



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Office of Transportation

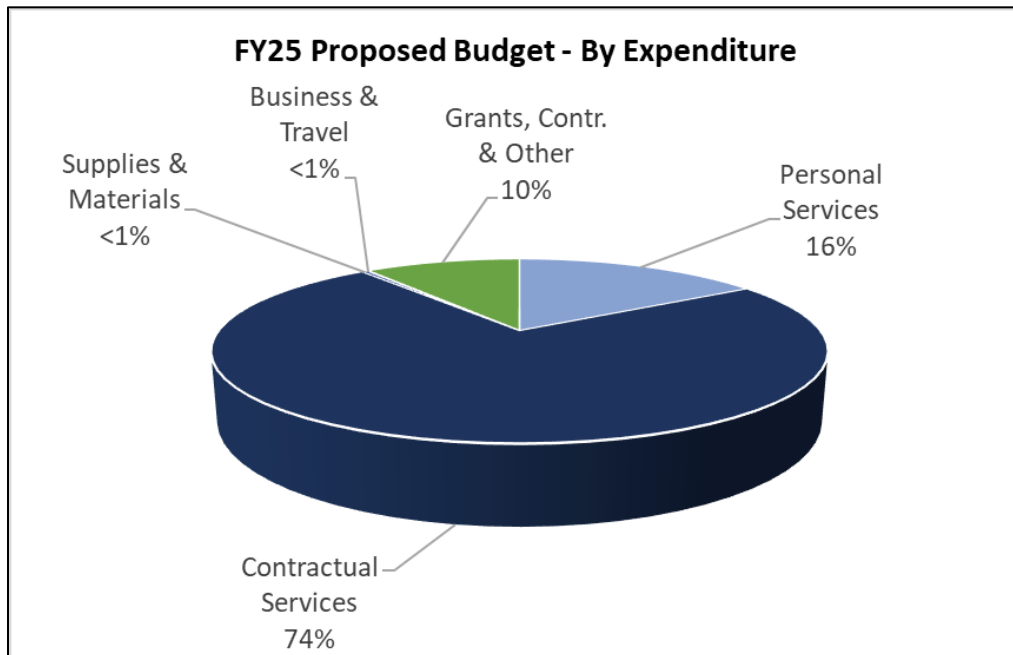
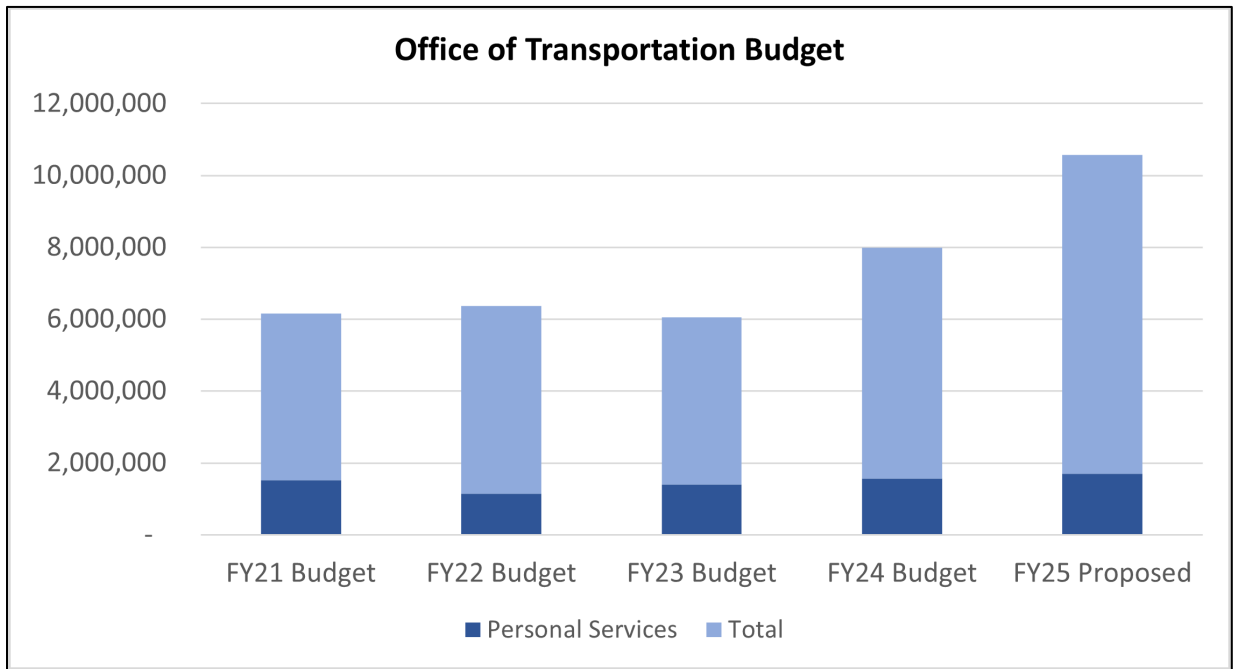
Report Date: May 20, 2024  
Hearing Date: May 21, 2024

