



Maryland Transportation Authority

BOARD MEETING

THURSDAY, MARCH 31, 2022

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HIGHWAY
BALTIMORE, MD 21224

IN-PERSON AND LIVESTREAMING



MARYLAND TRANSPORTATION AUTHORITY BOARD MEETING

MARCH 31, 2022 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 12:00 noon on Tuesday, March 29. You **MUST** pre-register and attend the meeting in person in order to comment.* Once you have pre-registered you will receive an email with all pertinent information.

AGENDA

OPEN SESSION – 9:00 AM

Call Meeting to Order

- | | | |
|--|----------------|--------|
| 1. <u>Approval</u> – <u>Open Session Meeting Minutes of February 24, 2022</u> | Chairman Ports | 5 min. |
|--|----------------|--------|

VOTE TO GO INTO CLOSED SESSION

- | | | |
|---|----------------|---------|
| 2. <u>To Discuss a Personnel Matter</u> | Chairman Ports | 10 min. |
|---|----------------|---------|

VOTE TO ADJOURN CLOSED SESSION AND RETURN TO OPEN SESSION

Ratify Action Taken in Closed Session

- | | | |
|--|--------------------|---------|
| 3. <u>Resolutions</u> – <u>Years of Service Recognition</u> – Recognition for One Retired Employee | Will Pines | 5 min. |
| 4. <u>Approval</u> – <u>Contract Awards</u> <ul style="list-style-type: none">• J01P2600123 – Panasonic FZ-55 Laptops and Extended Warranties for MDTA Office of Information Technology | Donna DiCerbo | 5 min. |
| 5. <u>Update</u> – <u>Fiscal Year 2023 Department of Legislative Services Budget Analysis</u> | Chantelle Green | 10 min. |
| 6. <u>Update</u> – <u>MDTA's Travel Plazas</u> – Annual Update on the Operations and Maintenance of the Travel Plazas | Simon Najar | 10 min. |
| 7. <u>Update</u> – <u>Third Generation Electronic Toll Collection (3G ETC) System</u> – Current Operations Update | Joseph Quattrone | 15 min. |
| 8. <u>Update</u> – <u>Major Projects</u> – Quarterly Update on Major Projects Valued Over \$40 Million or of Significant Public Impact | James Harkness | 15 min. |
| 9. <u>Update</u> – <u>Information Technology Major Projects</u> – Quarterly Update on Information Technology Major Projects | David Goldsborough | 10 min. |

**MDTA BOARD MEETING
MARCH 31, 2022 9:00 AM**

**AGENDA
PAGE 2**

- | | | |
|---|-------------------|---------|
| 10. <u>Update</u> – <u>Civil Rights Fair Practice’s Socioeconomic Programs</u> – | Percy Dangerfield | 10 min. |
| Quarterly Update on Socioeconomic Programs | Paris Lee | |
| 11. <u>Update</u> – <u>Legislative Session</u> – Verbal | Bradley Ryon | 5 min. |
| 12. <u>Update</u> – <u>Audit Committee Report</u> – Verbal | Member Cox | 10 min. |
| 13. <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 24, 2022
9:00 A.M.

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

OPEN SESSION

James F. Ports, Jr., Chairman
Sean Powell, Acting Chairman

MEMBERS ATTENDING:

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

STAFF ATTENDING:

Jeffrey Brown
Jeffrey Davis
Tonya Dorsey
Anna Dove
Allen Garman
Chantelle Green
Jeanne Marriott
Selena McKissick
Kimberly Millender, Esq.
Mary O’Keeffe
Will Pines
Joseph Quattrone
Bradley Ryon
Joseph Sagal
John Sales
Deb Sharpless

OTHER ATTENDEES:

Samantha Biddle, MDOT TSO
David Collins (and a cameraman), WBAL TV
Ebony Moore, MDOT TSO
Mallory Sofastaii (and a cameraman), WMAR TV

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

APPROVAL – OPEN SESSION AND CLOSED SESSION MEETING MINUTES OF JANUARY 27, 2022

Upon motion by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., the open session meeting minutes of the MDTA Board meeting held on January 27, 2022 were unanimously approved.

Upon motion by Member Mario J. Gangemi and seconded by Member Dontae Carroll, the closed session meeting minutes of the MDTA Board meeting held on January 27, 2022 were unanimously approved.

UPDATE – 2ND QUARTER OPERATING BUDGET COMPARISON

Mr. Jeffrey Brown updated the MDTA Board on actual versus projected year-to-date spending for the second quarter of Fiscal Year (FY) 2022 Operating Budget. As of December 31, 2021, 31% of the budget was spent compared to a target of 50%. All Objects were below the targeted spending level, with only Object 13 (Fixed Costs) over budget at 90%. The primary drivers for the reduced spending are personnel vacancies, the seasonality of certain expenses, and the timing of invoices. Expenses are expected to become more aligned with budget as the fiscal year progresses.

UPDATE – 2ND QUARTER CAPITAL BUDGET COMPARISON

Ms. Jeanne Marriott updated the MDTA Board on the 2nd Quarter Fiscal Year (FY) 2022 Capital Budget Comparisons. As of December 31, 2021, 31.8% of the FY 2022 budget was spent as compared to the targeted spending level of 50%. The total budget for FY 2022 is \$602.9 million. The actual spending through the second quarter was \$191.5 million.

UPDATE – TRAFFIC AND REVENUE

Ms. Deb Sharpless gave an update to the MDTA Board on Traffic and Revenue (T&R) performance through January 31, 2022.

Ms. Sharpless explained that for the period of July 1, 2021 through January 31, 2022, MDTA's actual toll revenue received totaled \$458.6 million, \$17.9 million below its official forecast. This is a \$5 million improvement from the previous month. When adjusting for timing differences in the receipt of toll revenue, MDTA is \$11.9 million above its forecast.

Ms. Sharpless further explained that timing differences are transactions that we continue to have a reasonable expectation of collection within the Fiscal Year (FY) 2022. These transactions, totaling \$29.8 million, were forecasted to be processed and collected by this reporting period. Should the estimated revenue timing differences not materialize in FY 2022, the MDTA will still exceed its financial standards.

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.

APPROVAL – CUSTOMER ASSISTANCE PLAN

Mr. Will Pines and Ms. Deb Sharpless requested MDTA Board approval of a temporary Customer Assistance Plan that includes (1) immediately suspending the escalation of accounts to the Maryland Department of Transportation Motor Vehicle Administration (MDOT MVA) and the Central Collections Unit (CCU); (2) waiving civil penalties when the associated Video Tolls are paid by November 30, 2022; (3) increasing the number of Call Center Customer Service Representatives (CSR) over the coming months; and (4) exploring a potential payment plan option for future deployment. It was explained that this civil penalty waiver grace period is **not** toll forgiveness (or amnesty) nor an elimination of tolls owed.

Mr. Pines provided the key takeaways for customer service, including: providing customers a grace period to spread out payments of unpaid Video Tolls at the customer's convenience; avoiding further escalations to MVA & CCU; saving customers millions on actual and potential civil penalties; and reducing customer wait times to acceptable standards.

Ms. Sharpless provided the financial key takeaways, including: adhering to financial policies (unencumbered cash and debt service coverage); unchanged long-term adherence with financial policies; focusing on net impact to the MDTA's bottom line (current civil penalty waivers, improved Video Toll payment rates, and cost avoidance); resulting in net costs projecting to be largely offset by current year revenue over-achievement compared to the official forecast; and providing a path forward for the continued payment of tolls (including proactively utilizing the website to pay Video Tolls prior to the mailing of a Notice of Toll Due and receiving a 15% discount - maximum savings of \$5.00 per transaction, or toll transfers when Video Toll customers sign up as *E-ZPass*® customers to save on tolls).

Mr. Pines also went over the key dates associated with this plan, including:

- Payments made/postmarked **BEFORE February 24, 2022**: Civil penalties that are already paid will not be reimbursed.
- Payments made/postmarked **February 24, 2022 – November 30, 2022**: For every unpaid Video Toll transaction paid in full, the corresponding civil penalty will be waived. Additionally, no toll debt will be escalated to CCU or MDOT MVA.

- **February 24, 2022 – Mid-March 2022:** Civil penalties will be waived for each paid Video Toll, but civil penalties remain on accounts until the software changes are in place to reflect the waiver.
- **Mid-March 2022:** The system functionality/software programming for the waiver grace period is completed, allowing customers to confirm online that their penalties are being waived following full toll payment.
- **November 30, 2022,** at midnight: Civil penalty waiver grace period ends.
- **December 1, 2022:** All unpaid tolls AND civil penalties are due based on the printed due dates, and toll debt escalations resume. Customers who choose to not pay their Video Tolls prior to the due date and do not take advantage of the waiver grace period which ends on November 30, 2022, will remain responsible for their tolls and civil penalties.

Upon motion by Member Dontae Carroll and seconded by Member Mario J. Gangemi, the Members unanimously approved the Customer Assistance Plan.

***** At 10:19 a.m., upon the conclusion of Agenda Item # 6 – Customer Assistance Plan, Chairman James F. Ports, Jr. and Acting Executive Director Will Pines excused themselves from the meeting to meet with media who were in attendance. Acting Chairman Sean Powell presided over the remainder of the Board Meeting. *****

APPROVAL – QUARTERLY REVIEW OF INVESTMENT STRATEGY AND PERFORMANCE

Mr. Allen Garman requested MDTA Board approval to continue with the current investment strategy.

Mr. Garman explained that for the trailing twelve-month period ended December 31, 2021, investments conformed to Investment Policy limitations, portfolio structuring by account adhered to MDTA Board approved strategy, and total return performance for the General account was commensurate with the benchmark index.

Upon motion by Member Jeffrey S. Rosen and seconded by Member William C. Ensor, III, continuation of the current investment strategy was unanimously approved.

APPROVAL – BOARD RESOLUTION NO. 22-01 – PFC BACKED DEBT REFINANCING

Mr. Allen Garman requested MDTA Board approval of Board Resolution 22-01 to authorize the issuance of the BWI Passenger Facility Charge (PFC) revenue bonds or alternative financing options (bank loan) to refinance the Series 2012 bonds for economic savings.

Mr. Garman explained that the PFC airport bonds are non-recourse to the MDTA and are issued for the Maryland Department of Transportation, Maryland Aviation Administration (MDOT MAA) to finance projects at the Baltimore Washington International Marshall Airport (BWI Marshall Airport). He further explained that this Resolution would authorize \$130 million of bonds to refinance the PFC Series 2012 A/B bonds for economic savings and potentially refinance the Series 2012 C variable rate bonds to fixed rate and would also authorize the payment of issuance costs and the optional funding of a debt service reserve.

Upon motion by Member Mario J. Gangemi and seconded by Member Dontae Carroll, Board Resolution 22-01 was unanimously approved.

APPROVAL – BOARD RESOLUTION NO. 22-02 – TOLL REVENUE BACKED DEBT REFINANCING AND FINANCING NEW PROJECTS

Mr. Allen Garman requested MDTA Board approval of Board Resolution 22-02 to authorize the issuance of toll revenue bonds or alternative financing options (bank loan) to refund the Series 2012 bonds and provide additional proceeds to fund capital projects in fiscal 2023.

Mr. Garman explained Resolution 22-02 authorizes the issuance of \$250 million of bonds to refinance the \$39 million Series 2012 Toll Revenue Bonds for economic savings and potentially add \$211 million to fund new capital projects in fiscal 2023 and that the Resolution also authorizes the payment of issuance costs and the optional funding of a debt service reserve.

Upon motion by Member W. Lee Gaines, Jr. and seconded by Member Jeffrey S. Rosen, Board Resolution 22-02 was unanimously 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 232 total contracts totaling \$3,406,643,652.63.

UPDATE – HUMAN RESOURCES COMMITTEE

Member W. Lee Gaines, Jr. presented an update on the Human Resources Committee meeting that took place on February 10, 2022. The Human Resources Committee Members were given updates on: Toll Collection Employees; E-ZPass 101 eLearning; the Career Development Program; and the MyMDCARES Program. In addition, they were given updates by the following Units: Recruitment and Examinations; Employee Services and Programs; and Classification and Compensation.

UPDATE – THIRD GENERATION ELECTRONIC TOLL COLLECTION (3G ETC) SYSTEM

Mr. Joseph Quattrone updated the MDTA Board on the Third Generation Electronic Toll Collection (3G ETC) post-transition operations.

Mr. Quattrone explained that TransCore and Kapsch’s systems went live on April 29, 2021. Post-transition and software development activities and risk management continue. Implementation of the plan to address the backlog of unprocessed transactions is ongoing.

UPDATE – EXECUTIVE DIRECTOR

Ms. Mary O’Keeffe gave the Executive Director Update. Ms. O’Keeffe introduced Mr. Joseph “Joey” Sagal to the Board as the new Acting Chief Operating Officer. She welcomed Mr. Sagal to MDTA on behalf of the Acting Executive Director and all MDTA.

Ms. O’Keeffe informed the Board that Mr. Pines has been continuing to outreach to elected officials in the General Assembly regarding MDTA-related legislation. And that with the Board’s approval of the Customer Assistance Plan, Mr. Pines will speak again to several elected officials to update them on the plan and answer any questions they may have.

Lastly, Ms. O’Keeffe updated the Board on the email blast that was sent out in February that provided our customers with a list of E-ZPass Best Practices.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member Jeffrey S. Rosen and seconded by Member Dontae Carroll, the Members unanimously voted to adjourn the meeting at 11:14 a.m.

The next MDTA Board Meeting will be held on Thursday, March 31, 2022 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:

James F. Ports, Jr., Chairman

TAB 2

CLOSED SESSION

TAB 3

Frances M. Sudano

MDTA Executive Administrative Assistant III

WHEREAS, Frances M. Sudano began her career with the Maryland State Police as an Office Secretary III on July 23, 1973, and

WHEREAS, On January 12, 1994, Ms. Sudano joined the Maryland Transportation Authority Police as an MDTA Secretary II, and was promoted to MDTA Secretary III on March 16, 1994, and

WHEREAS, With knowledge and hard work, Ms. Sudano was promoted to MDTA Administrative Assistant III on June 17, 1998, and to MDTA Executive Administrative Assistant III on October 18, 2000, a title held until retirement, and

WHEREAS, Ms. Sudano provided key support for former MDTA Police chiefs and command staff members, and

WHEREAS, She is an invaluable member of the team, and her coworkers expressed the fact that her dedication, expertise and teamwork will be missed, now

THEREFORE BE IT RESOLVED, On the occasion of Frances M. Sudano's retirement from her distinguished career of exemplary service, the Chairman and Members of the Maryland Transportation Authority Board hereby express to Ms. Sudano their most sincere appreciation for her excellence and commitment, and

BE IT FURTHER RESOLVED, That this Resolution be entered into the minutes of the MDTA Board meeting of March 31, 2022, and a copy, appropriately framed, be presented to Ms. Sudano as an expression of the MDTA Board's appreciation and esteem.

