Baltimore Regional Transit Governance and Funding Study

Technical Memorandum #4
Peer Review

April 2021

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Table of Contents

EXECUTIVE SUMMARY

Overview

This technical memorandum is a review of the six peer agencies shown below with the goal of establishing a baseline understanding of governance and funding models and develop lessons learned and potential applications to the Baltimore region.

1. Charlotte Area Transit System (CATS);
2. Metro Transit St. Louis;
3. Salt Lake City / Utah Transit Authority (UTA);
4. Southeastern Pennsylvania Transportation Authority (SEPTA); and
5. SMART (Southeast Michigan)
6. Washington Metropolitan Area Transit Authority (WMATA)

The peer review also references the existing governance structure in use by the Maryland Department of Transportation for the Maryland Transit Association (MDOT MTA). The below table provides a brief overview and comparison of the reviewed peers and the MDOT MTA.

Figure 1 Peers Comparison

Agency	Governance Framework	Funding Framework
MDOT MTA: Baltimore Core Services	• Decision-making authority rests with MDOT MTA	• MDOT MTA is funded through combination of federal and state resources.
MDOT MTA: LOTS	• Decision-making authority at local level	• LOTS funded through combination of federal, state and local resources.
CATS	• Regional decision-making structure – tied to funding. • Successful to date, largely driven by Charlotte • Will need to adapt to meet the growing population that is expanding outside of Mecklenburg County	• Mecklenburg County sales tax is primary local funding source – additional sales tax is proposed to fund further expansion
Metro Transit St. Louis	• Governing body (BSD) has responsibilities beyond overseeing regional transit • Decision making largely with local jurisdictions	• State provides very little funding – leaving local jurisdictions to fund regional transit in Bi-State region
Salt Lake City (UTA)	• Governance at regional level with full-time salaried Board of Trustees • Local and state governments are committed to transit, enabling expansion of regional transit	• Local jurisdictions fund transit via property tax and some smaller funding sources • Salt Lake City provides additional funds to increase service beyond UTA funds
SEPTA	• Combination of state and local board representation • Consistent leadership provides for steady leadership and vision	• State provides roughly half of SEPTA's budget, including dedicated funding for operations • State capital funding will sunset in next year and resolution is unknown

Agency	Governance Framework	Funding Framework
SMART	• Board comprised of officials from counties comprising the service area • Board structure allows for direct access to county decision-makers – however, inter-county politics often play out in transit decisions • Each county holds an effective veto, thus decisions must be unanimous	• State provides funding support for operations, but largely leaves decision-making to locals • Local funding provided by counties – funding must be reapproved via ballot measure every 2-4 years • Need for continuous reapproval of funding makes long-term planning difficult and jeopardizes long-term viability of agency
WMATA	• Decision-making is shared among four partners (Washington DC, Federal Government, Maryland and Virginia) • Partners share decision-making equally	• Funding is shared by Washington DC, State of Maryland and Commonwealth of Virginia. • Capital funds shared equally among partners with annual commitment. • Operating funds (net operating deficit) assigned based on formula (population, ridership and number of rail stations or bus routes). MDOT MTA pays Maryland's share. Virginia's share is funded through a combination of state and local resources.

Themes Observed in Peer Agencies

The following key governance and funding themes were observed amongst the peer agencies:

Governance:

Figure 2 Key Governance and Funding Themes

Governance Themes
1. Finding the right role for State government in local and regional transit governance is key, with roles often shaped by history and state politics. Among the peers included in this analysis, state involvement in regional decision making was an important consideration, with four of the five peers having state representatives, appointed by the governor or state legislature, on transit governing bodies.
2. It is both important and challenging to balance representation and influence among partners, including the State, City, inner suburbs, and outlying areas. Balancing representation and influence should strive to balance regional representation and coordination.
3. Formal committees provide additional perspective and allow for greater stakeholder representation. Including stakeholders, such as public coalitions and partnerships with the neighboring communities and populations served, when making transit-oriented investment and policy decisions and developing the annual budget is key to ensuring buy-in throughout the decision-making process.
4. Transit board work best when they are comprised of individuals who are capable of fulfilling the agency's mission. Having board members who are well-connected to those in leadership positions from the appointing governments can help agencies achieve buy-in from local and/or state governing authorities. The example of UTA paying its full-time trustees provides an interesting case study for composing a board.
5. Governance and funding cannot be totally divorced. A county or municipality's influence on governance and resources is generally commensurate with the level of funding it provides. There is a general unwillingness to cross subsidize other jurisdictions.

Funding Themes
1. Federal, state, and local governments are important funding partners at each of the reviewed peers, especially local partners, which are a substantial contributor of transit funding at all other major metro area transit agencies in the U.S.
2. While State funding provides some benefits, such as consistency and predictability, transit funding is generally a lower priority than highway funding at the State level.
3. A dedicated local funding source, particularly one with no sunset clause, is best for long-range planning and system viability.
4. Codifying the allocation of locally raised funds in the form of an interlocal agreement can ensure that resources are directed in a consistent manner and not influenced by shifting politics.
5. For some peer agencies, there exists a culture in transit agencies whereby the funding provided by a stakeholder is proportional to the expected level of influence.

Figure 3 Application of Lessons Learned to Baltimore Region

Key Takeaways for the Baltimore Region

Consideration	Key Takeaway
Improve Coordination	There is a disconnect between MDOT MTA's existing governance model in terms of balancing representation between the state and local jurisdictions. The lack of local participation from counties and municipalities in the Baltimore Metro Region means there is limited coordination between transit service and local priorities.
Improve Service	Funding will make the greatest impact on service improvement – allowing for increased investment in existing assets and expansion to meet shifting demands. Additionally, better coordination across jurisdictions and within the region will improve regional service.
Regional Connections	Strong regional connections require commitment by the state, counties, and urban core to foster a healthy regional transit system. SEPTA and UTA provide case studies for a positive climate towards transit and maintaining strong regional connections.
Ensure Equitable Investment	Peer review case studies represent a general unwillingness to cross subsidize investment and services for other jurisdictions. Thoughtful and thorough interlocal agreement is needed to codify how resources will be allocated to meet needs and make the greatest impact.
Improve Consistency	Transit leadership is currently aligned with political leadership and its four-year election cycle. Large-scale capital improvements often have timelines that exceed the four-year election cycle, resulting in inconsistent management. Governance reforms should include board members with staggered terms to provide constancy in executing capital projects and improvements should elections result in a change of leadership.
Workforce Protections	Governance reforms should consider transit workforce protections to safeguard the existing workforce, many of whom are unionized. Honoring existing labor agreements and providing workforce job security and voice are essential to ensuring the support of frontline employees.
Multi-Modal Transit Coordination	A comprehensive, multimodal regional transit network can promote resilience, encourage active transportation, and improve sustainability. This is particularly relevant to greater Baltimore since MTA's ridership fell less drastically during the pandemic in comparison to peers.

INTRODUCTION

The Baltimore Regional Transit Governance and Funding Study will develop alternatives for the structure, organization, and funding of public transit in the Baltimore region. The study is being developed through an iterative process that involves collaboration among the Baltimore Regional Transit Board (BRTB) and regional stakeholders supported by research and analysis. The goal of the study is to develop four governance options that are based on an understanding of transit's historical development in the region, that are realistic about constraints and creative in providing opportunities for change.

This technical memorandum, the fourth in a series, leverages the inventory and research carried out in previous tasks to provide a comprehensive review of transit systems that are considered peers to the Baltimore region and its transit system.

Overview and Organization

The goal of this technical memorandum is to establish a baseline understanding of the governance models, funding models and mechanisms, and strategic priorities and considerations of peer agencies to gather observations and lessons learned that are applicable to BRTB and the greater Baltimore region. The memo is organized into three sections:

1. Review of Peer Agencies
2. Governance Themes in Peer Agencies
3. Funding Themes in Peer Agencies
4. Lessons Learned and Key Takeaways for BRTB

Additional details on the peer agencies gathered from desktop research and interviews is provided in the Appendix A.

Methodology

This technical memo was developed based on an analysis of the following five peer agencies: Charlotte Area Transit System (CATS), Metro Transit St. Louis, Salt Lake City / Utah Transit Authority, Southeastern Pennsylvania Transportation Authority (SEPTA), and SMART (Southeast Michigan). The peer agency review was conducted using a combination of desktop research and interviews with key stakeholders at the leadership level within the peer agencies.

The desktop research included a review of the peer agencies through publicly available information. Research focused on the history and overview of the peer agency, ridership, governance structure, funding for the peer agency, strategic priorities, regional considerations and demographics, and recent media coverage, where applicable.

Primary data sources for the desktop research included the following:

- Peer agency's website content
- Regional demographic data available through open sources
- Board meeting minutes
- Capital Improvement Plans

- Strategic Long-Range Plans
- News articles and media coverage.

The desktop research was supplemented with interviews for the peer agencies. Interviews incorporated the initial findings from the desktop research and focused on the peer agency's challenges and/or successes that may be relevant to the Baltimore region. Interview questions were organized around the following four topics of discussion:

1. ***Governance***: Understanding the roles and responsibilities for driving coordinated execution and maintaining alignment with the peer agency's guiding principles and peer agency mission;
2. ***Enablers***: Understanding whether the peer agency is providing the right underlying framework and support to deliver on the peer agency's mission in the short-term and long-term;
3. ***Strategy***: Understanding the peer agency's strategic objectives, metrics for success, and structure to guide internal decision-making and align the peer agency's stakeholders; and
4. ***Funding***: Understanding the peer agency's framework and processes to secure funding for its operations and capital needs.

Results of the desktop research and interviews from the peer agencies were used to gather observations and lessons learned that may be applicable to the Baltimore region and BRTB.

REVIEW OF PEER AGENCIES

Peer Agency Selection

The five peer agencies are located across a wide range of geographic regions throughout the U.S., representing the Southeast, Midwest, Western, and Mid-Atlantic regions. Similar to the Baltimore region, the peer agencies service primarily metropolitan regions and their surrounding areas, including the neighboring suburban areas. Additionally, the peer agencies have funding models that include local/regional, state, and federal contributions and balance local and state perspectives in their decision-making.