<b>Questions Sent to the Agency:</b>	<b>May 1, 2024; May 16, 2024</b>
<b>Responses Received from the Agency:</b>	<b>May 7, 2024; May 17, 2024</b>

**This analysis considers all agency responses.**

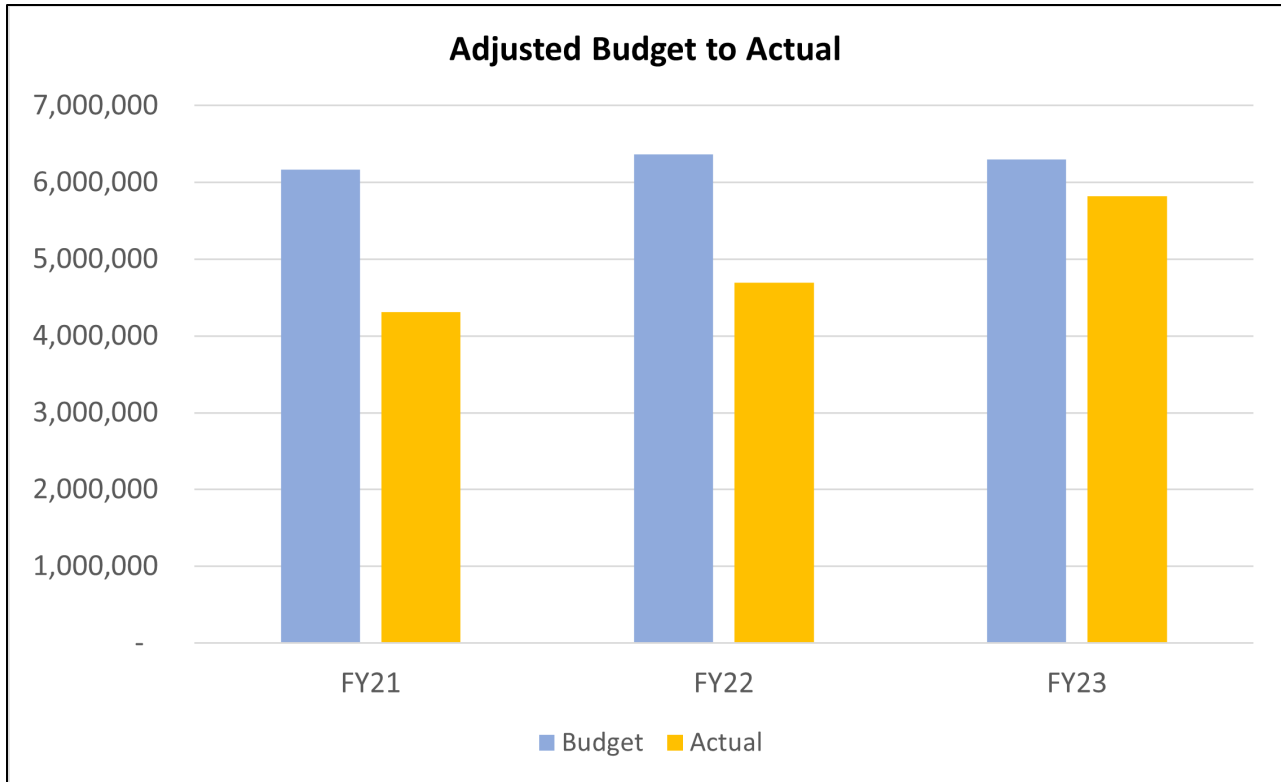
## Office of Transportation

### Operating Budget Summary



Note: Chart data is provided in Appendix

Analysis of the FY25 Proposed Current Expense Budget



Note: Chart data is provided in Appendix. Adjusted budget includes supplemental appropriation of \$252,400 in FY23 and, therefore, does not match the Original Budget used in Chart 1.