TAB 4



**Maryland
Transportation
Authority**

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
James F. Ports, Jr., 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, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Ms. Donna DiCerbo, CPPO, CPPB, Director of Procurement
SUBJECT: J01P2600123 – Panasonic FZ-55 Laptops
DATE: March 31, 2022

PURPOSE

To seek approval to execute Small Business Reserve (SBR) Contract No. J01P2600123 – Panasonic FZ-55 Laptops.

SUMMARY

This contract is a one-time purchase to provide the MDTA Office of Information Technology with 150 Panasonic FZ-55 Laptops and Extended Warranties. These laptops will be used to replace Panasonic CF-31s Laptops for the MDTA Police that have reached end of their life cycle and are no longer covered under warranty. This will allow for less service calls and repairs.

RECOMMENDATION

To provide approval to execute SBR Contract No. J01P2600123 – Panasonic FZ-55 Laptops.

ATTACHMENT

- Project Summary



AUTHORITY BOARD PROJECT SUMMARY
CONTRACT NO. J01P2600123 PANASONIC FZ-55 LAPTOPS

PIN NUMBER N/A
CONTRACT NUMBER J01P2600123
CONTRACT TITLE Panasonic FZ-55 Laptops

PROJECT SUMMARY This Small Business Reserve contract is a one (1) time purchase to provide The MDTA Office of Information Technology with 150 Panasonic FZ-55 Laptops and Extended Warranties that will be used to replace Panasonic CF-31s Laptops for the MDTA Police that have reached end of their life cycle and are no longer covered under warranty. These units will replace 150 of the current inventory to allow for less service calls and repairs.

		MBE PARTICIPATION		
			ADVERTISED	PROPOSED
SCHEDULE		MBE PARTICIPATION - OVERALL	GOAL (%)	GOAL (%)
ADVERTISEMENT DATE	1/11/2022	OVERALL MBE	0.00%	0.00%
ANTICIPATED NTP DATE	4/29/2022	AFRICAN AMERICAN		
		ASIAN AMERICAN		
		WOMEN		
DURATION/TERM	one (1) time purchase	VSBE	0.00%	0.00%

	(\$)	BID PROTEST	NO	NO
Not to Exceed Budgeted Amount	\$800,000.00			

PROPOSER	<u>FINANCIAL PRICE</u>	<u>% VARIANCE TO Budget</u>	<u>PRICE RANK</u>	<u>TECHNICAL RANK</u>	<u>OVERALL RANK</u>
USC Canterbury Corp	\$587,235.00		1	1	1
HCGI Hartford Inc.	\$625,410.00		2	2	2
MVS, Inc.	\$635,925.95		3	3	3

TAB 5



Maryland
Transportation
Authority

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
James F. Ports, Jr., 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, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Ms. Chantelle Green, Director of Finance
SUBJECT: Department of Legislative Services Fiscal Year 2023 Budget Analysis
DATE: March 31, 2022

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) 2023 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 2023 Budget Analysis
- MDTA FY 2023 Budget Analysis Responses
- Budget Bill Language Adopted by the House of Delegates

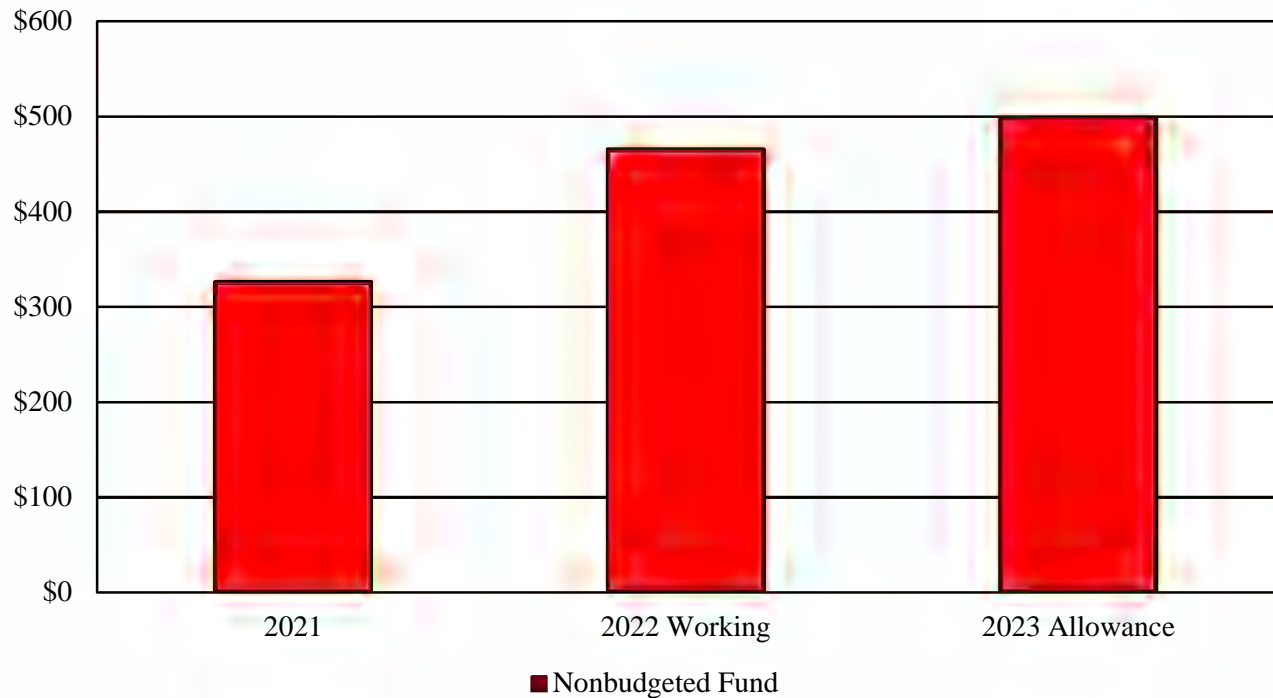
J00J00
Maryland Transportation Authority
Maryland Department of Transportation

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 2023 Budget Increases \$33.7 Million, or 7.2%, to \$499.5 Million
(\$ in Millions)



PAYGO Capital Budget Summary

**Fiscal 2023 Budget Increases \$25.9 Million, or 4.5%, to \$599.1 Million
(\$ in Millions)**



Key Observations

- ***Office of Legislative Audits (OLA) MDTA Audit:*** OLA released an audit of MDTA in September 2021. It found issues with overbilling of customers at four tolling facilities during MDTA’s transition to its third-generation tolling system.
- ***Backlog of Toll Transactions:*** MDTA is dealing with a backlog of toll transactions. The agency paused the mailing of video tolls at the beginning of the pandemic. There was also a brief pause on E-ZPass tolls at the Intercounty Connector (ICC). These actions have led to a backlog of transactions that are not expected to be completed until summer 2022.
- ***MDTA’s Fiscal Stress Report:*** MDTA submitted a 2021 *Joint Chairman’s Report* (JCR) on its financial standing. It included a financial forecast that covered fiscal 2021 to 2031. This report noted the possibility of MDTA increasing toll rates by \$0.33 in fiscal 2030 to ensure the agency’s debt service coverage policy.

Operating Budget Recommended Actions

1. Adopt narrative requesting a report on resolution to existing tolling concerns.

PAYGO Budget Recommended Actions

1. Nonbudgeted.

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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 (ETL) 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 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 (TTF), 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.

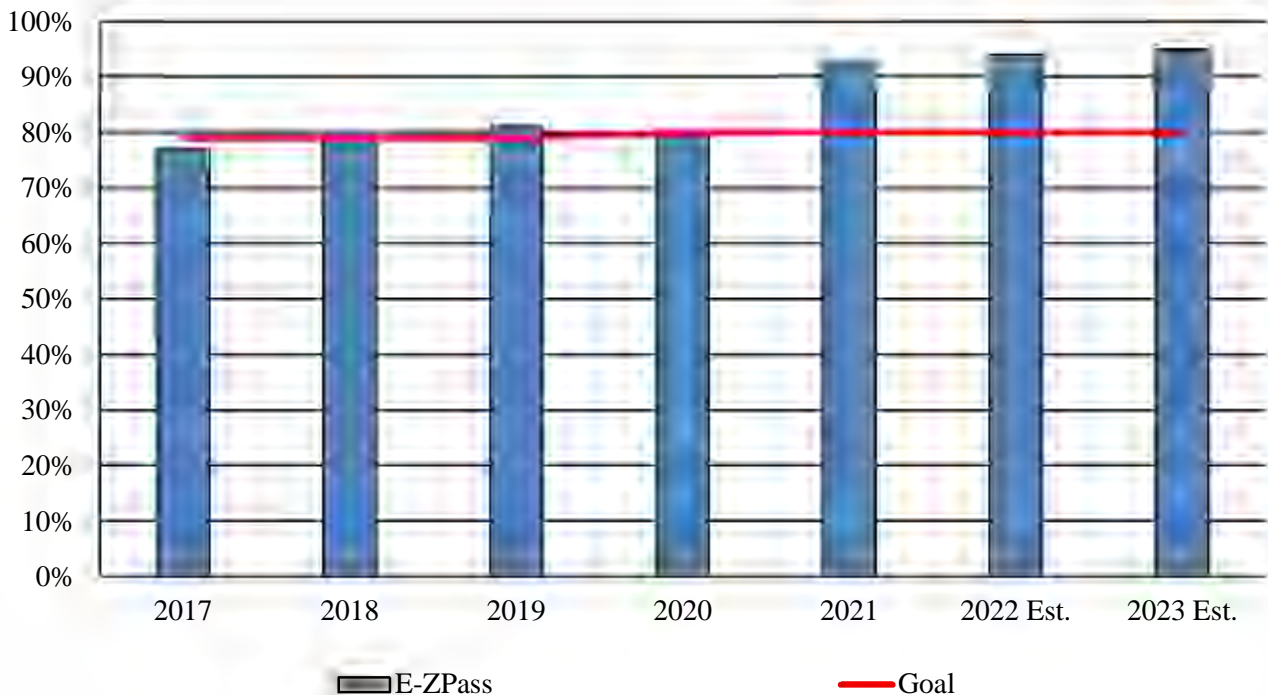
MDTA's mission is to be a customer driven leader that delivers safe, sustainable, intelligent, and exceptional transportation solutions in order to connect customers to life's opportunities.

Performance Analysis: Managing for Results

1. E-ZPass Use Rises

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 2021, MDTA collected 92.7% of tolls with E-ZPass, which exceeded the goal of 80%. The agency estimates the percentage will grow in fiscal 2022 and 2023.

Exhibit 1
Tolls Collected Using E-ZPass
Fiscal 2017-2023 Est.



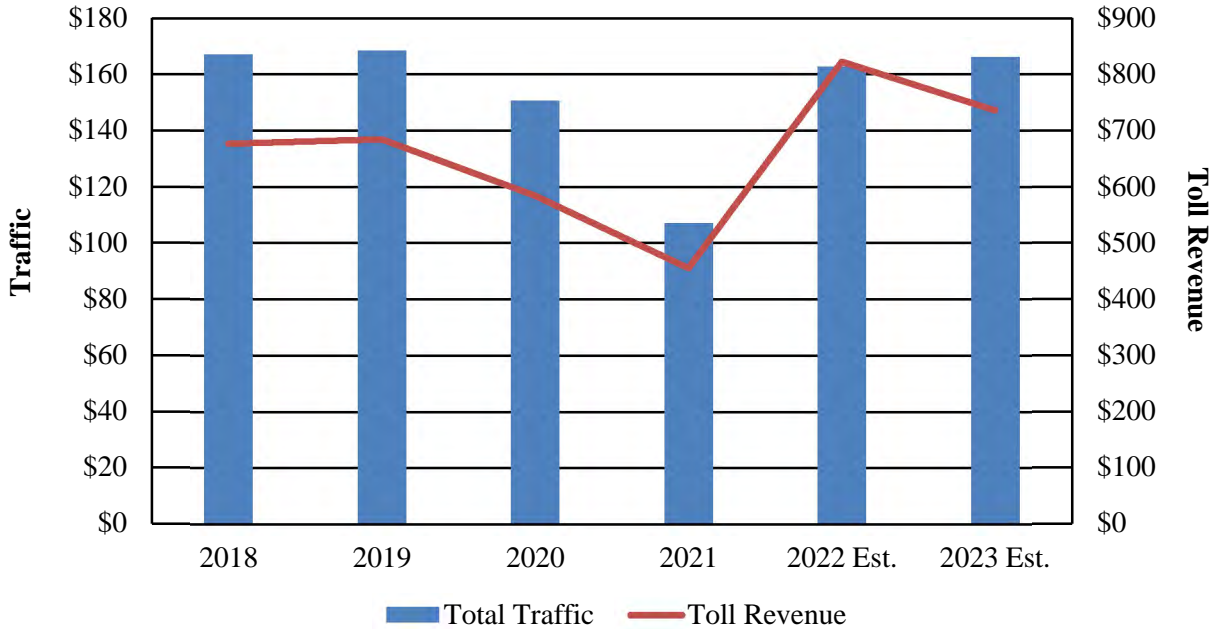
Note: The Fiscal 2021 E-ZPass collection percentage is higher than a typical year due to the pausing of Notice of Toll Due Mailings. Fiscal 2022 E-ZPass collection percentage is likely to be artificially decreased as the paused video tolls are collected and increased video toll collections occur as a result of the Maryland Transportation Authority approved Customer Assistance Plan. Fiscal 2023 E-ZPass collections are anticipated to resume in a normal manner.

Source: Department of Budget and Management

2. COVID-19 Continues to Impact Traffic

The first goal of MDTA is to efficiently move people and goods across the State. **Exhibit 2** shows the annual tolled traffic and toll revenue at MDTA facilities between fiscal 2018 and the fiscal 2023 estimate. Toll revenue in fiscal 2021 totaled \$455.9 million compared to \$584.6 million in fiscal 2020. Toll revenue in fiscal 2021 was impacted by the significant decrease in tolled traffic as well as the delay in collecting video tolls at all facilities and the pause of E-ZPass transactions at the ICC. This topic is further discussed in Issues 2 and 3 of this analysis.

Exhibit 2
Annual Tolled Traffic and Toll Revenue
Fiscal 2018-2023 Est.
(\$ in Millions)



Source: Department of Budget and Management; Maryland Transportation Authority

Proposed Budget Change

As shown in **Exhibit 3**, the fiscal 2023 allowance increases by approximately \$33.7 million, or 7.2%. The net growth in the proposed budget is largely attributable to the \$33.2 million increase in bond payments.

