosen for Leadership Maryland's Class of 2023. Mr. Pines then turned the floor over to Mr. Joseph Sagal.

Mr. Sagal thanked Will for the kind remarks. He then explained that he wanted to inform the MDTA Board that on February 17th Executive Director Will Pines received the American Council of Engineering Companies of Maryland (ACEC/MD) President's Award. He further explained that the ACEC/MD represents over 90 multi-sized consulting engineering and related-service firms located throughout the State, serving both the public and private sectors and that the President's Award honors an individual whose actions have greatly contributed to the advancement of the consulting engineering profession and the citizens of Maryland. To receive this award is a very high honor and prestigious in the industry and receiving this award demonstrates the industry's high regard for Mr. Pines' integrity, knowledge, and experience. Mr. Sagal then turned the meeting back over to Mr. Pines.

Mr. Pines then presented Ms. Natalie Henson with the Employee of the Quarter Award for the 4th Quarter of 2022. Ms. Henson started working with the MDTA on April 26, 2017 after serving over a decade at MDOT TSO. She is a dedicated MDTA employee who goes above and beyond the requirements of her job; available after hours when needed; relied on heavily by the Executive Office for her skill set, institutional knowledge, and her ability to handle any situation; she volunteers for many tasks that benefit the MDTA; is a key player in all Executive Office events; Co-Chair of the MDTA Maryland Charity Campaign Committee; always available to help other divisions; and the MDTA benefits in both tangible and intangible ways from her professionalism. Her integrity, leadership, and positive attitude are not lost on those interacting with the Executive Office or those sitting on this Board. After the presentation of the award Mr. Pines concluded his remarks.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member Jeffrey S. Rosen and seconded by Member William C. Ensor, III, the Members unanimously voted to adjourn the meeting at 10:22 a.m.

The next MDTA Board Meeting will be held on Thursday, March 30, 2023 at 9:00 a.m. at MDTA, 2310 Broening Highway, Baltimore MD and will be livestreamed on the MDTA Board webpage.

APPROVED AND CONCURRED IN:

Paul J. Wiedefeld, Chairman

TAB 2

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

MONDAY, FEBRUARY 27, 2023
6:00 P.M.

Express Toll Lanes (ETL) Section 200 Toll Hearing – Baltimore County
Perry Hall High School, Cafeteria, 4601 Ebenezer Road, Nottingham, MD 21236

OPEN SESSION

R. Earl Lewis, Jr., Acting Chairman

MEMBERS ATTENDING:

Dontae Carroll
William H. Cox, Jr.
William C. Ensor, III
Mario J. Gangemi
Cynthia D. Penny-Ardinger
John F. von Paris

STAFF ATTENDING:

Melissa Bogdan
Carl Chamberlin
James Harkness
Natalie Henson
James Kittleman
Selena McKissick
Kimberly Millender, Esq.
Mary O’Keeffe
William Pines
John Sales
Brian Wolfe

TOLL HEARING MODERATOR: Andrew Bing

At 6:00 p.m. Acting Chairman R. Earl Lewis, Jr. called the meeting of the Maryland Transportation Authority (MDTA) Board to order. Acting Chairman Lewis then turned the meeting over to Mr. Andrew Bing to moderate. The meeting was held in-person at Perry Hall High School, Cafeteria, 4601 Ebenezer Road, Nottingham, MD 21236.

Mr. Andrew Bing welcomed the public to the Express Toll Lanes (ETL) Section 200 Toll Hearing and explained the purpose of the Public Hearing. He then turned the meeting over to Executive Director Will Pines who introduced the Members of the MDTA Board.

Mr. Bing then continued with his opening remarks to include notifications concerning Title VI of the Civil Rights Act of 1964 and how it relates to the tolling plan, how to provide public comment, information regarding the upcoming March 2 Virtual Toll Hearing and the in-person March 6 Toll Hearing at Joppatowne High School, as well as the rules for giving public comment.

Upon completion of Mr. Bing's opening remarks there were no members of the public signed up to comment. Therefore, the hearing went into recess at 6:09 p.m.

Throughout the evening there were no members of the public signed up to comment.

At 7:57 pm Mr. Bing concluded the hearing and turned the meeting over to Acting Chairman Lewis for adjournment. There being no further business, upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the Members unanimously voted to adjourn the meeting at 8:00 p.m.

APPROVED AND CONCURRED IN:

Paul J. Wiedefeld, Chairman

TAB 3

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

THURSDAY, MARCH 2, 2023
6:00 P.M.

Express Toll Lanes (ETL) Section 200 Toll Hearing – Virtual
Livestreamed with Teams Live Event

OPEN SESSION

Sean Powell, Acting Chairman

MEMBERS ATTENDING: Dontae Carroll
William H. Cox, Jr.
W. Lee Gaines, Jr.
Mario J. Gangemi
Cynthia D. Penny-Ardinger
John F. von Paris

STAFF ATTENDING: William Pines

TOLL HEARING MODERATOR: Andrew Bing

TOLL HEARING PRODUCER: Tim Corbin

At 6:00 p.m. Acting Chairman Sean Powell called the meeting of the Maryland Transportation Authority (MDTA) Board to order. Acting Chairman Powell then turned the meeting over to Mr. Andrew Bing to moderate. The meeting was held virtually via Microsoft Teams Live.

Mr. Andrew Bing welcomed the public to the Express Toll Lanes (ETL) Section 200 Toll Hearing and explained the purpose of the Public Hearing. He then turned the meeting over to Executive Director Will Pines who introduced the Members of the MDTA Board.

Mr. Bing then continued with his opening remarks to include notifications concerning Title VI of the Civil Rights Act of 1964 and how it relates to the tolling plan, how to provide public comment, information regarding the upcoming March 6 in-person Toll Hearing at Joppatowne High School, as well as the rules for giving public comment.

Upon completion of Mr. Bing's opening remarks there were no members of the public in the caller queue. Therefore, the hearing went into recess at 6:10 p.m.

At 6:32 p.m. one member of the public called in. Her comments were regarding Notices of Tolls Due not the ETL Section 200 Toll Hearing. The caller was informed that her contact information would be forwarded to the appropriate staff to assist with her questions. The hearing went back into recess at 6:38 p.m.

At 7:59 p.m. Mr. Bing concluded the hearing and turned the meeting over to Acting Chairman Powell for adjournment. There being no further business, upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the Members unanimously voted to adjourn the meeting at 8:01 p.m.

APPROVED AND CONCURRED IN:

Paul J. Wiedefeld, Chairman

TAB 4

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

MONDAY, MARCH 6, 2023
6:00 P.M.

Express Toll Lanes (ETL) Section 200 Toll Hearing – Harford County
Joppatowne High School, Media Center, 555 Joppa Farm Road, Joppatowne, MD 21085

OPEN SESSION

R. Earl Lewis, Jr., Acting Chairman

MEMBERS ATTENDING:

William H. Cox, Jr.
William C. Ensor, III
Mario J. Gangemi
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
John F. von Paris

STAFF ATTENDING:

Melissa Bogdan
Carl Chamberlin
James Harkness
Natalie Henson
Kelly Melhem
Kimberly Millender, Esq.
Mary O’Keeffe
Timothy Sheets
Melissa Williams

TOLL HEARING MODERATOR: Andrew Bing

At 6:00 p.m. Acting Chairman R. Earl Lewis, Jr. called the meeting of the Maryland Transportation Authority (MDTA) Board to order. Acting Chairman Lewis then turned the meeting over to Mr. Andrew Bing to moderate. The meeting was held in-person at Joppatowne High School, Media Center, 555 Joppa Farm Road, Joppatowne, MD 21085.

Mr. Andrew Bing welcomed the public to the Express Toll Lanes (ETL) Section 200 Toll Hearing and explained the purpose of the Public Hearing, introduced the Members of the MDTA Board, gave opening remarks including notifications concerning Title VI of the Civil Rights Act of 1964 and how it relates to the tolling plan, how to provide public comment, and the rules for giving public comment.

Upon completion of Mr. Bing's opening remarks there was one elected official in attendance who made comment. Upon completion of his comments the hearing went into recess at 6:11 p.m.

At 7:59 p.m. Mr. Bing concluded the hearing and turned the meeting over to Acting Chairman Lewis for adjournment. There being no further business, upon motion by Member William H. Cox, Jr. and seconded by Member John F. von Paris, the Members unanimously voted to adjourn the meeting at 8:00 p.m.

APPROVED AND CONCURRED IN:

Paul J. Wiedefeld, Chairman

TAB 5



Maryland
Transportation
Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Mario J. Gangemi, P.E.
William H. Cox, Jr.	Cynthia D. Penny-Ardinger
William C. Ensor, III	Jeffrey S. Rosen
W. Lee Gaines, Jr.	John F. von Paris

William Pines, P.E., Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Director of Procurement Donna DiCerbo, CPPO, CPPB
SUBJECT: MT-00210626 - Scrap Rubber Removal Services
DATE: March 30, 2023

PURPOSE

To seek approval to execute Contract No. MT-00210626 - Scrap Rubber Removal Services.

SUMMARY

This Contract is for the purpose of recycling the Maryland Transportation Authority's (MDTA) rubber materials to support the MDTA.

RECOMMENDATION

To provide approval to execute Contract No. MT-00210626 - Scrap Rubber Removal Services.

ATTACHMENT

- Project Summary



AUTHORITY BOARD PROJECT SUMMARY
Contract No. MT-00210626 Scrap Rubber Removal Services

PIN NUMBER N/A
CONTRACT NUMBER MT-00210626
CONTRACT TITLE Scrap Rubber Removal Services

PROJECT SUMMARY This Contract is for the purpose of recycling the MDTA's rubber materials to support the Maryland Transportation Authority (MDTA).

		MBE PARTICIPATION		
		MBE PARTICIPATION - OVERALL	ADVERTISED GOAL (%)	PROPOSED GOAL (%)
SCHEDULE	ADVERTISEMENT DATE	12/1/2022	OVERALL MBE	0.00%
	ANTICIPATED NTP DATE	6/1/2023	VSBE	0.00%
	DURATION/TERM	Five (5) Years		
		BID PROTEST	YES	NO

BID RESULTS	BID AMOUNT (\$)
Auston Contracting, Inc.	\$580,750.00
Hakuna Services	\$584,500.00

TAB 6



Maryland
Transportation
Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Mario J. Gangemi, P.E.
William H. Cox, Jr.	Cynthia D. Penny-Ardinger
William C. Ensor, III	Jeffrey S. Rosen
W. Lee Gaines, Jr.	John F. von Paris

William Pines, PE, Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Director of Finance Chantelle Green
SUBJECT: Department of Legislative Services Fiscal Year 2024 Budget Analysis
DATE: March 30, 2023

PURPOSE OF MEMORANDUM

To provide an overview of the budget issues and recommendations presented by the Department of Legislative Services (DLS) during the Maryland Transportation Authority's (MDTA) Fiscal Year (FY) 2024 legislative budget hearing.

SUMMARY

The DLS budget analysis is a comprehensive document that examines multiple facets of the MDTA's operations, including changes in proposed funding and personnel. The budget analysis document typically examines an agency's goals and mission, raises public policy issues, includes recommended budget actions, and provides appendices that summarize fiscal activity for the prior, current, and proposed fiscal years.

ATTACHMENTS

- DLS FY 2024 Budget Analysis
- MDTA FY 2024 Budget Analysis Responses

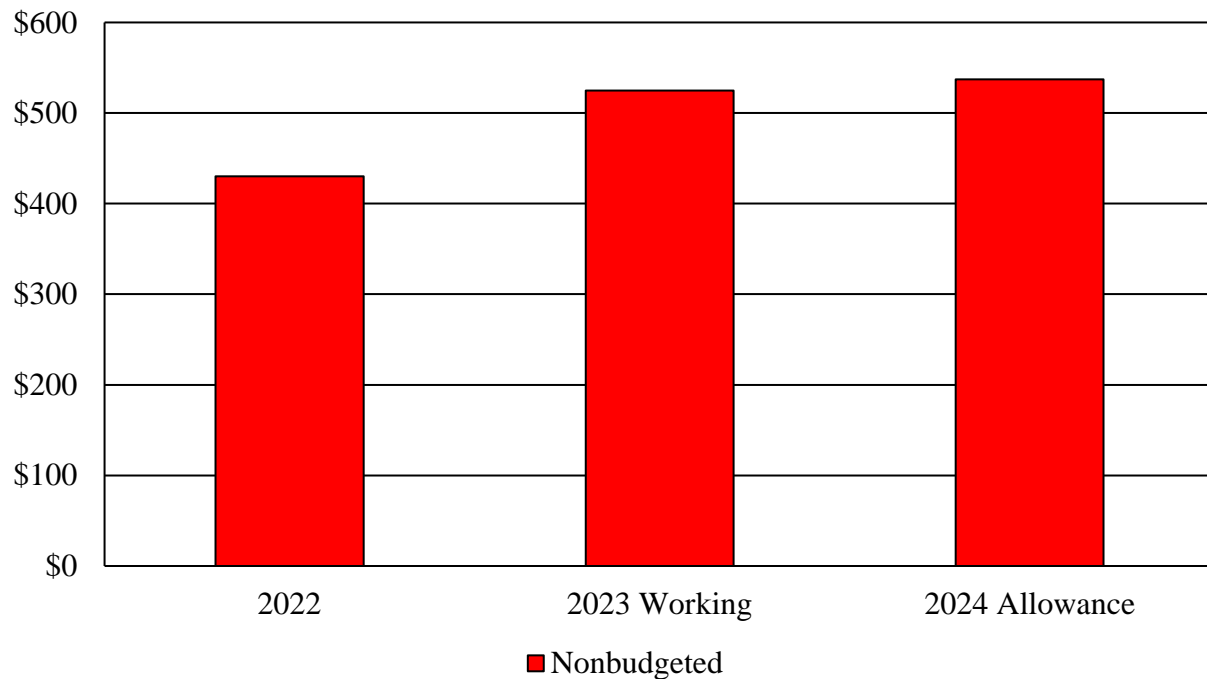
J00J00
Maryland Transportation Authority
Maryland Department of Transportation

Executive Summary

The Maryland Transportation Authority (MDTA) has exclusive authority relating to the supervision, financing, construction, operation, maintenance, and repair of Maryland's toll facilities as well as for financing new revenue producing projects authorized under law.