A variety of sources were used to identify the potential peer agencies, including prior studies and peer reviews, reports, publicly available information on the transit agencies' funding and governance models, and collective experience gained with transit systems across the U.S. Initial research into peer agencies' funding sources, governance models, and regional demographics helped identify candidate peers. Peer agencies where state governments had a significant role in local transit funding were given priority in the identification of candidate peer agencies for review.

Initial candidate peer transit systems and regions were identified based on those who could provide observations and lessons learned that may assist the Baltimore region achieve the following identified goals:

- Improve service;
- Increase investment;

- Regional connections;
- Enhance decision-making; and
- Ensure equitable investment.

After identifying transit systems and regions that could provide insights into the above objectives, the candidate list of agencies was refined based on the likeness to the Baltimore region in population and demographics, transit system size, presence of multiple modes of transportation, and role of the state in decision-making. Five transit systems and their regions were selected (see Figure below).

Figure 4 Selected Peer Regions Ability to Address Peer Review Objectives

Goal	Peer System(s) and Region(s)
Improve Service	Salt Lake City, Charlotte
Increase Investment	Salt Lake City, Charlotte
Regional Connections	Southeast Michigan, Charlotte
Enhance Decision-Making	Philadelphia, Charlotte, Southeast Michigan
Ensure Equitable Investment	St. Louis, Southeast Michigan

Additionally, the following table summarizes how the selected peer agencies have applicability to the Baltimore region based on their similarities in demographics, presence of multiple modes of transportation, and role of the state in decision-making:

Figure 5 Applicability of Selected Peer Agencies to the Baltimore Region

Peer	State Role	Multiple Modes	Area Population	% Minority	Per Capita Income
Central Maryland (MDOT MTA)	**Yes**	**Yes**	**2.8m**	**45%**	**$43,139**
Charlotte (CATS)	Yes	Yes	2.6 m	40%	$36,374
Philadelphia (SEPTA)	Yes	Yes	6.1 m	39%	$40,930
Southeast Michigan (SMART)	Yes	No	4.3 m	36%	$35,315
St. Louis (Metro Transit)	Yes	Yes	2.8 m	27%	$37,365
Salt Lake City (UTA)	Yes	Yes	1.2m	29%	$34,445

Finally, the following summarizes how the selected peer agencies' governance structures and funding sources relate to the Baltimore region.

Figure 6 Summary of Selected Peer Agencies' Governance and Funding Models

Peer	Governance Structure	Funding Sources
Central Maryland (MDOT MTA)	**State Management**	**Fares, State, Federal**
Charlotte (CATS)	Metropolitan Transit Commission (Enterprise Fund within City of Charlotte) Shared Regional Representation	+ Sales Tax
Philadelphia (SEPTA)	Board of Directors Shared State and Regional Representation	+ Local/ Regional Contributions
Southeast Michigan (SMART)	Board of Directors Shared Regional Representation	+ Regional (Property Tax Millage)
St. Louis (Metro Transit)	Interstate Compact Shared State and Regional Representation	+ Sales Tax and Local Funds
Salt Lake City (UTA)	Board of Trustees Shared Regional Representation	+ Sales Tax and Local Funds

In summary, the five selected peer agencies and their regions were selected based on their abilities to provide good practices and lessons learned in the identified objectives for the peer review and based on their similarities to the Baltimore region regarding either demographics, size and scope of the transit system, funding sources, and local and/or state influence in the governance structure and overall decision-making for the peer agency.

Charlotte County Transit System (CATS)

Charlotte County Transit System (CATS) is the transit agency responsible for providing public transportation within Charlotte, North Carolina and its surrounding metropolitan region. The CATS service area covers 11 municipalities and over 600 square miles, servicing Mecklenburg County and the neighboring counties of Cabarrus, Gaston, Union, and York, South Carolina. CATS operates six modes of transportation, including commuter bus, bus, streetcar rail, light rail, vanpool, and demand response services.

Figure 7 CATS Key Facts, FY19

Ridership

Annual passenger miles
1.3B
Average weekday ridership
0.08M
Annual unlinked trips
24M

Revenue

Annual vehicle revenue miles
17M
Annual vehicle revenue hours
1M

Fleet

Vehicles operated in maximum service
411
Vehicles available for maximum service
617

Source: *National Transit Database*

Agency History

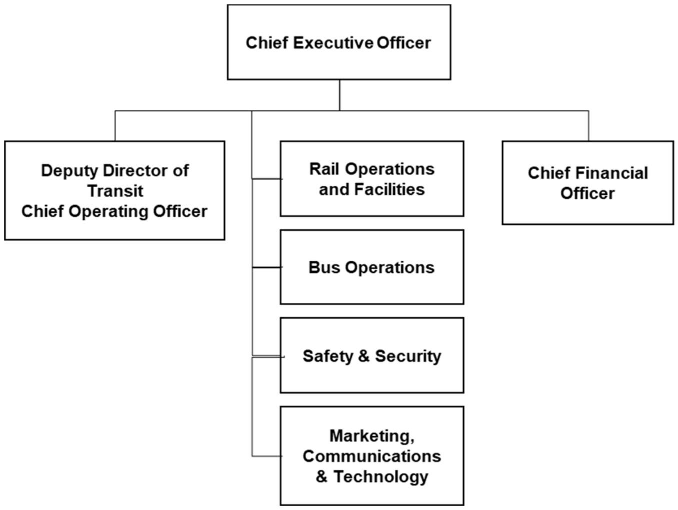
A department within the City of Charlotte, CATS' origins trace back to 1976, when the City of Charlotte began operating bus routes under the name Charlotte Transit. Following significant population growth and need to improve public transportation in the region, CATS was officially created in 2000 after a public referendum was passed in 1998 by the citizens of Mecklenburg County to fund transit initiatives through a one-half cent sales tax increase. The referendum resulted in the founding of the Metropolitan Transit Commission (MTC), which consolidated with Charlotte Transit to form CATS.

Governance Structure

Today, the MTC serves as the policy board for CATS and is responsible for reviewing the transit system's capital and operating programs, providing strategic oversight on CATS' long-term plans, and providing recommendations to the affected government stakeholders on the approval of these programs. MTC is a public body, staffed by the City of Charlotte's Public Transit Department, and is comprised of both voting members from the local towns and cities within Mecklenburg County and non-voting members from the neighboring regions.

MTC is supported by two committees: The Transit Services Advisory Committee (TSAC) and the Citizens Transit Advisory Group (CTAG). The TSAC provides insights and recommendations into short-term transit operations, and the committee is comprised of CATS customers who are appointed by the City of Charlotte, Mecklenburg County, and the six suburban towns of Davidson, Huntersville, Cornelius, Pineville, Matthews, and Mint Hill. The CTAG is an advisory committee that provides insights and recommendations from the community's perspectives into long-range transit planning and proposed operating and capital programs. Although the CTAG does not act as a policy-making body, the role of the CTAG fulfils the Interlocal Agreement requirement that MTC ensure public involvement in its transit planning. The CTAG is comprised of community members appointed by the Mecklenburg County Board of Commissioners, Charlotte City Council, Charlotte-Mecklenburg Board of Education, and each of the six towns.

Figure 8 Organization Structure of CATS



Source: *CATS' Leadership team and FY21 Adopted budget*

Figure 9 CATS MTC Board Composition

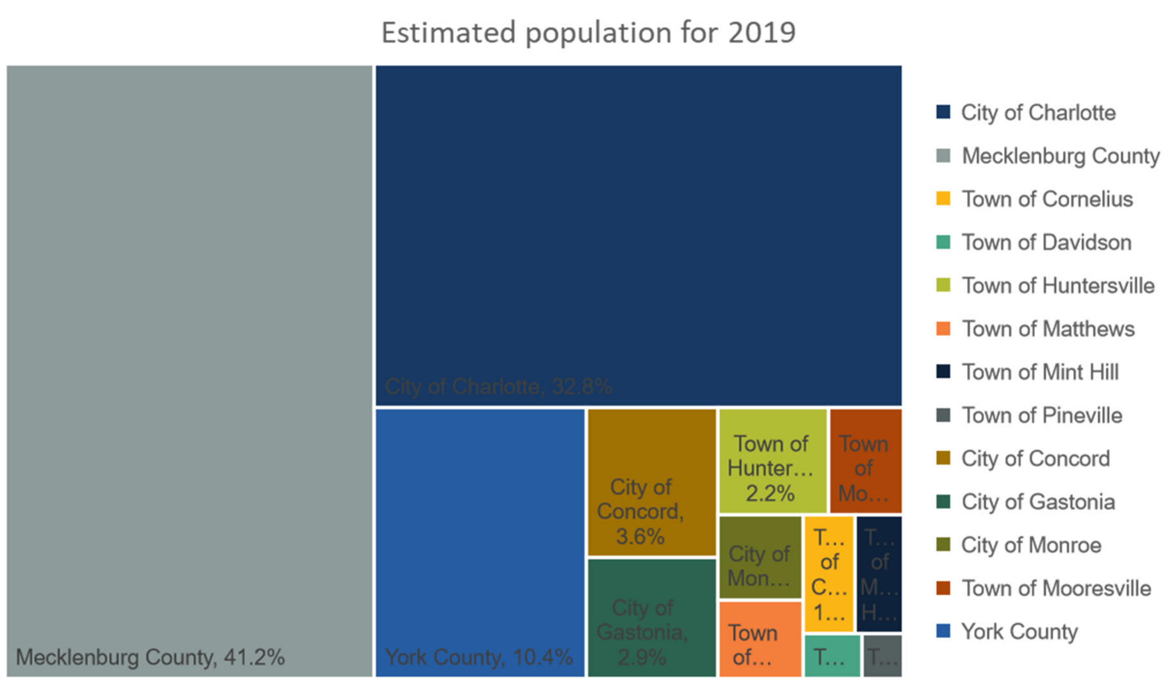
MTC Members	No. Representatives
Voting Committee Members	
City of Charlotte	2 members
Board of Mecklenburg County Commissioners	1 member
Mecklenburg County	1 member
Town of Cornelius	2 members
Town of Davidson	2 members
Town of Huntersville	2 members
Town of Matthews	2 members
Town of Mint Hill	2 members
Town of Pineville	2 members
North Carolina Department of Transportation	1 member (vacant)
Non-voting Regional Representatives	
City of Concord	2 members
City of Gastonia	2 members
City of Monroe	2 members
Town of Mooresville	2 members
York County Representative	2 members
SCDOT Representative	1 member (vacant)