### Proposed Budget Change

<b>FY24 Budget</b>	<b>\$7,988,400</b>
<b>FY25 Proposed Budget</b>	<b>\$10,574,200</b>

<b>Where It Goes – Highlighted Changes</b>	<b>Change</b>
Personnel - pay package (cost of living and step/merit increase)	91,100
Insurance - due to increases in vehicle purchase and repair costs as well as impact of distracted driving	146,800
Contract costs increase for fixed and paratransit transit services due to federal grant ending	2,028,200
New rider facing app that connects riders with drivers	64,900
Vehicle maintenance cost increases due to adding 6 vehicles to the Office’s fleet to serve as spares if other vehicles require maintenance	273,000
Vehicle fleet operating cost increase adjustment	252,700
Less County grant match funding required due to fewer grants	(281,900)

## Personnel Data

<b>Full-Time Equivalent Positions as of April 10, 2024</b>					
<b>Positions</b>	<b>FY22 Actual</b>	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Proposed</b>	<b>FY24 v. FY25</b>
General Fund	7	10	10	10	0
Filled	7	8	10		
Vacant	0	2	0		

- **No new positions or reclassifications are proposed.**

## Key Observations and Recommendations

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1. **New Transportation Network Service Assessment Fee Revenue** – Bill 39-23 established a transportation network service assessment of \$0.25 per trip originating in the County, excluding those originating in the City of Annapolis. This fee took effect January 1, 2024, and the Office of Transportation’s FY25 Proposed Current Expense Budget reflects \$500,000 in anticipated revenue from this new fee to support transportation operations.
2. **Change in Calculation Assumptions – Transit Services Agreement** – The FY25 Proposed Current Expense Budget provides \$5,088,600, a \$2,028,200 (66%) increase, for the County’s bus transportation service contract. In prior years, the Office of Transportation used Coronavirus Aid, Relief, and Economic Security Act (GTR10002-Covid-19 Transportation) funding to offset these costs, including \$1,837,900 in FY22, \$2,598,600 in FY23, and an estimated \$307,000 in FY24.

The FY25 Proposed Current Expense Budget makes several assumptions about the bus service contract costs, including no federal grant funding will be available, a 3% contract rate increase will be approved for January-June 2025, and that the highest monthly payment in the first-half of FY24 should be used to estimate costs. **We recommend a \$215,000 reduction to reflect a 2.2% rate increase starting January 2025, consistent with this year, and use of the average monthly contract cost to estimate costs.**

## Appendix: Chart Data

### Office of Transportation Budget

	<b>FY21 Budget</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>FY24 Budget</b>	<b>FY25 Proposed</b>
Personal Services	1,514,800	1,139,800	1,406,600	1,571,400	1,696,400
Contractual Services	4,223,200	4,444,200	3,624,300	5,020,900	7,762,900
Supplies & Materials	16,700	16,700	15,100	37,600	38,200
Business & Travel	10,900	10,900	10,900	10,900	11,000
Capital Outlay	-	-	-	-	-
Grants, Contr. & Other	400,100	754,500	992,400	1,347,600	1,065,700
<b>Total</b>	<b>6,165,700</b>	<b>6,366,100</b>	<b>6,049,300</b>	<b>7,988,400</b>	<b>10,574,200</b>

### FY25 Proposed Budget - By Expenditure

<b>Object</b>	<b>FY25 Proposed</b>
Personal Services	1,696,400
Contractual Services	7,762,900
Supplies & Materials	38,200
Business & Travel	11,000
Grants, Contr. & Other	1,065,700
<b>Total</b>	<b>10,574,200</b>

### FY21-FY23 Adjusted Budget\* to Actual

	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
<b>Budget</b>	6,165,700	6,366,100	6,301,700
<b>Actual</b>	4,314,648	4,696,392	5,819,525

\*Adjusted Budget includes supplemental appropriations of \$252,400 for FY23 and, therefore, does not match the Original Budget used in Chart 1.