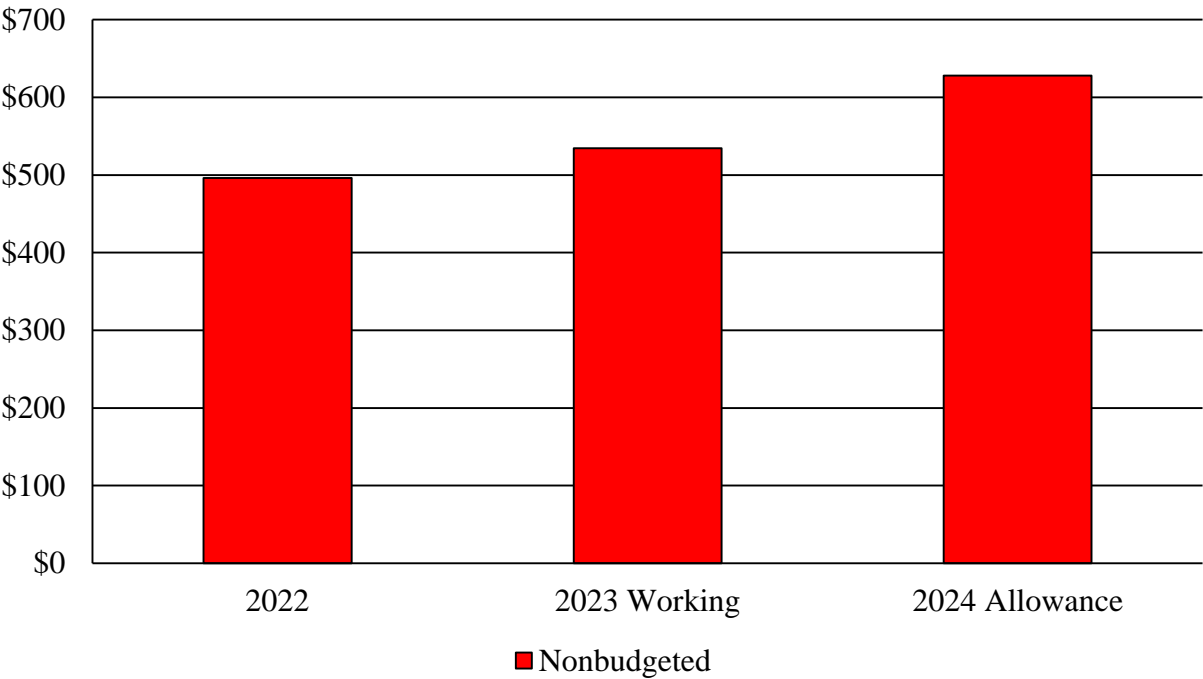
Operating Budget Summary

Fiscal 2024 Budget Increases \$12.1 Million, or 2.3%, to \$537.1 Million
(\$ in Millions)



PAYGO Capital Budget Summary

**Fiscal 2024 Budget Increases \$93.5 Million, or 17.5%, to \$627.9 Million
(\$ in Millions)**



Key Observations

- ***Financial Forecast:*** MDTA’s biannual financial forecast projects fiscal challenges on the horizon as it approaches the thresholds for its financial standards.
- ***Customer Assistance Plan:*** After significant delays in issuing tolls during the pandemic, the agency waived over \$182 million in late fees for customers who paid outstanding toll balances during a nine-month grace period.
- ***Op Lanes Maryland:*** The future is uncertain for the project to add high-occupancy toll lanes on I-270 and replace the American Legion Bridge in an effort to reduce traffic congestion.

Operating Budget Recommended Actions

1. Nonbudgeted.

PAYGO Budget Recommended Actions

1. Nonbudgeted.

Updates

- A weeklong study of tolling equipment facilities across the State yielded high accuracy rates that met or exceeded industry standards.

J00J00
Maryland Transportation Authority
Maryland Department of Transportation

Budget Analysis

Program Description

MDTA has exclusive authority relating to the supervision, financing, construction, operation, maintenance, and repair of Maryland's toll facilities as well as for financing new revenue producing transportation projects authorized under law. MDTA divides its facilities into three regions and has jurisdiction over the following facilities:

- ***Northern Region:*** includes the Thomas J. Hatem Memorial Bridge (US 40); the John F. Kennedy Memorial Highway (I-95); and the Express Toll Lanes on I-95;
- ***Central Region:*** includes the Baltimore Harbor (I-895) and Fort McHenry (I-95) tunnels and thruways; the Francis Scott Key Bridge (Key Bridge) (I-695); and I-395 leading to Baltimore City; and
- ***Southern Region:*** includes the Governor Harry W. Nice/Senator Thomas "Mac" Middleton Bridge (Nice/Middleton Bridge) (US 301); the William Preston Lane, Jr. Memorial Bridge (Bay Bridge) (US 50/301); and the Intercounty Connector (ICC) (MD 200).

Membership of the MDTA board is comprised of eight members appointed by the Governor with the advice and consent of the Senate. The Secretary of Transportation serves as the chairman of MDTA. MDTA's revenues are held separately from the Transportation Trust Fund, and the agency operates off budget.

MDTA's police force is responsible for security and law enforcement services at all of MDTA's toll facilities except the northern region of I-95, which is patrolled by the Department of State Police. MDTA is also under contract with the Maryland Aviation Administration to provide law enforcement services at the Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) and with the Maryland Port Administration (MPA) to provide law enforcement services at MPA-owned facilities at the Port of Baltimore.

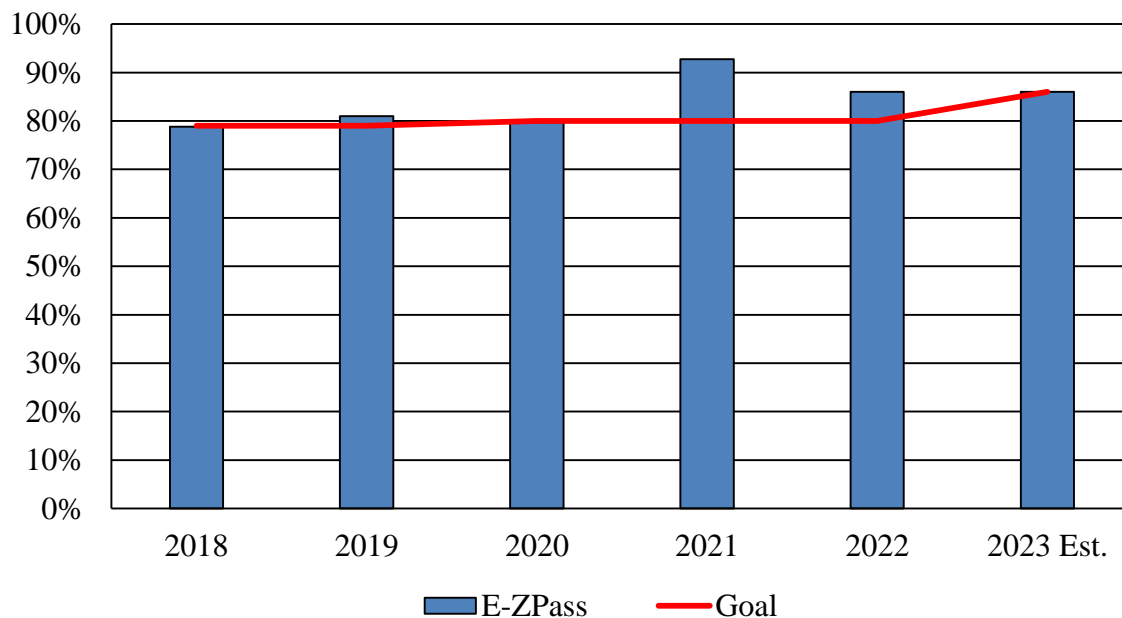
MDTA's mission is to be a customer-driven leader that delivers safe, sustainable, intelligent, and exceptional transportation solutions in order to connect customers to life's opportunities.

Performance Analysis: Managing for Results

1. *E-ZPass*® Use Levels Off, Goal Increases

E-ZPass toll transactions reduce costs and expedite the toll collection process; reduce delays at toll plazas; reduce vehicle idling time, thereby reducing emissions; and allow for the efficient movement of goods and people. *E-ZPass* toll collection is available at all Maryland toll facilities as well as in central Florida, parts of the Midwest, and most of the northeastern United States. **Exhibit 1** shows the percentage of tolls collected with *E-ZPass* at all MDTA facilities by fiscal year. In fiscal 2022, MDTA collected 86% of tolls with *E-ZPass*, a decrease from 92.7% in fiscal 2021. The agency notes that the change results from difficulties that arose during the pandemic, including delays in receiving all transactional data for the All Electronic Tolling (AET) system in addition to inflated figures in fiscal 2021 from processing the toll backlog. MDTA anticipates that the share of tolls collected using *E-ZPass* will remain steady at 86% in fiscal 2023. The agency has also increased their goal to align more closely with recent performance. **MDTA should discuss the AET challenges during fiscal 2022 and the agency's efforts in prioritizing processing *E-ZPass* and video tolls as they worked through the backlog.**

Exhibit 1
Tolls Collected Using *E-ZPass*
 Fiscal 2018-2023 Est.



Source: Managing for Results, Department of Budget and Management

Proposed Budget Change

As seen in **Exhibit 2**, the proposed fiscal 2024 budget increases by \$12.1 million. Personnel costs increased by a net \$14.2 million, due in large part to increased salaries. Operational expenses decreased by a net \$6.3 million. While costs increased for engineering and road maintenance activities to prepandemic levels, operating expenses at the *E-ZPass* service center substantially decrease because of the elimination of the toll backlog and resulting decrease in staffing needs. Debt service expenses, which fluctuate frequently based on outstanding debt and the timing of bond issuances, are expected to increase by \$8.1 million. The agency also has decreased funding for vehicle purchases, as many new vehicles for the police force were purchased in fiscal 2023.

Exhibit 2 Proposed Budget MDOT – Maryland Transportation Authority (\$ in Thousands)

How Much It Grows:	Nonbudgeted Fund	Total
Fiscal 2022 Actual	\$429,998	\$429,998
Fiscal 2023 Working Appropriation	524,980	524,980
Fiscal 2024 Allowance	<u>537,133</u>	<u>537,133</u>
Fiscal 2023-2024 Amount Change	\$12,153	\$12,153
Fiscal 2023-2024 Percent Change	2.3%	2.3%

Where It Goes:	Change
Personnel Expenses	
Increments and other compensation	\$13,607
Law Enforcement Officer Pension System.....	3,361
Social Security contributions	919
Workers' compensation premium assessment.....	298
Other fringe benefit adjustments	-1,361
Employee and retiree health insurance	-2,660
Operational Expenses	
Engineering costs	3,000
Road repairs and maintenance	2,200
Winter operations.....	170
Communications and recruitment outreach	94
Personal protective equipment.....	-600
<i>E-ZPass</i> service center.....	-11,200

J00J00 – MDOT – Maryland Transportation Authority

Where It Goes:	<u>Change</u>
Debt Service	
Bond payments	4,761
Interest	3,118
Other fixed charges	314
Cost Allocations	
Retirement administrative costs	35
Department of Information Technology services allocation	14
Insurance paid to State Treasurer's Office	7
Office of the Attorney General	1
Budget System allocation	-13
Statewide Personnel Management System	-22
Other Changes	
Management studies and consultants	700
Employee travel	77
Switching to propane usage	68
Contractual employees	-46
Equipment purchases	-367
Motor vehicles	-4,438
Other changes	116
Total	\$12,153

MDOT: Maryland Department of Transportation

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

Financial Forecast

Section 4-313 of the Transportation Article establishes the Transportation Authority Fund, a nonlapsing fund into which all MDTA revenues flow, except to the extent that it is pledged under a trust agreement. MDTA revenues come primarily from tolls as well as from concession income from travel plazas that it owns along I-95, investment income, and payments from the Maryland Department of Transportation (MDOT). MDOT payments comprise reimbursement for police services provided at BWI Marshall Airport and the Port of Baltimore.

