

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 Third Reader

House Bill 390 (Delegate Palakovich Carr, *et al.*)
 Environment and Transportation

Finance

Transportation - I-270 Commuter Bus Route Study

This bill requires the Maryland Department of Transportation (MDOT) to study and make recommendations on the feasibility of establishing a point-to-point commuter bus route that serves the population centers along the I-270 corridor in Frederick and Montgomery counties and provides service to and from the job centers in northern Virginia. MDOT must submit a final report of its findings, conclusions, and recommendations to the Governor and the General Assembly by December 1, 2021. **The bill takes effect July 1, 2020, and terminates June 30, 2022.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by \$128,400 in FY 2021 and by \$60,800 in FY 2022 to complete the required study. Revenues are not affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	128,400	60,800	0	0	0
Net Effect	(\$128,400)	(\$60,800)	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Affected local governments can coordinate and provide information to MDOT as necessary and appropriate using existing budgeted resources. Local revenues are not affected.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: In conducting the study, MDOT must:

- identify the start and end point for the bus route, including potential bus stops between the two;
- estimate the total ridership for the bus route, including the ridership at each potential bus stop;
- conduct a cost-benefit analysis on establishing all-day service versus rush-hour-only service;
- identify related infrastructure needs, capital costs, and operating costs, as specified; and
- consult with specified local government entities, the Washington Metropolitan Area Transit Authority, public transit advocates, representatives from the local business community, residents of Frederick and Montgomery counties, and the Commonwealth of Virginia.

Current Law/Background:

Maryland Transit Administration

The Maryland Transit Administration (MTA) is a modal unit within MDOT, and it operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services such as the light rail, Baltimore Metro subway, commuter buses, Maryland Area Regional Commuter trains, and mobility/paratransit vehicles. With the exception of the District of Columbia Metrorail system, MDOT and MTA are generally the agencies responsible for the construction and operation of transit lines in the State.

Traffic Relief Plan

In September 2017, the Governor announced plans to add four new lanes to I-270 in Montgomery County, the Capital Beltway (I-495), and the Baltimore-Washington Parkway (MD 295), with the first two projects expected to be completed using public-private partnerships (P3s). In June 2019, the Board of Public Works (BPW) voted to designate the I-270 and I-495 projects as eligible for a P3 and approved the proposed competitive solicitation method for selecting a developer for each phase of the program. On

January 8, 2020, BPW approved the plan with amendments – the preliminary solicitation schedule for Phase 1 anticipates execution of the P3 agreement in May 2021.

The Consolidated Transportation Program (CTP) for fiscal 2020 through 2025 includes \$95.8 million to continue planning for the new lanes on I-270 and I-495. MDOT advises that one of the goals of the I-270 and I-495 project is that there will be no net cost to the State. To that end, MDOT advises that, in time, it will be repaid for these and other project development costs by the P3 partners. The CTP also includes \$25,000 for planning of the MD 295 project.

State Expenditures: TTF expenditures increase by \$128,445 in fiscal 2021, which reflects the bill’s July 1, 2020 effective date. This estimate reflects the cost of hiring (1) a consultant to assist MTA with the study and analysis and (2) one part-time contractual project manager to handle the extensive coordination activities required by the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	0.5
Salary and Fringe Benefits	\$23,237
Consultant Costs	100,000
Operating Expenses	<u>5,208</u>
Total FY 2021 State Expenditures	\$128,445

Fiscal 2022 expenditures are estimated to total \$60,813. This estimate accounts for six additional months (from July 1, 2021 through January 1, 2022) of costs related to the consultant and the contractual employee to complete the required study and respond to any follow-up once the report has been submitted.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 548 (Senator Young, *et al.*) - Finance.

Information Source(s): Maryland Department of Transportation; Montgomery County; Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2020
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Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510