



SB 126 - Transportation - WMATA Operating Assistance - Alteration (Maryland Metro Funding Act of 2024)

Budget and Taxation Committee

January 24, 2024

SUPPORT

Chairman Guzzone, Vice-Chair Rosapepe, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 126. This bill will temporarily pause the requirement that the Secretary of Transportation withholds the State's annual operating grant to the Washington Metropolitan Area Transit Authority (WMATA) for fiscal year 2025.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

The current law in place states that if WMATA's operating budget increases by more than 3% over the prior fiscal year, the Secretary must withhold 35% of the State's operating grant to WMATA. The Maryland Department of Transportation (MDOT) is anticipating that WMATA's operating costs will be greater than 3%, therefore requiring 35% of MDOT's funds to WMATA to be withheld. This equates to about \$223.7 million in funding loss for WMATA, which would greatly impact their operating abilities.

Withholding funding from WMATA would especially impact low-income households. Over 20% of low-income workers in the DMV took public transportation to work in 2022¹. Reduced operating costs for WMATA means that low-income workers will face an increased difficulty in commuting to and from their jobs. Low income families also use public transportation for doctor appointments, grocery shopping, and for other activities essential for day to day living

Not only does this impact low-income Marylanders' ability to travel to work, but also to receive additional benefits and services. CASH has 35 tax preparation sites throughout the state, where thousands of low to moderate income Marylanders must travel to in order to receive tax preparation services. Closed metro stops and less operational trains would prohibit many of our clients' ability to receive the services that they rely on.

Thus, we encourage you to return a favorable report for SB 126.

¹ People's Policy Project: <https://www.peoplespolicyproject.org/2024/01/10/cuts-to-dc-public-transit-would-be-a-disaster-especially-for-the-poor/>