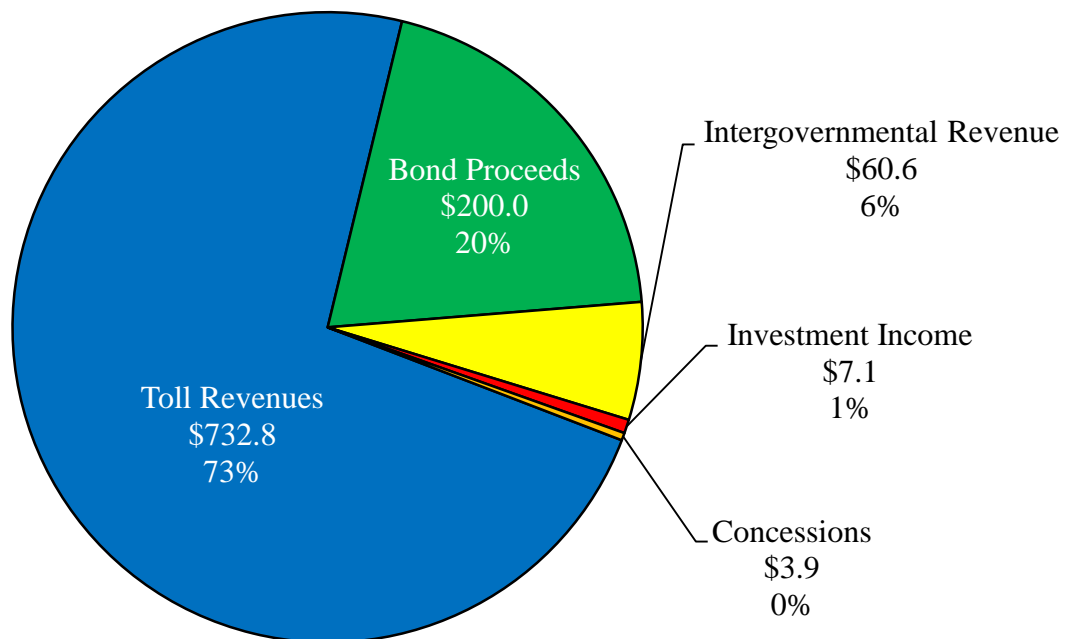
To support its capital program, MDTA may issue toll revenue bonds with a maturity of up to 40 years. Typically, MDTA issues its toll revenue bonds with a 30- to 33-year maturity. The terms of MDTA's trust agreement with its bondholders are the driving force in MDTA finances. Maintaining its bond coverage ratios is the primary concern, and all revenue adjustments and operating and capital expenditures are managed to maintain these ratios. To this end, MDTA

develops and maintains a six-year financial forecast. Section 4-210 of the Transportation Article requires MDTA to provide the General Assembly with a copy of its financial forecast by September 1 of each year and in conjunction with submission of the Governor’s budget in January. **Appendix 2** provides the detail of MDTA’s fiscal 2022 through 2028 financial forecast.

Fiscal 2024 Sources and Uses of Funding

Exhibit 3 shows the various sources of revenue in fiscal 2024. As is typical, the primary source of funding is toll revenues, totaling \$732.8 million. Intergovernmental revenue includes funding reimbursements for MDTA police services provided at the Port of Baltimore and BWI Marshall Airport, loan repayments from loans issued to MDOT – The Secretary’s Office and MDOT – Maryland Aviation Administration, and a federal grant to support the I-95 project. While not considered a revenue source given the need for repayment, the agency also received a \$200 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Nice/Middleton Bridge replacement project in February 2023.

Exhibit 3
Fiscal 2024 Revenue Sources
(\$ in Millions)

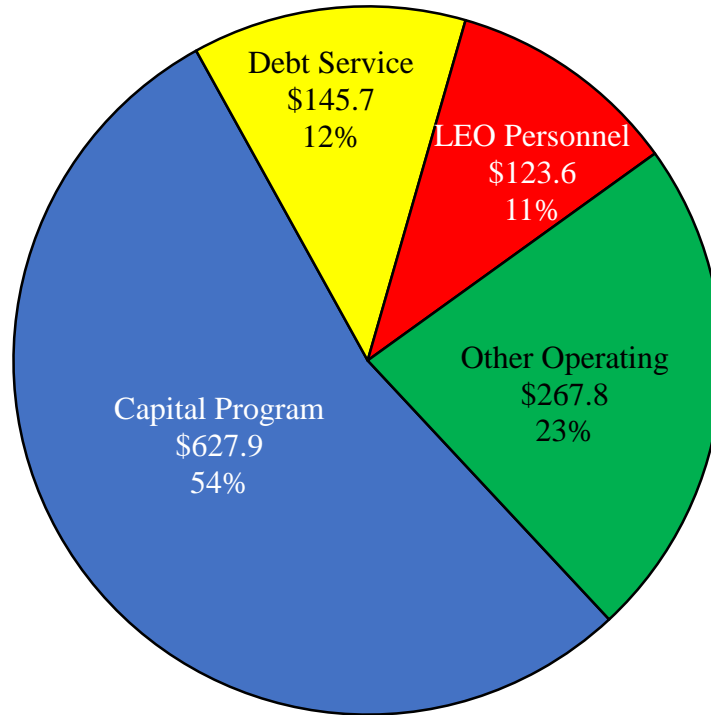


Source: Governor’s Fiscal 2024 Budget Books; *MDTA Financial Forecast 2022-2028*, Maryland Transportation Authority

Note: The \$200 million Transportation Infrastructure Finance and Innovation Act loan draw, originally planned for fiscal 2024, occurred in fiscal 2023.

As shown in **Exhibit 4**, the capital program accounts for 54% of spending in fiscal 2024. Operating costs, including administrative and personnel costs, account for 34% of spending, while debt service comprises the remaining 12% of spending.

Exhibit 4
Fiscal 2024 Use of Funding
(\$ in Millions)



LEO: law enforcement officer

Note: LEO Personnel includes law enforcement services provided by the Maryland State Police.

Source: Governor's Fiscal 2024 Budget Books; Maryland Transportation Authority

Revenues and Debt Affordability

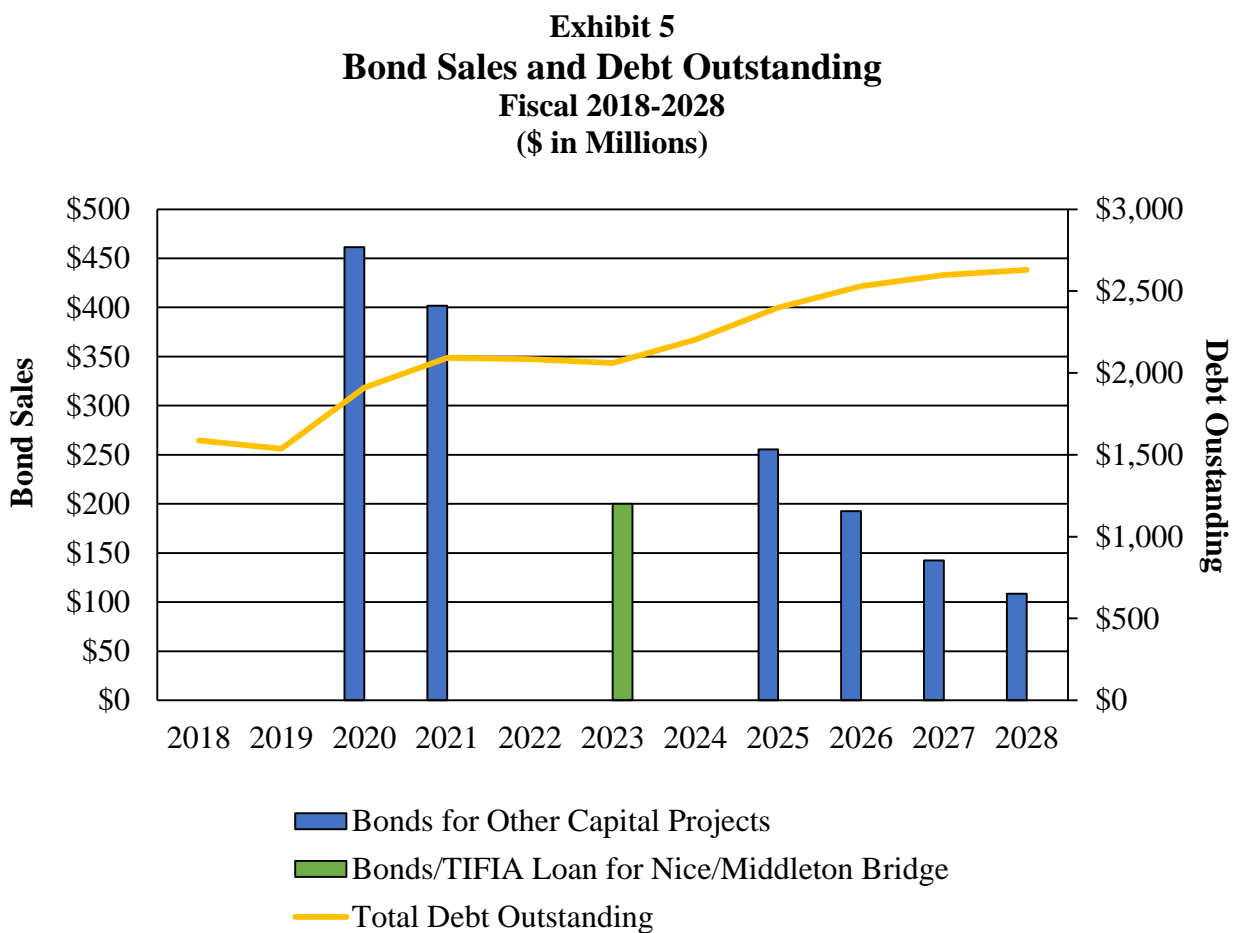
Toll Revenues

Toll revenues are the primary revenue source for MDTA. In the three years prior to the pandemic, toll revenues averaged \$727.7 million. While only \$455.9 million was collected in fiscal 2021 mostly due to reduced traffic during the COVID-19 pandemic, toll revenues are starting to approach prepandemic levels. The agency estimates that it will collect \$716.6 million in

fiscal 2023 and \$732.8 million in fiscal 2024. Total toll revenue is expected to continue to increase, up to \$772.3 million in fiscal 2028, the final year of the forecast.

Revenue Bonds

Exhibit 5 shows the total debt outstanding in each year from fiscal 2019 through 2028 and debt issued or TIFIA loan draws. The total outstanding debt of \$2.2 billion in fiscal 2024 is below the \$3.0 billion statutory limit, although the outstanding amount is expected to increase to \$2.6 billion by fiscal 2028. This demonstrates that MDTA is undertaking a number of large projects that are taxing its financial resources and leading to increased issuances of debt. However, it is still projected to be under the debt cap through the forecasted period.



TIFIA: Transportation Infrastructure Finance and Innovation Act

Note: While the Transportation Infrastructure Finance and Innovation Act loan revenue is reflected in the Financial Forecast in fiscal 2024, funding was actually drawn in fiscal 2023.

Source: Maryland Transportation Authority

Debt Affordability

Under statute, MDTA is authorized to issue bonds without obtaining the consent of any unit or agency in the State, so long as the total bonds outstanding do not exceed \$3 billion at the end of any fiscal year. MDTA bonds are backed by toll revenue and are not considered State debt and, therefore, are not limited by the State's debt affordability measures. However, MDTA does have its own debt affordability measures. Coverage ratios include the following:

- The rate covenant compliance ratio, as stipulated in the trust agreement, requires that the ratio of net revenues (total revenues minus operating expenses) to the amount deposited into the Maintenance and Operating Reserve Account plus 120.0% of debt service be at least 1.00. The additional bonds test requires the rate covenant to be met on a five-year prospective basis. The fiscal 2024 rate covenant compliance ratio is projected to be 2.2, and adequate coverage is provided through the forecast period. However, there is a steady decline during the forecast period with the rate covenant compliance ratio falling from 3.8 in fiscal 2022 to 1.6 by fiscal 2028.
- The second ratio is the debt service coverage ratio, which is a ratio of net revenues to debt service. Although the trust agreement stipulates that the ratio must be at least 1.2, Chapter 489 of 2015 required a debt service coverage ratio of 2.5 through fiscal 2020. In fiscal 2021, MDTA returned to its administrative policy, which requires the ratio to be at or above 2.0. In fiscal 2024, the debt coverage ratio is projected to be 2.7. The projected debt service coverage ratio declines steadily throughout the forecast and is expected to reach the minimum allowable level of 2.0 in fiscal 2028. This decline in debt service coverage is discussed further in Issue 1 of this analysis.
- The agency also has an administrative policy to maintain an unencumbered cash balance of at least \$350 million. Bond rating agencies view the amount of cash on hand relative to operating expenses as a liquidity measure to ensure that operations can continue even if revenues are lower than expected, expenses are higher than expected, or if there is a temporary loss of revenues. MDTA reports that for other AA-rated toll agencies, the median cash on hand is sufficient to fund operations for 9 to 18 months. As expenditures are projected to significantly outpace revenues in fiscal 2023 and 2024, the deficit increases, resulting in a significant reduction in unencumbered cash balance from \$511.5 million in fiscal 2023 to \$350.3 million, just \$300,000 above the minimum, in fiscal 2024.

Nonrecourse Debt

In addition to its own revenue bonds, MDTA also issues debt on behalf of other State agencies and projects, which is called nonrecourse debt (formerly called conduit financing). The following projects have been financed using MDTA nonrecourse debt:

- \$604 million of projects associated with the \$1.4 billion expansion project at BWI Marshall Airport, including the Elm Road parking facility, pedestrian bridges, roadway improvements, a central utility plant, and a new consolidated rental car facility, which are backed by fees at BWI Marshall Airport. A new issuance of \$120 million in passenger facility charge-backed bonds was approved in late fiscal 2019; and
- \$23.8 million for the Calvert Street parking garage in Annapolis for State employees, which is backed by general fund lease payments from the Department of General Services.

Exhibit 6 shows debt service and debt outstanding for MDTA's nonrecourse bonds. In fiscal 2024, debt service on the nonrecourse issuances will total \$35.4 million with \$280.3 million in outstanding debt. The debt service for these projects is paid using the revenues from the projects or through lease payments from other agencies and does not affect MDTA's debt outstanding or its budget.

Exhibit 6
Debt Service Payments and Debt Outstanding on
Nonrecourse Debt-financed Projects
Fiscal 2022-2024
(\$ in Thousands)

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Service Payments			
2002 Series – BWI Airport Rental Car Facility	\$8,932	\$8,926	\$8,913
2012 A Series – PFC BWI Airport	3,864	3,842	3,839
2012 B Series –PFC BWI Airport	7,971	7,968	7,969
2012 C Series – PFC BWI Airport ⁽¹⁾	30	1,736	1,736
2014 Series – PFC BWI Airport	2,953	2,957	2,955
2019 Series – PFC BWI Airport	8,470	8,470	8,471
2015 Series – Calvert Street Parking Garage Refunding	1,481	1,478	1,473
Total Debt Service Payments	\$33,701	\$35,377	\$35,356
Debt Outstanding			
2002 Series – BWI Airport Rental Car Facility	\$69,230	\$64,755	\$59,990
2012 A Series – PFC BWI Airport	30,660	28,220	25,660
2012 B Series –PFC BWI Airport	37,010	29,950	22,730
2012 C Series – PFC BWI Airport ⁽¹⁾	43,400	43,400	43,400
2014 Series – PFC BWI Airport	28,215	26,290	24,270
2019 Series – PFC BWI Airport	101,285	97,295	93,105
2015 Series – Calvert Street Parking Garage Refunding	13,491	12,352	11,187
Total Debt Outstanding	\$323,291	\$302,262	\$280,342

BWI Airport: Baltimore/Washington International Thurgood Marshall Airport
PFC: Passenger Facility Charge

⁽¹⁾ The debt service payments for the Series 2012C variable rate bonds are conservatively modeled at 2% annually, and principal payments begin in 2028.