Source: *CATS Metropolitan Transit Commission members*

Figure 10 CATS Population Breakdown

MTC Members	Estimated population for 2019 (%)	Estimated population for 2019 (Actual)
City of Charlotte	32.8%	885,708
Mecklenburg County	41.2%	1,110,356
Town of Cornelius	1.1%	30,257
Town of Davidson	0.5%	13,054
Town of Huntersville	2.2%	58,098
Town of Matthews	1.2%	33,138
Town of Mint Hill	1.0%	27,617
Town of Pineville	0.3%	9,028
City of Concord	3.6%	96,341
City of Gastonia	2.9%	77,273
City of Monroe	1.3%	35,540
Town of Mooresville	1.5%	39,132
York County	10.4%	280,979
Total	100.0%	2,696,521

Source: *U.S. Census 2019*



Source: *CATS Metropolitan Transit Commission*

Figure 11 Leadership Responsibilities

CATS MTC Board Responsibilities
▪ The Board reviews the transit system's operating and capital programs and makes recommendations to the affected governments for their approval and funding of those programs. ▪ It has responsibility for reviewing and recommending all long-range public transportation plans and financial policy standards ▪ It has the responsibility, along with the City of Charlotte City Manager, to hire the CATS CEO ▪ The MTC is staffed by the City of Charlotte Public Transit Department ▪ The board is provided public input and guidance by two citizens committees: o The Citizens Transit Advisory Group (CTAG) o The Transit Services Advisory Committee (TSAC)
CATS Executive Team Responsibilities
▪ CATS is responsible for the day-to-day transit operations ▪ CATS takes the recommended budget put forth by the MTC and puts it into practice ▪ CATS is responsible for approving contracts ▪ CATS plays an active role in the planning and recommendations. When it comes to alignment, MTC has typically adopted CATS's recommendations. ▪ Ultimately, CATS reports to both the Charlotte City Council and MTC

Funding Sources

As part of the 1998 referendum, voters in Mecklenburg County approved a 0.5% sales tax to support transit. This sales tax is critical to transit funding, and generated revenues of $58.4 million in 2019. There is no sunset clause on the sales tax measure, thus it does not need to be reapproved. The sales tax can, however, be overturned by ballot measure. In 2007, there was a ballot measure to repeal the sales tax, but it failed by a significant margin. The dedicated local funding source has allowed CATS to successfully and sustainably fund operations and capital expenditures to date.

Additionally, the State of North Carolina provides support for both operations and capital and has been a valuable partner on a number of capital initiatives, including running fixed rail through the median of roads maintained by NCDOT. The City of Charlotte has maintained a AAA rating for many decades, and CATS, as a department within the city, practices the same financial prudence, maintaining adequate contingencies and a generally strong financial position. However, current funding is inadequate to meet growing demand and the required additional capital and operating costs. Thus, an additional sales tax is being floated as an option to fund future expansion.

Figure 12 CATS FY2019 Budget ($M)

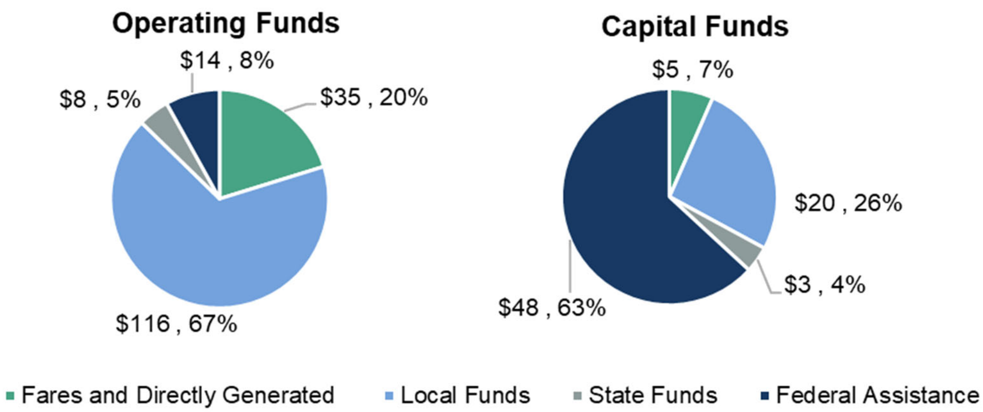


Figure 13 CATS – Key Considerations for the Baltimore Region

Key Considerations
▪ Local influence is a key enabler – having CATS operate as a department within the City of Charlotte has helped facilitate coordination between city departments (i.e., helping boost transit-oriented development) ▪ The governance structure (and funding) is oriented around the City of Charlotte and Mecklenburg County– as the region expands, it will be a challenge to integrate the surrounding counties and jurisdictions, who currently have non-voting representation on the MTC ▪ The governance structure has been successful to date, but will need to adapt to meet the growing population that is expanding outside of Mecklenburg County ▪ CATS current local funding is adequate to fund current operations and maintain current infrastructure, but CATS will need to raise additional local funds to achieve its expansion plans – CATS has not yet had to contend with the significant state of good repair costs associated with its fixed rail lines, as the infrastructure is fairly new. It is more focused on expansion and raising additional funds to meet its expansion plans ▪ Buy-in from the regional business community was cited as an enabler for continued transit investment – CATS has been diligent in documenting the positive effects of transit investment on regional growth and vitality. These will be key enablers to securing support and additional funding for the region's growing transit needs

Source: *National Transit Database*

Metro Transit St. Louis

Metro Transit ("Metro") St. Louis is the public transportation system in the City of St. Louis, Missouri and the surrounding regions in Missouri and Illinois, including St. Louis County, St. Clair County, Madison County, and Monroe County. Metro serves more than 60% of the St. Louis urbanized area, serving an estimated population of 1,566,004.[1] Metro provides three modes of service to the public: MetroBus (bus service), MetroLink (light rail), and Call-a-Ride (demand response).

Figure 14 Metro St. Louis Key Facts, FY19

Ridership

Passenger boarding
36.6M
Average weekday ridership
0.12M
Average Saturday Unlinked Trips
0.08M
Average Sunday Unlinked Trips
0.05M

Revenue

Annual vehicle revenue miles
29.7M
Annual vehicle revenue hours
1.9M

Fleet

Vehicles operated in maximum service
484
Vehicles available for maximum service
612

Source: *National Transit Database*

Agency History

Metro Transit, formerly known as the Bi-State Development (BSD), was created through an interstate compact amongst Missouri and Illinois, approved by Congress in 1949 and signed by President Truman in 1950. Metro was founded in 1963 after Bi-State Development purchased 15 privately-owned transit operations and consolidated them into the Metro system. Metro has been operating MetroBus since 1963 and MetroLink since 1993.

Governance Structure

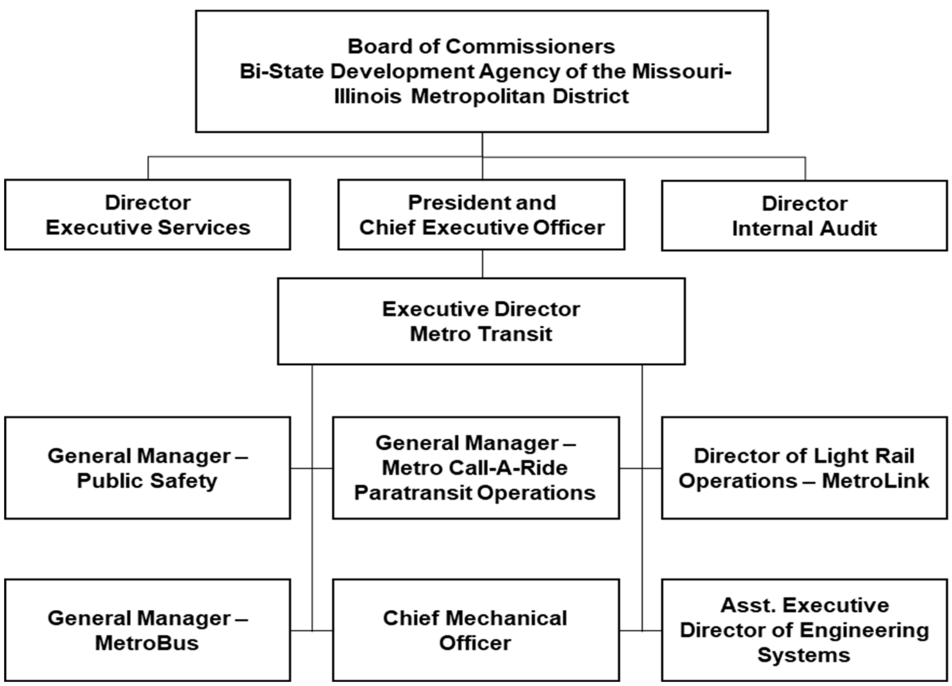
Metro St. Louis' governance model reflects the agency's emphasis on regional coordination and involvement in its decision-making. Metro St. Louis is an enterprise of the greater Bi-State Development Agency, a broader agency that is responsible for overseeing the development and management of not only the St. Louis Metro, but also the St. Louis Airport and Gateway Arch Riverfront. The Bi-State Development Agency is overseen by the Board of Commissioners, comprised of ten members with equal representation from Missouri and Illinois. Members serve set terms without compensation. All board members must reside in the bi-state metropolitan region and be resident voters of their state.

By instituting the requirement that members live in the region, this helps ensure that board representation reflects the citizens in the surrounding region and factors the considerations of both those within Missouri and Illinois. However, unlike other agencies, the board's composition does not have full representation from each of the surrounding counties: Notably, while Metro's service area includes Monroe County in Illinois, there is no representative from Monroe County on the Board of Commissioners.

