

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

Senate Bill 448
 Finance

(Senator Middleton, *et al.*)

Transportation - Maryland Senior Rides Demonstration Program

This bill creates the Maryland Senior Rides Demonstration Program to encourage a government agency or a nonprofit entity 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, 2003.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures would increase by \$400,000 in FY 2004 and each year thereafter. Revenues would not be affected.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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: Up to four local governments would qualify for grants of up to \$100,000 each and must provide a 25% match.

Small Business Effect: Potentially significant increase in revenues for small, nonprofit community transportation service providers who qualify for program grants.

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. The program must award grants of up to \$100,000 each to four qualified program applicants.

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 regulations governing criminal background and driving record checks, driver and vehicle safety, driver training, 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.

Current Law: The federal Americans with Disabilities Act (ADA) of 1990 requires the State 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 \$1.55 one-way fare. The estimated cost to the State is \$22.96 per passenger.

MTA 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 the 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 2004 budget allowance for SSTAP and the State's share of ADA grants to local governments is \$7.9 million.

State Expenditures: TTF expenditures would increase by \$400,000 annually, beginning in fiscal 2004, to provide grants required by the bill. MTA can administer the program with existing resources.

Approximately 508,000 people would qualify for the service due to their annual income. Under the 2003 federal poverty guidelines, a single-member household with an annual income up to \$35,920 would qualify for the proposed service. The Department of Legislative Services notes that it is unclear how the income will be verified.

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.

Additional Information

Prior Introductions: None.

Cross File: HB 758 (Delegate McIntosh, *et al.*) – Environmental Matters.

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

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