Source: Maryland Transportation Authority

Operating and PAYGO Personnel Data

	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23-24</u> <u>Change</u>
Regular Operating Budget Positions	1,697.00	1,707.00	1,697.00	-10.00
Regular PAYGO Budget Positions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Regular Positions	1,697.00	1,707.00	1,697.00	-10.00
Operating Budget FTEs	0.00	0.00	0.00	0.00
PAYGO Budget FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total FTEs	0.00	0.00	0.00	0.00
Total Personnel	1,697.00	1,707.00	1,697.00	-10.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	169.7	10.00%
Positions and Percentage Vacant as of 2/1/23	312	18.4%

Vacancies Above Turnover 154.7

- The fiscal 2024 allowance eliminates 10 vacant toll collector positions due to the conversion to all electronic tolling.
- MDTA has consistently struggled with very high vacancy rates. Despite a high budgeted turnover rate of 10%, the average vacancy rate from July 2022 through January 2023 was 19.5%. Over 130 positions, or 8%, have been vacant for one year or more, and 67 positions, or 4%, have been vacant for two years or more.
 - Sworn law enforcement positions contribute to the vacancy rate, as the hiring window each year is limited due to timing of training.
 - In the past year, 19% of separations were retirements, which is an unusually high percentage.
- The agency extended the Department of Budget and Management-imposed hiring freeze for an additional year in an effort to mitigate COVID-19-related revenue impacts. While the statewide hiring freeze lasted from April 2020 to early calendar 2021, MDTA's freeze was in effect until December 2021.
 - During the freeze, exceptions were reviewed on a case-by-case basis and were granted if a position was (1) critical to operation of a division's function, (2) would reduce costs, or (3) would generate revenue.

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- The agency notes that prior to the hiring freeze, its vacancy rate was at or below 10%.
- After conclusion of the hiring freeze, MDTA had additional internal controls on recruitment, including executive director review and approval of any new recruitment requests.
- The agency has taken various actions to fill vacancies, including:
 - prioritization of vacancies in human resources;
 - advertising recruitments as open and continuous;
 - increasing outreach, particularly digital outreach and promotions; and
 - expediting and centralizing onboarding procedures.
- Efforts to retain employees include:
 - hiring of a career counselor to manage an apprenticeship program for hard to fill trade positions;
 - reviewing salaries for hard to fill positions and increasing some salaries;
 - conducting “stay interviews” with employees;
 - creating a mentorship program to support new employees; and
 - establishing a diversity, equity, and inclusion committee.

The agency should comment on the high vacancy rate, particularly how long-term vacancies have impacted critical operations, including customer support or law enforcement/public safety objectives during operational challenges during and after the COVID-19 pandemic. The agency should also be prepared to discuss the rationale for the extended hiring freeze and if it substantially offset reduced revenues as intended. Finally, the agency should discuss specific strategies to reduce the vacancy rate or consolidate unneeded positions.

PAYGO Capital Program

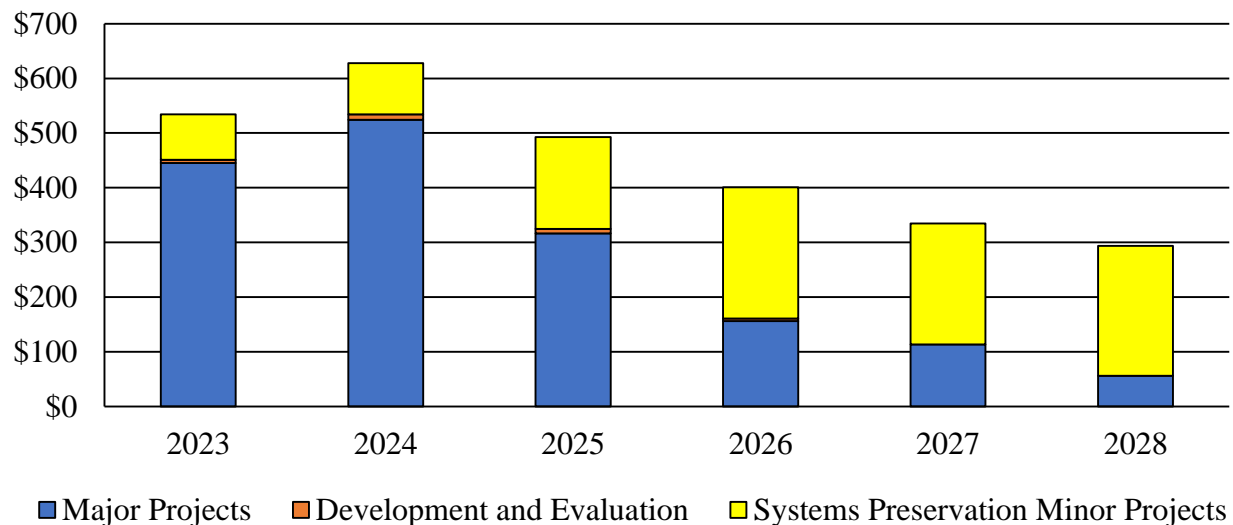
Program Description

MDTA's capital program involves the construction and maintenance of revenue-generating transportation facilities throughout the State.

Fiscal 2023 to 2028 Consolidated Transportation Program

The fiscal 2023 to 2028 *Consolidated Transportation Program* (CTP) for MDTA totals \$2.7 billion. The agency expects reduced capital spending in fiscal 2026 through 2028, particularly in major projects, as shown in **Exhibit 7**. The agency notes that it has constrained capital and operating expenses to effectively manage financial standards, and that the later years of the forecast will be reevaluated with each new CTP, taking updated revenue and expenditure projections and the changing construction market into consideration.

Exhibit 7
Six-year PAYGO Allowance
Fiscal 2023-2028
(\$ in Millions)



PAYGO: pay-as-you-go

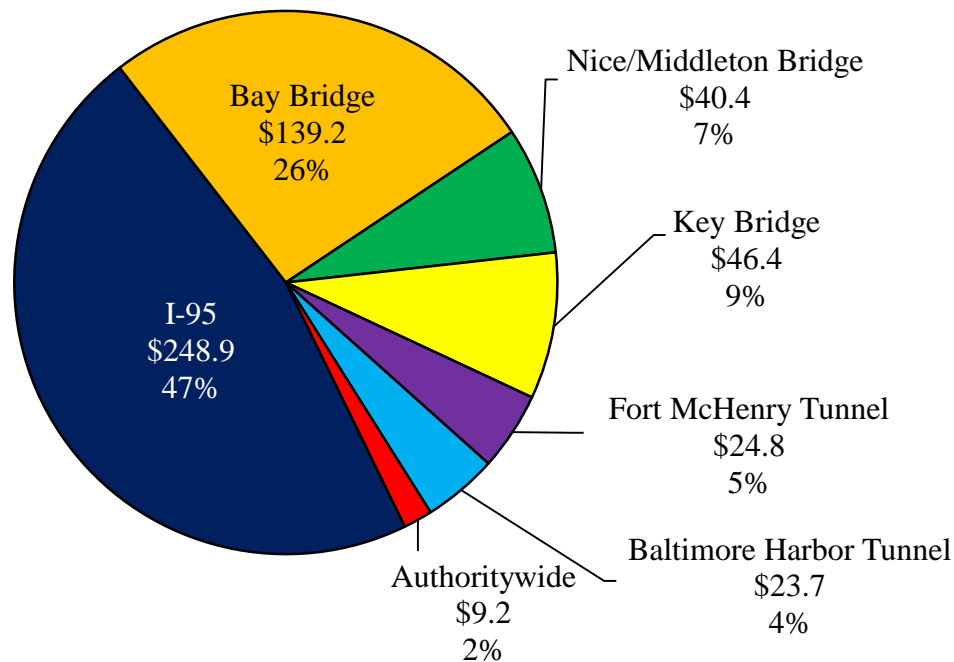
Source: 2023-2028 *Consolidated Transportation Program*, Maryland Department of Transportation

Fiscal 2024 Capital Allowance by MDTA Facility

Exhibit 8 shows capital funding programmed by facility in fiscal 2024. The largest share of spending is for the various projects along I-95, primarily the Express Toll Lanes

Northern Expansion project. Eighty-four percent of MDTA’s capital spending is programmed for projects at just three facilities: the Bay Bridge; I-95; and the Nice/Middleton Bridge. The bulk of funding for the Nice/Middleton Bridge has been expended, as the replacement bridge completed construction and opened to traffic in October 2022. Remaining costs include a total of \$85 million programmed in fiscal 2024 and 2025 for demolition of the old bridge, final construction elements, and environmental remediation. Authoritywide spending consists of system preservation and minor projects unrelated to a particular facility and the implementation of the third-generation electronic toll collection and operating system.

Exhibit 8
Capital Funding by MDTA Facility
Fiscal 2024
(\$ in Millions)



Bay Bridge: William Preston Lane, Jr. Memorial Bridge (US 50/301)

I-95: John F. Kennedy Memorial Highway (I-95)

Key Bridge: Francis Scott Key Bridge

MDTA: Maryland Transportation Authority

Nice/Middleton Bridge: Governor Harry W. Nice/Senator Thomas “Mac” Middleton Bridge

Note: These amounts do not include minor projects. While not considered a major project in fiscal 2024, the Bay Bridge section includes \$9.6 million in funding for the Tier 2 National Environmental Policy Act study.

Source: Maryland Department of Transportation, 2023-2028 Consolidated Transportation Program

Fiscal 2024 Capital Allowance Detail

Exhibit 9 shows the programmed funds for the fiscal 2024 capital allowance by project and program along with the total estimated costs and six-year funding for each program.

Exhibit 9
PAYGO Capital Allowance
Fiscal 2024

<u>Facility</u>	<u>Project Description</u>	<u>2024</u>	<u>Total Estimated Cost</u>	<u>Six-year Total</u>
I-895 Baltimore Harbor Tunnel	Envelope and Switchgear Replacements at Vent Buildings	\$15,511	\$80,675	\$76,022
	Resurfacing North and South	8,184	13,008	12,691
Subtotal – I-895		\$23,695	\$93,683	\$88,713
Bay Bridge	Rehabilitate Eastbound Bridge Deck	\$125,542	\$238,451	\$226,750
	Project Management Office and Maintenance Equipment Storage Building	3,056	12,160	10,096
	Replace 5KV Feeder Cable on Eastbound & Westbound Spans	1,043	50,229	8,373
Subtotal – Bay Bridge		\$129,641	\$300,840	\$245,219
Fort McHenry Tunnel	Rehabilitate Tunnel 15KV Cable, Conduit, and Concrete Wall	\$11,500	\$33,284	\$28,196
	Rehabilitate Substructure and Superstructure of Various Bridges on I-95 in Baltimore City	5,221	27,250	13,630
	Convert to Cashless Tolling	4,471	22,802	15,852
	Rehabilitate Vent Fans	3,633	44,695	19,654
Subtotal – Fort McHenry Tunnel		\$24,825	\$128,031	\$77,332
JFK Memorial Highway (I-95)	Express Toll Lane – Northern Extension Resurfacing	\$219,164	\$1,070,304	\$796,347
	Construct Interchange at Belvidere Road	29,776	81,068	69,765
Subtotal – I-95		\$248,940	\$1,151,372	\$866,112
Francis Scott Key Bridge	Subgrade Improvements at Bear Creek	\$46,444	\$61,572	\$58,493
Subtotal – Key Bridge		\$46,444	\$61,572	\$58,493

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<u>Facility</u>	<u>Project Description</u>	<u>2024</u>	<u>Total Estimated Cost</u>	<u>Six-year Total</u>
Nice/Middleton Bridge	Replace Nice/Middleton Bridge	\$40,363	\$635,787	\$177,477
<i>Subtotal – Nice/Middleton Bridge</i>		<i>\$40,363</i>	<i>\$635,787</i>	<i>\$177,477</i>
<i>Subtotal – Projects</i>		<i>\$513,908</i>	<i>\$2,371,285</i>	<i>\$1,513,346</i>
Programs				
Authority-Wide	System Preservation and Minor Projects	\$93,800		\$929,700
Bay Bridge	Tier 2 NEPA Study	9,550	28,000	28,000
Authority-Wide	Replace Electronic Toll Collection and Operating System	9,158	123,009	37,004
Total – Projects and Programs		\$626,416	\$2,522,294	\$2,508,050

Bay Bridge: William Preston Lane, Jr. Memorial Bridge (US 50/301)

KV: kilo volts

NEPA: National Environmental Policy Act

Nice/Middleton Bridge: Governor Harry W. Nice/Senator Thomas “Mac” Middleton Bridge

PAYGO: pay-as-you-go

Note: This table include only projects and programs that will receive funding in fiscal 2024. Additional projects appear in this year’s *Consolidated Transportation Program* (CTP) that are funded elsewhere during the six-year program. All a result, the six-year total is below the figure listed in the CTP.

Source: 2023-2028 *Consolidated Transportation Program*, Maryland Department of Transportation

Significant Changes from the Previous *Consolidated Transportation Program*

Exhibit 10 lists the significant changes from the fiscal 2022 to 2027 CTP, which comprises additions to the construction and development and evaluation programs.