[1] Estimate based on 2010 US Census data.

Unique to Metro St. Louis is the varying degree of influence from the state-level versus county-level in determining board membership. For the five members residing in Missouri, the governor of Missouri appoints the representatives, which must be approved by the Missouri Senate. Of the five Missouri members, two are selected from three nominees submitted by the mayor of St. Louis City, two are selected from three nominees submitted by the county executive of St. Louis County, and the fifth is selected from three nominees submitted alternately by the St. Louis City mayor and St. Louis County executive. However, for the five members residing in Illinois, the Counties of St. Clair and Madison appoint their representatives. The terms of the board's members are fixed by the legislature of each state. The differences in the board's nominating processes based on state policies impacts the level of state involvement in the agency's decision-making processes, with more state-level influence in the Missouri board's composition than Illinois' composition. The board's chair and vice-chair are elected amongst the members of the board, one of whom must reside in Illinois, and one of whom must reside in Missouri. The BSD's President/CEO reports directly to the Board of Commissioners, whereas the Chair of the Board of Commissioners chairs the board and has general supervision over the affairs of the BSD, as represented in the below organization chart.

Figure 15 Bi-State Development Agency Organization Structure



Source: *Bi-State Development Board*

Figure 16 BSD Board Composition

BSD Board Members	State Affiliation
Chair	Missouri
Vice Chair	Illinois
Treasurer	Illinois
Secretary	Missouri
Commissioner	Illinois
Commissioner	Illinois
Commissioner	Illinois
Commissioner	Missouri
Commissioner	Missouri
Commissioner	Missouri

Source: *Bi-State Development FY2021 budget*

Figure 17 Leadership Responsibilities

BSD Board Responsibilities

▪ BSD's Board of Commissioners provides policy direction for BSD and hires, evaluates, and terminates the Bi-State chief executive officer
▪ BSD forms goals and objectives for Metro which provides direction to Metro strategies for annual operating and capital budgets
▪ Following are key goals set in FY2021 budget
  o Create a safer more secure transit system
  o Improving the image of the Agency by growing and sustaining ridership and developing and engaging team members
  o Maximize current in-house automated technology capabilities to most efficiently complete accounting and budget functions
  o Evaluate reporting requirements, business units and departmental functions for redundant and unnecessary activities

Executive Team Responsibilities

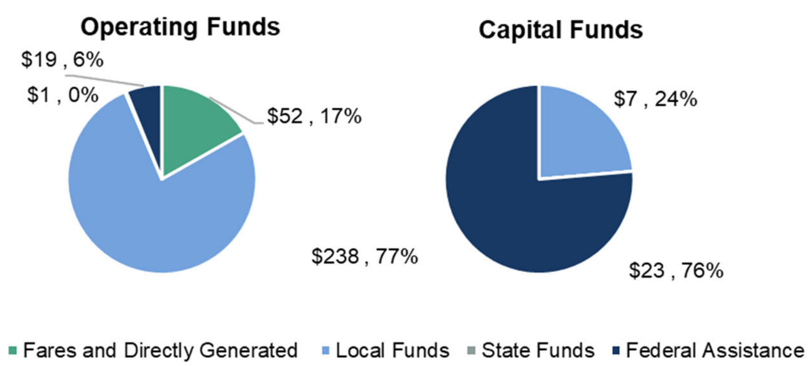
▪ The Executive Director of the Metro reports to the President/CEO of the BSD
▪ The Executive Director is responsible for:
  o Day-to day operations
  o Developing and implementing operational and capital program
  o Partnering and building relationships with regional stakeholders
  o Developing and managing local and federally funded projects that expand transit service across the St. Louis region

Funding Sources

Funding for Metro St. Louis's capital and operating budgets is heavily sourced from local contributions. In the FY21 budget, local funds contribute to over 90% of Metro's grants, sales tax, and contractual sources of revenue (excludes fares and directly generated revenue). Of the $278 million in local funds, Missouri's and St. Clair County, Illinois' contributed 56% and 23%, respectively. Local funding is derived from sales taxes within the City of St. Louis and St. Louis County, a service agreement with St. Clair County whereby taxes are administered in exchange for Bi-State Development services, planning, and demo reimbursements, and other local matches from Missouri and Illinois. The sales tax consists of a half-cent sales tax from the City of St. Louis and a quarter cent sales tax from St. Louis County. Other sources of funding include General Operating funding and Special Missouri Department of Transportation contracts; Illinois Department of Transportation funding and contracts with Bi-State Development, part of the service agreement; federal funding for vehicle maintenance and non-capitalized projects; passenger revenue, paratransit contracts, and other operating revenue sources; and non-operating revenue from investment income and capital lease revenues.

The varied and significant level of contributions Metro receives from local sources of funding emphasizes the role of the community and regional stakeholders in funding the Metro transit system's operating and capital investments. Because a majority of local contributions derives from sales taxes from St. Louis County, the City of St. Louis, and St. Clair County, Metro's ability to generate fare revenue is critical to its sustainability. In addition, it helps explain the agency's active engagement with the community in developing its strategic priorities. The level of local contributions also highlights the Bi-State Development agency's decision that board members must reside in the bi-state metropolitan region. On the other hand, it should be noted that the number of board representatives from Illinois and Missouri do not correlate to the level of funding contributed from each of the states, as Missouri local funds contribute to over twice the local contributions from Illinois. Similarly, the Missouri representatives do not have a direct correlation to the level of funding amongst the City of St. Louis and St. Louis County, as St. Louis County sales taxes contribute to over four times the grants, sales tax, and contractual sources of revenue than the City of St. Louis in FY21.

Figure 18 Metro St. Louis FY2019 Budget



Source: *Bi-State Development FY2021 budget*

Figure 19 Metro St. Louis -Key Considerations for the Baltimore Region

Key Considerations
▪ Multi-jurisdictional authorities may have responsibilities beyond transit – the Bi-State Development Authority is a body that has greater responsibilities beyond overseeing regional transit, including the airport and the Gateway Arch Riverfront area ▪ State influence on governing board membership varies – board positions are divided with five representatives each from Illinois and Missouri – Illinois representatives are local appointees, while the state plays a role in appointing Missouri's representatives ▪ The Bi-State Development Authority must divide its attention amongst various interests, thus its ability to coordinate on transit is limited compared to other boards, whose primary focus is transit ▪ The States of Missouri and Illinois provide very little funding for Metro Transit St. Louis, leaving the funding and management responsibilities largely to the localities (with the usual federal support) ▪ Outside of the usual federal support, operations and capital needs are largely locally funded – this strikes a large contrast to the current funding dynamic in the Baltimore Metro region

Salt Lake City / Utah Transit Authority

Salt Lake City / Utah Transit Authority (UTA) is a special service district responsible for providing public transportation to the Salt Lake City region and its surrounding areas, including the counties of Box Elder, Davis, Salt Lake, Tooele, Utah (County), Weber, and Summit. UTA provides a variety of fixed route services, including commuter bus, commuter rail, light rail, and trolley bus, as well as a flex route bus, express buses, ski buses, and ADA Paratransit and Rideshare programs. UTA provides service to more than 2 million people in the greater Salt Lake City / West Valley City urbanized area, with a total service area of over 1,400 square miles.

Figure 20 Salt Lake City / Utah Transit Authority Key Facts, FY19

Ridership

Average passenger miles

355.3M

Average weekday ridership

0.2M

Annual unlinked trips

44.6M

Revenue

Annual vehicle revenue miles

39.5M

Annual vehicle revenue hours

2.2M

Fleet

Vehicles operated in maximum service

1,141

Vehicles available for maximum service

1,475

Source: *National Transit Database*

Agency History

Headquartered in Salt Lake City, UTA was founded in 1970 when residents from Salt Lake City and the surrounding communities voted to form a public transit district following the 1969 Utah State Legislature's passage of the Utah Public Transit District Area, allowing communities to form local transit districts. Since then, UTA has since expanded and redesigned its bus services, including ski bus services and express services. In 1999, UTA's TRAX light rail line became operational, and UTA began operations of its commuter rail line and streetcar transit line in 2008 and 2013, respectively.

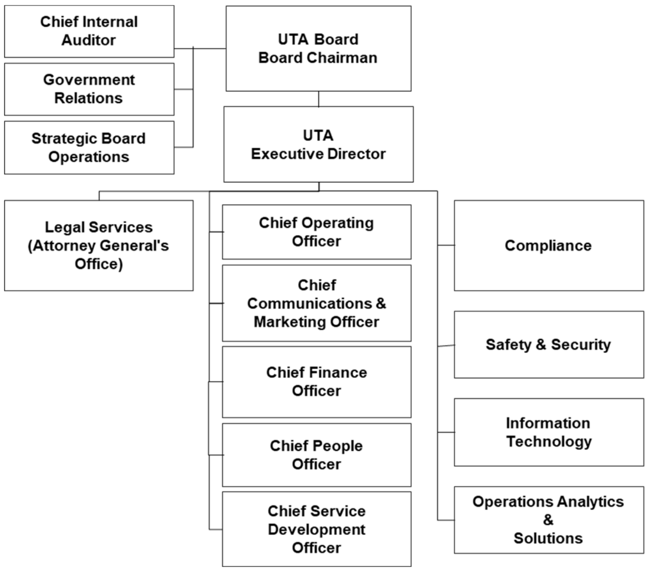
Governance Structure

UTA is governed by a Board of Trustees, comprised of one chair and two trustees. The three-person body is common for representative bodies in the Salt Lake City region, while unique in transit circles. Trustees, who are appointed by the governor upon recommendation of the county commission, serve full time roles over four-year terms and are paid salaries.

UTA is also governed by a nine-member Local Advisory Council, which advises the Board of Trustees. The council consults on service plans, new capital development plans, transit-oriented development plans, and strategic development plants. Council members are appointed by the council of governments, with one member serving as chair and two members serving as vice-chair and second vice-chair, respectively. Within the last few years, state legislation changed the governance structure to address concerns around financial propriety and general responsiveness, resulting in the current transit governance structure.

