



Bill: House Bill 950: Maryland Transit Administration - Locally Operated Transit Systems - Mandatory Funding

Position: SUPPORT

Dear Chair Barnes, Vice-Chair Chang, and Members of the Committee:

I write on behalf of the Transportation Association of Maryland in support of House Bill 950, which would protect state funding for the Locally Operated Transit Systems (LOTS).

In addition to federal grants and local funding, LOTS rely on state operating grants to fund both capital investment and operations. In the wake of the COVID-19 pandemic funding for LOTS operating grants was cut by 20% (or \$12,000,000), which was the largest single area cut by MDOT. This cut was officially justified on the idea that it would be offset by the availability of CARES act emergency funding. This emergency funding was made available three years ago, and in many cases, it was exhausted in 2021. In December of 2023, once again LOTS were targeted for a 40% cut in state funding by MDOT.

Our members make mobility a reality for their customers. As ridership recovers from the pandemic they are being called upon to provide more responsive service to more people while also beginning the transition to low and zero emissions technology. As new challenges and new expectations arise, restoring state support is of the utmost importance.

Since 2019, costs have increased for truck and bus bodies by over 38%¹. (Federal Reserve Bank of St. Louis, 2023) Local jurisdictions have increased their contributions to pick up the slack, but there is a limit to local funding capability. Further cuts in state funding for local service would not only place strain on local jurisdictions but would jeopardize local transit's ability to provide local match for federal dollars.

Transit planning requires surety. While we have been promised a reprieve in this coming budget, there is no guarantee for future years that local transit will not again be regarded as a target for budget cuts. We emphasize that local transit support is not the cause of our state's trust fund woes. The state is sending less aid to local transit than it did 10 years ago, when over \$107 million was budgeted from the trust fund for statewide program operations.

State ADA program - Funding decreased by 17% in FY2016, remained flat for the next three years, and then decreased again by 9.4% in FY2020. Local contributions varied from year to year but remained consistently higher than the minimum required match.

SSTAP - Grant awards from have been flat statewide, and LOTS contribute considerably more local funds than the 25% minimum.

Section 5307 –State operating funds for Section 5307 were cut by 20% in FY 21. The state share is consistently less than 25% of the total, with local match considerably higher than 25%.

Section 5311 – State operating was cut by 20% in FY 21. Local funding far exceeds federal and State shares combined -ranging from 48.7% to 66.4% percent of the total.

The possibility of additional cuts to these services jeopardizes critical transit achievements across our state. Please protect this funding through supporting HB 950.

Sincerely,

John Duklewski
Executive Director, Transportation Association of Maryland

¹ (Federal Reserve Bank of St. Louis, 2023)