



Transportation Funding 101

What is it?, Why it matters?, & How you can help.



MARYLAND
ESTD ASPHALT 1954
ASSOCIATION

February 2026

Maryland's Portfolio



General Funds (~50%) – State \$.

- Income tax, sales tax, and other broad-based taxes.



Federal Funds (~30%) – Federal \$.

- Grants and federal aid – healthcare, security & transportation.



Special Funds (~20%) – State \$.

- Lottery & casino – education & transportation – motor fuel.



Rainy Day Fund.

- 8% of General Fund.

\$64.89 Billion 2027 ▼ Governor's Allowance

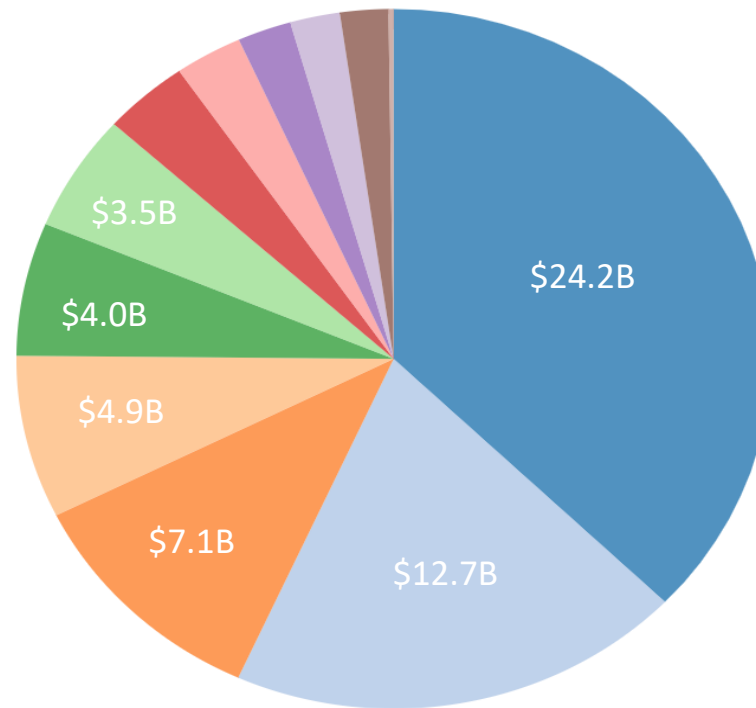


[Where's it Going?](#) [How's it Funded?](#)

● **Operating Budget broken down by Category** ▼

[← Back](#)

- Health
- Elementary and Secondary Education
- Transportation
- Human Services
- Public Safety
- Higher Education
- Other
- Natural Resources and Environment
- Public Debt
- Government Services
- Legislative, Judicial, Legal
- Reserve Fund



MD Transportation Trust Fund



Federal Funds.

- Grants and motor fuel tax.



Special Funds.