Exhibit 3
Proposed Budget
Maryland Transportation Authority
(\$ in Thousands)

How Much It Grows:	Nonbudgeted <u>Fund</u>	<u>Total</u>
Fiscal 2021 Actual	\$362,729	\$362,729
Fiscal 2022 Working Appropriation	465,834	465,834
Fiscal 2023 Allowance	<u>499,505</u>	<u>499,505</u>
Fiscal 2022-2023 Amount Change	\$33,671	\$33,671
Fiscal 2022-2023 Percent Change	7.2%	7.2%
Where It Goes:		<u>Change</u>
Personnel Expenses		
Health insurance.....		\$2,199
Retiree health insurance premiums		1,780
Miscellaneous adjustments		1,724
Employees' retirement system		1,720
Salaries.....		1,531
Social Security contributions		385
Workers' compensation premium assessment		379
Other fringe benefits		4
Law Enforcement Officers' Pension System		-2,931
Other Changes		
Debt service		33,210
Replacement of personal protective equipment for MDTA police		883
Increase for salt and E-ZPass transponders.....		345
Reduced lease costs.....		-222
Other		-278
Equipment costs shifted to the capital budget.....		-294
A decrease in E-ZPass costs in anticipation of the elimination of the transaction processing backlog.....		-6,764
Total		\$33,671

MDTA: Maryland Transportation Authority

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 they are 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.

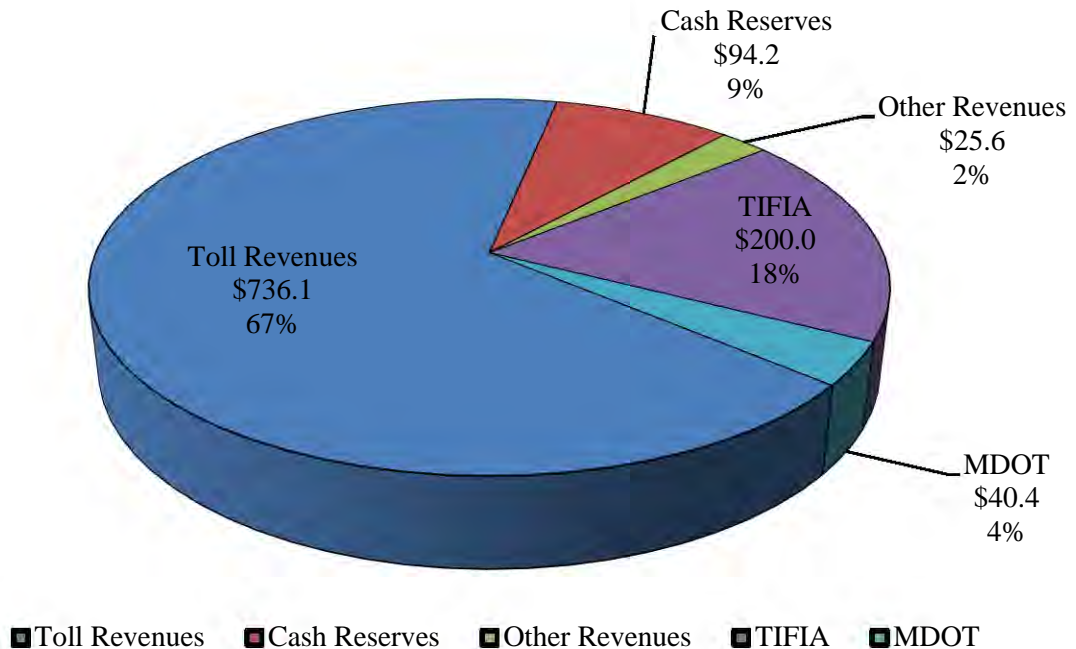
To support its capital program, MDTA may issue toll revenue bonds with a maturity of up to 40 years. Typically, MDTA issues its toll revenue bonds with a 30- to 33-year maturity. Chapters 471 and 472 of 2005 established a financing plan for the ICC that included MDTA revenue bonds and a number of alternative funding sources specific to the ICC. These funding sources included Grant Anticipation Revenue Vehicle bonds, federal funds, a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, transfers from the TTF, and funds from the General Fund or proceeds from general obligation bonds.

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 3** provides the detail of MDTA's fiscal 2021 through 2027 financial forecast.

Fiscal 2023 Sources and Uses of Funding

Exhibit 4 provides information on all of the funding supporting MDTA's fiscal 2023 operating and capital budgets. As is typical, the primary source of funding is toll revenues, totaling \$736.1 million. There is \$544.5 million in cash reserves, or unencumbered cash. In fiscal 2023, MDTA is expecting \$200 million from a TIFIA loan for the Nice/Middleton Bridge replacement.

Exhibit 4
Fiscal 2023 Sources of Funding
(\$ in Millions)

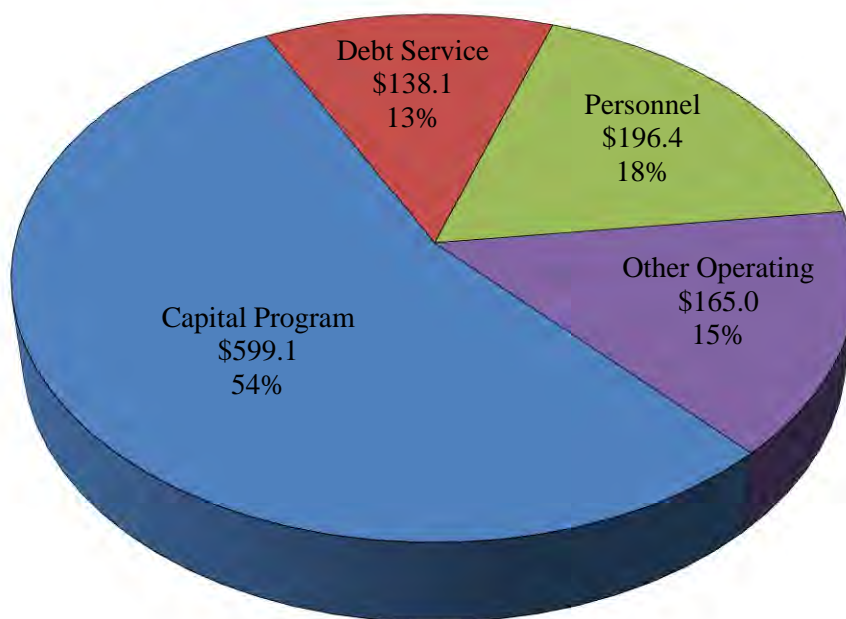


MDOT: Maryland Department of Transportation
TIFIA: Transportation Infrastructure Finance and Innovation Act

Source: Maryland Transportation Authority, *MDTA Financial Forecast FY 2021-2027*

Exhibit 5 provides a breakdown of fiscal 2023 spending by category. The capital program accounts for 54% of all spending in fiscal 2023. The operating budget, excluding debt service, accounts for 33% of spending, while debt service makes up the remaining 13% of fiscal 2023 spending.

Exhibit 5
Fiscal 2023 Uses of Funding
(\$ in Millions)



Source: Governor's Fiscal 2023 Budget Books; Maryland Transportation Authority

Revenues and Debt Affordability

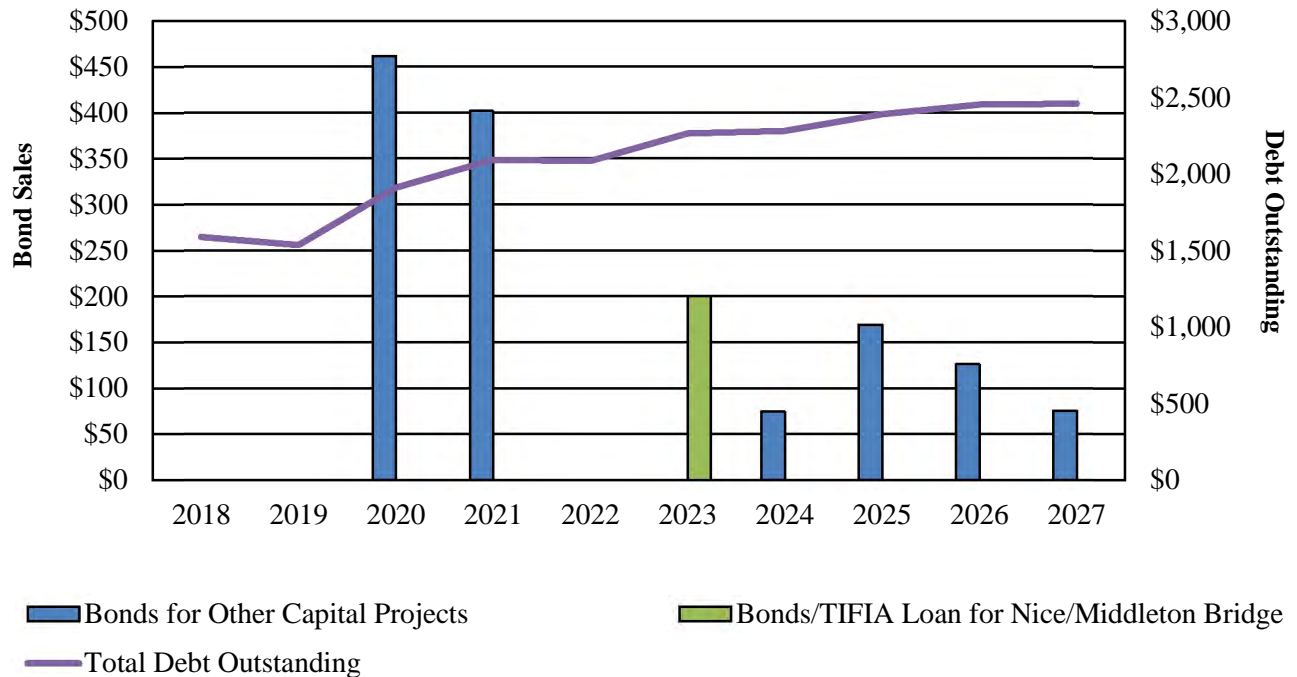
Toll Revenues

Toll revenues are the primary revenue source for MDTA. The \$822.9 million in revenue anticipated for fiscal 2022 reflects a dramatic increase from the \$455.9 million collected in fiscal 2021. This is due to the impacts of COVID-19 and the delay in toll revenue collection from fiscal 2021 into fiscal 2022. The average toll revenue in the three years prior to the pandemic was \$781.4 million. Total toll revenue is expected to decrease to \$736.1 million in fiscal 2023 but grow to \$761.3 million in fiscal 2027, the final year of the forecast. This anticipated toll revenue growth is attributable to growth at the ICC and legacy facilities, although forecasted revenues are still below the prepandemic level.

Revenue Bonds

Exhibit 6 shows the total debt outstanding in each year from fiscal 2018 through 2027 and debt issued or TIFIA loan draws. The total outstanding debt of \$2.3 billion in fiscal 2023 is below the \$3.0 billion statutory limit, although the outstanding amount is expected to increase to \$2.5 billion by fiscal 2027. 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.

Exhibit 6
Bond Sales and Debt Outstanding
Fiscal 2018-2027
(\$ in Millions)



TIFIA: Transportation Infrastructure Finance and Innovation Act

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 backed by toll revenue 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 2023 rate covenant compliance ratio is projected to be 2.5, 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 2.5 in fiscal 2023 to 1.9 by fiscal 2027.
- 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 2023, the debt coverage ratio is projected to be 3.1. MDTA projects that the debt service coverage ratio will be met throughout the forecast period at levels exceeding both the statutory requirement and MDTA's administrative minimum coverage policy. In the out-years of the forecast, the ratio declines to 2.3 in fiscal 2027. This indicates that as debt service continues to account for a greater portion of available revenues, less cash will be available for capital expenditures in the future. This decline in debt service coverage continues beyond fiscal 2027 and is further discussed in Issue 3 of this analysis.
- Chapter 489 codified MDTA's administrative policy of maintaining an unencumbered cash balance of \$350 million through fiscal 2020. 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. In fiscal 2023, operating expenses including debt service total \$497.2 million, and the unencumbered cash balance is expected to be \$544.5 million, or about 13 months of operating expenses. By fiscal 2027, this number is estimated to fall to approximately 7.9 months.

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 7 shows debt service and debt outstanding for MDTA's nonrecourse bonds. In fiscal 2023, debt service on the nonrecourse issuances will total \$33.7 million with \$302.3 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 7
Debt Service Payments and Debt Outstanding on
Nonrecourse Debt-financed Projects
Fiscal 2021-2023
(\$ in Thousands)

	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Debt Service Payments</u>			
2002 Series – BWI Airport Rental Car Facility	\$8,941	\$8,932	\$8,926
2012 A Series – PFC BWI Airport	3,886	3,864	3,842
2012 B Series –PFC BWI Airport	7,971	7,971	7,968
2012 C Series – PFC BWI Airport ¹	48	30	30
2014 Series – PFC BWI Airport	2,955	2,953	2,957
2019 Series – PFC BWI Airport	8,471	8,470	8,470
2015 Series – Calvert Street Parking Garage Refunding	1,482	1,481	1,478
Total Debt Service Payments	\$33,754	\$33,701	\$33,671
<u>Debt Outstanding</u>			
2002 Series – BWI Airport Rental Car Facility	\$73,430	\$69,230	\$64,755
2012 A Series – PFC BWI Airport	33,005	30,660	28,220
2012 B Series –PFC BWI Airport	43,925	37,010	29,950
2012 C Series – PFC BWI Airport ¹	43,400	43,400	43,400
2014 Series – PFC BWI Airport	30,045	28,215	26,290
2019 Series – PFC BWI Airport	105,085	101,285	97,295
2015 Series – Calvert Street Parking Garage Refunding	14,604	13,491	12,352
Total Debt Outstanding	\$343,494	\$323,291	\$302,262

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, principal payments begin 2028.

Source: Maryland Transportation Authority

Operating and PAYGO Personnel Data

	<u>FY 21 Actual</u>	<u>FY 22 Working</u>	<u>FY 23 Allowance</u>	<u>FY 22-23 Change</u>
Regular Operating Budget Positions	1,707.00	1,727.00	1,707.00	-20.00
Regular PAYGO Budget Positions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Regular Positions	1,707.00	1,727.00	1,707.00	-20.00
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	1,707.00	1,727.00	1,707.00	-20.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	100.71	5.90%
Positions and Percentage Vacant as of 12/31/21	314.00	18.40%
Vacancies Above Turnover	213.29	12.50%

- The fiscal 2023 allowance eliminates 20 vacant toll collector positions due to the transition to the All-Electronic Toll or cashless tolling.

