

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 461

(Senator Pugh, *et al.*)

Finance

Economic Matters

Labor and Employment - Maryland Workforce Investment Act - Transit Service
for Low-Income Individuals

This bill requires the Maryland Department of Transportation (MDOT) to issue weekly transit passes for local bus, light rail, or metro subway service provided by the Maryland Transit Administration (MTA) to *eligible* training organizations. The training organization must provide the transit passes to individuals receiving employment and training services through a workforce investment training program. In addition, the organization must reimburse MDOT for the cost of the training passes.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues would increase annually beginning in FY 2008 due to training organizations reimbursing MTA for weekly passes; however, the magnitude of this impact depends on the number of training organizations that apply for weekly passes, which cannot be reliably estimated at this time. Expenditures would not be affected.

Local Effect: Local workforce investment boards would have increased expenditures to reimburse training organizations for weekly passes. If these boards did not receive additional federal funding to provide these passes, other board activities would need to be altered to compensate for the additional expenditure.

Small Business Effect: None.

Analysis

Bill Summary: To be eligible for transit passes, a training organization must include in its contract with the local workforce investment board or local workforce investment agency a provision requiring reimbursement of the training organization for the cost of the passes. The passes must be in the form of loaded smart cards or other magnetic passes.

Current Law/Background: The Governor's Workforce Investment Board (GWIB) was established in 1983 as the Governor's Employment and Training Council. In 1998, the Federal Workforce Investment Act (WIA) mandated the existence of state-level GWIB-type organizations to implement provisions of federal worker training programs. A 1998 Executive Order renamed the entity the Governor's Workforce Investment Board. In 2003, the independent agency was transferred into the Department of Labor, Licensing, and Regulation (DLLR), which is responsible for the day-to-day operations of the State's workforce development system.

WIA provides for core services and intensive services, primarily through local workforce investment boards. There are 12 boards across the State, each located in a workforce investment area with population of 200,000 or more. WIA also provides workforce training to increase participants' earning potential and provides assistance to individuals with barriers to employment.

Core services provided by local workforce investment boards include job search and placement assistance, skills assessments, labor market information, and job retention services. Adults qualify for these programs without regard to income; however, priority is given to public assistance recipients and other low-income clients. Intensive services are reserved for individuals who require additional assistance to find or keep a job, and may include comprehensive assessments, individual employment plans, counseling, and case management.

State Revenues: TTF revenues would increase due to reimbursements from training organizations for weekly passes; however, the magnitude of this impact cannot be reliably estimated at this time. Participation by training organizations is optional.

MTA advises that weekly transit passes for its services are approximately \$16.50 per week. MTA offers light rail, metro subway, and bus service in Baltimore City and Anne Arundel, Baltimore, and Howard counties. It is assumed that local bus service is limited to service provided by MTA.

MTA has consulted with DLLR and advises that approximately 600 to 1,000 people are enrolled in long-term occupational training in Baltimore City and Baltimore and Anne

Arundel counties, where most of MTA's core services are offered. This does not include Howard County. It is not known how many of these individuals would want passes, nor how many would otherwise obtain a weekly pass and use public transit in the absence of this bill.

In addition, training organizations in these areas would have to reimburse MTA for the passes, and in turn amend contracts with local workforce investment boards or local workforce investment agencies to include reimbursements for this expense. DLLR advises that this reimbursement would most likely be federal funds through WIA, as does the Baltimore City Mayor's Office of Workforce Development.

DLLR advises that certain training organizations already provide some sort of transportation for participants if necessary. Therefore, some training organizations would not seek weekly passes for participants, either because the organization concluded that it could provide better transportation access through other methods, or because the training organization would rather use WIA funding for other purposes. The Baltimore City Mayor's Office of Workforce Development advises that it could not accurately estimate how many of its training organizations would choose to seek weekly MTA passes. Accordingly, the number of passes issued by MTA to training organizations cannot be reliably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Labor, Licensing, and Regulation; Baltimore City; Department of Legislative Services

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