Exhibit 10
Major Changes from the 2022 to 2027 CTP`
(\$ in Millions)

<u>Projects Added to the Construction Program</u>	<u>Total Cost</u>
Construction Projects	
I-95 John F. Kennedy Memorial Highway – I-95 Southbound Hard Shoulder Running	\$35.0
I-895 Baltimore Harbor Tunnel Throughway – Resurfacing North and South of the Baltimore Harbor Tunnel	13.0
I-95 John F. Kennedy Memorial Highway – Structural Rehabilitation of the Millard E. Tydings Memorial Bridge	11.0
D&E Program Projects	
US 50/301 Bay Bridge – Tier 2 NEPA Study	\$28.0

CTP: *Consolidated Transportation Program*

D&E: design and engineering

NEPA: National Environmental Policy Act

Source: Maryland Department of Transportation, *2023-2028 Consolidated Transportation Program*

Issues

1. MDTA's Financial Outlook Projects Challenges

As a nonbudgeted entity, MDTA must balance operating and capital costs, including debt service, to manage their financial standard requirements while also keeping facilities in a state of good repair. As shown in **Exhibit 11**, four financial standards guide MDTA: (1) rate covenant; (2) debt service coverage; (3) unencumbered cash; and (4) debt outstanding limits.

Exhibit 11 MDTA Financial Standards

<u>Financial Ratio</u>	<u>Requirement</u>
Rate Covenant (Legal)	Net Revenues $\geq 1.0x$ Sum of 120% of Debt Service + 100% Deposits to the Maintenance and Operations Reserve
Debt Service Coverage (Policy)	Net Revenues $\geq 2.0x$ Annual Debt Service
Unencumbered Cash (Policy)	Cash \geq \$350 Million
Debt Outstanding Limit (Statutory)	\$3.0 Billion for Toll Revenue-backed Debt

MDTA: Maryland Transportation Authority

Source: 2022 Fiscal Stress Report, Maryland Transportation Authority

MDTA is mandated to submit a biannual financial forecast that covers the same six-year period as the current CTP. The fiscal 2022 through 2028 forecast projects financial stress in the coming years. A summary of the forecast, including projected values for each of the four financial standards, appears in **Exhibit 12**. Each standard has a threshold that is set in statute or as an agency policy to ensure that MDTA is in good financial standing and able to cover its obligations, even if revenues unexpectedly decline. While all of the financial standards approach the respective limitations throughout the forecast, the debt service coverage, without additional intervention, is projected to reach its lowest allowable limit by the end of the forecast period.

Debt service coverage conveys the ability of the authority to adequately cover its debt service obligations without overly stressing its revenues. The ratio illustrates annual net revenues divided by annual debt service obligations. MDTA policy dictates that this ratio should be at least 2.0, demonstrating the ability of the authority to use half or less of its annual revenues to cover debt service obligations that same year. As seen in Exhibit 12, debt service coverage is projected to reach 2.0, the policy minimum, in fiscal 2028.

Exhibit 12
Financial Forecast Summary
Fiscal 2022-2028
(\$ in Millions)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total Revenues	\$827.8	\$804.8	\$782.9	\$795.0	\$798.8	\$807.7	\$828.2
Total Expenses	957.8	1,059.5	1,165.0	1,050.4	991.1	952.1	937.4
Annual Cash Surplus/Deficit	-93.4	-201.1	-161.2	1.1	1.5	-0.6	0.7
Total MDTA Cash Balance	\$745.7	\$544.6	\$383.3	\$384.4	\$358.9	\$385.3	\$386.0
Financial Standards							
Rate Covenant Compliance	3.8	2.4	2.2	2.1	2.1	1.7	1.6
Debt Service Coverage	4.6	3.0	2.7	2.6	2.3	2.1	2.0
Unencumbered Cash	\$489.5	\$511.5	\$350.3	\$351.3	\$352.8	\$353.9	\$354.6
Debt Outstanding	\$2,083.6	\$2,061.6	\$2,203.9	\$2,399.2	\$2,529.1	\$2,599.4	\$2,629.2

MDTA: Maryland Transportation Authority

Note: Last year's analysis included financial forecasting data until 2031 due to a request in the 2021 *Joint Chairmen's Report*. MDTA's mandated biannual financial forecast submission cover a six-year period only, the same period covered by the current *Consolidated Transportation Program*.

Source: 2022-2028 *Financial Forecast*, Maryland Transportation Authority

The forecast presents a less optimistic outlook than the previous year, which projected the threshold reaching 2.2 in fiscal 2028 and dipping below the 2.0 goal, to 1.8, in fiscal 2030. The agency notes that the decline in coverage is due in part to increased personnel expenses related to collectively bargained salary and cost-of-living increases for civilian and sworn law enforcement employees following the submission of last year's report. These expenses are compounded throughout the financial forecast period, resulting in a noticeable change from last year's projections. The current forecast also reflects a slight increase in total revenue over the period.

Historically, the agency has maintained the debt service coverage ratio at the minimum 2.0 level by increasing toll rates to boost annual revenues. The agency notes that timing for any change in toll rates is dependent on various factors, including toll revenue attainment, mandated operating budget increases, debt issuances and timing, capital budget spending, inflation, and market volatility. MDTA continually monitors revenues and expenses to ensure that it meets debt service coverage requirements. **MDTA should comment on its strategies to mitigate projected fiscal challenges in the years to come, including a potential toll increase.**

The long-term fiscal impact of the nine-month Customer Assistance Plan, which waived \$182 million in civil penalties, is still being evaluated. One of the goals of the plan was to help customers establish and maintain a consistent payment method moving forward. The agency notes that during the plan, 76,000 unregistered video toll customers were converted to *E-ZPass* or pay-by-plate customer accounts. Having registered accounts, rather than receiving a photo or video toll, reduces costs for both the customer and the agency and improves efficiency. To date, 98% of those new accounts remain open.

2. MDTA Operations Recover from Pandemic-related Backlogs, Customer Assistance Plan Provides Penalty Relief

During the COVID-19 pandemic, MDTA paused the collection of video tolls from March through October 2020. Once this period ended, MDTA began to mail out notices of tolls due (NOTD) to the impacted customers. To avoid sending large bills to customers, MDTA adopted a metering strategy that involved mailing customers one week of old NOTDs concurrently with one week of current NOTDs. However, the pause in video toll mailings created a substantial backlog. Additionally, a suspension of toll collections on the ICC in June 2020 as the agency transitioned to its new tolling system created an additional backlog of nearly one year of tolls.

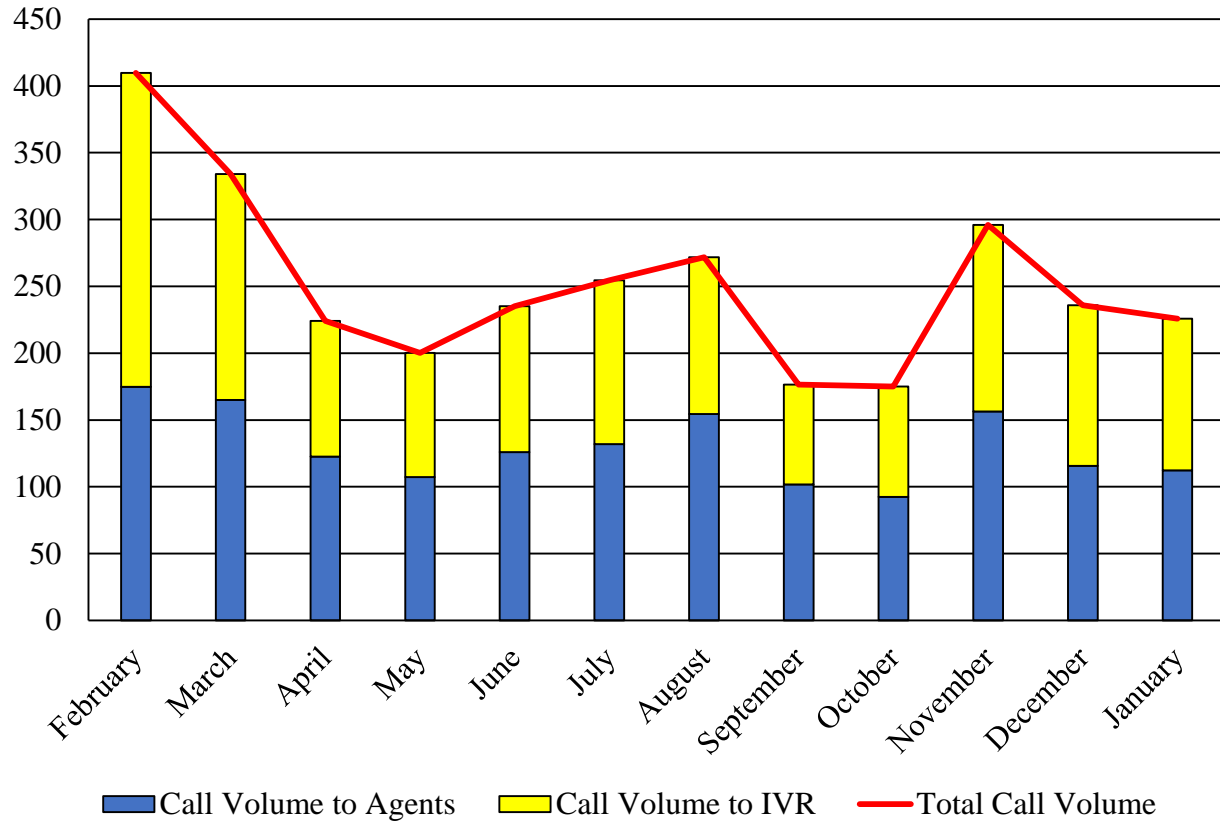
MDTA completed posting all backlogged customer tolls that were deferred during the pandemic in September 2021. However, various delays and inconsistent billing schedules resulted in many customers receiving large bills for years of tolling charges in addition to associated civil penalties for tolls that, often, they were not even aware were initially assessed. In response to widespread concerns about the backlog, delays in mailing NOTD, and associated civil penalties, the MDTA board approved a Customer Assistance Plan on February 24, 2022.

Customer Assistance Plan

This program waived any outstanding civil penalties (late fees) that were assessed for customers who paid their toll balance in full during the duration of the program. It also temporarily halted the referral of overdue toll notices to Central Collections Unit and MDOT – Motor Vehicle Administration. If a customer paid off the balance on a particular toll transaction in full, the associated civil penalty was waived. It was originally slated to end on December 1, 2022, but was later extended to December 15.

Prior to implementation of the Customer Assistance Plan, confusion surrounding these changes resulted in a substantial increase in customers contacting the agency for assistance. As shown in **Exhibit 13**, the call center volume peaked in February 2022, with 409,650 calls, over 257,000 more than in February 2021. Shortly after the Customer Assistance Plan was implemented in late February, call volume began to decrease and level off. Volume increased in November 2022, as the end of the Customer Assistance Plan approached, but was still 87,000 fewer calls than in November 2021.

Exhibit 13
Call Center Volume
Calendar 2022-2023
(Calls in Thousands)

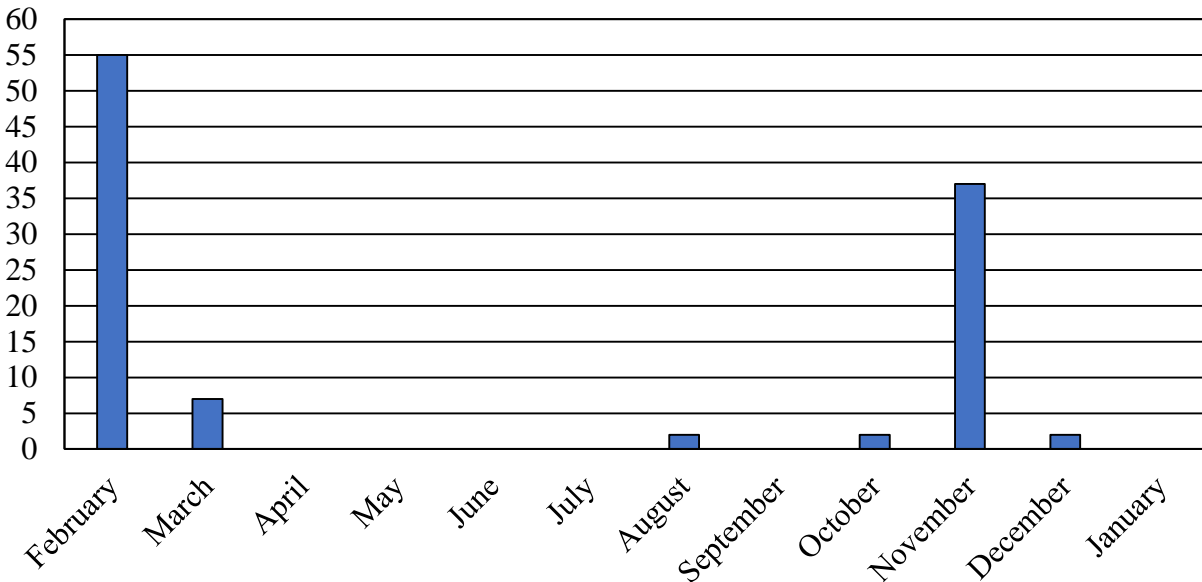


IVR: Interactive Voice Response

Source: Maryland Transportation Authority

The trends in call volume are also reflective in the average wait time data. As shown in **Exhibit 14**, the call wait time dramatically decreased after February 2022 due to the implementation of the Customer Assistance Plan on February 24. From April to July, the average call wait time was under 1 minute. These figures are substantial improvements over the previous year, where average wait times between January 2021 and February 2022 were 69 minutes.