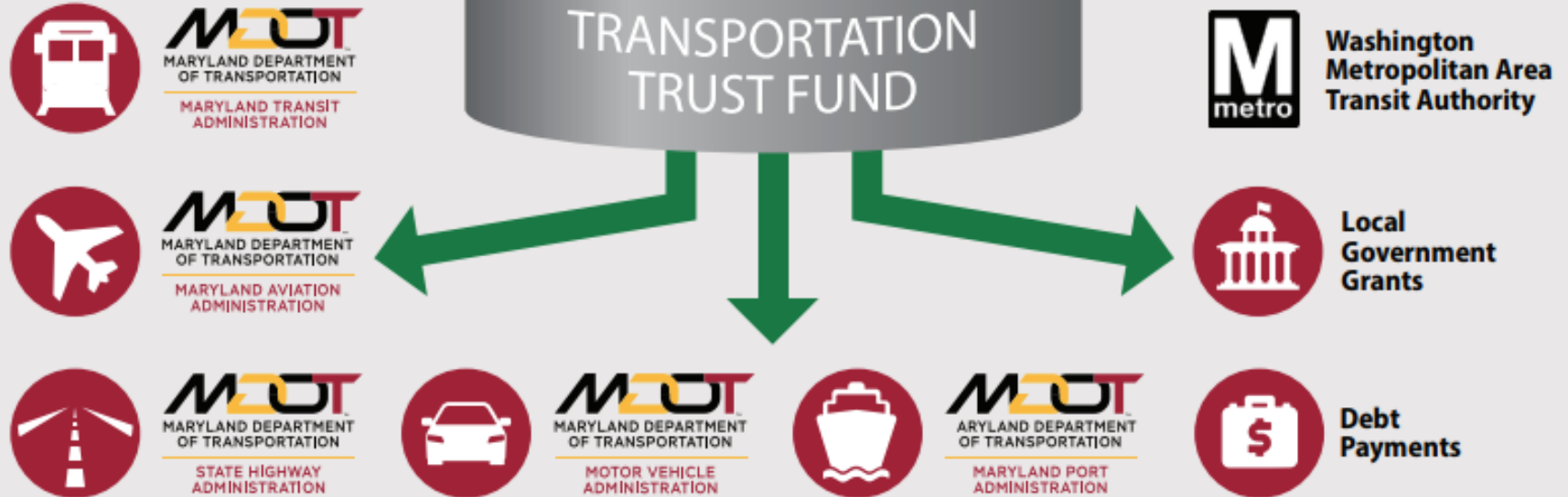
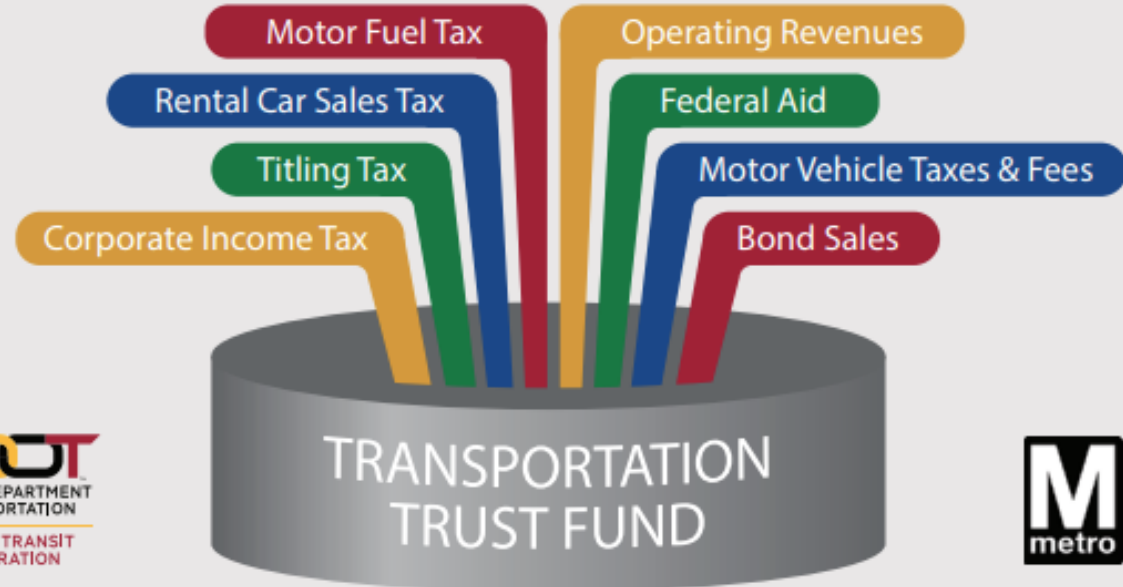
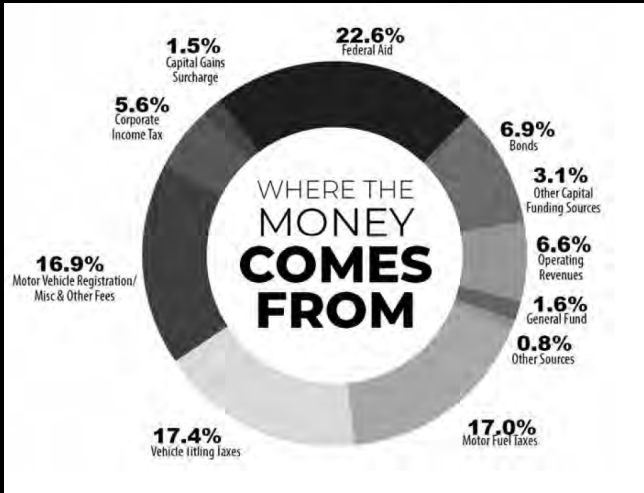
- Multiple state sources – motor fuel tax.



Other.

- Local contributions.

Transportation Trust Fund



Motor Fuel Tax



Fed Tax

\$0.184

Has not changed since 1993
(Value Meal).

State
Tax

\$0.461

CPI driven, changed in 2024.

Cost/
Profit

\$2.354

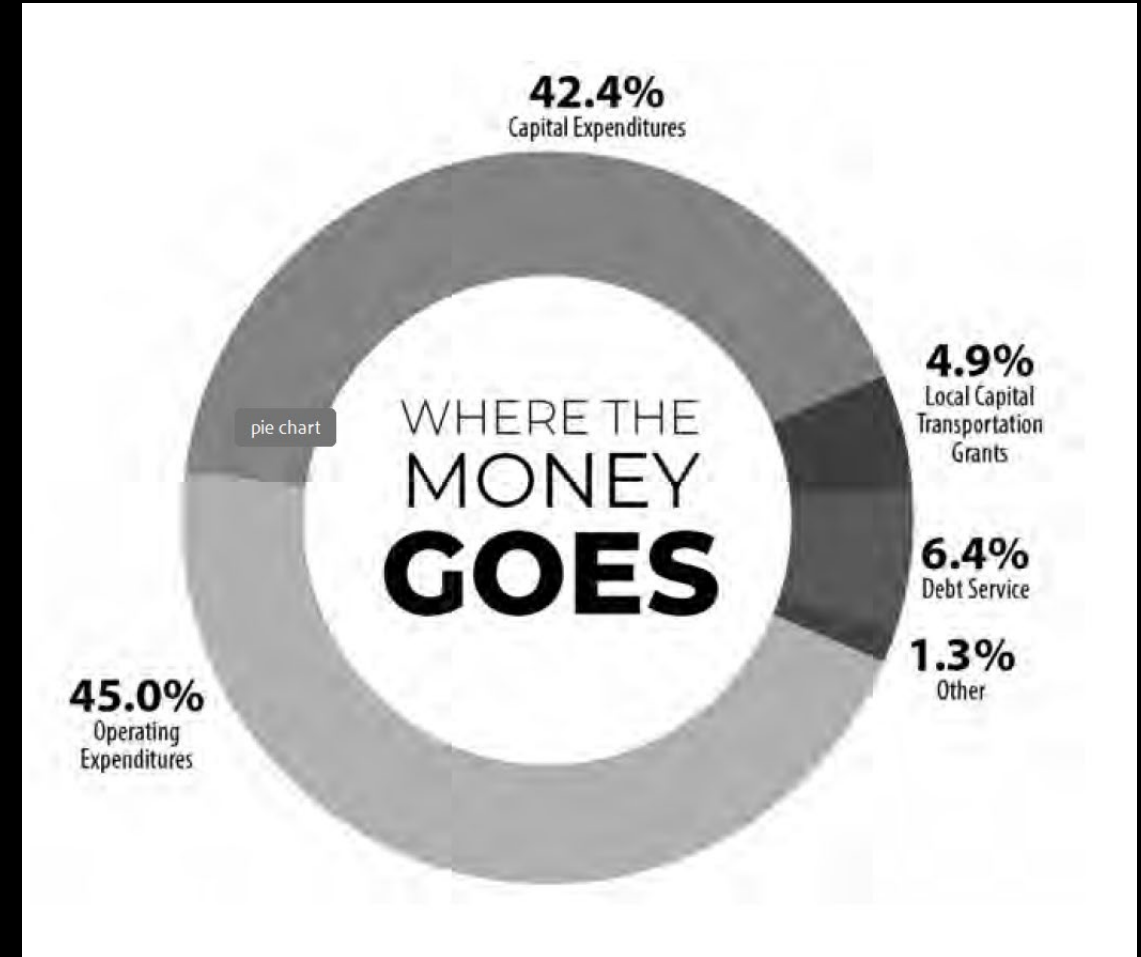
**February 2026 – Fuel in MD is
\$2.99/gallon**

