

Council Resolution 49-2026 Fiscal Analysis

Introduced: April 6, 2026

Fiscal Manager: Melinda Massey

Legislative Intent: The Office of Transportation (OT) is seeking Council approval of the FY 2027 resolution authorizing the OT to apply to the State for transportation funds. This resolution is a mandatory prerequisite for the County’s application to the Maryland Transit Administration (MTA) for federal and state operating and capital grant funds. These funds are critical for subsidizing the Regional Transportation Agency of Central Maryland (RTA), which manages the County's local bus and paratransit services.

ANALYSIS

Fiscal Impact:

Each fiscal year, the OT prepares an Annual Transportation Plan (ATP) for submission to the Maryland Department of Transportation to secure vital subsidies that offset the County’s portion of the RTA’s expenses. Per MTA’s guidelines, the grant application process requires an authorizing resolution from the local governing body to formally endorse the financial assistance and commit to the necessary local match. This year’s proposed resolution remains substantially similar to the version approved in the previous fiscal year, maintaining consistency in the County’s approach to securing state and federal transit funding.

The Administration has provided the FY2027 grant budget for Howard County Transportation Plan below:

| Category | Description | Amount |
|--|------------------------------|-----------------------|
| Operating Grant | Federal/State Funds | \$4,881,354.00 |
| | Howard County Required Match | \$925,842.00 |
| Total Operating | | \$5,807,196.00 |
| Capital Grant (Fleet Procurement) | Federal/State Funds | \$1,100,000.00 |
| | Howard County Required Match | \$275,000.00 |
| Total Capital | | \$1,375,000.00 |

Procurement of Fleet (Capital Grant Funds)

According to the Administration, the typical service life of a heavy-duty bus is approximately 12 years, with a cost of \$650,000, while a cutaway vehicle (also known as a mini bus) has a service life of about 7 years and costs approximately \$150,000. When the initial budget request was prepared, OT planned to procure four large heavy-duty buses. However, the RTA has since revised that the current eligible need is for one large heavy-duty bus and three cutaway replacement vehicles, which aligns with the \$1,100,000 funding request.

Maintenance and Repair

The cost of preventive maintenance is already included in the RTA's maintenance budget and is performed in accordance with an established schedule. The \$75,000 MTA grant would reimburse Howard County for these expenses. Although preventive maintenance costs are not typically itemized separately from total maintenance expenditures, the Administration finds that \$75,000 generally covers most or all eligible preventive maintenance expenses, such as motor oil, filters, and other engine and transmission lubricants.

The Administration has provided a comprehensive FY2027 budget for review.