Exhibit 14
Average Call Center Wait Times
Calendar 2022-2023
(in Minutes)



Source: Maryland Transportation Authority

During the last week in November, the wait time increased to 1:18:30 due to the impending end of the program. To accommodate the last-minute rush, the MDTA board voted to expand the program another two weeks, to December 15. There were minimal to no waits during the period of the two-week extension, except for the last day, which averaged a wait time of 0:16:19. Staffing at the call center has also greatly improved since the previous year, which saw a low of only 60 agents. From February 2022 to January 2023, the call center averaged 280 agents.

It is important to note that the Customer Assistance Plan did not forgive or waive the original toll amount due, nor did it allow for reimbursement for customers who paid any civil penalties prior to the start of the program. Customers who did not pay or postmark any outstanding tolls prior to the conclusion of the program will be assessed the associated civil penalties.

MDTA engaged in an extensive public awareness campaign for the Customer Assistance Plan to encourage customers to pay any outstanding tolls to avoid assessment of civil penalties. These outreach efforts included:

- emails to all Maryland General Assembly members throughout the duration of the plan;

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- letters mailed to county and local officials in September 2022;
- discussion of the plan during MDOT statewide CTP tour meetings in fall 2022;
- approximately 1.3 million “act now” letters mailed to customers who had not made any payments on outstanding toll debt during the period;
- news releases and email blasts and social media;
- a media campaign about the civil penalty grace period and available savings when customers pay tolls prior to NOTD being mailed, which included billboards, radio ads, print ads, and targeted digital ads in zip codes with the highest density of NOTDs;
- banners on the home page of MDTA and DriveEz MD webpages;
- a recording on the Interactive Voice Response call center system; and
- inserts included in mailed NOTDs.

As of February 9, 2023, \$182 million in civil penalties were waived for approximately 837,000 drivers and businesses that paid their outstanding video tolls during the Customer Assistance Plan period. These numbers may change as staff continues processing payments, particularly mailed payments that were postmarked by the deadline.

Civil Penalties Paid in Error

Chapter 448 of 2022 required MDTA to reimburse customers who paid a civil penalty in error during the Customer Assistance Plan. The agency identified 56,792 accounts that paid in error and issued nearly \$3.2million in reimbursements.

Customers eligible for reimbursement received communication describing the type of reimbursement for which they qualified. Full reimbursements were provided to customers who had paid a civil penalty and had no outstanding toll debt to MDTA. Partial reimbursements were provided to customers who had outstanding toll debt. The reimbursement owed was applied to the unpaid video tolls associated with the registered vehicle(s) on the account, and any remaining reimbursement amount was provided to the customer. If a customer was due a reimbursement for a civil penalty paid in error but the reimbursement amount was lower than outstanding tolls owed, no reimbursement was issued, and the reimbursement due was instead applied to the outstanding toll debt. The number of accounts that qualified for each type of reimbursement and the total amount of reimbursements by method, is listed in **Appendix 3**.

3. Future Uncertain for Op Lanes Maryland

The Op Lanes Maryland project seeks to relieve traffic congestion on the American Legion Bridge and I-270 by adding high-occupancy toll lanes to particularly congested areas while keeping existing general purpose lanes free. The project, which was known as the I-495 and I-270 public-private partnership (P3) program prior to rebranding, is managed by MDTA.

In August 2022, the Federal Highway Administration issued the record of decision (ROD) for the selected alternative – Phase 1 South, which provides for two high-occupancy toll lanes from the George Washington Memorial Parkway in Virginia to the I-370 interchange on I-270 and the replacement and expansion of the American Legion Bridge. Issuance of the ROD concluded the environmental impact statement process for the first phase of the project and makes the project eligible to receive federal support. In this year’s CTP, \$240 million was added to this project across all years for engineering for Phase 1 South.

The phase developer, Accelerate Maryland Partners (AMP), onboarded its construction contractor in September 2022 and is completing predevelopment work and working with MDOT/MDTA to finalize a committed section proposal for the final design, construction, financing, operations, and maintenance of Phase 1 South. The current deadline for submission of the proposal is March 21, 2023. After final acceptance by MDOT/MDTA of the committed section proposal, the P3 agreement could then be submitted to the MDTA board for review and approval, followed by submission first to the Comptroller, the State Treasurer, and the budget committees for review and comment and then to the Board of Public Works for approval. The current Administration will decide when, or even if, a P3 agreement will be submitted for review.

Unresolved issues related to the bid protest of the selection of AMP as the phase developer, pieces of which are currently awaiting decisions by the Appellate Court of Maryland and the Circuit Court for Montgomery County, may also affect how the project can move forward. **MDTA should comment on the future of the Op Lanes Maryland project and when a decision will be made on the future of the project, given significant planned investments.**

Operating Budget Recommended Actions

1. Nonbudgeted.

PAYGO Budget Recommended Actions

1. Nonbudgeted.

Updates

1. Tolling Accuracy Report

The 2022 *Joint Chairmen's Report* (JCR) requested information regarding the accuracy of tolling equipment at MDTA facilities. Specifically, the report requested an accuracy study of tolling facilities over a one-week period, in addition to details of any instances of overbilling, and processes for addressing tolling issues.

The report includes results of a study of transactions occurring between September 22 and 28, 2022. During the period, the agency processed 2.4 million trips in the amount of \$10.8 million, net of discounts. The study used industry standards approaches to evaluate tolling accuracy, including system controls and sample transaction testing. The results demonstrated accurate transactions and consistent patterns for all study areas at each MDTA facility, showing that MDTA's tolling equipment is performing accurately and meets or exceeds industry standards.

System errors that do occur, while rare, include miscounting a vehicle's number of axles, not applying an applicable discount, processing a toll twice, or charging a toll to the wrong customer. Customers that experience these errors can contact the MDTA call center to have the issue rectified.

Several measures are in place to ensure tolling accuracy. MDTA's systems have the capability to scan both the transponder and license plate, providing cross-checks that are supported by additional manual reviews. The tolling system also undergoes independent audits that continually yield among the highest accuracy rates in the industry.

Errors may also arise from issues unrelated to the tolling system itself. Customers with *E-ZPass* accounts may receive an image or video toll due to improper mounting of the transponder, vehicle plates not linked with a customer's *E-ZPass* account, or an *E-ZPass* account not having a positive balance. MDTA makes information regarding resolution of these and other issues available on the Drive EZ checklist and website. Customers can also work with live agents at the customer service center from 7 a.m. to 8 p.m. on weekdays and 8 a.m. to 2 p.m. on Saturdays to resolve any issues.

Appendix 1
2022 Joint Chairmen’s Report Responses from Agency

The 2022 JCR requested that MDTA prepare one report. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Tolling Accuracy Report:*** MDTA submitted a report detailing the results of a one-week accuracy study of each tolling facility, procedures in place to ensure accuracy, and methods to remedy any errors that occur. Further discussion of this data can be found in Update 1 of this analysis.

Appendix 2
Maryland Transportation Authority Financial Forecast
Fiscal 2022-2028

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Revenues							
Toll Revenues	\$806.9	\$716.6	\$732.8	\$744.1	\$746.3	\$753.5	\$772.3
Concessions	5.8	3.9	3.9	3.9	3.9	3.9	3.9
Investment Income and Other	-16.8	48.0	7.1	6.3	6.3	6.3	6.3
MDOT Loan Repayment – Interest	0.5	1.0	0.2	0.2	0.2	0.2	0.2
MAA/MPA Police Reimbursement ⁽¹⁾	31.5	35.2	38.9	40.5	42.1	43.8	45.5
Total Revenues	\$827.9	\$804.7	\$782.9	\$795.0	\$798.8	\$807.7	\$828.2
Expenses							
Operations	\$356.6	\$387.2	\$391.4	\$407.4	\$423.7	\$440.6	\$458.2
Debt Service	105.0	137.8	145.7	150.7	166.5	176.6	184.0
Capital Program	496.2	534.4	627.9	492.3	401.0	334.9	295.1
Total Expenses	\$957.8	\$1,059.4	\$1,165.0	\$1,050.4	\$991.2	\$952.1	\$937.3
Capital Funding Sources/(Uses) and Intergovernmental							
Revenue Bond Proceeds	\$0.0	\$0.0	\$0.0	\$255.6	\$192.6	\$142.5	\$108.5
TIFIA	0.0	0.0	200.0	0.0	0.0	0.0	
Surety Policy Expenses	-1.2	0.0	-0.5	-0.5	-0.3	-0.2	-0.2
MDOT Loan Repayment – Principal	4.7	49.9	1.5	1.5	1.5	1.5	1.6
VDOT Contribution/Grant	7.7	3.8	0.0	0.0	0.0	0.0	0.0
I-95 Interchange Partner Contribution	0.0	0.0	20.0	0.0	0.0	0.0	0.0
Accounting Reconciliation	25.4	0.0	0.0	0.0	0.0	0.0	0.0
Total Sources/(Uses)	\$36.6	\$53.7	\$221.0	\$256.6	\$193.8	\$143.8	\$109.9
Annual Cash							
Requirements⁽²⁾	\$921.2	\$1,005.7	\$944.1	\$793.9	\$797.3	808.3	\$827.5
Annual Cash Surplus/(Deficit)	-\$93.7	-\$201.1	-\$161.2	\$1.1	\$1.5	-\$0.6	\$0.7
Total MDTA Cash Balance	\$745.7	\$544.6	\$383.4	\$384.5	\$386.0	\$385.4	\$386.1

J00J00 – MDOT – Maryland Transportation Authority

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
MDTA Debt							
Debt Outstanding	\$2,083.6	\$2,061.6	\$2,203.9	\$2,399.2	\$2,529.1	\$2,599.4	\$2,629.2
Unencumbered Cash	\$489.5	\$511.5	\$350.3	\$351.3	\$352.3	\$353.9	\$354.6
Debt Service Coverage	4.6	3.0	2.7	2.6	2.6	2.1	2.0
Rate Covenant Compliance	3.8	2.4	2.2	2.1	2.1	1.7	1.6

MAA: Maryland Aviation Administration

VDOT: Virginia Department of Transportation

⁽¹⁾ MDTA provides police services at BWI Marshall Airport and the Helen Delich Bentley Port of Baltimore.

⁽²⁾ Sources represent an in-flow of funds to MDTA and are subtracted from Total Expenses. (Uses) represent an outflow of funds from MDTA and are added to Total Expenses as a positive value

Appendix 3
Civil Penalties Paid in Error
During the Customer Assistance Plan

<u>Reimbursement Type</u>	<u>Accounts</u>
Full Reimbursement	43,572
Partial Reimbursement	9,523
Tolls Owed Exceeded Reimbursement Due	3,697
Total	56,792

<u>Reimbursement Type</u>	<u>Reimbursements</u>	<u>Amount</u>
Full Reimbursement (Check)	\$16,277	\$790,221.15
Partial Reimbursement (Check)	3,484	213,839.46
Full Reimbursement (Credit Card)	27,295	1,700,956.05
Partial Reimbursement (Credit Card)	6,039	485,595.64
Tolls Owed Exceeded Reimbursement Amount	3,697	n/a
Total	\$56,792	\$3,190,612.30

Source: Maryland Transportation Authority

Appendix 4
Object/Fund Difference Report
MDOT – Maryland Transportation Authority

<u>Object/Fund</u>	<u>FY 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,697.00	1,707.00	1,697.00	-10.00	-0.6%
Total Positions	1,697.00	1,707.00	1,697.00	-10.00	-0.6%
Objects					
01 Salaries and Wages	\$ 176,030,620	\$ 198,675,634	\$ 212,840,583	\$ 14,164,949	7.1%
02 Technical and Special Fees	105,000	899,548	853,189	-46,359	-5.2%
03 Communication	2,711,286	3,205,899	3,300,381	94,482	2.9%
04 Travel	207,307	413,722	490,529	76,807	18.6%
06 Fuel and Utilities	3,513,354	4,100,791	4,168,635	67,844	1.7%
07 Motor Vehicles	9,093,371	17,078,134	12,639,859	-4,438,275	-26.0%
08 Contractual Services	117,145,727	142,678,188	137,508,187	-5,170,001	-3.6%
09 Supplies and Materials	8,938,548	10,637,624	10,807,633	170,009	1.6%
10 Equipment – Replacement	1,338,883	3,081,307	2,541,450	-539,857	-17.5%
11 Equipment – Additional	357,263	1,131,585	704,835	-426,750	-37.7%
13 Fixed Charges	110,556,584	143,077,641	151,277,296	8,199,655	5.7%
Total Objects	\$ 429,997,943	\$ 524,980,073	\$ 537,132,577	\$ 12,152,504	2.3%
Funds					
07 Nonbudgeted Fund	\$ 429,997,943	\$ 524,980,073	\$ 537,132,577	\$ 12,152,504	2.3%
Total Funds	\$ 429,997,943	\$ 524,980,073	\$ 537,132,577	\$ 12,152,504	2.3%

J00J00 – MDOT – Maryland Transportation Authority

Appendix 5
Fiscal Summary
MDOT – Maryland Transportation Authority

<u>Program/Unit</u>	<u>FY 22 Actual</u>	<u>FY 23 Wrk Approp</u>	<u>FY 24 Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24 % Change</u>
41 Operating Program	\$ 429,997,943	\$ 524,980,073	\$ 537,132,577	\$ 12,152,504	2.3%
42 Capital Program	496,169,832	534,430,817	627,924,933	93,494,116	17.5%
Total Expenditures	\$ 926,167,775	\$ 1,059,410,890	\$ 1,165,057,510	\$ 105,646,620	10.0%
Nonbudgeted Fund	\$ 926,167,775	\$ 1,059,410,890	\$ 1,165,057,510	\$ 105,646,620	10.0%
Total Appropriations	\$ 926,167,775	\$ 1,059,410,890	\$ 1,165,057,510	\$ 105,646,620	10.0%

**J00J00 MDOT Maryland Transportation Authority
FY 2024 Operating Budget
Response to the Department of Legislative Services Budget Analysis**

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chair Sarah Elfreth
March 3, 2023

House Appropriations Committee
Transportation and the Environment Subcommittee
Chair Marc Korman
March 2, 2023

**J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2024 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis

1. *E-ZPass® Use Drops Substantially (Page 5)*

MDTA should discuss the AET challenges during fiscal 2022 and the agency's efforts in prioritizing processing E-ZPass and video tolls as they worked through the backlog.

