Brooke E. Lierman Comptroller of Maryland



News Release

Comptroller Lierman Releases First State Spending Report Focused on Transit Costs

Comptroller launches the "State Spending Series," a new series of reports explaining and examining state expenditures on critical infrastructure and public goods

ANNAPOLIS, Md. (March 5, 2025) — Comptroller Brooke E. Lierman today released the first in a series of reports on state spending examining and explaining state expenses. This first report is related to transit projects. The series of reports will share lessons learned nationally and globally, focusing on the cost drivers of critical infrastructure and other public goods essential to economic expansion.

"My agency sees every dollar in and every dollar out – and through this new series, we hope to explain some of the ways taxpayer dollars are spent and to help increase the value we are achieving. In this first report, we examine the cost drivers of transit projects. Expanding access to transit across the state is critical to Maryland's inclusive economic growth and environmental sustainability," says **Comptroller Lierman**. "We must be strategic about how we spend tax dollars, especially in the current budget climate and amid concerns about the future of federal funding, and our new series of reports will highlight opportunities to increase efficiency across the state."

The <u>State Spending Series: Transit Costs Report</u> looks at best practices and research in the context of lessons learned from the Purple Line project in Montgomery and Prince George's County. The Purple Line has experienced severe cost overruns and delays. Initially budgeted for \$5.6 billion and scheduled for completion in 2022, the project is now projected to cost \$9.8 billion and open by the end of 2027. The Board of Public Works has approved eight contract modifications for the project dating back to 2016.

The report is guided by research from the <u>Transit Costs Project</u> at New York University's (NYU) Marron Institute of Urban Management and <u>Eno Center for</u> <u>Transportation</u>, which analyzes the costs and execution of more than 150 rail projects completed over the last 20 years and proven strategies for completing projects on budget and on time.

Challenges for Transit in Maryland:

- Cost overruns for projects like the Purple Line
- \$1.3 billion budget deficit for the Transportation Trust Fund
- Uncertainty around federal funding

Solutions Highlighted:

- Foster strong coalitions to support transit projects before construction begins
- Design standardization to avoid incurring new costs
- Strong coordination between stakeholders
- Carefully monitor and manage labor costs
- Evaluate the use of public-private partnerships

As Maryland looks to grow its transit system in the coming years, in the face of financial and political headwinds, the report and its findings are intended to serve as a resource to planners, advocates, policymakers, and the public.

Future reports in the Comptroller's State Spending Series will examine climate costs and school construction costs.

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