Improvements in fuel efficient
vehicles and move to alternate
energy are influencing how much
fuel is consumed each year.



Transportation Trust Fund

- Capital Expenditures.
 - New facilities/assets.
 - System preservation.
 - Safety & capacity improvements.
- Operating Expenditures.
 - All transit/mode operations.
 - Snow operations.
 - Reactive maintenance.
 - Equipment.
- Grand Total - \$46.8B





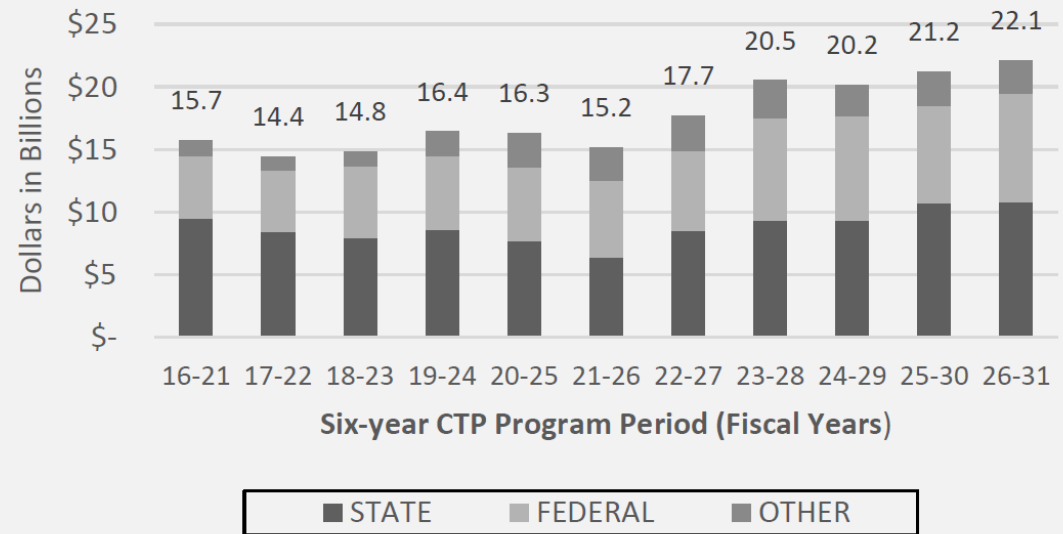
Consolidated Transportation Program (CTP)

MDOT MARYLAND DEPARTMENT OF TRANSPORTATION

MARYLAND CONSOLIDATED TRANSPORTATION PROGRAM



Maryland Department of Transportation TOTAL CAPITAL PROGRAM LEVELS



https://mdot.maryland.gov/OPCP/CTP_2026/FY26_FY31_CTP_Full_Report_Regular_Resolution_for_viewing.pdf