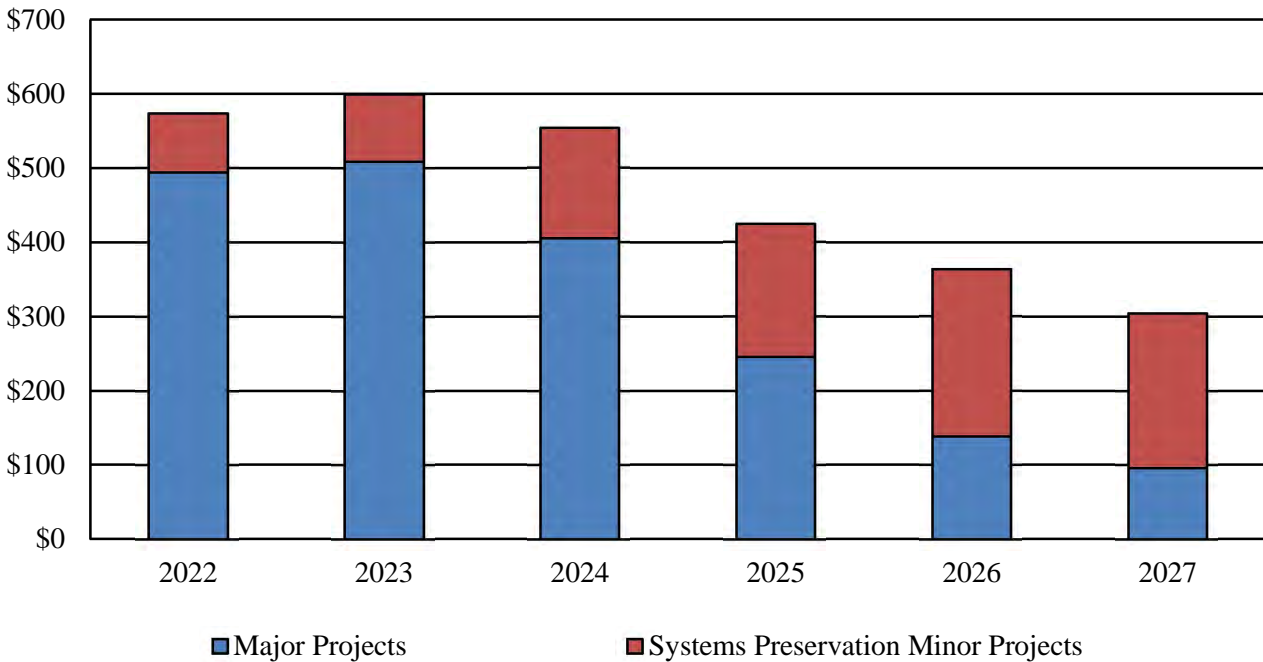
PAYGO Capital Program**Program Description**

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

Fiscal 2022 to 2027 Consolidated Transportation Program

The fiscal 2022 to 2027 *Consolidated Transportation Program* (CTP) for MDTA totals \$2.8 billion. **Exhibit 8** shows reduced capital spending for fiscal 2024 through 2027. The reduced capital spending can be contributed to the expected completion of the deck rehabilitation on the eastbound span of the Bay Bridge, the Nice-Middleton Bridge, and the Phase 1 of I-95 ETL Northern Extension project.

Exhibit 8
Six-year PAYGO Allowance
Fiscal 2022-2027
(\$ in Millions)



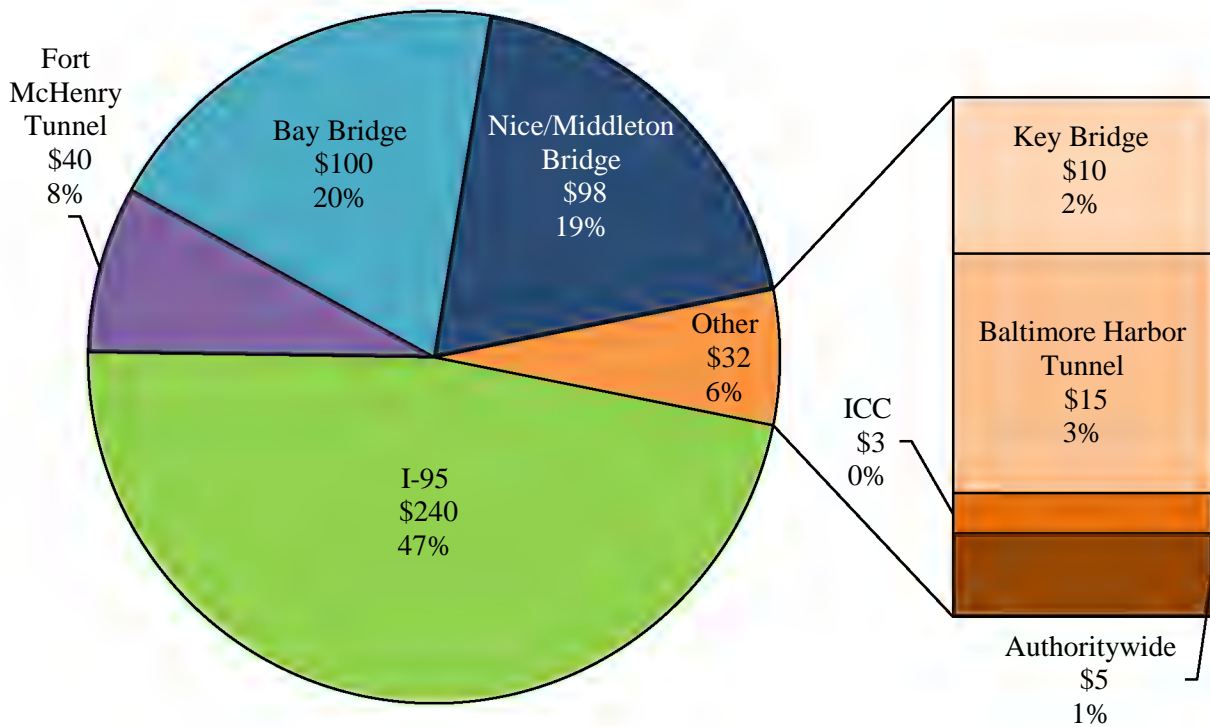
PAYGO: pay-as-you-go

Source: Maryland Department of Transportation, 2022-2027 *Consolidated Transportation Program*

Fiscal 2023 Capital Allowance by MDTA Facility

Exhibit 9 shows capital funding programmed by facility in fiscal 2023. The largest share of spending is for the I-95 ETL Northern Expansion project, followed by the replacement of the Nice/Middleton Bridge. Eighty-six percent of MDTA’s capital spending is programmed for projects at three facilities: the Bay Bridge; I-95; and the Nice/Middleton Bridge. 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 9
Capital Funding by MDTA Facility
Fiscal 2023
(\$ in Millions)



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

ICC: Intercounty Connector

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.

Source: Maryland Department of Transportation, 2022-2027 *Consolidated Transportation Program*

Fiscal 2023 Capital Allowance Detail

Exhibit 10 shows the programmed funds for the fiscal 2023 capital allowance by project and program along with total estimated costs and six-year funding for each program.

Exhibit 10
PAYGO Capital Allowance
Fiscal 2023

<u>Facility</u>	<u>Project Description</u>	<u>2023</u>	<u>Total Estimated Cost</u>	<u>Six-year Total</u>
Baltimore Harbor Tunnel	I-895 Bridge Replacement	\$4,000	\$241,153	\$8,102
	Replace Vent Fans	0	70,874	191
	Replace Concrete Median Barrier	0	13,772	3,184
	Replace 15KV Feeder Cables	0	10,171	2,033
	Envelope and Switchgear Replacements at Vent Buildings	10,788	64,447	60,111
	Subtotal	\$14,788	\$400,417	\$73,621
Bay Bridge	Clean and Paint Structural Steel Westbound Bridge	\$0	\$103,189	\$50
	Deck Rehabilitation and Miscellaneous Modifications	0	33,248	6,913
	Rehabilitate Eastbound Bridge Deck	75,862	237,550	228,738
	Rehabilitate Suspension Spans Westbound Bridge	0	43,129	50
	Structural Repairs and Miscellaneous Modifications	0	61,405	2,451
	Replace 5KV Feeder Cable on Eastbound and Westbound Spans	6,000	50,229	26,416
	Crossover Automated Lane Closure System	4,478	18,249	8,958
	Convert to Cashless Tolling	10,748	51,456	32,243
	Project Management Office and Maintenance Equipment Storage	2,528	11,000	9,467
	Subtotal	\$99,616	\$609,455	\$315,286
Fort McHenry Tunnel	Rehabilitate Vent Fans	\$14,142	\$41,844	\$32,149
	Port Covington I-95 Access Study	0	33,400	6
	Rehabilitate Substructure and Superstructure of Various Bridges on I-95 in Baltimore City	6,375	27,877	14,895
	Rehabilitate Tunnel 15KV Cable, Conduit, and Concrete Wall	10,138	33,284	30,957
	Superstructure Repairs of Various Bridges North and South of Fort McHenry Tunnel	1,510	6,391	5,510
	Convert to Cashless Tolling	7,472	22,802	20,312
	Subtotal	\$39,637	\$165,598	\$103,829

J00J00 – MDOT – Maryland Transportation Authority

<u>Facility</u>	<u>Project Description</u>	<u>2023</u>	<u>Total Estimated Cost</u>	<u>Six-year Total</u>
Intercounty Connector	Construction	\$2,500	\$2,375,430	\$7,933
JFK Memorial Highway (I-95)	Express Toll Lane – Northern			
	Extension Resurfacing	223,106	1,070,304	839,325
	Resurfacing	0	59,905	400
	Remove, Replace, and Upgrade Sign Structures	0	14,601	140
	Replace Deck of Bridge over Little Northeast Creek	0	13,109	200
	Rehabilitate Decks on Three Bridges on I-95 in Cecil County	0	16,345	200
	Construct Interchange at Belvidere Road	16,400	76,585	71,650
<i>Subtotal</i>		<i>\$239,506</i>	<i>\$1,250,849</i>	<i>\$911,915</i>
Francis Scott Key Bridge	Renovate Campus Buildings	\$0	\$11,598	\$123
	Subgrade Improvements at Bear Creek	9,638	61,121	58,789
	Convert to Cashless Tolling	0	25,528	209
<i>Subtotal</i>		<i>\$9,638</i>	<i>\$98,247</i>	<i>\$59,121</i>
Nice/Middleton Bridge	Replace Nice/Middleton Bridge	\$97,849	\$635,787	\$372,335
Thomas J. Hatem Bridge	Convert to Cashless Tolling	0	12,558	854
<i>Subtotal – Projects</i>		<i>\$503,534</i>	<i>\$5,548,341</i>	<i>\$1,844,894</i>
Programs				
Authoritywide	Replace Electronic Toll Collection and Operating System	\$5,123	\$123,251	\$41,652
Authoritywide	System Preservation and Minor Projects	90,400		929,700
Total – Projects and Programs		\$599,057	\$5,671,592	\$2,816,246

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

KV: kilo volts

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

PAYGO: pay-as-you-go

Source: Maryland Department of Transportation, 2022-2027 *Consolidated Transportation Program*

Significant Changes from the Previous CTP

Exhibit 11 lists the significant changes from the fiscal 2021 to 2026 CTP, which comprises additions to the construction program.

Exhibit 11
Major Project Significant Changes from the 2021 to 2026 CTP
Fiscal 2023
(\$ in Millions)

Projects Added to the Construction Program

MD 695 Francis Scott Key Bridge – Renovate Campus Buildings	\$11.6
MD 695 Francis Scott Key Bridge – Subgrade Improvements at Bear Creek	61.1
US 50/301 Bay Bridge – Project Management Office and Maintenance Equipment Storage Building	11.0

CTP: *Consolidated Transportation Program*

Source: Maryland Department of Transportation, 2022-2027 *Consolidated Transportation Program*

Issues

1. OLA

OLA released an audit of MDTA in September 2021 covering the period of May 10, 2016, through March 4, 2020, which included a part of MDTA's transition to its third-generation tolling system. This transition began in May 2019 and was to be completed in March 2020 but was not completed until April 2021.

The audit had two findings, the most concerning being that MDTA did not determine the impact of electronic toll collection system issues on its customers and did not identify and correct certain related customer overbillings. OLA reported multiple instances of overbilling at four toll facilities due to problems with tolling equipment. These problems occurred at the Fort McHenry Tunnel, the ICC, the I-95 ETL, and the Hatem Bridge. There were issues with incorrect axle counts by tolling equipment and customers being billed twice due to cameras misreading vehicles in other toll lanes.