UTA adopted its first five-year service plan in February 2021, with operational planning to begin in late 2021 and implementation of service changes scheduled to commence in 2022. The aims to align UTA's service network with new projections on available revenue; achieve higher long-term ridership by aligning services with emerging travel patterns; and strengthen customer confidence in UTA's public transit service offerings. The plan focuses on shifting towards "core route networks” in key regions, maximizing regional connectivity by emphasizing links between modes and geographic areas, and shifting away from commuter-focused timelines towards all-day services and expanded hours.

Figure 21 UTA Organization Structure



Source: *UTA CAFR FY2019*

Figure 22 UTA Board Composition

UTA Board Members	No. Representatives
Board Leadership	
Board Chair	1 member
Board Trustees	2 members
Local Advisory Council	
Salt Lake City council of governments	3 members
Mayor of Salt Lake City	1 member
Utah County council of governments	2 members
Davis County council of governments	1 member
Weber County council of governments	1 member
Tooele and Box Elder Counties council of governments	1 member

Source: *UTA CAFR FY2019*

Figure 23 Leadership Responsibilities

UTA Board Responsibilities
▪ The Board of Trustees is responsible for the operation of the authority including hiring, setting the salaries, and developing performance targets and evaluations for the Executive Director, Internal Auditor, and any chief level officer ▪ The Board of Trustees, after consultation with the Local Advisory Council, is responsible for approving the annual budget ▪ Trustees serve in paid, full-time roles ▪ Trustees sit down the hall from UTA executive leadership and work in close concert with them ▪ Generally, the Board of Trustees represents the agency in external matters, maintaining relationships with officials and stakeholders and looks out for the long-range interest of the agency ▪ Local Advisory Council, whose members are appointed by the council of governments, advises the Board of Trustees
Executive Team Responsibilities
▪ The executive team is responsible for the day-to-day transit operations ▪ Short and long-term planning is directed at the MPO level, and UTA has a seat at the table in shaping those plans ▪ UTA is responsible for delivering capital projects and maintaining assets ▪ The Chief Internal Auditor reports directly to the Board to improve transparency and financial propriety

Funding Sources

UTA relies heavily on local contributions for its annual budget, with local funding contributing to approximately 60% of its total budget in FY19.[2] Local funding is derived from sales taxes levied by each county. Though the tax rate varies across the six counties, they average at 0.6%. All of the counties in the service area support transit through the sales tax, though some counties have not yet imposed the maximum amount of sales tax that is authorized. Some jurisdictions, such as Salt Lake County, provide additional funding to pay for more frequent headways. In the 2021 General Session, the State of Utah passed the Housing and Transit Reinvestment Zones Act, which is designed to capture tax increment revenues within a defined area around certain public transit facilities[3]. This bill would work by identifying transit reinvestment zones and then retaining a portion of the sales and use tax for deposit into a Transit Transportation Investment Fund.

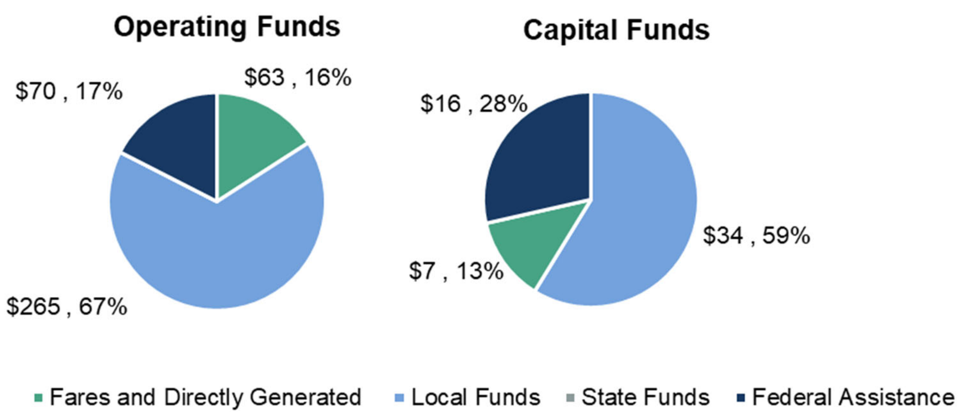
The State is also a funding partner. The primary funding source is the Transportation/Transit Investment Fund (T/TIF), which is administered by UDOT. It is a small, but meaningful source of funding. The majority of state funding for operations and capital needs is done through direct appropriations. The greater Salt Lake City metro area recognizes the value of transit, and this attitude extends through the State House and up to the governor. Thus, the annual appropriations process has not been an issue to securing adequate funding for operations and

[2] UTA's fiscal year runs from January 1 through December 30.

[3] https://le.utah.gov/~2021/bills/static/SB0217.html

capital needs. UTA's long-range capital program is not fully funded, but the agency is confident that its strong partnership with the state government will result in adequate capital funding.

Figure 24 UTA FY2019 Budget ($M)



Source: *UTA FY2019 CAFR*

Figure 25 UTA – Key Considerations for the Baltimore Region

Key Considerations
▪ Having full-time trustees appointed by the governor with input from the local jurisdictions allows for dedicated board members who can advocate for regional transit support and work closely with UTA leadership ▪ Paying trustees a salary for a full-time role opens up the opportunity to individuals who may not be able to serve in a part-time role or in addition to another job or responsibilities ▪ The concentration of the state's population in the UTA's service area, the proximity to state government, and other factors combine for a climate that allows for alignment on priorities ▪ The general support for transit at all levels of regional government up to the governor makes UTA's dependence on direct appropriations less of a liability than it would be in other states or climates ▪ Local funding is multi-faceted with a sales tax as a primary source, but there are additional funding mechanisms such as localities paying for increased headways in their jurisdiction and property taxes on transit-oriented development

Southeastern Pennsylvania Transportation Authority (SEPTA)

Southeastern Pennsylvania Transportation Authority (SEPTA) is a regional transportation authority for Philadelphia, PA and its surrounding communities. SEPTA services the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia and provides connections to New Jersey and Delaware. Servicing a population of nearly 4 million people, SEPTA offers regional rail, heavy rapid transit trains, light rail vehicles (trolleys), trolleybuses, and motorbuses, as well as ADA Paratransit and Shared Ride programs. SEPTA is headquartered in Philadelphia, PA and has a workforce of approximately 9,500 employees.

Figure 26 SEPTA Facts, FY19

Ridership

Annual passenger miles

1.4B

Average weekday ridership

1M

Annual unlinked trips

308M

Source: *National Transit Database*

Revenue

Annual vehicle revenue miles

92.7M

Annual vehicle revenue hours

7.5M

Fleet

Vehicles operated in maximum service

2,390

Vehicles available for maximum service

2,892

Source: *UTA FY2019 CAFR*

Agency History

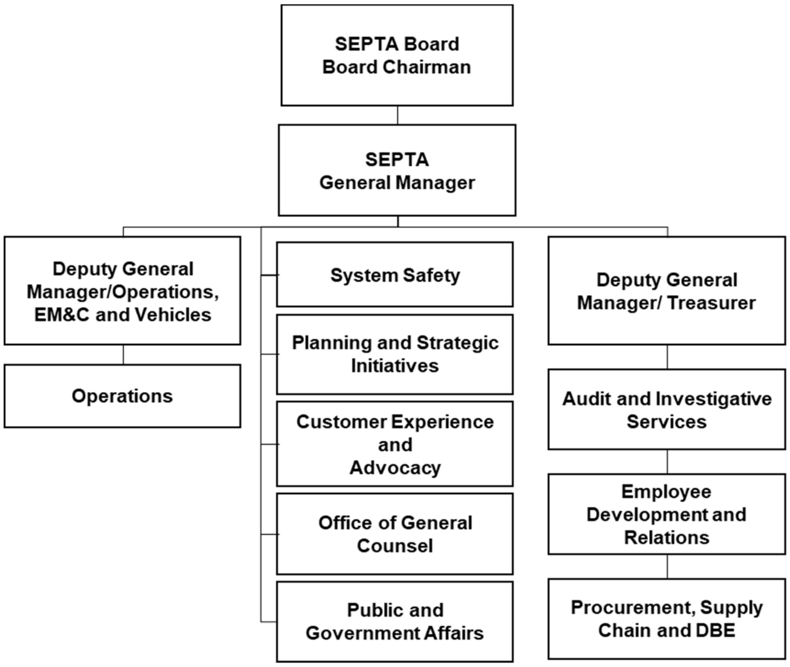
SEPTA was first created by the Pennsylvania General Assembly in 1964 and, through a series of acquisitions, including the Pennsylvania Railroad, Reading Company, and numerous bus, commuter train, trolley, trackless trolley, and elevated rail routes.

Governance Structure

SEPTA is an instrumentality of the Commonwealth of Pennsylvania and was created by the State legislature, SEPTA's governing board structure is determined by state law. SEPTA is governed by a 15-member board of directors, with members serving 5-year terms. Board members are appointed by elected officials, with some board members serving as elected officials. Board members serve five-year terms; the four members appointed by the house and senate are not term-limited; the governor's appointee is aligned with the governor's term. The chairperson is appointed by the board members, as is the vice-chair. These appointments are made annually. Note, the current chairman of the board has been chairman for 21 years. The stability of the board was cited as an enabler for regional transit progress.

Because the City of Philadelphia represents over two-thirds of SEPTA's representation, the two board members representing the city together have the power to veto any item approved by the remaining SEPTA board members. However, the board can override a veto with at least 75% vote.