FY 2026 – FY 2031
2026 State Report on Transportation

Wes Moore Governor Aruna Miller Lt. Governor Kathryn Thomson Acting Secretary

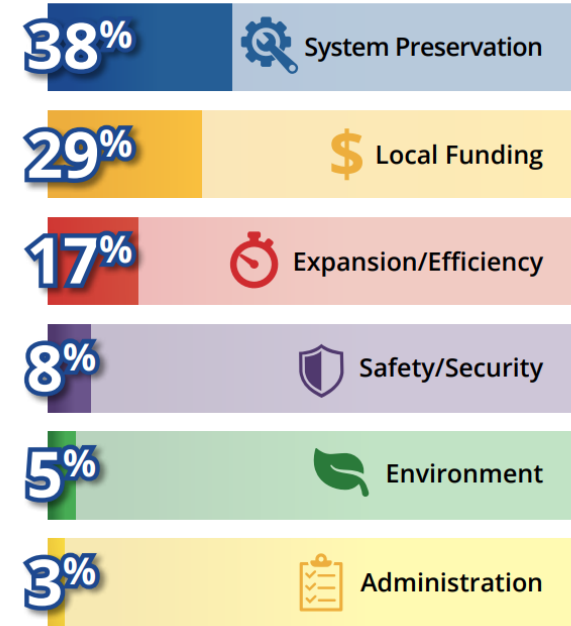


Planned Capital Expenditures

FINAL FY 2026 - FY 2031 CTP SUMMARY ***					
(\$ Millions)					
MODAL ADMINISTRATIONS	STATE FUNDS	FEDERAL AID	OTHER*	TOTAL	PERCENT OF TOTAL
TSO	252.7	39.6	0.7	293.0	1.3%
MVA	104.1	-	-	104.1	0.5%
MAA **	334.3	255.3	368.3	957.9	4.3%
MPA	1,260.5	286.4	126.8	1,673.7	7.6%
MTA	3,022.6	2,251.1	414.4	5,688.0	25.7%
WMATA	1,848.6	-	1,394.6	3,243.2	14.7%
SHA	1,747.5	5,811.6	290.0	7,849.1	35.5%
HUR	2,297.1	-	-	2,297.1	10.4%
Totals	10,867.5	8,644.0	2,594.7	22,106.2	100.0%

Notes: MDTA excluded and totals \$8.44 billion over the 6-year CTP period
 Figures may not sum perfectly due to rounding.

Percentage of MDOT Capital Program by Investment Area



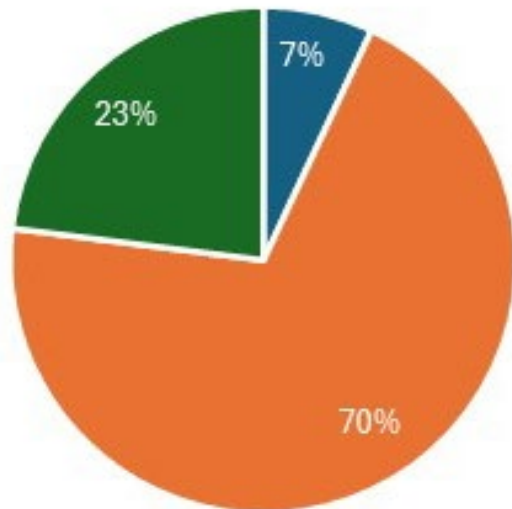
Highway User Revenue (HUR)

- County & Municipality funding.

CTP (Over 6-yrs)

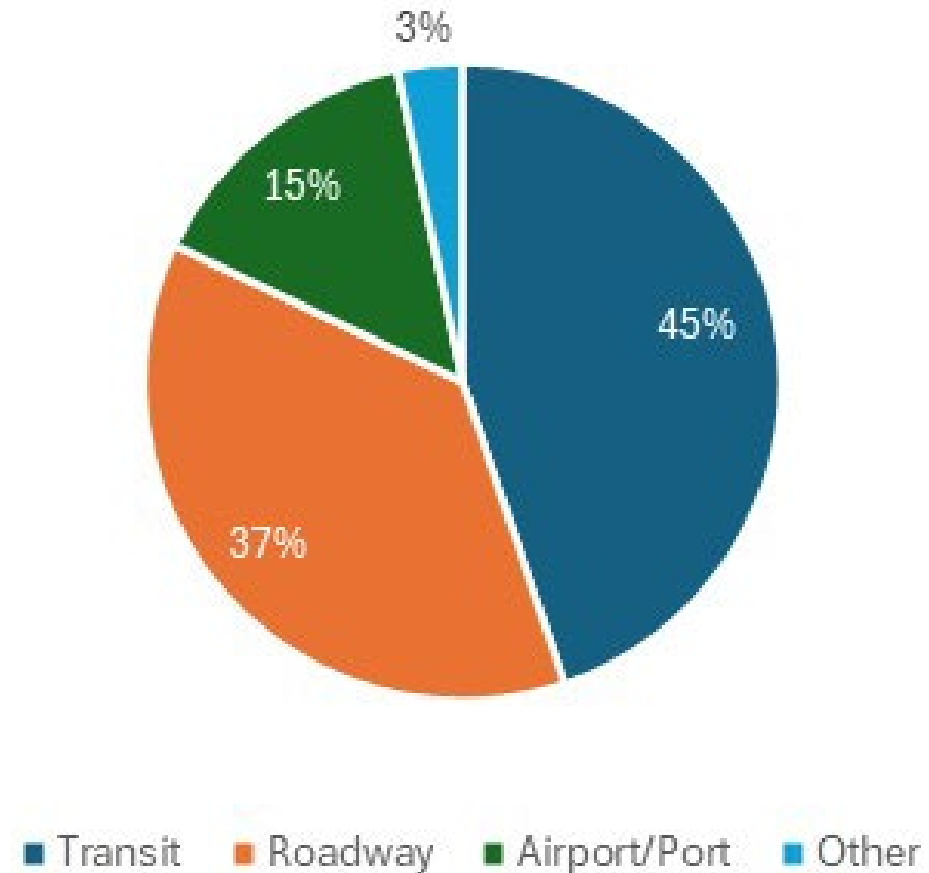


MDOT - State \$ Income



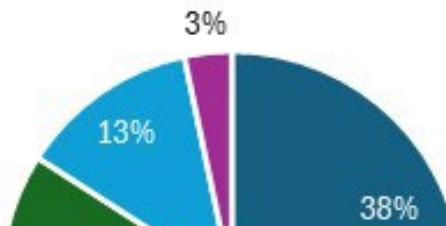
■ Operating Revenues ■ Vehicle Based ■ Bonds, Corporate Taxes, Transfers, Other