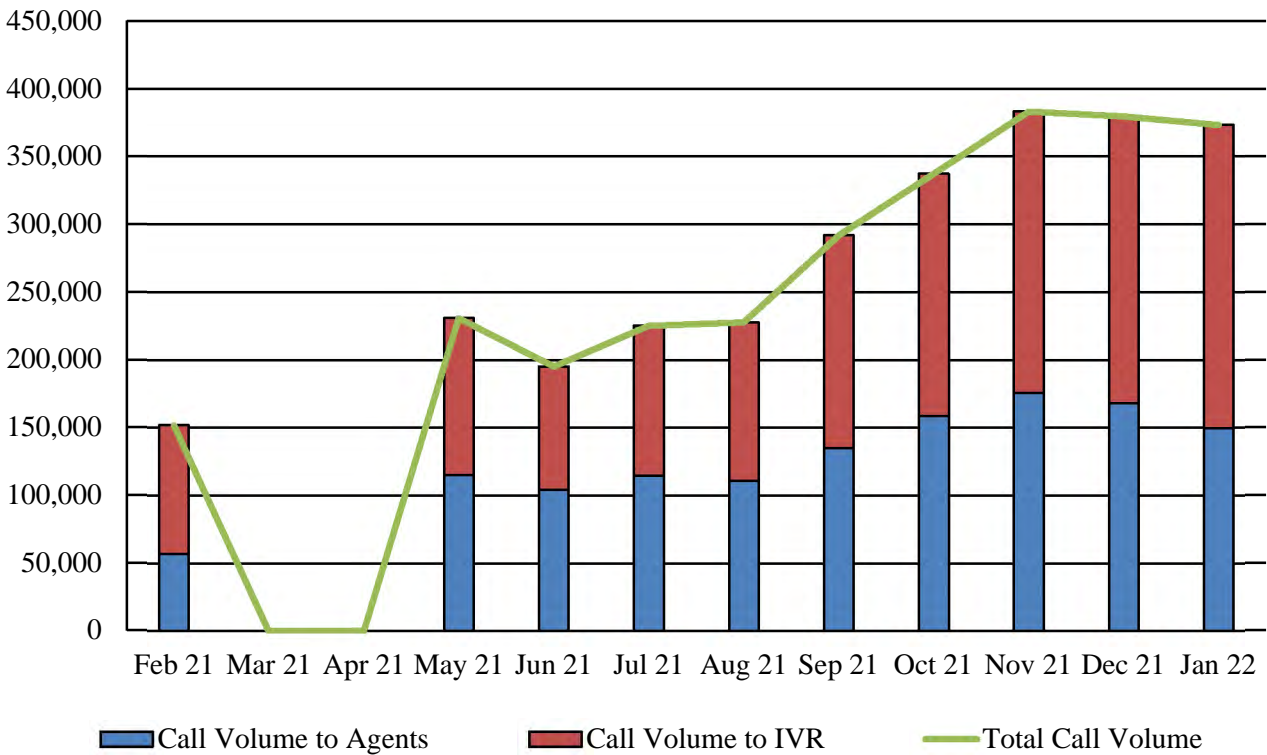
In response to OLA's finding of overbilling at these two facilities, during a three hour window on four dates, when reviewing these dates, MDTA expanded its review to 24 hours on the same dates to catch any other possible billing discrepancies. In total, the audit reported \$155,480.55 in errors, with credits totaling \$67,000 given to customers prior to the audit's completion. While MDTA has pointed to the low error rate (0.000065) of its tolling system, questions remain regarding accuracy and monitoring. **The Department of Legislative Services (DLS) recommends adopting committee narrative requesting that MDTA conduct an accuracy study of the tolling equipment at its tolling facilities and submit a report on MDTA's process to ensure significant tolling issues are swiftly identified and resolved in the future.**

2. Backlog of Toll Transactions

In response to the pandemic, MDTA paused the collection of video tolls from March 2020 to October 2020. MDTA saw this pause as a COVID-19 relief action. The pandemic's beginning saw a rise in financial insecurity, and various forms of relief were implemented. 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 has adopted a metering strategy for non E-ZPass customers. For E-ZPass customers MDTA is mailing customers one week of old NOTDs concurrently with one week of current NOTDs. This method has created a backlog of video tolls that have yet to be collected.

MDTA also has a backlog of E-ZPass transactions. In June 2020, E-ZPass toll collections were suspended on the ICC as MDTA transitioned to its new tolling system. In July 2021, MDTA began posting those E-ZPass transactions to customers' accounts. E-ZPass customers receive a week of old and current toll transactions. This backlog of NOTDs and E-ZPass transactions has led to an inundation of calls to MDTA's call center. **Exhibit 12** shows the monthly call volume at MDTA's call center since February 2021. November had the highest call volume with 383,131 calls.

Exhibit 12
Call Center's Monthly Call Volume
Calendar 2021-2022



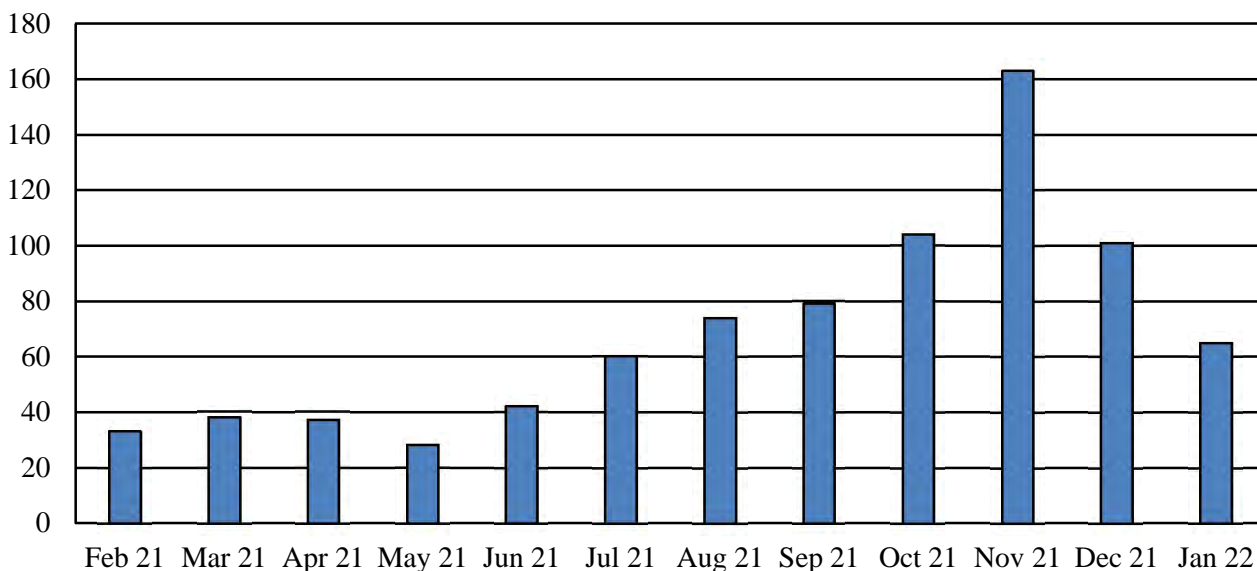
IVR: Interactive Voice Response

Note: Due to the transition between call center vendors, there is no data for March and April 2021.

Source: Maryland Transportation Authority

This increase in call volume led to a rise in call wait time. The average call wait time was two and half minutes or less before the backlog. **Exhibit 13** shows the monthly average call wait time since February 2021.

Exhibit 13
Monthly Average Call Wait Time
Calendar 2021-2022
(Minutes)



Source: Maryland Transportation Authority

The month of November had the highest wait time with 163 minutes. The wait time has since fallen to 65 minutes. Another contributing factor to the long wait times is staffing issues with the call center. The call center has dealt with the same hiring pains felt by all employers during the pandemic. At one point, the call center had only 60 call agents but now has 163. MDTA believes the increase in call agents led to a decrease in call wait time. **MDTA should comment on the ongoing backlog, including an update on the hiring of call agents and whether it is on track to meet its timeline of processing the backlog by summer 2022.**

3. MDTA's Fiscal Stress Report

Four financial standards guide MDTA: (1) rate covenant; (2) debt service coverage; (3) unencumbered cash; and (4) debt outstanding limits. The requirements for the financial standards can be seen in **Exhibit 14**.

Exhibit 14
MDTA's 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

Source: Maryland Transportation Authority, *Fiscal Stress Report*

In the 2021 legislative session, MDTA was asked for a JCR report about concerns of future fiscal stress that included a financial forecast into fiscal 2031. This report was prompted by MDTA's previous forecast of its unencumbered cash being within \$5 million of its \$350 million standard beginning in fiscal 2023. **Exhibit 15** shows that nearing this threshold has been delayed until fiscal 2024. From fiscal 2024 through 2031, the unencumbered cash amounts will be within \$5 million of the \$350 million threshold. In fiscal 2030, MDTA is also forecast to fall below its debt service coverage policy of net revenues being equal or greater than two times the annual debt service. This would require a toll increase of \$0.33 in fiscal 2030 to keep MDTA in compliance with its financial policy.

The fiscal stress report was written under the assumption that the Nice-Middleton Bridge would receive TIFIA funding. MDTA planned to secure \$200 million in a federal loan through the TIFIA program to help pay for the bridge's construction. MDTA applied for the loan in calendar 2019, but approval of the loan is now tenuous. If the TIFIA loan is not approved, MDTA will replace that funding source with MDTA's tax-exempt revenue bonds. **MDTA should comment on the status of the TIFIA loan application and how its financial forecast will be affected if the loan is not approved.**

COVID-19 has negatively impacted the financial forecast. The latest forecast estimates \$7.2 billion in revenue from fiscal 2020 through 2029, a decrease of \$400 million from the October 2019 forecast. However, the pandemic has an unexpected positive impact on fiscal 2022's expected toll revenue, as the fiscal 2022 projected toll revenue of \$822.9 million is \$151.1 million higher than the \$671.8 million projected in the 2021 session. This increase is due, however, to collection on the backlog of tolls that were not collected in fiscal 2021 due to the pandemic rather than reflective of an increase in ongoing revenues. While MDTA does not have information for video tolls collected, for the \$458.6 million in E-ZPass tolls collected through January 31, 2022, \$74.5 million, or 16.2%, came from delayed toll collection.

MDTA should comment on the possibility of a toll increase in fiscal 2030 and whether alterations to current capital plans could be made to avoid the financial stresses reflected in the forecast.

Exhibit 15
Fiscal Stress
Fiscal 2021-2031
(\$ in Millions)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
Total Revenues	\$477.6	\$867.1	\$783.0	\$783.1	\$788.7	\$798.7	\$812.2	\$826.8	\$839.2	\$848.9	\$857.1
Total Expenses	848.8	1,068.7	1,057.0	1,013.2	970.9	955.8	900.5	979.1	983.1	990.5	1,022.5
Annual Cash Surplus/Deficit	-\$40.3	-\$196.9	-\$56.2	-\$101.6	-\$1.6	\$0.5	\$1.5	-\$1.4	\$0.2	\$0.1	-\$0.5
Total MDTA Cash											
Balance	\$741.4	\$544.5	\$488.4	\$386.7	\$385.1	\$385.6	\$387.2	\$385.8	\$385.9	\$386.0	\$385.5
Debt Outstanding	2,091.8	2,083.4	2,263.6	2,310.2	2,426.1	2,514.7	2,529.4	2,599.5	2,657.7	2,707.5	2,774.5
Unencumbered											
Cash	418.8	511.5	455.3	353.7	352.1	352.6	354.1	352.7	352.9	352.9	352.4
Debt Service Coverage	2.60	4.80	3.10	2.80	2.60	2.40	2.30	2.20	2.10	1.90	1.80

MDTA: Maryland Transportation Authority

Source: Maryland Transportation Authority, *Fiscal Stress Report*

Operating Budget Recommended Actions

1. Adopt the following narrative:

Tolling Concerns Report: The committees are concerned about the ongoing issues concerning the accuracy of the tolling equipment at the Maryland Transportation Authority's (MDTA) tolling facilities. The budget committees request that MDTA provide a report that addresses these concerns. It should include an accuracy study of the tolling equipment at its tolling facilities that covers a one-week period and details the occurrences of overbilling of drivers and cause of said overbillings. The report should also include details on MDTA's process to ensure significant tolling issues are identified, stopped, and fixed.

Information Request	Author	Due Date
Tolling concerns	MDTA	December 1, 2022

PAYGO Budget Recommended Actions

1. Nonbudgeted.

Updates

1. I-495/I-270 Public-private Partnership Program Renamed Ops Lanes Maryland

The I-495 and I-270 public-private partnership (P3) Program has been rebranded as Op Lanes Maryland. In August 2021, the Board of Public Works approved the Phase 1 Developer P3 agreement between MDOT/MDTA and Accelerate Maryland Partners, Inc (AMP). A losing bidder, Capital Express Mobility Partners (CEMP), filed suit against MDOT for rejecting its protest to AMP's contract. On February 17, 2022, a Montgomery County Circuit Court judge sided with CEMP and ordered MDOT to revisit the proposals that the State received in 60 days. The Managed Lanes Study Supplemental Draft Environmental Impact Statement (EIS) was published on October 1, 2021, with public comments accepted through November 15, 2021. The Final EIS and Record of Decision is expected in spring 2022.

2. Preferred Corridor Alternative Selected for Chesapeake Bay Crossing

MDTA released the Tier 1 draft environmental impact statement for the Chesapeake Bay Crossing Study. This draft statement accepted public comments through May 10, 2021. The Bay Crossing Study evaluated multiple corridor alternatives based on specified criteria as well as environmental and financial considerations. MDTA selected Corridor 7/Existing Corridor (US 50/301 to US 50 between Crofton and Queenstown) as the preferred alternative. The Tier 1 National Environmental Policy Act Final EIS is expected to be published in spring 2022.

Appendix 1
2021 Joint Chairmen’s Report Responses from Agency

The 2021 JCR requested that MDTA prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***MDTA Allaying Fiscal Stress Concerns Report:*** MDTA was asked to complete a financial forecast from fiscal 2021 through 2031 to allay concerns about the agency’s fiscal position due to ongoing capital projects, reduced revenues, and the funding of non-MDTA projects. The agency maintained that it is meeting all financial standards and does not foresee the need for a possible toll rate increase until fiscal 2030. However, financial conditions may change but will continued to be monitored by the agency’s biannual financial forecasts. Further discussion of this data can be found in Issue 3 of this analysis.
- ***Trucks Traversing Key Bridge Without Crossing the Key Bridge Report:*** This report addresses the complaint of truck drivers paying a toll despite not crossing the Key Bridge. The report includes a projection of tolls paid by truck drivers. MDTA clarifies that Key Bridge is not a toll bridge but a toll roadway spanning 10.9 miles, including a bridge and highway.

Appendix 2
Audit Findings

Audit Period for Last Audit:	May 10, 2016 – March 4, 2020
Issue Date:	September 2021
Number of Findings:	2
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: MDTA actions did not determine the impact of electronic toll collection system issues on its customers and identify and correct certain related customer overbillings.

Finding 2: MDTA did not perform periodic documented reviews of system access capabilities granted to State and contractor employees on the old electronic tolling and customer service system used during our audit period.

