

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1468

(Delegate Beidle)

Environment and Transportation

Finance and Budget and Taxation

Transit - Job Access and Reverse Commute (JARC) Program

This bill establishes the Job Access and Reverse Commute (JARC) Program in the Maryland Transit Administration (MTA). Under the program, MTA is authorized to make grants to “providers” that connect “targeted populations” with “targeted employment areas” through “job access and reverse commute projects.” The bill establishes requirements for MTA, grant applicants, and grant recipients. Funds for the program must be as provided by the Governor in the State budget, not to exceed \$400,000 annually.

Fiscal Summary

State Effect: Under one set of assumptions, assuming MTA uses the authority provided by the bill, Transportation Trust Fund (TTF) expenditures increase by \$400,000 annually beginning in FY 2019 to provide grants. Revenues are not affected.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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 increase; (-) = indeterminate decrease

Local Effect: Local government revenues and expenditures may increase to the extent that a local government applies for and obtains a grant through the JARC Program.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Distribution of Grants

MTA may make grants to a provider for job access and reverse commute projects that connect targeted populations with targeted employment areas. Generally, MTA must distribute (1) 70% of the funds to providers for use in urbanized areas and (2) 30% of the funds to providers for use in rural areas, except as specified. Grants must be awarded and distributed on a competitive, fair, and equitable basis.

Solicitation for Grant Applications

Before accepting any grant applications for projects in urbanized areas, MTA must conduct, in cooperation with the appropriate Metropolitan Planning Organization (MPO), an area-wide solicitation for grant applications for projects. For such projects, grants may only be awarded to projects endorsed by the appropriate MPO. Before accepting any grant applications for projects in rural areas, MTA must conduct a statewide solicitation for grant applications.

Use of Grant Awards

A grant under the program may not exceed 80% of the net operating costs of a project, as determined by MTA, and must provide services for more than three years. A provider may use no more than 10% of the grant amount for administrative costs, as determined by MTA.

MTA Study on the Effectiveness of the Program

By December 1, 2021, MTA must conduct a study to evaluate the effectiveness of the program and submit the study to the Governor and the General Assembly.

Definitions

“Provider” means a private nonprofit organization, a local transit system, or one or more employers that implements a job access and reverse commute project. A “job access and reverse commute project” is a project that provides transportation services to targeted populations and serves targeted employment areas. A “job access and reverse commute project” includes the extension of service hours on local fixed route transit systems, vanpool services, employer-provided transportation services, and demand-response or deviated fixed route transit services. The term does not include (1) ride matching, mobility management, or commuter assistance services; (2) for-hire vehicle or transportation

network services; (3) carpool services; (4) volunteer driver programs; or (5) other services provided on an individual basis, except as specified.

“Targeted employment area” means an area that has recently experienced a significant growth in employment opportunities in specified sectors. “Targeted population” means individuals in defined areas who (1) reside in low-income areas, as determined by MTA; (2) have limited or no access to the use of a personal vehicle; and (3) reside in areas with limited access to fixed route transit service.

Current Law/Background: MTA operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services such as the light rail, Baltimore Metro subway, commuter buses, Maryland Area Regional Commuter trains, and mobility/paratransit vehicles.

MTA advises that the JARC Program authorized by the bill is modeled after a Federal Transit Administration (FTA) grant program of the same name that is no longer funded at the federal level; MTA reports that the federal JARC Program ceased to exist in the federal fiscal 2015 budget. MTA further advises that some, but not all, of the previous JARC grant funding is currently provided through a separate FTA grant program. However, MTA reports that the State receives about \$1.8 million less under this other grant program than it did through the original program.

As a condition of federal aid, federal law requires an MPO to be designated for each urbanized area with a population of more than 50,000 people in order to carry out the metropolitan transportation planning process. The Census Bureau designates a new list of urbanized areas every 10 years, following the conclusion of the decennial census. The 2010 decennial census resulted in the identification of 36 new urbanized areas nationwide.

State Expenditures: Although the bill only authorizes, and does not require, MTA to establish a JARC Program, this analysis assumes that MTA establishes the program and provides \$400,000 in grant funding from TTF to providers each year beginning in fiscal 2019 (the maximum amount authorized under the bill). MTA advises that it has experience administering the federal JARC program; therefore, it can administer the JARC Program established pursuant to the bill’s authority and conduct the required study using existing staff.

Although the bill does not specify a funding source, it is assumed that TTF, and not the general fund, supports the program.

Local Fiscal Effect: Local governments may qualify as providers under the bill, thereby making them eligible for grants through the JARC Program. To the extent a local

government entity applies for and receives funding from the program, local grant revenues increase. Expenditures increase as local grant recipients provide the required 20% match and spend any grants received on job access and reverse commute projects.

Small Business Effect: Some small businesses may qualify as providers under the bill and receive funding for job access and reverse commute projects. In addition, small businesses in targeted employment areas may benefit from grant recipients assisting their employees with their commutes.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Budget and Management; Federal Transit Administration; Department of Legislative Services

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