Figure 27 SEPTA Board Composition



Source: *SEPTA FY2021 operating budget*

Figure 28 SEPTA Organization Structure

SEPTA Board Members	No. Representatives
Committee Members	
Governor of Pennsylvania	1 member
Senate Majority Leader	1 member
Senate Minority Leader	1 member
House Majority Leader	1 member
House Minority Leader	1 member
Bucks County	2 members
Chester County	2 members
City of Philadelphia	2 members
Delaware County	2 members
Montgomery County	2 members

Source: *SEPTA FY2021 operating budget*

Figure 29 Leadership Responsibilities

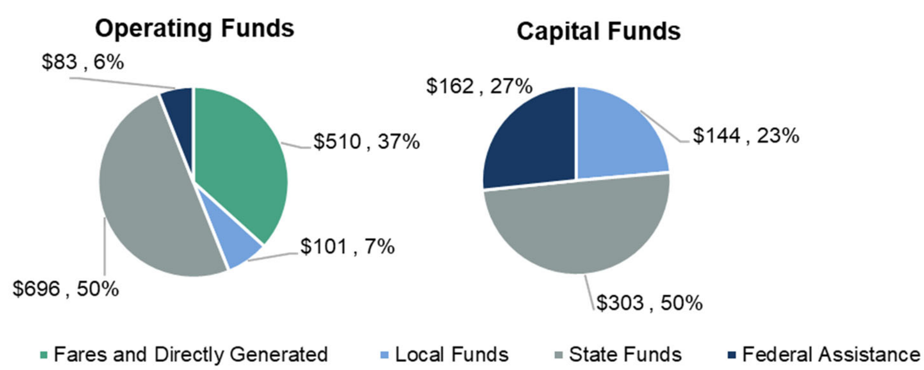
SEPTA Board Responsibilities
▪ SEPTA, an instrumentality of the Commonwealth of Pennsylvania created by the State legislature ▪ The board is actively engaged in the authority and must approve budgets above a specific threshold, but entrusts the general manager and his team to manage day-to-day operations ▪ Board has procedural responsibilities to approve spending over a certain dollar threshold ▪ The board under the leadership of the chairman, who has been in the position for 21 years, sees itself as the steward of the long-term success of the agency
Executive Team Responsibilities
▪ The day-to-day operations of SEPTA are handled by the general manager, who is appointed and hired by the board of directors ▪ The general manager is assisted by nine department run by assistant general managers

Source: *SEPTA Board*

Funding Sources

SEPTA receives funding from the federal and state levels, which is then matched by local authorities. State funding contributes to approximately 50% of both SEPTA's operating and capital budgets. This funding is derived from a state sales tax of 6%, 4.4% of which goes into a trust fund to fund transit operations across the State of Pennsylvania. There are smaller state tax funding sources, but the sales tax is the main source of state revenues. Prior to a 2020 legislative change, funding for operations was subject to annual appropriation. This legislation provided for additional, dedicated funding and now grants SEPTA better foresight in future budget planning. A major cause for the legislation was annual fixes that amounted to highway dollars being transferred to fund transit, which was very unpopular outside the five county Philadelphia metro region. The current state capital allocation is set to sunset in the next year, so there is some uncertainty around the future of capital funding. This will prove critical to investments in state of good repair needs. Funding for the operating budget, on the other hand, has sufficient breathing room thanks to federal relief from CARES Act.

Figure 30 SEPTA FY2019 Budget ($M)



Source: *National Transit Database*

Figure 31 SEPTA – Key Considerations for the Baltimore Region

Key Considerations
▪ The stability of the board was cited as an enabler for improvements in regional transit, with the chairman of the board's 21-year tenure cited as the primary cause ▪ The board is comprised of state and county representatives who historically have largely coalesced around a position of support for regional transit and advocated for securing the funding necessary to support the large multi-modal system ▪ The framework for appointing state representatives, which includes the governor and the caucus leaders appointing representatives, has largely resulted in bi-partisan support for regional transit ▪ Last year, legislation was passed committing annual funding for operations, instead of relying on annual appropriations – this will allow SEPTA to better plan for sustainability funding operations going forward and avoids the practice of borrowing from highways funds, which was unpopular in the past, especially with counties outside the five-county region that includes SEPTA's service area ▪ The state appropriation for capital funding will sunset in the next year – it is not yet clear how this issue will be resolved, but the uncertainty presents a challenge for planning for long-term capital investment in existing assets and expansion plans

SMART (Southeast Michigan)

The Suburban Mobility Authority for Regional Transportation ("SMART") operates a public bus transit network throughout the Southeast Michigan region, including Wayne County, Oakland County, and Macomb County. SMART supports nearly 11 million riders annually by connecting them to employment and educational institutions. In addition to its Fixed Route buses, the agency has introduced microtransit shuttle programs to mobilize further members of the population. SMART has the third largest ridership amongst the state's transit systems and plays an integral role in providing convenient, safe, and reliable transportation throughout the Detroit Metro area.[4]

Figure 32 SMART Key Facts, FY19

Ridership

Annual passenger miles
86.1M
Average weekday ridership
30,549

Revenue

Annual vehicle revenue miles
14.8M
Annual vehicle revenue hours
0.9M

Fleet

Fixed Route
255
SMART Connector Paratransit
120
Community Transit Providers
298
Purchase of Service
53

Source: *SMART Facts and National Transit Database*

Agency History

SMART was originally founded in 1967 as the Southeastern Michigan Transportation Authority (SEMTA). It was created under Public Act 204 to unify the fractured bus and rail services in the city of Detroit and seven suburban counties. In 1988, SEMTA restructured to SMART. Rebranded as SMART, the agency evolved to offer fixed route and small bus services to three suburban counties only.

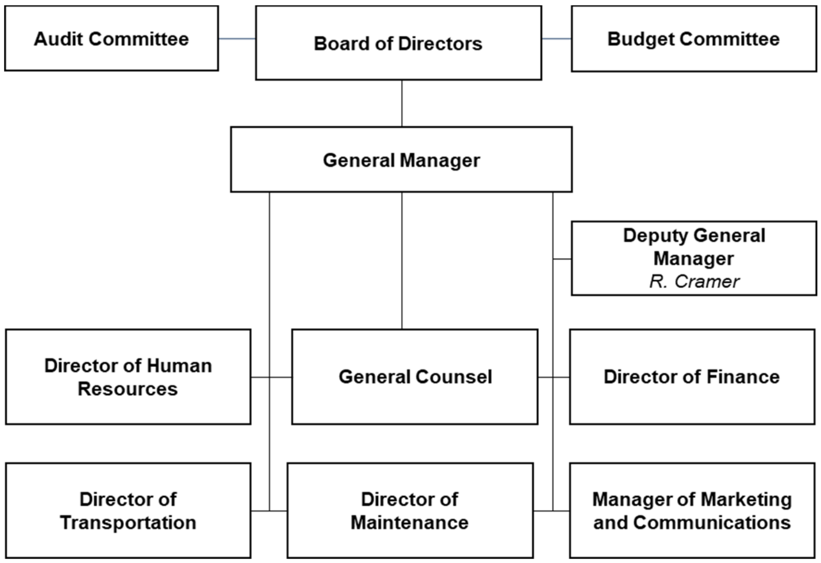
In the second half of the 20th century, Detroit experienced significant transformations in its community that resulted in residents moving to the suburbs. The population shift saw a subsequent need for regional public transit solutions. The Suburban Mobility Authority for Regional Transportation ("SMART"), formerly known as the Southeastern Michigan Transportation Authority (SEMTA), was created to operate a public bus network throughout the Southeast Michigan region. It currently serves the suburban counties of Wayne, Oakland, and Macomb, and strives to strike a balance in governance, funding, and service between the politics of the region.

Governance Structure

SMART is overseen by a Board of Directors consisting of two members from each county. Board members are appointed by county officials and serve two-year terms. Typically, at least one of the two board members is a county official. This arrangement has its advantages, for it grants SMART direct access to local authorities. The board generally entrusts SMART leadership to conduct day-to-day operations and report on performance and key issues at regular intervals.

[4] Estimate based on 2019 Michigan Public Transit Ridership Report

Figure 33 SMART Organization Structure



Source: *SMART Board of Directors*

Figure 34 SMART Board Composition

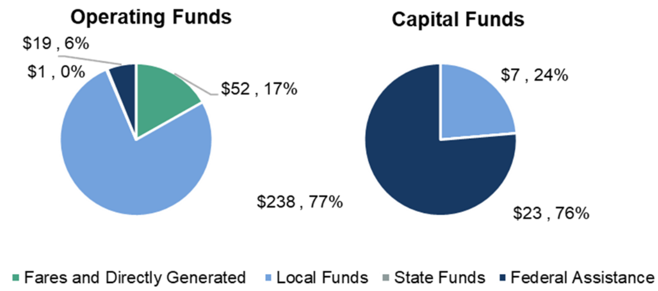
SMART Board Members	No. Representatives
Macomb County	2 members
Oakland County	2 members
Wayne County	2 members
Monroe County	1 member

Figure 35 Leadership Responsibilities

SMART Board Responsibilities
▪ The responsibility for the operation of the authority including hiring, setting the salaries, and developing performance targets and evaluations for the Executive Director, Internal Auditor, and any chief level officer ▪ Agreeing on the service levels for each of the counties in the service area ▪ There are no formal committees, and the board is primarily responsible for oversight of the agency, including budgeting and project development/planning
Executive Team Responsibilities
▪ The executive team is responsible for the day-to-day transit operations ▪ SMART and the executive team drives the agenda of the agency and meet with the board monthly – meetings are largely procedural and SMART executive team is responsible for briefing the board on current events and procedural issues ▪ SMART coordinates with the MPO on regional transit planning and does not develop formal strategic plans in-house

Funding Sources

Figure 36 SMART FY2019 Budget ($M)