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 3
Maryland Transportation Authority Financial Forecast
Fiscal 2021-2027

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Revenues							
Toll Revenues	\$455.9	\$822.9	\$736.1	\$735.7	\$740.6	\$749.2	\$761.30
Concessions	5.0	3.8	3.9	3.9	3.9	3.9	3.9
Investment Income and Other	3.7	8.3	8.7	7.3	6.3	6.3	6.3
MDOT Loan Repayment – Interest	0	0.5	1.7	1.6	1.5	1.3	1.2
MAA/MD Port Administration Police Reimbursement ⁽¹⁾	29.7	32.6	33.9	35.3	36.7	38.2	39.7
Total Revenues	\$494.3	\$868.1	\$784.3	\$783.8	\$789.0	\$798.9	\$812.4
Expenses							
Operations	\$302.2	\$360.8	\$359.1	\$373.4	\$388.7	\$404.2	\$420.4
Debt Service	61.8	105.0	138.1	146.4	152.5	161.4	167.6
Capital Program	432.7	573.2	599.1	553.2	423.7	363.2	303.8
Total Expenses	\$796.7	\$1,039.0	\$1,096.3	\$1,073.0	\$964.9	\$928.8	\$891.8
Capital Funding Sources/(Uses) and Intergovernmental							
Revenue Bond Proceeds	\$401.8	0	0	\$74.5	\$169.2	\$126.2	\$75.6
TIFIA			200.0				
Surety Policy Expenses		-1.2		-0.2	-0.4	-0.3	-0.2
Cash Refunding	-81.9	0	0	0	0	0	0
MDOT Loan Repayment – Principal	-4.5	4.7	4.8	4.9	4.9	5.0	5.1
VDOT Contribution/Grant	0	0	13.0	0	0	0	0
I-95 Interchange Partner Contribution	0	0	0	20.0	0	0	0
Accounting Reconciliation	44.3	0	0	0	0	0	0
Total Sources/(Uses)	\$359.7	\$3.5	\$217.8	\$99.2	\$173.7	\$130.9	\$80.5
Annual Cash Requirements⁽²⁾	\$436.9	\$1,035.6	\$878.5	\$973.8	\$791.1	\$798.0	\$811.3
Annual Cash Surplus/(Deficit)	57.4	-167.4	-94.2	-190.0	-2.1	1.0	1.1
Total MDTA Cash Balance	839.1	671.7	577.6	387.5	385.4	386.4	387.50
MDTA Debt							
Debt Outstanding	\$2,091.8	\$2,083.4	\$2,263.7	\$2,280.8	\$2,390.0	\$2,452.3	\$2,458.2
Unencumbered Cash	\$400.4	\$638.7	\$544.5	\$354.5	\$352.4	\$353.3	\$354.5
Debt Service Coverage	3.1	4.8	3.1	2.8	2.6	2.4	2.3
Rate Covenant Compliance	2.4	3.9	2.5	2.3	2.1	2.0	1.9

MAA: Maryland Aviation Administration

MDTA: Maryland Transportation Authority

TIFIA: Transportation Infrastructure Finance and Innovation Act

VDOT: Virginia Department of Transportation

¹ MDTA provides police services at Baltimore-Washington International Thurgood 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 4
Object/Fund Difference Report
Maryland Transportation Authority

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,707.00	1,727.00	1,707.00	-20.00	-1.2%
Total Positions	1,707.00	1,727.00	1,707.00	-20.00	-1.2%
Objects					
01 Salaries and Wages	\$ 172,645,736	\$ 189,651,147	\$ 196,442,609	\$ 6,791,462	3.6%
02 Technical and Special Fees	115,000	773,893	569,548	-204,345	-26.4%
03 Communication	2,912,651	3,047,976	3,056,404	8,428	0.3%
04 Travel	23,817	399,013	392,814	-6,199	-1.6%
06 Fuel and Utilities	3,499,199	4,490,456	4,399,337	-91,119	-2.0%
07 Motor Vehicles	6,281,631	10,255,667	10,274,942	19,275	0.2%
08 Contractual Services	101,666,463	133,695,229	126,931,793	-6,763,436	-5.1%
09 Supplies and Materials	6,988,598	10,171,138	10,516,354	345,216	3.4%
10 Equipment – Replacement	459,843	1,957,781	2,840,307	882,526	45.1%
11 Equipment – Additional	422,126	975,418	681,585	-293,833	-30.1%
13 Fixed Charges	67,714,293	110,416,166	143,399,508	32,983,342	29.9%
Total Objects	\$ 362,729,357	\$ 465,833,884	\$ 499,505,201	\$ 33,671,317	7.2%
Funds					
07 Nonbudgeted Fund	\$ 362,729,357	\$ 465,833,884	\$ 499,505,201	\$ 33,671,317	7.2%
Total Funds	\$ 362,729,357	\$ 465,833,884	\$ 499,505,201	\$ 33,671,317	7.2%

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

**Appendix 5
Fiscal Summary
Maryland Transportation Authority**

<u>Program/Unit</u>	<u>FY 21 Actual</u>	<u>FY 22 Wrk Approp</u>	<u>FY 23 Allowance</u>	<u>Change</u>	<u>FY 22 - FY 23 % Change</u>
0041 Operating Program	\$ 362,729,357	\$ 465,833,884	\$ 499,505,201	\$ 33,671,317	7.2%
0042 Capital Program	432,715,542	573,240,648	599,065,229	25,824,581	4.5%
Total Expenditures	\$ 795,444,899	\$ 1,039,074,532	\$ 1,098,570,430	\$ 59,495,898	5.7%
Nonbudgeted Fund	\$ 795,444,899	\$ 1,039,074,532	\$ 1,098,570,430	\$ 59,495,898	5.7%
Total Appropriations	\$ 795,444,899	\$ 1,039,074,532	\$ 1,098,570,430	\$ 59,495,898	5.7%

**J00J00 Maryland Transportation Authority
FY 2023 Operating Budget
Response to the Department of Legislative Services Budget Analysis**

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chairman Cory McCray
March 3, 2022

House Appropriations Committee
Transportation and the Environment Subcommittee
Chairman Marc Korman
March 7, 2022

DLS Budget Analysis Issues

2. Backlog of Toll Transactions (Page 23)

MDTA should comment on the ongoing backlog, including an update on the hiring of call agents and whether it is on track to meet its timeline of processing the backlog by summer 2022.

MDOT Response:

When the MDTA resumed mailing of Notices of Toll Due in October of 2020, the agency immediately began experiencing long call wait times resulting from the backlog processing of Notices of Toll Due. In response to the increase in call volume, the MDTA expanded its in person customer service hours and worked with its new customer service center (CSC) vendor to ensure adequate staffing at its call center. However, like other businesses and agencies nationwide, the MDTA and CSC vendor have been significantly impacted by the staffing shortages, retention challenges, and COVID-19-related quarantining and absences. As Exhibit 13 in the DLS analysis shows, call wait times are declining with increases in staffing, and as of February 28, 2022, the MDTA is now up to over 200 call agents supporting the call center. However, the MDTA knows there is more work to be done to further reduce call wait times.

At the request of the MDTA Board to devise a plan to reduce call wait times and Governor's Hogan's request to provide relief measures to customers, the MDTA began exploring ways to provide relief for customers facing late fees on toll bills that accrued during the height of the COVID-19 pandemic. On February 24, 2022, the MDTA Board approved a Customer Assistance Plan that includes a civil penalty waiver grace period that waives all civil penalties for customers who pay their unpaid tolls by November 30, 2022. The Customer Assistance Plan provides the following measures (1) immediately discontinue referrals of toll bills to the State's Central Collection Unit (CCU) and the MDOT Motor Vehicle Administration (MVA); (2) establish a civil penalty waiver grace period that waives all civil penalties for all customers who pay all their unpaid tolls by midnight on November 30; (3) work with the MDTA's CSC vendor to increase the number of CSC agents to reduce call and web chat wait times; and (4) work with the MDTA's CSC vendor to explore other payment opportunities.

The Customer Assistance Plan was formulated in response to the three key requests or concerns of MDTA customers to (1) have more time to pay outstanding tolls; (2) have additional time to pay outstanding tolls without the consequence of late fees; and (3) be able to get through to the CSC in a timely fashion. The Customer Assistance Plan addresses the first two requests by providing customers with a grace period to spread out payments of unpaid Video Tolls at the customer's convenience, while avoiding further escalations to MVA & CCU. Additionally, the plan acts as a temporary payment plan by allowing customers to stretch out toll payments over the waiver grace period – which is over 9 months – and without the worry of further consequences. The plan also provides civil penalty waivers for payments on any outstanding video tolls during the grace period, including historical, pandemic backlog, and current transactions. Regarding the third request, MDTA is in the process of modifying the preexisting

**J00J00 Maryland Transportation Authority
MDOT RESPONSE TO DLS ANALYSIS
FY 2023 BUDGET**

DLS Budget Analysis Issues (continued)

contract with its CSC vendor to add additional funds to the contract that would enable the vendor to bring on subcontractors to increase the number of CSC representatives until such time that call and web chat volumes normalize and acceptable wait times can be maintained. Lastly, the MDTA is proactively exploring the feasibility of payment plan options that would require several actions, including a signed agreement with the vendor as well as regulatory and Board of Public Works approval. It is important to note that the Customer Assistance Plan is financially affordable to the agency and offers other financial benefits beyond the customer service benefits that include furthering customers' education on paying Video Tolls, utilizing the DriveEZMD website, and learning about the 15% early payment discount.

In conclusion, the future outlook for the MDTA and its customers is promising. The agency is well on its way to providing customers with financial relief via the Customer Assistance Plan while also reducing call and web chat wait times. Furthermore, processing backlog transactions currently stands at 99% complete for E-ZPass® transactions and 91% for posting Video and Image Toll transactions to customers' accounts with the mailings of the Notices of Toll Due expected to be mailed by late summer 2022.

**J00J00 Maryland Transportation Authority
MDOT RESPONSE TO DLS ANALYSIS
FY 2023 BUDGET**

DLS Budget Analysis Issues (continued)

3. MDTA's Fiscal Stress Report (Page 24)

MDTA should comment on the status of the TIFIA loan application and how its financial forecast will be affected if the loan is not approved.

MDOT Response:

On February 16, 2022, the MDTA was advised that the Nice/Middleton Bridge TIFIA loan allocation was recommended for final approval by the United States Department of Transportation and weekly meetings for the loan have resumed. The closing of the TIFIA loan is proceeding according to schedule.

MDTA should comment on the possibility of a toll increase in fiscal 2030 and whether alterations to current capital plans could be made to avoid the financial stresses reflected in the forecast.

MDOT Response:

The MDTA's responsibility to supervise, finance, construct, operate, maintain, and repair Maryland's toll facilities requires a strategic approach that avoids significant capital system preservation and expansion costs from clustering many projects in a narrow timeframe. As such, the MDTA deploys strategies such as asset life cycle reviews, long range needs analysis, and planned debt service cycles. The MDTA intentionally plans for period of debt service growth and decline. The table below illustrates the planned cycles.

Time Period	Description	Bonds Payable Change
FY 2007-11	Mega Projects MD 200 Intercounty Connector and I-95 Express Toll Lanes (ETL)	\$2.05B
FY 2011-19	Pay Down of Debt and Pay-Go	(\$756.73M)
FY 2019-26	Mega Projects Nice/Middleton Bridge and I-95 ETL Northbound Extension	\$915.97M

As noted in the analysis, beginning in FY 2024, the MDTA is projected to approach its unencumbered cash target of \$350 million. The decision to remain just above the \$350 million unencumbered cash target is reflective of the estimated annual cashflow needs and the MDTA's desire to use more PAYGO in lieu of debt financing to fund the capital program.

**J00J00 Maryland Transportation Authority
MDOT RESPONSE TO DLS ANALYSIS
FY 2023 BUDGET**

DLS Budget Analysis Issues (continued)

The MDTA maintains several financial standards and Board-adopted financial management policies to ensure that its budgets and debt remain affordable. Bi-annually, the MDTA Board adopts a six-year financial forecast, which ensures sufficient revenues are available to maintain required financial coverage ratios and to meet operating and capital needs. The forecast incorporates the latest traffic and revenue data developed by an independent traffic and revenue consultant, debt service based on amortization schedules for existing and planned debt, the current year operating budget growth at historical growth levels, and the six-year capital program. The financial forecast helps determine the size and timing of required bond issuances to fund the capital program and assist with determining the future outlook on MDTA's financial standards and coverage ratios.

Despite the MDTA's sound financial policies and the continual monitoring of its finances, future toll rate increases may periodically be necessary to support long-term population or economy driven system expansion, as well as the normal inflation adjustments for capital system preservation, maintenance, and operating costs. The MDTA last increased tolls in FY 2014, followed by certain toll reductions in subsequent years. As shown below, when considering that over 60% of comparable tolling authorities were required to raise electronic tolls for passenger and commercial vehicles by at least 10% between 2014 and 2021, the MDTA's ability to avoid raising tolls projected for nearly two decades while maintaining its capital infrastructure, constructing two mega projects, and weathering the COVID-19 pandemic, is indicative of the MDTA's ability to manage within its financial means.

At present, reducing the MDTA's capital budget would come with great risk and cost. Nearly three-quarters of the six-year capital budget is under contract. Future possibilities for capital program reductions will depend on conditions and statewide priorities. For example, as page 27 indicates, the MDTA will be concluding the NEPA Tier 1 study for the Bay Bridge in March, and while funding has not been identified, several counties have already requested funding prioritization to advance the NEPA Tier 2 study. The MDTA anticipates that several counties will include this request in their priority letters due on April 1, 2022.

In conclusion, the MDTA has a stable and experienced senior leadership team. The MDTA can leverage the experience of its senior leadership team to develop mitigation plans and strategies to alleviate financial challenges. Many members of the leadership team worked for the MDTA during the Great Recession of 2007-2008, when the agency was also constructing both the Intercounty Connector and Section 100 of the I-95 Express Toll Lanes. Those combined projects totaled more than \$3 billion.

**J00J00 Maryland Transportation Authority
MDOT RESPONSE TO DLS ANALYSIS
FY 2023 BUDGET**

Operating Budget Recommended Actions

- 1. Adopt narrative requesting a report on tolling concerns. (Page 26)**

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

- 1. Nonbudgeted. (Page 26)**

MDOT Response:

The Department concurs with the DLS recommendation.

J00D00
Department of Transportation
Maryland Port Administration

Budget Amendments

J00D00.01 Port Operations

Add the following language to the special fund appropriation:

, provided that \$125,000 of this appropriation made for the purpose of reimbursing the Maryland Transportation Authority (MDTA) for policing services may not be expended for that purpose or any other purpose until MDTA submits a performance audit that allays concerns about ongoing issues with E-ZPass toll collections and accuracy. MDTA shall competitively bid for a certified public accounting firm to conduct a performance audit consistent with professional auditing standards of the administrative and financial offices of MDTA to evaluate the efficiency and effectiveness of the E-ZPass tolling program. A certified public accounting firm that provides services to MDTA is not eligible to bid on the performance audit contract. On the award of the performance audit contract to a certified public accounting firm, the certified public accounting firm shall consult with the Joint Audit and Evaluation Committee and the Office of Legislative Audits in the development of the scope and objectives of the performance audit. The performance audit shall include:

- (1) a full discussion of billing issues and any related data;
- (2) statistics on customer call center wait times;
- (3) statistics on customer problems repaying tolls due to errors;
- (4) MDTA's efforts to address the backlog of toll transactions;
- (5) any technological issues with toll facilities and billing; and
- (6) statistics on how MDTA resolves claims of billing errors.

Further provided that in submitting the aforementioned performance audit and requested data, MDTA shall also provide an update on the Customer Assistance program and any related statistics.

