

Department of Legislative Services  
Maryland General Assembly  
2022 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 632

(Delegate Rosenberg, *et al.*)

Appropriations and Environment and  
Transportation

Budget and Taxation and Finance

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**Baltimore East–West Corridor – Transit Study – Requirements**

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This bill establishes project planning requirements, contingent on the receipt of federal funds, for the Maryland Department of Transportation (MDOT) for the “Red Line” and the Maryland Area Regional Commuter (MARC) rail extension to the Johns Hopkins Medical Center. For fiscal 2024 through 2027, the Governor must include in the annual budget bill an appropriation from the Transportation Trust Fund (TTF) of at least \$5.0 million, contingent on the receipt of federal funds to be used to provide matching funds needed to conduct an environmental impact study under the National Environmental Policy Act (NEPA) for the two projects. Also, for fiscal 2024 and each fiscal year thereafter, and contingent on the receipt of federal matching funds, the Governor must include in the annual budget bill an appropriation from TTF of \$200,000 to the Baltimore City Mayor’s Office of Employment Development for Workforce Development and Small, Minority, and Women-Owned Business Development. The bill also repeals obsolete requirements related to the State’s former Red Line project. **The bill takes effect July 1, 2022.**

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**Fiscal Summary**

**State Effect:** Because MDOT’s capital program is fully subscribed, overall TTF expenditures are not affected. However, over the five-year period addressed by this fiscal and policy note, assuming the State receives federal funds as specified, the bill requires MDOT to redirect a total of \$7.3 million from FY 2024 through 2027. It is assumed that federal fund revenues (and corresponding expenditures) increase correspondingly. Otherwise, State revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2024.**

**Local Effect:** Assuming federal matching funds are provided, Baltimore City revenues and expenditures increase by \$400,000 annually beginning in FY 2024 as the city receives and spends the additional funding.

**Small Business Effect:** Minimal.

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## Analysis

### Bill Summary:

#### *Project Planning and Other Requirements*

Contingent on the receipt of federal funds, MDOT must promptly (1) undertake all steps necessary to complete planning, preliminary engineering, and the NEPA process and secure a record of decision for the Red Line, as defined by the bill, and for a MARC rail extension to the Johns Hopkins Medical Center and (2) prepare a plan for the funding and financing of the construction and operation of those projects.

“Red Line” means a rail transit facility using one or more vehicles operating in tandem on a fixed rail in a combination of at-grade, elevated, and underground configurations through Baltimore City and Baltimore County along a generally east to west alignment between the terminus of Security Boulevard on the west and the Johns Hopkins Bayview Medical Center on the east, connecting as appropriate to other fixed-route transit services.

In planning the two projects, MDOT must (1) seek to avoid any residential displacement; (2) study the economic and employment impacts of constructing and operating the projects; (3) consider measures to protect and enhance the physical and economic well-being of the residents of the study area; and (4) make its findings publicly available. MDOT must also give due consideration to previously completed engineering and environmental studies.

In conducting the Red Line transit project, the Maryland Transit Administration (MTA) may not acquire any real property for planning, construction, operation, or maintenance of the Red Line if the acquisition would result in involuntary residential displacement.

It is the intent of the General Assembly that, unless it causes undue delay, the activities required by the bill include extending the Red Line to the east from the Johns Hopkins Bayview Medical Center into Baltimore County.

It is the intent of the General Assembly that MTA, in cooperation with the local governments in the Baltimore metropolitan area and appropriate State agencies, develop

and implement workforce development strategies that maximize participation by residents in the east-west corridor in jobs created by and for east-west corridor transit projects.

It is the intent of the General Assembly that MDOT coordinate any existing study of the Baltimore East-West Corridor with the activities required by the bill in a manner that maximizes State resources and avoids unnecessary steps or duplication of efforts.

### *Funding Requirements and Considerations*

For fiscal 2024 through 2027, the Governor must include in the annual budget bill an appropriation from TTF of at least \$5.0 million, contingent on the receipt of federal funds to be used to provide matching funds needed to conduct an environmental impact study under NEPA for the two projects addressed by the bill. However, the appropriation may be reduced by the amount of the total authorized in the prior fiscal year to conduct the environmental impact study.