MDOT Response:

In response to the COVID-19 pandemic, the MDTA paused the collection of video tolls from March 2020 to October 2020. Once this period ended, the MDTA began mailing Notices of Toll Due (NOTD) to the impacted customers. In FY 2021, as part of the MDTA's strategy to address the pandemic backlog of unprocessed transactions, the MDTA placed a heavy emphasis on processing home and away agency *E-ZPass* transactions. This led to a temporary artificial increase in the FY 2021 *E-ZPass* collection rate. In FY 2022, the MDTA focused on processing and collecting paused NOTD mailings which resulted in a corresponding reduction in the FY 2022 *E-ZPass* collection. In September 2022, the MDTA completed posting online at DriveEzMD.com all Maryland customer tolls that were deferred during the COVID-19 pandemic. Going forward, the MDTA anticipates a relatively flat *E-ZPass* collection rate.

**J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2024 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis (continued)

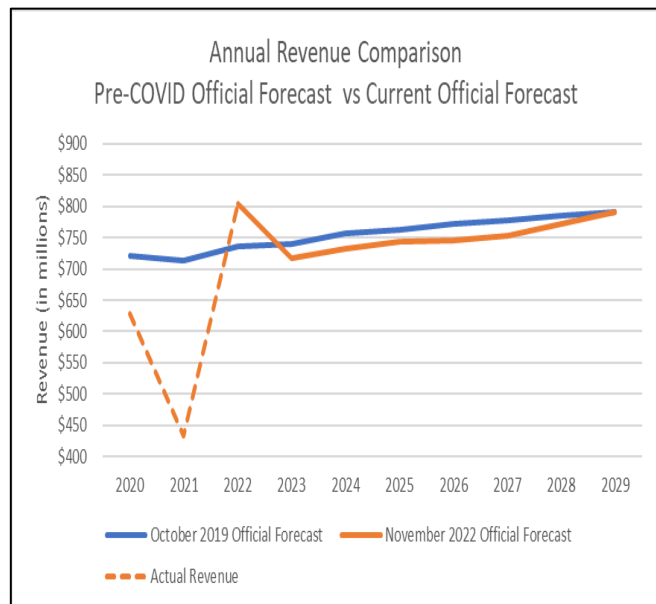
2. Vacancy Data (Page 14)

The agency should comment on the high vacancy rate, particularly how long-term vacancies have impacted critical operations, including customer support or law enforcement/public safety objectives during operational challenges during and after the COVID-19 pandemic. The agency should also be prepared to discuss the rationale for the extended hiring freeze and if it substantially offset reduced revenues as intended. Finally, the agency should discuss specific strategies to reduce the vacancy rate or consolidate unneeded positions.

MDOT Response:

Like many other State agencies and businesses, the MDTA experienced staffing shortages and retention challenges that stemmed from the COVID-19 pandemic. The high vacancy rate has posed challenges such as increased overtime/compensatory leave which is often appreciated by employees but can also lead to employee burnout and retention issues. MDTA leadership was open and transparent with employees about the COVID-19 challenges ahead of the MDTA and the strategies being considered, including temporarily extending the hiring freeze which was seen as a much better alternative than long-term permanent actions.

As shown in the graph, to help mitigate the financial impact of nearly \$375 million in reduced revenues from the temporary decrease in tolled traffic during the pandemic, consistent with every other State agency, the MDTA implemented a hiring freeze from April 2020 through December 2021. However, because the MDTA is an independent, self-funded agency, the actions taken by the MDTA were specific to the MDTA's financial position and necessary for the agency to maintain its operations, comply with its legal and MDTA Board-approved operating policies, and preserve its Aa2 credit ratings.



J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2024 Operating Budget
Response to Department of Legislative Services Analysis

DLS Budget Analysis (continued)

Given that the MDTA had limited alternative revenue sources, the agency used various strategies at its disposal to mitigate the impact of COVID-19. The decision to constrain operating budget expenses by extending the hiring freeze was one of many mitigating strategies that included reducing the capital budget, delaying capital projects, and pursuing innovative financing options such as advance funding a portion of debt service.

While challenging, the temporary decision to extend the hiring freeze was necessary to help control costs given that more than half of the MDTA's operating budget (excluding debt service) comprises personnel expenses. While sworn personnel were excluded from the hiring freeze, exceptions for critical civilian positions were granted on a case-by-case basis. As noted by DLS, the MDTA has taken multiple actions to reduce the vacancy rate and similar to many other State agencies, the MDTA continues to make every effort to fill vacant positions as expeditiously as possible.

**J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2024 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis Issues

1. MDTA’s Financial Outlook Projects Challenges (Page 20)

MDTA should comment on its strategies to mitigate projected fiscal challenges in the years to come, including a potential toll increase.

MDOT Response:

The specific timing of a toll increase is dependent on many factors that impact MDTA’s financial standards, such as inflationary pressures, deferred maintenance policies, toll revenue attainment, mandated operating budget increases, and debt issuance costs and timing. The timing of a toll increase will largely be driven by the two times debt service coverage requirement, because toll increases are needed when debt service coverage drops below two times coverage. While previously, the MDTA was able to strategically constrain capital and operating expenses to effectively manage financial standards and the timing of a toll increase, construction market volatility coupled with rising inflationary pressures may make it difficult for the MDTA to defer maintenance for budget constraints while also maintaining its facilities in a state of good repair. In consultation with the MDTA’s financial advisors and the MDTA Board, the agency will leverage every appropriate financial strategy at its disposal to ensure that it meets its financial obligations.

**J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2024 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis Issues (continued)

3. Future Uncertain for Op Lanes Maryland (Page 26)

MDTA should comment on the future of the Op Lanes Maryland project and when a decision will be made on the future of the project, given significant planned investments.

MDOT Response:

This project will be viewed under the same lenses of social equity, environmental protection, and local participation as all transportation projects. MDTA and MDOT will continue to work with all our partners, including local stakeholders, toward a solution for congestion in the Washington suburbs along portions of I-495 and I-270, as well as addressing the maintenance and safety of the American Legion Bridge, in a way that meets the needs of Marylanders.

**J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2024 Operating Budget
Response to Department of Legislative Services Analysis**

Operating Budget Recommended Actions

1. Nonbudgeted (Page 27)

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

1. Nonbudgeted (Page 27)

MDOT Response:

The Department concurs with the DLS recommendation.

TAB 7



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Mario J. Gangemi, P.E.
William H. Cox, Jr.	Cynthia D. Penny-Ardinger
William C. Ensor, III	Jeffrey S. Rosen
W. Lee Gaines, Jr.	John F. von Paris

William Pines, P.E., Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Chief Engineer James Harkness, P.E., PTOE
SUBJECT: Quarterly Update on Major Capital Projects valued over \$40 Million
DATE: March 30, 2023

PURPOSE OF MEMORANDUM

The purpose of the memorandum is to update the MDTA Board on the status of the major projects in the Capital Program.

SUMMARY

As of March 9, 2023, there are eleven major projects in the Capital Program. Eight of the projects are under construction and three are under design. This update includes projects funded for construction in the current CTP and includes five projects valued in excess of \$100 million. There are three projects from the \$1.1 billion I-95 ETL Northbound Expansion program.

ATTACHMENT

- MDTA Major Capital Projects (>\$40 million) – March 2023 Update

MDTA Major Capital Projects (>\$40 Million) - March 2023 Update

Pin	Contract No.	Description	AD	NTP	Budget (Thousands \$)	Ant. Construction Completion Date	Construction (C), Procurement (P) or Design (D)
2147	MA-2257	Replace Electronic Toll Collection - 3rd Gen	8/1/16	3/6/18	123,009	Summer 2025	C
1024	NB-0543	Replace Nice/Middleton Bridge	10/20/18	3/17/20	635,788	Winter 2024	C
2251	FT-2651R	Rehabilitate Ventilation Fans	9/5/19	7/1/20	44,695	Spring 2024	C
2453	KH-3009	I-95 ETL Northbound Extension - Express Toll Lanes to MD 152	8/17/20	5/3/21	224,543	Summer 2024	C
2491	KH-3019	I-95 ETL Northbound Extension - MD 152 Interchange Reconstruction	5/7/21	2/28/22	245,740	Fall 2024	C
2477	KH-3024	I-95/Belvidere Road Interchange	5/18/20	2/25/22	81,150	Winter 2025	C
2317	BB-2726 BB-3017 BB-3018	Eastbound Bay Bridge Deck Replacment - Phase 1	9/6/19	1/9/23	238,949	Fall 2025	C
2306	HT-2709	Envelope and Switchgear Replacements at BHT Ventilation Buildings	1/10/22	1/13/23	80,675	Winter 2026	C
2450	KB-3005	I-695 Subgrade Improvements at Bear Creek	6/2/23	11/5/23	48,761	Winter 2025	D
2492	KH-3020	I-95 ETL Northbound Extension - MD 24 to Bynum Run	8/11/23	12/27/23	65,513	Fall 2026	D
2582	KH-3046	I-695 Ramps from I-95 Northbound Express Toll Lanes	11/15/24	6/15/25	50,425	Summer 2027	D

TAB 8



MEMORANDUM

TO: MDTA Board
FROM: Director of Information Technology David Goldsborough
SUBJECT: Quarterly Information Technology Update
DATE: March 30, 2023

PURPOSE OF MEMORANDUM

The purpose of this memorandum is to provide a quarterly update to the MDTA Board on MDTA's Division of Information Technology (DoIT).

SUMMARY

As of March 30, 2023, the Division of Information Technology maintains an active portfolio of 19 projects and continued support of the third generation tolling system (3G) program. Current activities include assisting Kapsch and Transcore with rack expansion in the data centers to accommodate increased storage requirements. DoIT is also assisting with various database reports to support QA functions for the KPI portion of the contract.

We received the final report from the State of Maryland Department of Information Technology for the cybersecurity readiness engagement completed in May 2022. A pre-exit conference, as well as an exit conference, were held with State DoIT to review the overall scoring results. MDTA DoIT scored very well against the instrument used for the assessment, the Capability Maturity Model Integration (CMMI) framework. DoIT will work to implement some of the findings in areas that will immediately impact overall scores. These include the implementation of role-based training for our staff.

Some of the significant initiatives that DoIT continues to work on include the following:

Project Name	Brief Description	Go-live	Status
HR Central Conversion	Moving HRC to the new Salesforce lightning platform	1/31/2024	Green
Maximo Spatial	Implementation of Maximo spatial for asset management	6/30/2023	Green
Open Text Upgrade	Upgrade from version 2016 to 2021	10/30/2023	Green
Dynamics SL Upgrade	Upgrade from version 2015 to 2018	12/31/2023	Green
HRIS	Moving the HRIS system to the cloud	TBD	Kick-off 6/2023

TAB 9



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:
Dontae Carroll
William H. Cox, Jr.
William C. Ensor, III
W. Lee Gaines, Jr.

Mario J. Gangemi, P.E.
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
John F. von Paris

William Pines, PE, Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Chief Administrative Officer Percy E. Dangerfield
Director of Civil Rights and Fair Practices Tia Rattini
PREPARED BY: Compliance Officer Nicholas Lloyd
SUBJECT: Quarterly Update: Socioeconomic Programs Status
DATE: March 30, 2023

PURPOSE OF MEMORANDUM

The purpose of this memorandum is to provide the Maryland Transportation Authority (MDTA) Board of Directors with an update on the MDTA's progress toward achieving the legislatively mandated socioeconomic program goals.

SUMMARY

In accordance with Article II of the MDTA Board Operating Policy, as amended on January 25, 2018, this summary has been prepared and distributed. The Division of Civil Rights and Fair Practices (CRFP) is responsible for the development, oversight, and administration of the MDTA's State and Federal socioeconomic programs. These programs include the following:

- Disadvantaged Business Enterprise (DBE) Program.
- Minority Business Enterprise (MBE) Program.
- Small Business Reserve (SBR) Program; and
- Veteran-Owned Small Business Enterprise (VSBE) Program.

The following socioeconomic programs' performance information presented is based on Quarter 2 of 2023, which covers the performance period of July 1, 2022 to December 31, 2022¹. This performance period will be referenced as Q2 FY 2023.

¹ The achieved goals reported for the MBE, SBR, and VSBE programs in this document are specific to contract awards and payments. This data does not include Purchasing Credit Card (P-Card) information and may vary from data submitted for the Governor's Office of Small Minority and Women Business Affairs (GOSBA) quarterly reporting.

Disadvantaged Business Enterprise (DBE) Program

CRFP is responsible for monitoring the Nice-Middleton Bridge Project's federally funded contracts to ensure compliance with nondiscrimination and affirmative action requirements. The responsibilities include oversight of the Disadvantage Business Enterprise (DBE) Program, the Contractor's Equal Employment Opportunity (EEO)/Workforce Affirmative Action plans, On-the-Job Training (OJT) programs, and Contractor Labor Compliance. The unit also provides management, supervision, and direction to the third-party civil rights compliance monitors assigned to the Project by the General Engineering Consultant for the Nice-Middleton Bridge Replacement Project.

The Nice-Middleton Bridge Project will construct a new 4-lane crossing of US-301 over the Potomac River to replace the existing bridge, which is over 80 years old. The Project also includes minor roadway work on each side of the Potomac River, improvements to the campus infrastructure, and demolition of the existing bridge. The Nice-Middleton Bridge Project is comprised of five (5) contracts that have an estimated value of \$531 million.

