

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 626

(Delegate McIntosh, *et al.*)

Environmental Matters

Finance

Transportation - Maryland Senior Rides Demonstration Program

This bill creates a Maryland Senior Rides Demonstration Program to encourage government agencies and nonprofit entities to provide door-to-door transportation for low- to moderate-income seniors. The Maryland Transit Administration (MTA) must submit an evaluation of the program to the General Assembly by November 1 of each year.

The bill is effective July 1, 2005.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures could increase by up to \$400,000 in FY 2006 and each year thereafter. Revenues would not be affected.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	400,000	400,000	400,000	400,000	400,000
Net Effect	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local governments would qualify for grants of up to \$100,000 each and must provide a 25% match.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill creates a program in MTA that requires the agency to award grants to program applicants who provide door-to-door transportation for low- to moderate-income seniors who have difficulty accessing or using existing transportation systems. The bill defines low- to moderate-income as individual household income that does not exceed 400% of the federal poverty threshold. A senior is a person age 60 or older. MTA must award grants of up to \$100,000 each to qualified program applicants, but no more than \$400,000 per year.

To be eligible for a grant, a program applicant must provide door-to-door transportation for low- to moderate-income seniors and: (1) match at least 25% of the total capital or operating costs associated with providing the service; (2) use primarily volunteer drivers who drive their own vehicles; (3) use a dispatcher system to respond quickly to requests from participating seniors; and (4) define a geographic area for which door-to-door transportation is provided. An applicant may not receive more than one grant annually and can only receive a total of four grants.

The program must solicit grant applications from prospective applicants and ensure that the grants are distributed among applicants in the following areas, with no area receiving more than one grant per year:

- the Baltimore Metropolitan Area;
- the Washington, DC Metropolitan Area;
- Western Maryland;
- Southern Maryland; and
- the Eastern Shore.

MTA must ensure, to the extent practicable, that grants are distributed among rural, urban, and suburban areas. The bill requires MTA to consult with the Department of Aging in determining an applicant's eligibility and specifies several factors it should consider when awarding a grant, such as projected ridership volume, the ability to sustain service after the grant expires, and the applicant's marketing and outreach plan.

The bill requires MTA, in consultation with other State agencies, to adopt regulations to implement the program, including those governing criminal background and driving record checks and liability coverage. A program applicant who receives a grant must submit an annual report to MTA that describes ridership, the number of drivers, cooperative efforts with public and private entities, the amount and source of innovative funds, innovations in risk management for drivers and riders, and any other information MTA requires.

A program participant may charge reasonable fees for providing door-to-door transportation and must include information about the fees, including the methodology used to establish the fee schedule and the total amount of fee revenue collected, as part of its annual report to MTA. The participant must also report on the amount and source of any revenue other than fees generated in connection with the program.

Current Law: The federal Americans with Disabilities Act (ADA) of 1990 requires states to offer alternative public transportation services for people with disabilities who cannot use the fixed-route services. It prohibits service providers from imposing restrictions or priorities because of the purpose of an individual's trip in a complementary paratransit system. The service provider is not allowed to ask why a person is traveling. Service providers are allowed to establish waiting lists or other trip purpose restrictions or priorities for individuals only receiving subscription services.

Background: MTA has a specialized, shared-ride, curb-to-curb service for people with disabilities who are not able to ride fixed-route public transportation. Paratransit service is provided within three-quarters of a mile of any fixed-route service (bus, light rail, or subway) in Baltimore City and Baltimore and Anne Arundel counties. To be eligible for paratransit, individuals must provide a physician's statement that confirms their physical disability. MTA then evaluates the individuals to determine which ones meet the criteria for the specialized service, which charges a \$1.85 one-way fare. The estimated cost to the State is \$26.19 per passenger.

MTA also provides grants and technical assistance to local jurisdictions under the Locally Operated Transit Services (LOTS), which encompasses 13 programs, including two federal matching grants and one State matching grant to finance transit for people with disabilities and senior citizens. One of the LOTS programs, the Statewide Special Transportation Assistance Program (SSTAP), was established to provide general purpose transportation services for the elderly and persons with disabilities. The funds available to SSTAP are annually apportioned so that:

- 60% is distributed equally among the counties (including Baltimore City); and
- 40% is distributed among the counties (including Baltimore City) in proportion to their respective percentage of the State's combined elderly and disabled population.

SSTAP can finance both operating and capital expenses. No program currently has income limits on riders, according to MTA. The 2005 budget allowance for SSTAP and the State's share of ADA grants to local governments is \$6.7 million, \$1.2 million less than the fiscal 2004 appropriation. MTA's paratransit expenses have increased from \$3.9 million in fiscal 1994 to \$16.3 million in fiscal 2004.

State Expenditures: TTF expenditures could increase by up to \$400,000 annually, beginning in fiscal 2006 to provide grants required by the bill. MTA advises that the bill will cost more in the out-years due to projected growth in demand. It anticipates, based on State paratransit trends for the last five years, that expenditures would increase annually by almost 13%. The Department of Legislative Services (DLS) concurs that additional demand is likely; however, the bill stipulates that grants are limited to four annual grants of \$100,000 each and does not authorize expenditures exceeding that level. MTA advises that it can implement the grant program with existing resources if the program is limited to \$400,000.

Under the 2004 federal poverty guidelines, a single-member household with an annual income up to \$37,240 would qualify for the proposed service. DLS notes that it is unclear how the income will be verified. According to the U.S. Census *Current Population Survey*, approximately 484,000 Maryland residents would qualify for the program.

Local Fiscal Effect: Local jurisdictions would have to provide up to \$25,000 to receive a \$100,000 grant, if eligible. However, it is unclear how many local governments use volunteer drivers. The impact on smaller counties or municipalities would likely be greater.

Small Business Effect: Many social service agencies and other nonprofit organizations contract with local governments to provide specialized transportation services. To the extent they qualify for grants and can provide the required match, they would benefit. Small taxicab businesses that would otherwise transport seniors age 60 and over would be adversely affected; however, the impact would be limited to the areas served by the providers who receive a grant. According to 2001 U.S. Census data, 48 companies with 550 employees provided special needs transportation in Maryland, which includes people with disabilities and senior citizens.

Additional Information

Prior Introductions: SB 448 and HB 758 of 2003 were not reported from the Senate Finance Committee and the House Environmental Matters Committee, respectively.

Cross File: SB 294 (Senator Middleton, *et al.*) – Finance.

Information Source(s): Department of Human Resources, Department of Aging, Maryland Department of Transportation, Department of Legislative Services

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