MDOT - State \$ Expenditures

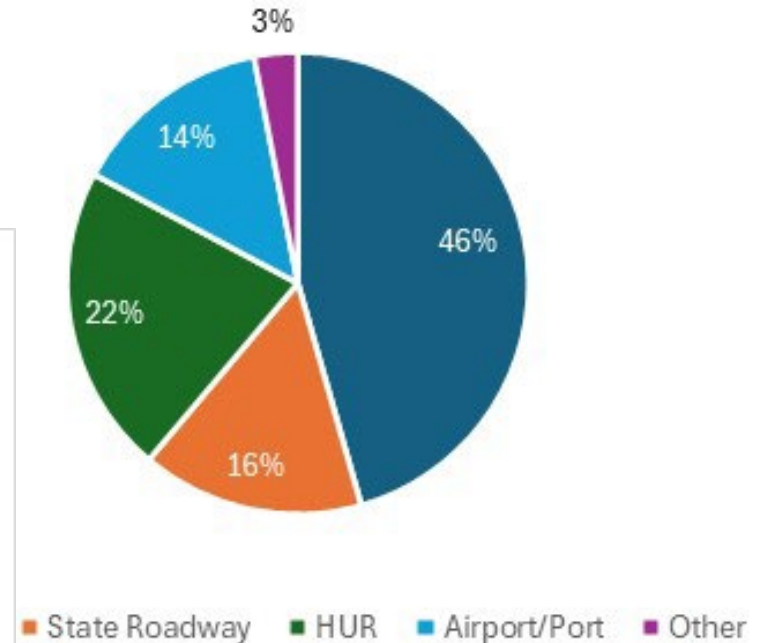


CTP (Year by Year)

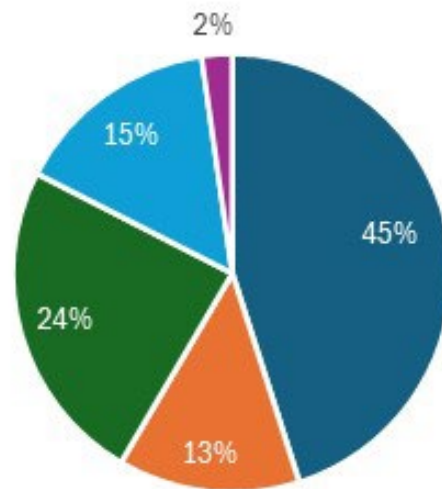
% of State Funding - FY 2021



% of State Funding - FY 2026



% of State Funding - FY 2025+ Original CTP



Legend: Transit (dark blue), State Roadway (orange), HUR (green), Airport/Port (light blue), Other (purple)