The five (5) contracts that are included in Nice-Middleton Bridge Project were identified for federal financial assistance via a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. DBE firms' utilization is monitored monthly and reported to the Federal Highway Administration (FHWA) semi-annually. DBE firms' utilization is calculated by dividing the total dollars paid to DBE subcontractors by the total dollars expended for this Project.

Table 1 depicts total DBE payments by Contract for the Nice-Middleton Bridge Projects and the newly awarded I-95 Interchange at Belvidere Road through December 31, 2022. Each Contract has a contract-specific DBE goal commitment. Table 1 depicts each Contract's DBE utilization in payments project-to-date.

Minority Business Enterprise (MBE) Program

CRFP's Compliance Officers are responsible for monitoring State-funded projects to ensure compliance with Maryland's Minority Business Enterprise (MBE) Program. The MBE Program intends to increase procurement opportunities for socially and economically disadvantaged small business owners within the State contracting marketplace. Maryland's MBE Program requires State agencies to structure their procurements in a manner that allows 29 percent of the agency's total annual expenditures on procurement contracts to be paid directly or indirectly to certified MBE firms as prime contractors or subcontractors.

The MBE participation for Q2 FY 2023 is calculated by dividing the total MBE contract award dollars by the total contract award dollars.

Table 2 depicts total MBE participation by Contracting Areas for Q2 FY 2023. During this period, MBE firms received \$51.3 million (20.21%) of the \$254 million in total contract awards. These amounts represent contract awards in six (6) Procurement Categories: Construction; Architectural & Engineering (A&E); Maintenance; Information Technology (IT); Services; and Supplies/Equipment.

Table 3 depicts MBE awards by Minority Business Enterprise (MBE) classification and procurement category for Q2 FY 2023. During this period, African American firms received approximately \$13.4 million (5.31%) of the nearly \$ 254 million of Prime contract awards this period. Hispanic American firms received over \$1.4 million (0.57%), Asian American firms received \$4.8 million (1.89%), Women-owned firms received \$28.7 million (11.31%), and Disabled firms received over \$36 thousand (0.01%).

Table 4 depicts MBE utilization for Q2 FY 2023. Total payments to MBE Primes and MBE Subcontractors against total payments to prime contractors. MBE Primes received \$4,978,081 (2%) of the \$277 million in payments during this period. MBE Subcontractors received \$27,315,452 (10%) of the \$277 million in payments, for a total MBE Utilization of \$32,293,533.96 (12%).

Small Business Reserve (SBR) Program

The Small Business Reserve (SBR) Program is administered by the Division of Procurement. CRFP is responsible for reviewing and analyzing State-funded procurements to ensure compliance with Maryland's SBR Program. Maryland's SBR Program provides small businesses with the opportunity to participate as prime contractors on State-funded contracts by establishing a unique marketplace where small businesses compete against other small businesses instead of larger, more established companies. The SBR program is a race- and gender-neutral program. Minority status is not a criterion for participation in the SBR Program. (See Md. Code Ann., State Fin. & Proc. Art. §14-501.)

On January 6, 2021, Governor Hogan signed Executive Order 01.01.2021.01 to increase small business participation in state procurements. The Executive Order enhances the SBR Program by directing all procurements between \$50,000 and \$500,000 to the SBR Program unless the procurement meets defined exemptions. The State has established a 15% SBR Utilization goal.

The SBR firms' utilization for Q2 FY 2023 is calculated by dividing the total SBR designated payments by the total procurement payments. An SBR-designated payment is a payment made to a vendor for an SBR-designated procurement.

Table 5 depicts Small Business Reserve Program utilization for Q2 FY 2023. SBR-designated firms received \$4 million (1.10%) of the \$364 million in procurement payments during this period. Non SBR-designated payments for this quarter were \$2.6 million (0.73%). MDTA's SBR utilization was \$6.6 million (1.83%) for all SBR payments (designated and non-designated).

Veteran-Owned Small Business Enterprise (VSBE) Program

CRFP's Compliance Officers are responsible for monitoring State-funded projects to ensure compliance with Maryland's Veteran-Owned Small Business Enterprise (VSBE) Program. The VSBE Program provides contracting opportunities on State-funded procurements for qualified veteran-owned small businesses. In accordance with COMAR 21.11.03.01, each State procurement agency is required to structure its procedures for making procurements to achieve an overall minimum goal of one (1) percent of the unit's total dollar value of all procurement contracts made directly or indirectly with veteran-owned small business enterprises.

The VSBE participation for Q2 FY 2023 is calculated by dividing the total contract award dollars to VSBE firms by all contract awards.

Table 6 depicts VSBE contract participation by contracting area for Q2 FY 2023. During this period, VSBE firms received \$1.7 million (0.68%) of the \$254 million in contracts awarded by the MDTA during this period.

ATTACHMENTS

- Table 1: Nice-Middleton Bridge Project and I-95 Interchange at Belvidere Road Project Disadvantaged Business Enterprise (DBE) Program Utilization
- Table 2: Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category
- Table 3: Minority Business Enterprise (MBE) Program Contract Awards by MBE Classification and Procurement Category
- Table 4: Minority Business Enterprise (MBE) Program Utilization Payments to MBE Primes and MBE Subcontractors
- Table 5: Small Business Reserve (SBR) Program Utilization
- Table 6: Veteran-Owned Small Business Enterprise (VSBE) Contract Awards by Procurement Category

CIVIL RIGHTS & FAIR PRACTICE STRATEGIES

PRISM is a contract compliance system that supports payment and contract compliance, performance management functionality, and compliance workflow automation for the whole performance management contracting cycle from pre-solicitation to contract closeout. PRISM includes the following capabilities: vendor registration, vendor management, contract management, labor management, outreach management, and dashboard and reporting. Key issues that the PRISM compliance management software will address include:

- Detailed information outlining MBE, DBE, and VSBE utilization, such as tracking and verifying goals and subgoals, expenditures, and payments.
- Contractor/vendor ability to submit invoices and payment records online and on time.
- Automated alerts and notifications of compliance issues such as unpaid invoices or late payments; and
- Managing compliance with government reporting to USDOT, MDOT, the Governor's Office of Small, Minority & Women Business Affairs and other stakeholders.

CRFP has enacted the following initiatives focused on outreach, training, and data analysis to achieve its mission of championing socioeconomic programs:

- *Reinstated in-person outreach events:* On March 8, 2023, CRFP completed an in-person event titled "Doing Business with the MDTA," attended by 85 members of the business community. Small and minority businesses were invited to attend a free 4-hour workshop to network with prime contractors, learn about upcoming procurement opportunities and resources to grow their businesses, MBE, DBE, and VSBE program requirements, and their role as prime contractors or subcontractors. Additional in-person events are planned for June 14, 2023, and September 13, 2023.

- *Training with the Office of Engineering and Construction (OEC):* CRFP has coordinated with the OEC to host training sessions for MDTA Project Managers and Project Engineers. These training sessions are designed to foster relationships between the CRFP and OEC teams and increase Project Managers' and Project Engineers' awareness and understanding of the MBE, DBE, and VSBE programs and regulatory requirements. Two training sessions with Project Managers and Contract Managers in the Construction Unit were completed in December 2022 and March 2023.
- *Credit card purchases made with MBE, DBE, VSBE, and SBR vendors:* CRFP is working with the Purchasing Card Program Administrator and the IT Solutions Administrator to develop a way to automatically identify, and track credit card transactions made with MBE, DBE, VSBE, and SBR vendors in the purchasing card system. This option would make compiling and reporting this data more manageable and efficient. This functionality within the purchasing card system would also help CRFP to identify the frequency with which cardholders make purchases using MBE, DBE, VSBE, and SBR vendors – thereby uncovering opportunities for additional training or recognition. CRFP is also working with the DOP to update the “Strive for Five” form to include a reference to MBE and VSBE vendors.
- *Identifying additional opportunities for MBE/DBE/VSBE participation:* Evaluating the extra work order and supplemental agreement process to ensure maximization of goal attainment is considered with all additional work. We are working internally with our Office of Engineering and Construction to identify these opportunities. In addition, we are reviewing the feasibility of expanding third tier subcontracting more broadly and reducing the standard requirement that Primes self-perform 50% of the contract. Lastly, reviewing our task order/open end contracts to see if we can repackage tasks into contracts that have greater likelihood of achieving the contract goals (i.e., doing more defined work).
- Creating an MBE/DBE awards program for primes and subs that perform well on MDTA contracts.

ATTACHMENTS

QUARTERLY UPDATE: SOCIOECONOMIC PROGRAMS STATUS

Table 1: Nice-Middleton Bridge Project and I-95 Interchange at Belvidere Road Project Disadvantaged Business Enterprise (DBE) Program Utilization

Disadvantage Business Enterprise Program Utilization Project-To-Date (Through December 31, 2022)					
Contract Number & Contract Value	Contract Description	Committed DBE Goal (%)	Total Payments (\$) to Primes	Total (%) Payments Paid to DBEs	Total Payments to DBEs
KH-3024-0000 NTP 02/25/22 \$65,437,722.28	I-95 Interchange at Belvidere Road	23.00%	\$7,503,895.80	8.73%	\$654,937.74
NB-0543-0000 NTP 03/17/20 \$462,957,000.00	Bridge Replacement	16.75%	\$415,050,530.85	18.13%	\$75,229,200.32
NB-3003-0000 NTP 08/28/20 \$27,433,000.00	Campus Improvements	23.75%	\$17,441,523.46	23.83%	\$4,156,600.87
AE-3049-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.00%	\$7,504,785.00	26.16%	\$1,963,001.70
AE-3050-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.00%	\$7,122,843.66	21.64%	\$1,541,351.73
AE-3051-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.00%	\$6,224,806.79	18.96%	\$1,180,383.82

Table 2: Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category

Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category FY2023 Quarter 2 Report			
State MBE Program Participation Goal	29%		
MDTA-MBE Program Contract Utilization	20.23%		
Procurement Category	MBE %	MBE Subcontract Awards	Prime Contract Awards
Construction	19.83%	\$16,675,292.36	\$84,111,875.00
A&E	24.29%	\$21,620,000.00	\$89,000,000.00
Maintenance	62.86%	\$2,397,006.00	\$3,813,480.18
IT	13.93%	\$10,686,927.84	\$76,714,669.40
Services	0.00%	\$0.00	\$254,082.00
Supplies/Equipment	0.00%	\$0.00	\$112,421.60
Total	20.23%	\$51,379,226.20	\$254,006,528.18

Table 3: Minority Business Enterprise (MBE) Program Contract Awards by MBE Classification and Procurement Category

Minority Business Enterprise (MBE) Program Contract Awards by Minority Business Enterprise (MBE) Classification and Procurement Category FY2023 Quarter 2 Report													
Procurement Category	African American (%)	African American (\$)	Hispanic American (%)	Hispanic American (\$)	Asian American (%)	Asian American (\$)	Women (%)	Women (\$)	Native American (%)	Native American (\$)	Disabled (%)	Disabled (\$)	Total Award (\$)
Construction	4.26%	\$ 3,586,270.00	1.19%	\$1,000,000.00	3.39%	\$2,851,000.00	10.98%	\$ 9,238,022.36	0.00%	\$ -	0.00%	\$ -	\$ 16,675,292.36
A&E	8.34%	\$ 7,426,250.00	0.52%	\$ 460,000.00	5.06%	\$4,502,500.00	10.33%	\$ 9,195,000.00	0.00%	\$ -	0.04%	\$36,250.00	\$ 21,620,000.00
Maintenance	62.86%	\$ 2,397,006.00	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ 2,397,006.00
IT	0.11%	\$ 82,306.56	0.00%	\$ -	0.40%	\$ 308,649.59	13.42%	\$10,295,971.69	0.00%	\$ -	0.00%	\$ -	\$ 10,686,927.84
Services	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -
Supplies/Equipment	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -
Total Participation	5.31%	\$ 13,491,832.56	0.57%	\$1,460,000.00	1.89%	\$4,811,149.59	11.31%	\$28,728,994.05	0.000%	\$ -	0.01%	\$36,250.00	\$ 51,379,226.20

Table 4: Minority Business Enterprise (MBE) Program Utilization Payments to MBE Primes and MBE Subcontractors

Minority Business Enterprise (MBE) Program Utilization FY2023 Quarter 2 Report				
MBE State Participation Goal	29%			
MDTA MBE Utilization	12%			
Total Payments	MBE Payment Percentage	MBE Prime Payments	MBE Subcontractor Payments	Total MBE Payments
\$277,785,023.00	12%	\$4,978,081.96	\$27,315,452.00	\$32,293,533.96

Table 5: Small Business Reserve (SBR) Program Utilization

Small Business Reserve (SBR) Program Utilization FY2023 Quarter 2				
SBR State Participation Goal	15%			
MDTA SBR Utilization	1.83%			
SBR Designated Payments \$	SBR Designated Payments %	SBR Non-Designated Payments \$	SBR Non-Designated Payments %	Total Procurement Payments (\$)
\$4,009,353	1.10%	\$2,644,108	0.73%	\$364,047,748
Total SBR Payments \$				
\$6,653,461				

Table 6: Veteran Small Business Enterprise (VSBE) Contract Awards by Procurement Category

Veteran-Owned Small Business Enterprise (VSBE) Program Contract Awards FY2023 Quarter 2			
VSBE Participation Goal	1.00%		
MDTA- VSBE Contract Utilization	0.68%		
Procurement Category	VSBE %	VSBE Awards \$	Total Awards \$
Construction	1.00%	\$841,118.75	\$84,111,875
A&E	1.00%	\$890,000.00	\$89,000,000
Maintenance	0.00%	\$0.00	\$3,813,480
IT	0.00%	\$0.00	\$76,714,669
Services	0.00%	\$0.00	\$254,082
Supplies/Equipment	0.00%	\$0.00	\$112,422
Total	0.68%	\$1,731,119	\$254,006,528

TAB 10

VERBAL

TAB 11

VERBAL

TAB 12

VERBAL