The report shall be submitted by December 15, 2022, and the budget committees shall have 45 days from receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: MDTA has had ongoing issues with tolling errors and billing accuracy, particularly in its E-ZPass program. Being that MDTA is nonbudgeted, this language restricts

J00D00

funds within the Maryland Port Administration appropriated for the purpose of reimbursing MDTA for policing expenses incurred at the Port of Baltimore until a report is provided detailing the findings of the performance audit.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>E-ZPass Performance Audit</i>	<i>MDTA</i>	<i>December 15, 2022</i>

Amendment No.

11

TAB 6



**Maryland
Transportation
Authority**

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
James F. Ports, Jr., 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, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Mr. Simon Najar, Travel Plazas Administrator
SUBJECT: Travel Plaza Update
DATE: March 31, 2022

PURPOSE OF MEMORANDUM

To update the MDTA Board on the progress of operations at the Maryland House and Chesapeake House Travel Plazas.

SUMMARY

In 2012, the Maryland Transportation Authority (MDTA) entered into a Lease and Concession Agreement with Areas USA MDTP, LLC (Areas USA), to undertake the redevelopment (including financing) and long-term operations and maintenance of the travel plazas. Pursuant to the public-private partnership (P3) arrangement, the MDTA retains oversight of the travel plazas for a period of 35 years. This presentation will provide a brief overview of the contract award and agreement; Areas USA history and expertise; current operations at the travel plazas, including the fiscal impact of COVID-19; recent challenges; and the future outlook.

ATTACHMENT

- MDTA's Travel Plazas Presentation

MDTA TRAVEL PLAZAS



MDTA BOARD MEETING
MARCH 31, 2022



AERIAL VIEW OF MARYLAND HOUSE

MARYLAND HOUSE

Opened January 20, 2014

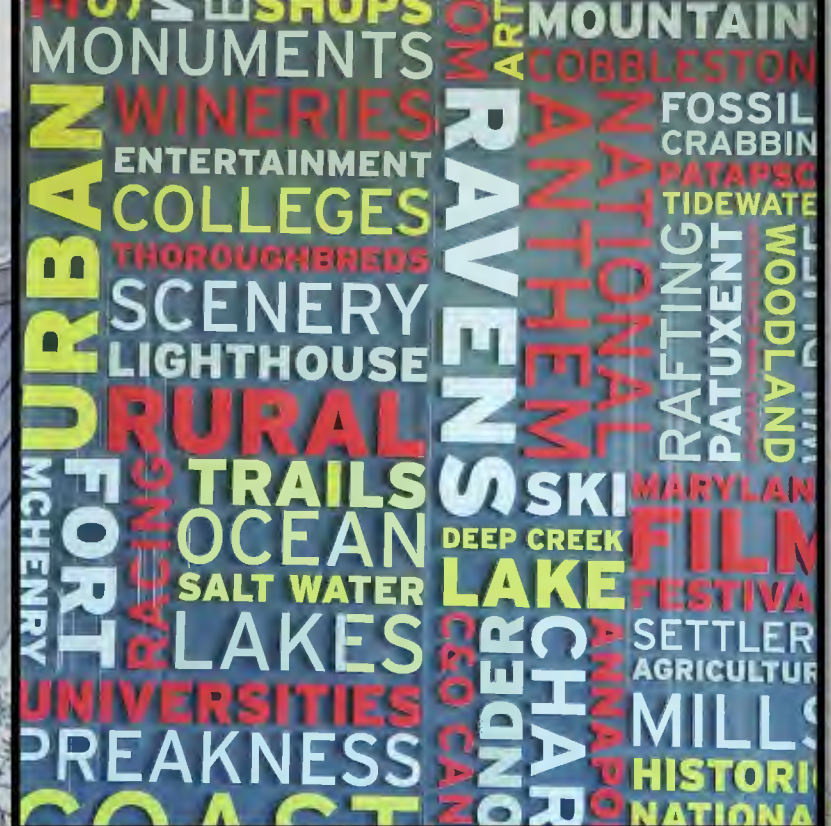


MARYLAND HOUSE



MARYLAND HOUSE

Historical Markers





CHESAPEAKE HOUSE

Opened August 5, 2014



CHESAPEAKE HOUSE



CHESAPEAKE HOUSE

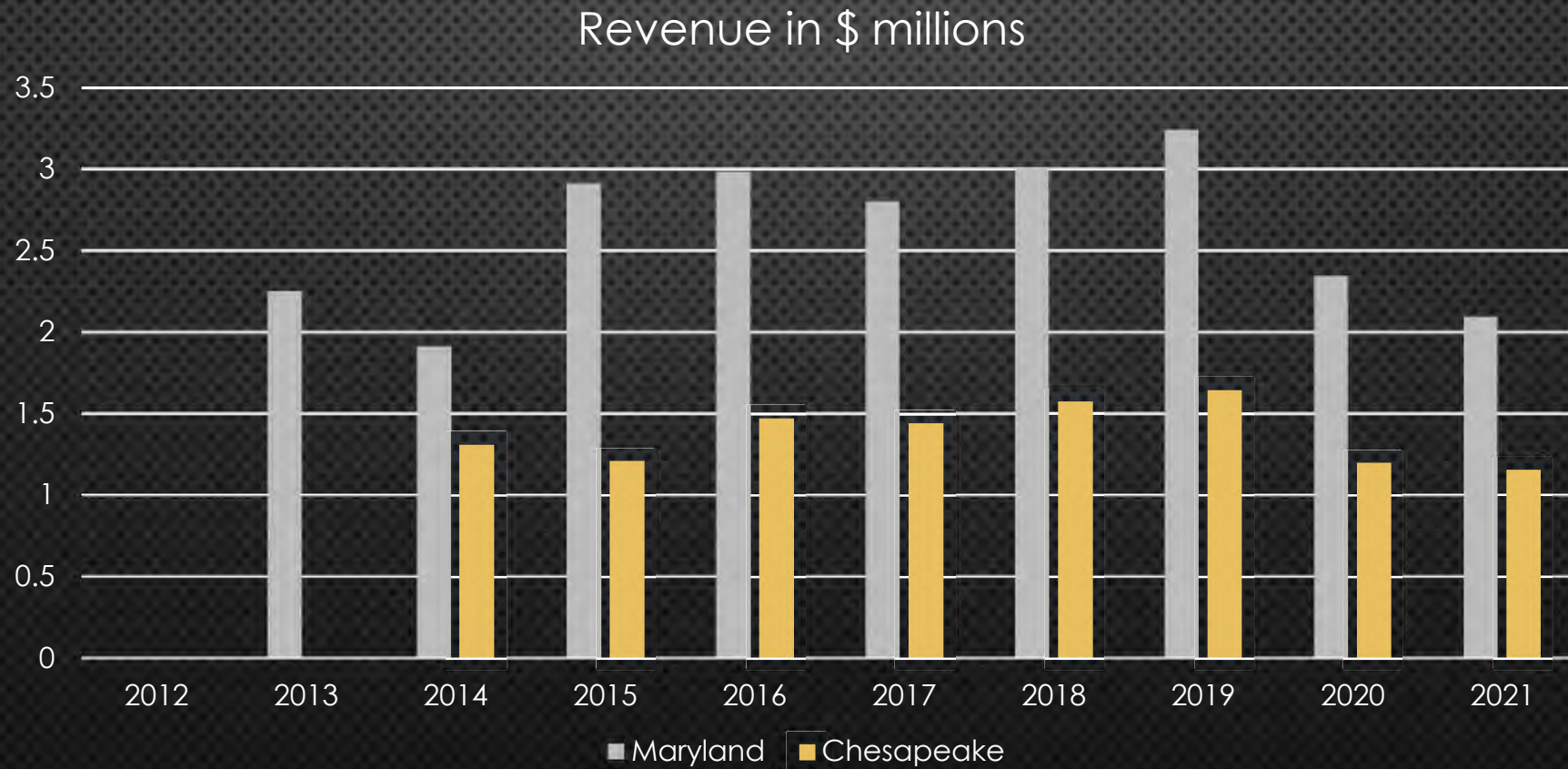




CHESAPEAKE HOUSE



TRAVEL PLAZA OPERATIONS



COVID-19 IMPACT ON REVENUE COLLECTED

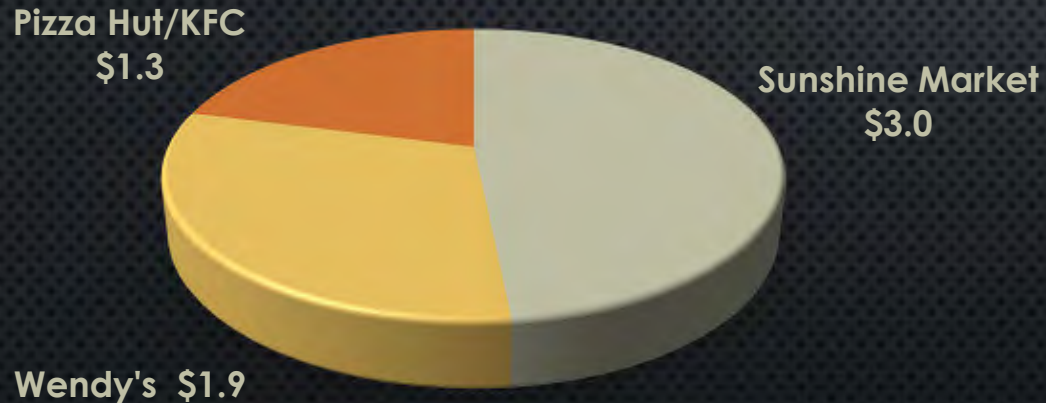
(\$ in millions)

Mar. 2021-Jan. 2022			Mar. 2020 – Jan. 2021			Mar. 2019 – Jan. 2020		
Chesapeake	Maryland	Total	Chesapeake	Maryland	Total	Chesapeake	Maryland	Total
\$1.30	\$2.24	\$3.54	\$0.85	\$1.60	\$2.45	\$1.40	\$2.74	\$4.14

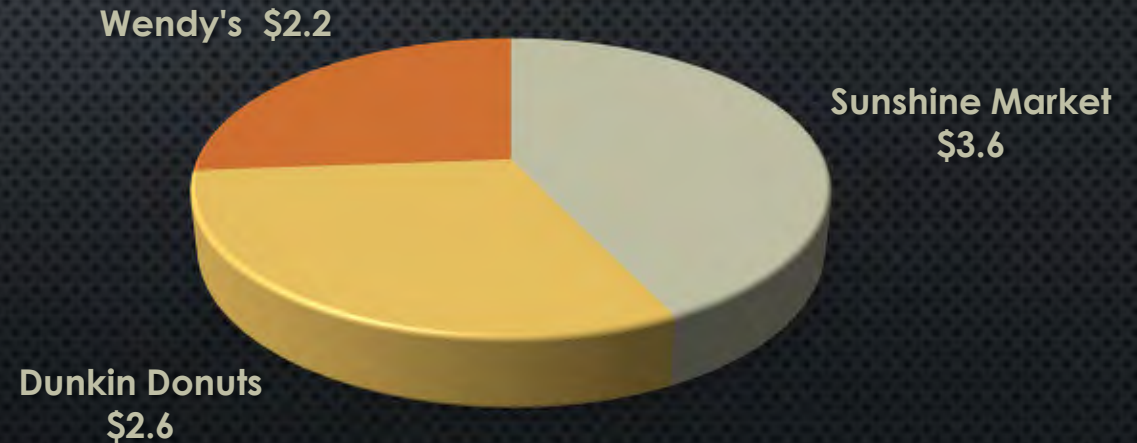
TOP 3 CONCEPTS AT THE PLAZAS SALES FOR CY 2021

CHESAPEAKE HOUSE

\$ in millions



MARYLAND HOUSE



The MDTA collects 10% of Concession sales as revenue.



DELI AND CO REFRESH

CHESAPEAKE HOUSE
FOCUS ON MILITARY AND MARYLAND



DELI AND CO REFRESH

MARYLAND HOUSE
IMPROVED MERCHANDISE QUALITY AND VARIETY



SUNOCO FUELING STATIONS

New canopies, high-speed pumps,
facades and restroom upgrades



before



after

COMMUNITY AND MILITARY PRIDE

MARYLAND WOMEN IN MILITARY SERVICE MONUMENT

DEDICATED 2014

HONORING WOMEN FROM
THE STATE OF MARYLAND,
PAST AND PRESENT, WHO
HAVE SERVED OUR NATION
HONORABLY AND PROUDLY,
IN WAR AND PEACE

AMERICA'S 911 RIDE



CONTINUOUS CUSTOMER ENHANCEMENTS

- PARKING LOTS AND RAMPS
- INCREASED HOURS
- SUNOCO UPGRADES

LOOK AHEAD

CHALLENGES

- COVID-19
- STAFFING
- COMPETITION/DELAWARE HOUSE
- TECHNOLOGY

REFERENCE: CONCESSION REVENUE

MDTA receives 10 – 15% of the gross revenue generated at the travel plazas

Primary Facilities		Convenience Stores			
		<i>Chesapeake House</i>		<i>Maryland House</i>	
Revenue Generated	MDTA %	Revenue Generated	MDTA %	Revenue Generated	MDTA %
Up to \$45M	10%	Up to \$5M	9%	Up to \$6M	9%
\$45M - \$52M	11%	\$5M - \$6M	9.5%	\$6M - \$7M	9.5%
\$52M - \$59M	12%	\$6M - \$7M	10%	\$7M - \$8M	10%
\$59M - \$66M	13%	\$7M - \$8M	10.5%	\$8M - \$9M	10.5%
\$66M - \$75M	14%	\$8M +	11%	\$9M +	11%
\$75M +	15%	Tobacco Sales	2%	Tobacco Sales	2%

REFERENCE: SUNOCO FUEL SALES

MDTA receives \$0.05 – \$0.11 per gallon sold at the travel plazas

Gasoline				Diesel			
Chesapeake House		Maryland House		Chesapeake House		Maryland House	
Gallons Sold	MDTA (\$)	Gallons Sold	MDTA (\$)	Gallons Sold	MDTA (\$)	Gallons Sold	MDTA (\$)
Up to 8.5M	\$0.05/gal	Up to 15M	\$0.07/gal	Up to 6M	\$0.05/gal	Up to 7M	\$0.07/gal
8.5M – 10.5M	\$0.06/gal	15M – 17M	\$0.08/gal	6M – 7M	\$0.06/gal	7M – 8M	\$0.08/gal
10.5M – 12.5M	\$0.07/gal	17M – 19M	\$0.09/gal	7M – 8M	\$0.07/gal	8M – 9M	\$0.09/gal
12.5M – 14.5M	\$0.08/gal	19M – 21M	\$0.10/gal	8M – 9M	\$0.08/gal	9M – 10M	\$0.10/gal
14.5M+	\$0.09/gal	21M+	\$0.11/gal	9M+	\$0.09/gal	10M+	\$0.11/gal



THANK YOU

TAB 7



Maryland
Transportation
Authority

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
James F. Ports, Jr., 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, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Mr. Joseph Quattrone, PMP, CSM, ETC Program Manager
SUBJECT: Third Generation Electronic Toll Collection (3G ETC) System Current Operations Update
DATE: March 31, 2022

PURPOSE

To brief the Maryland Transportation Authority (MDTA) Board on the 3G ETC ongoing operations.