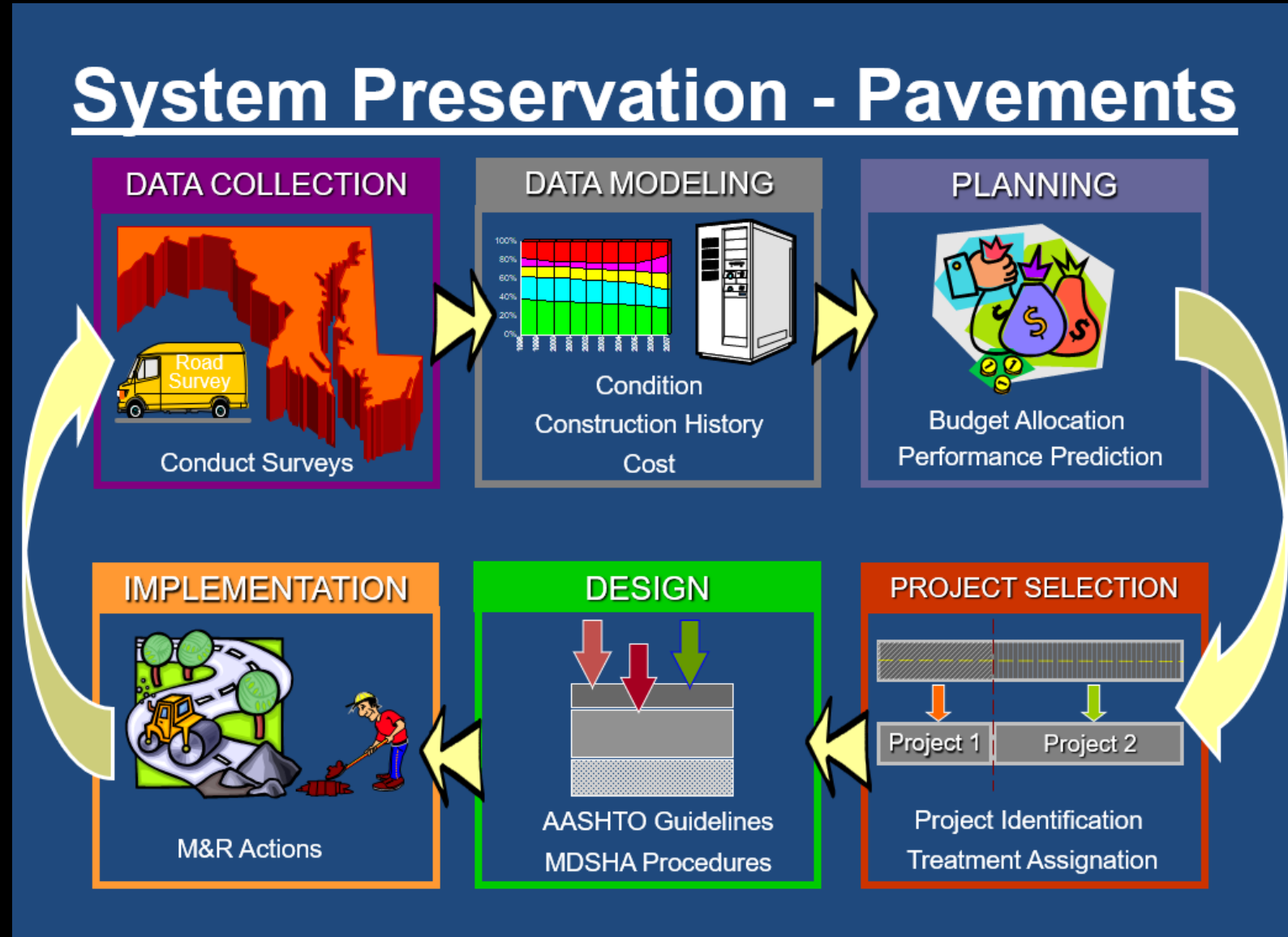
Asset Management 101

- MD State Roadways.
 - 18k lane miles; 25% of the lane-miles in MD.
 - Carrying 75% of the vehicle miles travelled (VMT).
 - Larger-higher volume roadways.
- County & Municipality Roadways.
 - 55k lane miles; 75% of the lane-miles in MD.
 - Carrying about 25% of the VMT.
 - Smaller volume roadways; last mile home.
 - HUR funding goes towards this system (+ more).



Asset Management 101

- From <2004.
- SHA knows \$400M/year is needed to maintain state roads.



Minor Program Summary By Fiscal Year (\$ MILLIONS)

The following provides a summary breakdown of the Minor Program funding levels for FY 2026 through FY 2031. Anticipated projects for FY 2026 and FY 2027 within these totals are listed in the project detail section of this document.

PROGRAM NAME	CURRENT	BUDGET	Planning Ye	
	YEAR	YEAR	2028	2029
	2026	2027		

MOTOR VEHICLE ADMINISTRATION (cont'd)

UNFUNDED STATE OF GOOD REPAIR BACKLOG LOWER IS BETTER ↓

	FY 2023	FY 2024
Unfunded State of Good Repair Backlog	\$2.2 billion*	\$3.8 billion

TARGET: NONE

* This data has been revised from the last report due to a methodology change.