Source: *SMART FY2021 operating budget*

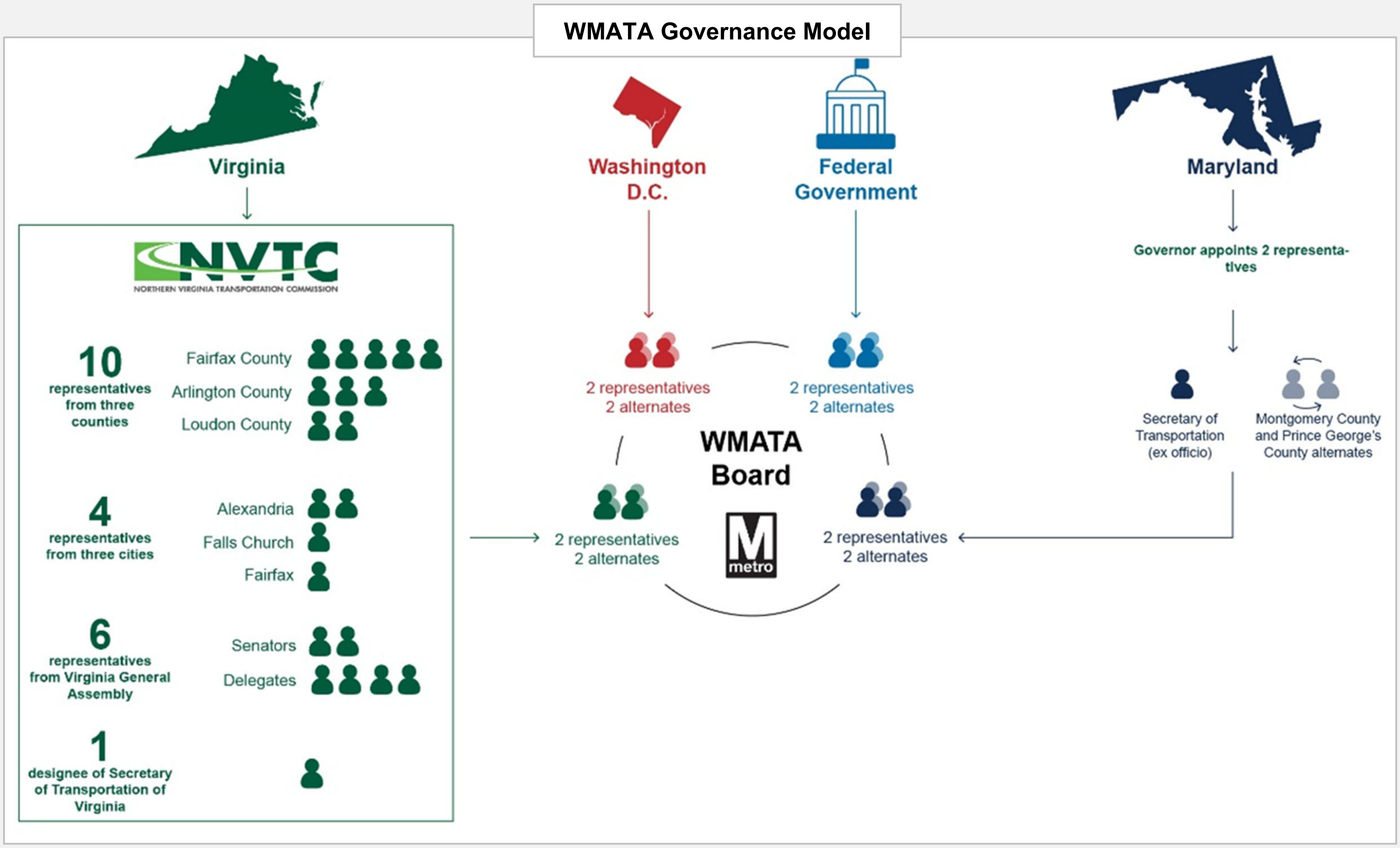
SMART's annual operating budget in FY 21 was $136.5 million. About 7% comes from fares, 30% from State funds, 4% from Federal grants and the remaining 59% is raised through local funds, raised through a 1.00 property millage rate. SMART has authority to levy taxes in three Southeast Michigan counties, Oakland, Macomb and Wayne with voter approval. SMART's challenge is that while the decision to support SMART in Macomb County is determined by a countywide vote, in Wayne and Oakland counties, individual cities and townships are allowed to vote to opt-in or opt-out of the SMART system independently. As result, not only is SMART left with a patchwork service area, but it must also campaign with each community individually. An additional challenge is that communities vote to support SMART every four years, which is too short for a capital intensive service, like public transportation. SMART's governance structure is such that transit service investment are proportional to the share of local tax revenue received from each county. After reconciling tax revenue with service hours, the budget is subsequently aligned to ensure resources are appropriately allocated across counties.

Figure 37 SMART – Key Considerations for the Baltimore Region

Key Considerations
▪ Having county officials on the board provides a benefit in that there is direct connection with county decision makers ▪ Conversely, having those officials on the board means that inter-county politics are present in making decisions related to regional transit – the result is that services and investment in each county are closely pegged to the funding provided by the county. There is little to no appetite to subsidize transit beyond county boundaries   o Each county holds an effective veto, so there must be consensus ▪ The State provides funding for capital and operations, but is not represented on the board and, thus, does not factor directly into decision making ▪ Regional service is lacking with the City of Detroit operating its own transit system – there is informal coordination between the City of Detroit and DDOT and the four counties in the region and SMART, but this has not yet resulted in significant improvements in regional connections ▪ Recently, a ballot initiative to establish a regional transit authority that would encompass the City of Detroit and the four counties represented by SMART failed to pass – among the issues cited for the failure was the lack of alignment between stakeholders, including the business community, MPO, DDOT, and SMART ▪ Funding at each of the partner counties must be continually passed via ballot measure every 2-4 years – recently one county passed its transit funding measure by a very narrow margin. If it would have failed, transit operations in that county would have been discontinued within months, sites mothballed, and the viability of the agency beyond one year would have been in jeopardy

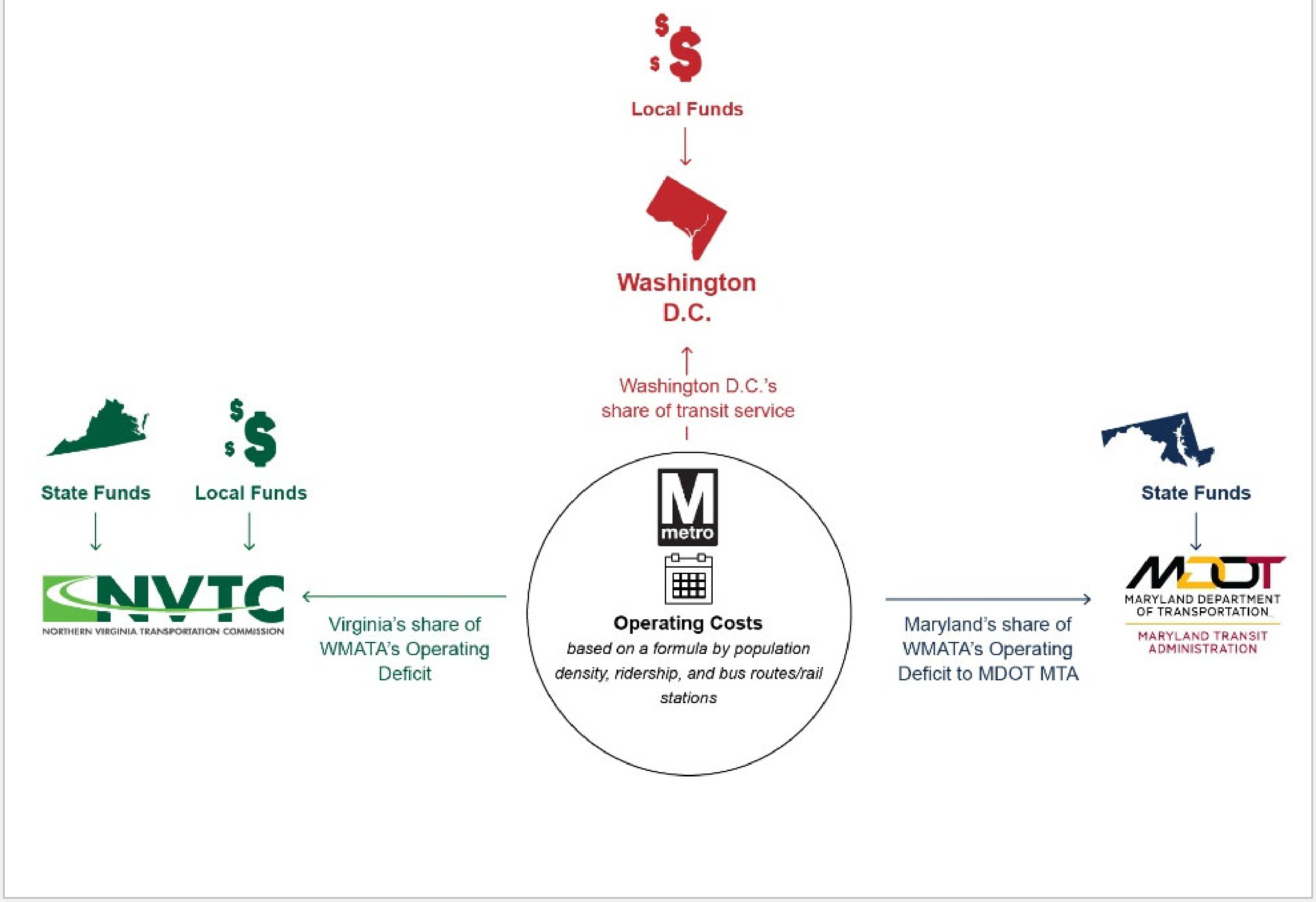
Washington Area Metropolitan Transit Authority (WMATA) Governance and Funding

MDOT MTA is often compared with WMATA for both governance and funding. WMATA is a regional agency that is both governed and funded as a regional authority. Governance is shared equally among four partners: Washington DC., the Federal Government, the State of Maryland and the Virginia counties included in the Washington D.C. urbanized area (see graphic below).



WMATA has a shared funding model. Partners – not including the Federal Government – share a financial commitment to both WMATA's capital investments and net operating subsidy expenses. While WMATA does not have a dedicated funding source, the State of Maryland, Commonwealth of Virginia and Washington D.C. committed to dedicated funding contribution of $167m annually. Operating costs are shared among partners based on the net operating subsidy, i.e., costs net of passenger fares and other revenues raised through user fees, advertisements and other programs. The net operating subsidy is billed to each partner based on a set formula based on population, ridership and a measure of transit service (rail stations or WMATA bus routes) (see graphic below). An exception to this rule is Americans with Disability Act (ADA) complementary paratransit services; the entire net operating subsidy of these services are allocated based on origin of trip.

WMATA Funding Model



Peer Comparison

The below table provides an overview and comparison of the reviewed peers and the MTA, providing a breakdown of the key considerations for the governance and funding frameworks.