In addition, contingent on the receipt of federal funds to be used to provide matching funds, for fiscal 2024 and each fiscal year thereafter, the Governor must include in the annual budget bill an appropriation from TTF of \$200,000 to the Baltimore City Mayor's Office of Employment Development for Workforce Development and Small, Minority, and Women-Owned Business Development. It is the intent of the General Assembly that the funds appropriated to the Baltimore City Mayor's Office of Employment Development shall supplement, and not supplant, funds otherwise available for the office.

It is the intent of the General Assembly that the Maryland Congressional Delegation be requested to advocate changes in federal law and policy that will (1) increase the level of federal funding for and formula participation in New Starts transit projects to a level consistent with other surface transportation investments and (2) reduce biases in the federal New Starts funding formula against the northeastern and industrial regions of the United States that have small public rights-of-way and higher utility relocation and environmental hazard mitigation costs.

**Current Law:** 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, MARC trains, and mobility/paratransit vehicles. Except for the District of Columbia transit system, MDOT and MTA are generally the agencies responsible for the construction and operation of transit lines in the State.

For major transportation projects, such as the projects addressed in the bill, NEPA requires a range of alternatives to be considered and the environmental impacts of each alternative to be analyzed. This environmental impact statement is required prior to the commitment

of federal funds to any major project or prior to any action taken by a federal agency that might cause a significant impact on the environment. Some of the basic steps in this process include a public scoping process, data collection, analysis of policy alternatives, and preparation of draft and final documents. The process involves numerous federal, state, and local partners.

**State Fiscal Effect:** The bill’s mandated appropriations do not increase total TTF expenditures; MDOT’s capital program is fully subscribed through fiscal 2027. Therefore, assuming federal funds are provided to meet the specified contingencies, the bill’s mandated appropriations (for Baltimore City and for the two projects, assuming the bill’s contingency regarding the receipt of federal funds is met) require State funding to be redirected from other existing projects.

Specifically, the bill mandates \$5.2 million each year (\$5.0 million for the NEPA studies and \$200,000 for Baltimore City) from fiscal 2024 through 2027 and \$200,000 annually thereafter (for Baltimore City). However, the Consolidated Transportation Program for fiscal 2022 through 2027 already includes \$3.5 million in annual funding for both fiscal 2024 and 2025 to conduct regional transit plan studies for the Baltimore east-west corridor. In addition, the bill authorizes the mandated appropriation to be reduced by the amount of the total authorized in the prior fiscal year to conduct the environmental impact study. Accordingly, assuming the State receives federal funds and the bill’s mandated appropriations are triggered, MDOT must redirect \$1.7 million in fiscal 2024, \$200,000 in fiscal 2025, \$5.2 million in fiscal 2026, and \$200,000 in fiscal 2027, as shown in **Exhibit 1**.

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**Exhibit 1**  
**Redirection of Capital Funding Required by the Bill**  
**Fiscal 2024-2027**  
**(\$ in Millions)**

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Planning Studies	\$1.5	\$0.0	\$5.0	\$0.0
Baltimore City Grant	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>
<b>Total</b>	<b>\$1.7</b>	<b>\$0.2</b>	<b>\$5.2</b>	<b>\$0.2</b>

Source: Department of Legislative Services

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Federal fund revenues (and corresponding expenditures) for MDOT are assumed to increase correspondingly in each year.

**Local Fiscal Effect:** Contingent on the receipt of federal funds to be used to provide matching funds, the bill requires the Governor to include in the annual budget bill an

appropriation from TTF of \$200,000 to the Baltimore City Mayor's Office of Employment Development for Workforce Development and Small, Minority, and Women-Owned Business Development. Thus, assuming federal matching funds are provided, Baltimore City revenues and expenditures increase by \$400,000 annually as the additional State and federal funding is provided beginning in fiscal 2024.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Transportation; Department of Budget and Management; Maryland Department of the Environment; Maryland Department of Labor; Baltimore County; Department of Legislative Services

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