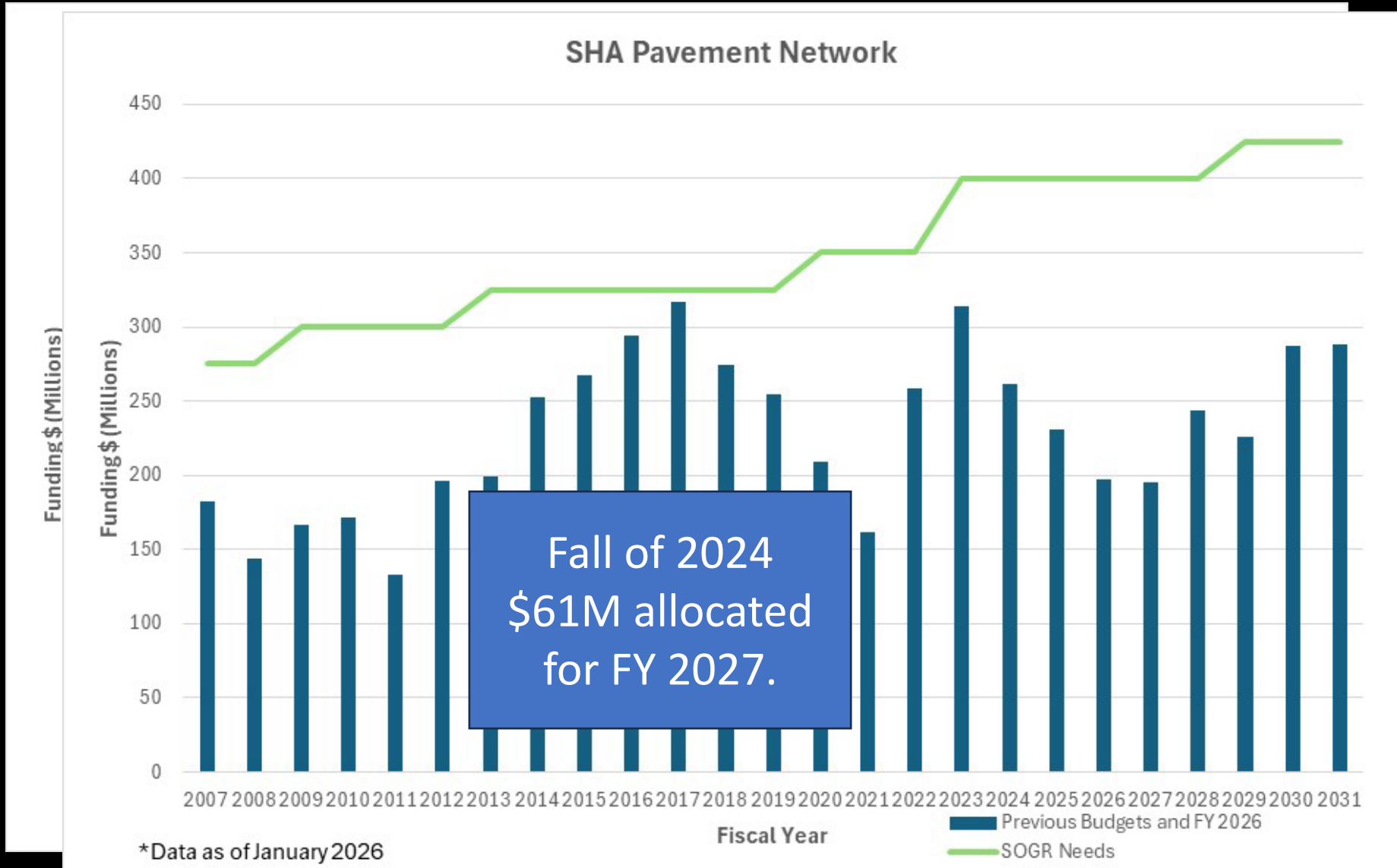


What Is the Trend?

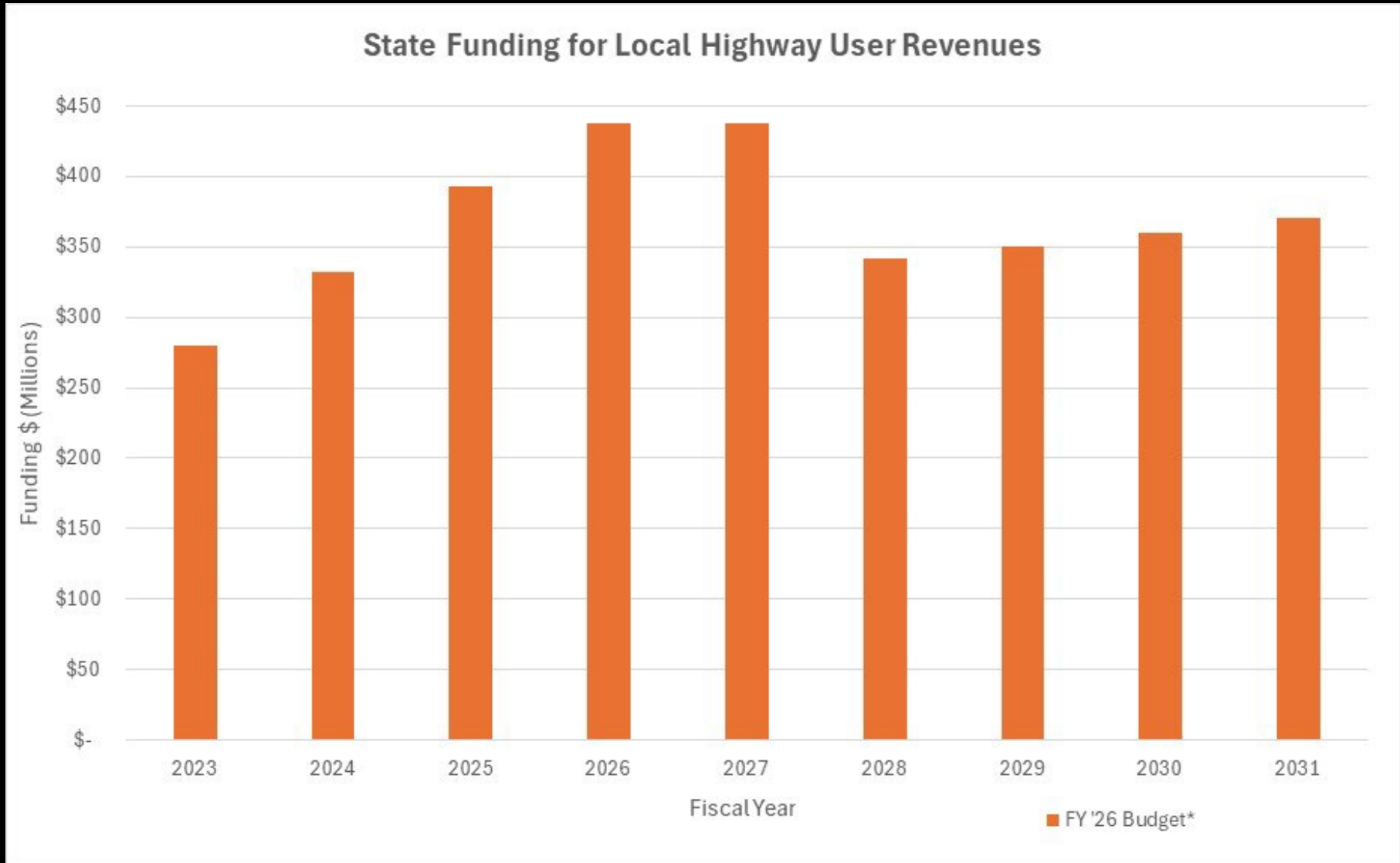
- It is expected that the percentage of pavements in “Acceptable” condition will decline from 91% in 2023 to 82% after 2027, with the Remaining Service Life deteriorating from 17 years to 15 years.
- Since the percentage of “Poor” pavements is expected to double due to potential budget shortfalls, it likely will cost exponentially more to restore pavements to a state of good repair as a result of more pavements needing costly reconstruction.