SUMMARY

TransCore and Kapsch's systems went live on April 29, 2021. Post-transition and software development activities and risk management continue. Implementation of the plan to address the backlog of unprocessed transactions is ongoing.

ATTACHMENT

- 3G ETC System Update Presentation

Electronic Tolling

Current Operations Update

MDTA Board Meeting

March 31, 2022

Schedule Update

- As previously noted, the Contractor provided an updated SAT schedule
 - Schedule based on a fully agile sprint release approach with new tickets addressed every 2 weeks
 - The Customer Assistance Plan software release was installed successfully
 - The final software release required to start SAT is scheduled for 3/30/22
- Negotiating with Contractor to establish clear SAT deadlines ensuring Post-SAT is limited to punch list items
 - Modifications were reviewed by vendors and comments provided back to MDTA
 - Will update MDTA Board, State DOIT and BPW modification updates
 - The schedule portion of the modifications is anticipated to be a non-compensable time extension
 - Revising liquidated damages provisions for the CSC contract to provide accountability to the schedule
 - Will also include updates for COVID backlog and AET revisions

Customer Assistance Plan Benefits

- The Customer Assistance Plan addressed the majority of customer concerns
 - Software release in place now that automatically waives civil penalties when the toll is paid
 - Issuing releases to flush civil penalties for tolls paid between Feb. 24th and the date of the software release on March 23
 - Website updates to alert to the customer assistance plan, including banners, pop ups, and frequently asked questions
- Hirings are allowing us also greatly focus on catching up and clearing the emailed cases
- Web chat waits and call wait times are also down significantly with waits under 5 minutes for the last week
- Also now offer options for video toll customers to complete a toll transfer to an E-ZPass account directly online to reduce their existing video tolls and save on future tolls by switching to E-ZPass

Key Focus Areas

QA/QC & Lane Maintenance Improvements

- Coordinating the final AET conversion for FMT
 - FMT planning is in-progress, tentatively targeting late summer, early fall 2022
- Accountability for timeliness of resolution for identified issues
- Enforcement of contractual requirements
- Emphasizing a pro-active approach to the maintenance tasks & fine tuning the process

Software Reports & Documentation

- Continue finalizing outstanding reports and documentation

System Acceptance & Key Performance Indicators (KPI)

- Finalize System Acceptance Testing and Plans and our tracking & oversight
 - Reviewing and approving reports for system monitoring

Contract Administration & Operational Functions

- Coordinating responsibilities & communication across IT, Operations and Finance
- Standing up tools & processes for independent validation and auditing processes for the lane side and back office

Post Go-Live Risk Tracking

Call Center

- Call wait times continue to show some improvement in March (MTD)

	November	December	January	February	March (3-1 – 3-12)
Total CSC Agents	77	100	157	173	324
% Call Out vs. Total Staff	18%	26%	34%	15%	3%
Avg Call Wait Time (Min.)	163	101	65	55	14
IVR Handled Call Volume	207,296	211,570	223,536	234,933	87,951
Call Volume Queued for CSRs	175,835	167,997	149,649	174,717	69,828

- Website improvement releases continue to help ease volumes
- Additional CSC staff contributing to lower call wait times
- Call-outs have stabilized
- Backlog is still a main driver for the call volume

Post Go-Live Risk Tracking

Transaction & Backlog Processing

- Transactions released manually based on a pre-defined schedule
 - Tight coordination with MDTA and vendors to maintain processing
 - Actively metering NOTDs at 35,000 envelopes per day with an average of 3-4 transactions per envelope
- Escalations as of 3/17/22
 - Approximately 50.8 million video transactions posted to customer accounts
 - Several notices sent to alert customers to proactively pay electronically to receive early payment discounts
 - Proactive mailer to customers with more than 25 transactions is complete
 - 23.9 million NOTD transactions have been mailed, since resuming
 - Image certifications and citations fully resumed

Backlog Status

- Update reported this month with the financial forecast

QA/QC

- Actively onboarding KPI reporting and tracking to ensure meeting Contract
- Striving for continuous improvement to address any anomalies found, even if meeting the KPI

TAB 8



Maryland Transportation Authority

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
James F. Ports, Jr., 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, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Mr. James Harkness, P.E., PTOE, MDTA Chief Engineer
SUBJECT: Quarterly Update on Major Capital Projects valued over \$40 Million
DATE: March 31, 2022

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 21, 2022, there are ten major projects in the Capital Program. Seven of the projects are under construction, one is in procurement, and two are in 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 2022 Update

MDTA Major Capital Projects (>\$40 Million) - March 2022 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	123,251	Summer 2022	C
1024	NB-543	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	41,844	Spring 2024	C
2516	BB-3014	Emergency BB All Electronic Toll (AET) Conversion	9/29/20	1/11/21	51,456	Spring 2023	C
2453	KH-3009	I-95 Northbound Extension - Express Toll Lanes to MD 152	8/17/20	5/3/21	224,161	Summer 2024	C
2491	KH-3019	I-95 Northbound Extension - MD 152 Interchange Reconstruction	5/7/21	2/28/22	242,151	Fall 2024	C
2477	KH-3024	I-95/Belvidere Road Interchange	5/18/20	4/12/22	80,468	Summer 2025	C
2306	HT-2709	Envelope and Switchgear Replacements at Baltimore Harbor Tunnel Ventilation Buildings	1/10/22	6/24/22	64,477	Fall 2023	P
2317	BB-2726	Eastbound Bay Bridge Deck Replacment	9/6/19	7/12/21	237,550	Fall 2025	D
2492	KH-3020	I-95 Northbound Extension - MD 24 to Bynum Run	6/6/22	11/4/22	65,165	Fall 2025	D

TAB 9



**Maryland
Transportation
Authority**

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
James F. Ports, Jr., Chairman

Board Members:

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

William Pines, PE, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Mr. David Goldsborough, Director of Information Technology
SUBJECT: Quarterly Information Technology Update
DATE: March 31, 2022

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 31, 2022, the Division of Information Technology maintains an active portfolio of 15 projects with 2 additional projects on hold awaiting resource assignments. Since the last Board meeting, the DoIT has completed the penetration test exercise with Cyber Defense Technologies. The exercise covered internal and external networks, wireless networks, and State issued laptops. The results of the exercise were positive. Post go-live support of the third generation tolling system (3G) continues and will stay in place through systems acceptance.

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

- Cybersecurity measures – State DoIT will be conducting vulnerability assessments across several State agencies including MDOT.
- Conversion to the new Salesforce lightning platform.
- We have introduced a project to create a web scheduling system for the customer service centers. This will be completed using the Salesforce platform.
- Post go-live support of 3G.
- E-forms platform.
- We have released a new GIS viewer with data layers that cover electrical, facilities, as well as various other MDTA assets. Other layers are being worked on and will be released as they become available.

TAB 10



Maryland Transportation Authority

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
James F. Ports, Jr., Chairman

Board Members:

Dontae Carroll
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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, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Mr. Percy E. Dangerfield, Chief Administrative Officer
Mr. Paris Lee, Acting Director of Civil Rights and Fair Practices
PREPARED BY: Ms. Melissia Evans, Acting Compliance Manager
SUBJECT: Quarterly Update: Socioeconomic Programs Status
DATE: March 31, 2022

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 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 the 2nd Quarter of Fiscal Year (FY) 2022, which covers the performance period of July 1, 2021, to December 31, 2021¹. This performance period will be referenced as Q2 FY 2022.

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 (GOSMWBA) 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 Project through December 31, 2021. 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 2022 is calculated by dividing the total MBE contract award dollars by the total contract award dollars, including MBE and Majority Firms. Majority Firms are any non-MBE participants, such as Prime Contractors and any non-MBE subcontractors.

Table 2 depicts total MBE participation by Contracting Areas for Q2 FY 2022 MBE firms received \$87.5 million (24.64%) of the \$417.6 million total contract awards for Q2 FY 2022.

These amounts represent contract awards in six (6) contracting areas: Construction; Architectural & Engineering (A&E); Maintenance; Information Technology (IT); Services; and Supplies/Equipment.

Table 3 depicts MBE participation by Business Classifications and Contracting Areas for Q2 FY 2022. African American firms received approximately \$17.7 million (4.24%) of the nearly \$87.5 million MBE contract awards this year. Hispanic American firms received \$11.2 million (2.68%), Asian American firms received \$8.7 million (2.10%), Women-owned firms received \$42.7 million (10.24%). Native American firms received \$7.1 million (1.70%).

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.

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 2022 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 4 depicts Small Business Reserve Program utilization for Q2 FY 2022. SBR designated firms received \$5.3 million (1.60%) of the \$340.7 million in procurement payments during this year. Only SBR designated payments are included in the SBR Program Utilization Table.

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 try 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 Q2 FY 2022 is calculated by dividing the total contract award dollars to VSBE firms by all contract awards.

Table 5 depicts VSBE contract participation by contracting area for Q2 FY 2022. During this period, VSBE firms received \$5.8 million (1.40%) of the \$417.6 million in contracts awarded by MDTA.

ATTACHMENTS

- Table 1: Nice-Middleton Bridge Project Disadvantaged Business Enterprise (DBE) Program Utilization
- Table 2: MBE Program Contract Participation by Contracting Area
- Table 3: MBE Program Participation by Business Classification
- Table 4: SBR Program Utilization
- Table 5: VSBE Contract Participation by Contracting Area

ATTACHMENTS

QUARTERLY UPDATE: SOCIOECONOMIC PROGRAMS STATUS

Table 1: Nice-Middleton Bridge Project Disadvantaged Business Enterprise (DBE) Program Utilization Project-To-Date

Disadvantage Business Enterprise Program Utilization Project-To-Date (Period Ending December 31, 2021)					
Contract Number & Contract Value	Contract Description	Committed DBE Goal	Total Payments 31-Dec-21	% Paid to DBEs 31-Dec-21	\$ Paid to DBEs 31-Dec-21
NB-0543-0000 NTP 03/17/20 \$ 462,957,000.00	Bridge Replace ment	15.13%	\$290,435,687.83	11.88%	\$34,493,710.39
NB-3003-0000 NTP 08/28/20 \$ 27,433,000.00	Campus Improvements	23.75%	\$10,457,035.14	23.33%	\$2,439,185.00
AE-3049-0000 NTP 11/14/18 \$ 15,000,000.00	Construction Management Inspection Services	26.00%	\$4,265,477.43	13.63%	\$581,426.61
AE-3050-0000 NTP 11/14/18 \$ 15,000,000.00	Construction Management Inspection Services	26.00%	\$3,954,782.20	19.30%	\$763,341.62
AE-3051-0000 NTP 11/14/18 \$ 15,000,000.00	Construction Management Inspection Services	26.00%	\$3,896,674.49	16.03%	\$624,812.87

Table 2: Minority Business Enterprise Program Contract Participation by Contracting Area (Q2 FY 2022)

Minority Business Enterprise (MBE) Program Contract Participation by Contracting Area FY 2022 Quarter 2 Report					
State MBE Program Participation Goal	29%				
MDTA-MBE Program Contract Utilization	24.64%				
Contracting Area(s)	MBE %	MBE Amount \$	Majority %	Majority Amount \$	Total Amount \$
Construction	20.79%	\$56,774,410	79.21%	\$216,314,827	\$273,089,237
A&E	23.87%	\$30,277,500	76.13%	\$96,572,500	\$126,850,000
Maintenance	0.00%	\$0.00	100.00%	\$1,488,590	\$1,488,590
IT	3.17%	\$513,624	96.83%	\$15,669,183	\$16,182,807
Services	0.00%	\$0.00	100.00%	\$40,977	\$40,977
Supplies/Equipment	0.00%	\$0.00	0.00%	\$0	\$0
Total	24.64%	\$87,565,534	75.36%	\$330,086,077	\$417,651,612

Table 3: Minority Business Enterprise Program Participation by Business Classification (Q2 FY 2022)

Minority Business Enterprise (MBE) Program Participation by Business Classification FY 2022 Quarter 2 Report											
Contracting Area(s)	African American (%)	African American (\$)	Hispanic American (%)	Hispanic American (\$)	Asian American (%)	Asian American (\$)	Women (%)	Women (\$)	Native American (%)	Native American (\$)	Total Amount (\$)
Construction	2.49%	\$10,388,608	1.96%	\$8,196,210	0.59%	\$2,470,000	6.85%	\$28,619,591	1.70%	\$7,100,000	\$56,774,409
A&E	1.75%	\$7,311,523	0.72%	\$3,005,000	1.51%	\$6,296,191	3.27%	\$13,664,786	0.00%	\$0.00	\$30,277,500
Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00
IT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.12%	\$513,624	0.00%	\$0.00	\$513,624
Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$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	0.00%	\$0.00	0.00%	\$0.00	\$0.00
Total Participation	4.24%	\$17,700,131	2.68%	\$11,201,210	2.10%	\$8,766,191	10.24%	\$42,798,001	1.70%	\$7,100,000	\$87,565,533

Table 4: Small Business Reserve (SBR) Program Utilization (Q2 FY 2022)

Small Business Reserve (SBR) Program Utilization Quarter 2 FY 2022		
SBR Participation Goal	15%	
MDTA SBR Utilization	2.90%	
SBR Designated Payments \$	SBR Designated Payments %	Total Procurement Payments (\$)
\$5,317,877	1.60%	\$340,771,168

Table 5: Veteran-Owned Small Business Enterprise (VSBE) Contract Participation by Contracting Area (Q2 FY 2022)

Veteran-Owned Small Business Enterprise (VSBE) Program Contract Awards Quarter 2 FY 2022			
VSBE Participation Goal	1.00%		
MDTA- VSBE Contract Utilization	1.40%		
Contracting Area (s)	VSBE %	VSBE Amount \$	Total Amount \$
Construction	1.06%	\$2,888,264	\$273,089,237
A&E	0.79%	\$1,002,500	\$126,850,000
Maintenance	0.00%	\$0	\$1,488,590
IT	0.22%	\$35,069	\$16,182,807
Services	0.00%	\$0.00	\$40,977
Supplies/Equipment	0.00%	\$0.00	\$0
Total	1.40%	\$5,828,454	\$417,651,612

TAB 11

VERBAL

TAB 12

VERBAL

TAB 13

VERBAL