Figure 38 Peers Comparison

Agency	Governance Framework	Funding Framework
MDOT MTA: Baltimore Core Services	• Decision-making authority rests with MDOT MTA	• MDOT MTA is funded through combination of federal and state resources.
MDOT MTA: LOTS	• Decision-making authority at local level	• LOTS funded through combination of federal, state and local resources.
CATS	• Voting members confined to Mecklenburg County, cities and towns located within Mecklenburg County, and NCDOT – these entities all provide funding • Successful to date, largely driven by City of Charlotte • Will need to adapt to meet the growing population that is expanding outside of Mecklenburg County • CATS operates as a department within the City of Charlotte	• Mecklenburg County sales tax is primary local funding source – additional sales tax is proposed to fund further expansion • No sunset on sales tax • Capital and operating funding is fairly predictable • CATS follows City of Charlotte financial standards – City maintains AAA rating
Metro Transit St. Louis	• Governing body (BSD) has responsibilities beyond overseeing regional transit • Decision making largely with local jurisdictions • BSD is comprised of representatives from Missouri and Illinois – State has role in appointing Missouri representatives, while Illinois representatives are appointed at local level	• Local sales tax is primary source – sales tax for both capital and operating needs • States provides very little funding – leaving local jurisdictions to fund regional transit in Bi-State region • For FY17-19, local funds for operations rose from \$204M to \$213M and then \$238M • For FY17-19, local funds for capital needs declined from \$10M to \$9M and then \$7M
Salt Lake City (UTA)	• Governance at regional level with Board of Trustees comprised of three full-time salaried trustees appointed by governor, with input from local jurisdictions • Trustees are advocates for regional transit and work closely with UTA leadership • Local and state governments are committed to transit, enabling expansion of regional transit	• State commitment to transit makes dependence on appropriations feasible • Local jurisdictions fund transit via property tax and some smaller funding sources • Salt Lake City provides additional funds to increase service beyond UTA funds • Funding is generally consistent for operations and capital needs – long-term expansion plans are not fully funded, but this is common for industry

Agency	Governance Framework	Funding Framework
SEPTA	• 15-member board includes five members appointed by governor and legislature caucus leaders – remaining ten seats are for counties and City of Philadelphia • Consistent leadership provides for steady leadership and vision – chairman is entering his 21st year in position • Historically, the board has presented a consistent message as an advocate for regional transit • Board's general focus has been on maintenance of existing assets, rather than expansion	• State funding provided through general sales tax, for which a portion goes to fund transit throughout Pennsylvania – this has resulted in consistent funding for operations and capital needs • State provides roughly half of SEPTA's budget, including dedicated funding for operations – recent state legislation changed process from annual appropriations to committed funding • State capital funding will sunset in next year and resolution is unknown
SMART	• Board comprised of officials from counties comprising the service area • Board structure allows for direct access to county decision-makers – however, inter-county politics often play out in transit decisions • Each county holds an effective veto; thus, decisions must be unanimous	• State provides funding support for operations, but largely leaves decision-making to locals • Local funding provided by counties – funding must be reapproved via ballot measure every 2-4 years • Need for continuous reapproval of funding makes long-term planning difficult and jeopardizes long-term viability of agency
WMATA	• Decision-making is shared among four partners (Washington DC, Federal Government, Maryland and Virginia) • Partners share decision-making equally	• Funding is shared by Washington DC, State of Maryland and Commonwealth of Virginia. • Capital funds shared equally among partners with annual commitment. • Operating funds (net operating deficit) assigned based on formula (population, ridership and number of rail stations or bus routes). MDOT MTA pays Maryland's share. Virginia's share is funded through a combination of state and local resources.

Peer Agency Governance Themes

Below is a summary of the governing bodies for each of the five peers. Each governing body is unique in terms of stakeholders, number of members, and formal committees or subcommittees. Additionally, the role and responsibility for the state is unique at each peer. Most states have board representation in the form of a DOT representative, or a representative appointed by the governor or legislatures. SMART is an exception, as they do not have a state representative on their board.

Peer	Governing Body	Representation	Committees
CATS	Metropolitan Transit Commission Board of Directors	Voting Members (17): • The Mayors and Managers of Charlotte, Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville • Member of Mecklenburg County Board of Commissioners and County Manager • The Chairman of the Board of Mecklenburg County Commissioners • The regional representative from the North Carolina Board of Transportation Non-voting Members (11): • Representatives of local governments outside Mecklenburg County, including the South Carolina Department of Transportation	• The Citizens Transit Advisory Group (CTAG) • The Transit Services Advisory Committee (TSAC)
Metro Transit St. Louis	Bi-State Development Agency Board of Directors	• 10-member board • Five members appointed by Governor of Missouri: Two selected from a panel of three nominees submitted by the mayor of St. Louis City; two selected from a panel of three nominees submitted by the county executive of St. Louis County; and one selected from a panel of three submitted alternately by the mayor of St. Louis City and the county executive of St. Louis County • The County Boards of St. Clair and Madison Counties in Illinois appoint five commissioners	Subcommittees under the BSD: • Executive Committee • Audit, Finance, and Administrative Committee • Operations Committee • Planning Committee • Nominating Committee
Salt Lake City / UTA	Board of Trustees	• 3-member board • Governor appoints one representative each from three appointing districts within the service territory • Trustee positions are paid, full-time roles	• Local Advisory Council

Peer	Governing Body	Representation	Committees
SEPTA	SEPTA Board of Directors	• 15-member board • Two members from each of the five counties in SEPTA's service area • One member by the Governor of Pennsylvania • One member by the Senate Majority Leader • One member by the Senate Minority Leader • One member by the House Majority Leader • One member by the House Minority Leader	• Advisory Committee on Accessible Transportation • Citizen Advisory Committee • Youth Advisory Committee
SMART	SMART Board of Directors	• 7-member board • Two members each appointed by Macomb, Oakland, and Wayne counties • One member appointed by Monroe County	• No formal committees

Theme 1:

Crafting and maintain an appropriate role for the state is critical to successful partnerships; State roles are often shaped by history and state politics. This peer review focused on agencies that had strong participation from state government in regional transit investment and decision making. As a result, state involvement in regional decision making was an important consideration with four of the five peers having state representatives appointed by the governor or state legislature.

Theme 2:

There is a need to strike the right balance of representation and influence between the State, City, inner suburbs, and outlying areas with the goal being sound regional representation and coordination.

Theme 3:

Including stakeholders such as public coalitions and partnerships with the surrounding communities is key to ensuring buy-in throughout the decision-making process. Formal committees provide additional perspective and allow for greater stakeholder representation.

Theme 4:

Thoughtful board representation is crucial. Having board members who are well-connected to those in leadership positions from the appointing governments often helps the agency receive buy-in from local and/or state governing authorities. The board should be comprised of individuals who are capable of fulfilling its mission. The example of UTA paying its full-time trustees provides an interesting case study for composing a board.

Theme 5:

Governance and funding cannot be totally divorced. A county or municipality's influence on governance and resources is generally commensurate with the level of funding it provides. There is a general unwillingness to cross subsidize other jurisdictions.

Peer Agency Funding Themes

Theme 1:

Federal, state, and local governments are important funding partners at each of the reviewed peers, especially local partners, which are a substantial contributor of transit funding at all other major metro area transit agencies in the U.S.

Theme 2:

While State funding provides some benefits, such as consistency and predictability, transit funding is generally a lower priority than highway funding at the State level.

Theme 3:

A dedicated local funding source, particularly one with no sunset clause, is best for long-range planning and system viability.

Theme 4:

Codifying the allocation of locally raised funds in the form of an interlocal agreement can ensure that resources are directed in a consistent manner and not influenced by shifting politics.

Theme 5:

Oftentimes, there exists a culture in transit agencies whereby the funding provided by a stakeholder is proportional to the expected level of influence.

KEY TAKEAWAYS FOR THE BALTIMORE REGION

Observations and Lessons Learned

The peer review allowed for gathering observations and lessons from a variety of peer agencies, some of which are long-established organizations that share similar challenges. Others are relatively new organizations in fast-growing metropolitan areas who have not yet had to face the challenges facing the Baltimore region. Collectively, the peer review provided insight into things to avoid, best practices, and case studies on the impact of certain decisions.

Figure 39 Summary of Lessons Learned from Peer Agency Review

WHAT ARE KEY TAKEAWAYS FOR THE BALTIMORE REGION?	
IMPROVE COORDINATION	It is critical to strike the right balance of representation between the state as well as each of the counties and municipalities comprising the Baltimore Metro Region. This balance extends to influence in MTA decision making, policy formulation, and fare sharing.
IMPROVE SERVICE	Funding will make the greatest impact on service improvement – allowing for increased investment in existing assets and expansion to meet shifting demands. Additionally, better regional coordination will improve regional service.
REGIONAL CONNECTIONS	Strong regional connections require a strong commitment by the state, counties, and center city to a healthy regional transit system. SEPTA and UTA provide case studies for a positive climate towards transit and, thus, strong regional connections.
ENSURE EQUITABLE INVESTMENT	Peer review case studies represent a general unwillingness to cross subsidize investment and services for other jurisdictions. Thoughtful and thorough interlocal agreement is needed to codify how resources will be allocated to meet needs and make the greatest impact.
IMPROVE CONSISTENCY	Transit leadership is currently aligned with political leadership and its four-year election cycle. Large-scale capital improvements often have timelines that exceed the four-year election cycle, resulting in inconsistent management. Governance should include leadership with staggered terms to provide constancy in executing capital projects and improvements.
WORKFORCE PROTECTIONS	Governance reforms should consider transit workforce protections to safeguard the existing workforce, many of whom are unionized. Honoring existing labor agreements and providing workforce job security and voice are essential to ensuring the support of frontline employees.
MULTI-MODAL TRANSIT COORDINATION	A comprehensive, multimodal regional transit network can promote resilience, encourage active transportation, and improve sustainability. This is particularly relevant to greater Baltimore since MTA's ridership fell less drastically during the pandemic in comparison to peers.