Neighborhood Conservation	0.1	4.0	0.1	0.0	0.0	4.1	0.0
Quick Response	22.9	28.7	35.8	31.8	31.0	28.2	178.4
Resurfacing And Rehabilitation	197.6	195.3	243.9	226.1	287.4	288.6	1,438.9

Pavement Preservation Funding



HUR – Counties/Cities





CTP – State \$ Unfiltered

January 2026 - FY 2026-2031 CTP					
Transportation Mode	State \$ Allocation in FY'26 CTP (millions)	Federal \$ Allocation in FY'26 CTP (millions)	Total \$ Allocation in FY'26 CTP (millions)	% of Budget with State Funds	% of State Funds
MTA	\$3,022.6	\$2,251.1	\$5,688.0	53%	28%
WMATA	\$1,848.6	\$0.0	\$3,243.2	57%	17%
HUR	\$2,297.1	\$0.0	\$2,297.1	100%	21%
Aviation & Port	\$1,594.8	\$541.7	\$2,631.6	61%	15%
TSO & MVA	\$356.8	\$39.6	\$397.1	90%	3%
SHA	\$1,747.5	\$5,811.6	\$7,849.1	22%	16%
Total	\$10,867.4	\$8,644.0	\$22,106.1	49%	100%

- Distribution of state dollars.
 - Compared to income of state \$ by mode.
- Leveraging federal funding opportunities.
 - 4-4-1 Formula for success MD roadways.

Project Development & Delivery

- Capacity/Safety/Green Initiatives.
 - Adding assets or facilities.
- System Preservation.
 - Maintaining existing assets in a state of good repair.
- Operating Funding.
 - Overhead to keep facilities functional.
 - Must be considered when building new.

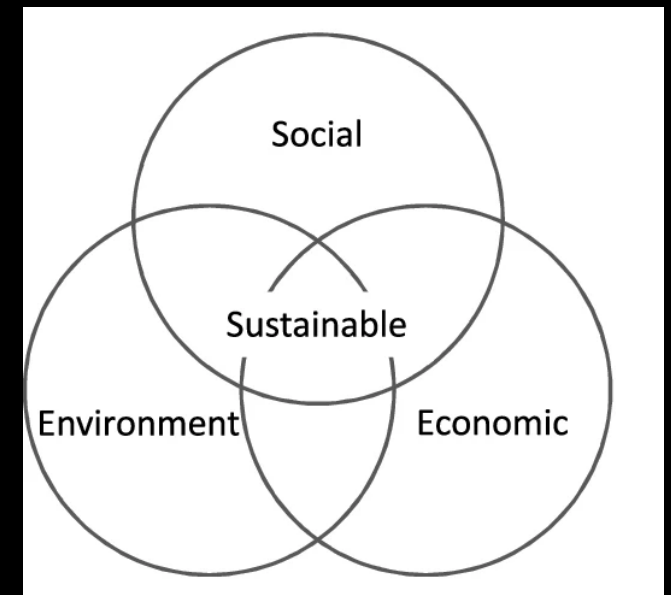


Project Delivery – Accounting Gymnastics

- State Funding - checking account.
- Federal Funding (Formula) – rebate/expense check system.
 - Not all project scopes are eligible.
 - Need agreed upon process ahead of time (pavement management system).
 - Requires proper documentation and proof of process completion.
 - Typically, an 80/20 match; meaning for every \$1 state - \$4 federal is possible.
- Federal Funding Grants – competition & scoring.
 - Requires larger state contribution than formula.
 - Sometimes unknown and subjective ratings.

Project Delivery & Operations

- Typical Initial Construction Costs.
 - \$1-\$5M/lane-mile for roadways.
 - \$100-\$500M/rail-mile for railways. <https://projectdelivery.enotrans.org/international/>
- Typical Operating Costs.
 - \$25-\$35k/Lane-mile for roadways.
 - \$1-\$2M/rail-mile for railways (Baltimore light rail).
 - Purpleline (\$200M/year – concessionaire for 16 miles).
<https://reason.org/highway-report/27th-annual-highway-report/maintenance-disbursements-ratio/>
- True Sustainability.
 - Environment, Social & Economics.



Future Funding Models

- Current models rely on fuel tax and vehicle fees.
 - Structurally inadequate & flawed long term (both federal & state).
 - Rail & bus transit unable to fund themselves without non-user revenue.
- New Perspective for All Transportation Modes.
 - Rental properties paid by users & maintained by owners.
 - Costs are covered by fees & taxes from users.
- Develop a New Funding Model.
 - Self sufficient and contributed by the users of each mode.
 - Mileage based user fees (MBUF).
 - Regional transportation authorities.
 - Separate system preservation & safety funding from capacity.



How Can You Help?

- Become Better Informed.
- Speak Up to Your Elected Officials.
 - Follow legislation MAA highlights.
- Share Your Knowledge with Others.
 - Share facts with friends, family and co-workers.
- Contribute to MAA Efforts.
 - Social media outreach.
 - Contribute to MAAPAC (Political Action Committee)





**4-4-1: A FORMULA
FOR BETTER MARYLAND ROADS**

A photograph of a winding asphalt road through a green, wooded area. The road has a yellow center line and a guardrail on the right side. The text is overlaid on the bottom half of the image.

Closing - Questions

The advantages of working as a civil engineer

-  A lot of money
-  Psychological comfort
-  Good reputation

