



**Bill:** Senate Bill 693: Task Force to Study Paratransit in Maryland

**Position:** SUPPORT

Dear Chair Beidle, Vice-Chair Klausmeier, and Members of the Committee:

Locally operated transit systems (LOTS) are at a crossroads, beyond which they will be unable to absorb increasing demand for medical transportation on demand response services. Fixed route bus service can typically accommodate additional riders without incurring additional operating costs. Paratransit services, such as SSTAP (Statewide Specialized Transportation Assistance Program) funded services and/or general public demand response services are often stretched to capacity. Providing more trips on demand response services that are at capacity requires more vehicles, more drivers, other additional operating costs—and more funding to cover the additional costs. A current driver shortage experienced at a national level further increases costs for labor as LOTS struggle to fill vacant driver positions by increasing wages, benefits, and other incentives.

**Marylanders Need More Trips to Medical Transportation** - Program funds are not adequate to meet all unmet medical trip needs. While Maryland Department of Health (MDH) meets all the needs for Medicaid NEMT with its grant program, there are gaps in service for medical trips by Marylanders who are not Medicaid eligible. These gaps include medical trips for those people who live in areas without fixed routes, those that cannot use fixed routes, or people going to medical facilities or services outside the areas currently served by the LOTS.

**LOTS Service Levels Constrained by Funding** - With the exception of ADA paratransit (which is available in only some locations and only for a select population of persons with disabilities), services provided by the LOTS are constrained by the funding levels. When resources are expended, the LOTS cannot provide additional services to meet medical transportation needs.

**State Fund Levels for LOTS Are Flat or declining** - The state funding levels for all the LOTS public transit programs have not increased substantially from FY2015-2024. During that time, costs have increased. The overall Consumer Price Index (CPI) in the Baltimore area increased 27% between 2015 and 2024, with a 6.1% increase in the last twelve months. The increase in costs for transit systems is far above this. Since 2019, costs have increased for truck and bus bodies by over 38%<sup>1</sup>. (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.

**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 (Maryland Transit Administration, 2021). Local contributions varied from year to year but remained consistently higher than the minimum required match.

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

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<sup>1</sup> (Federal Reserve Bank of St. Louis, 2023)

**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.

**Increased Demand for Medical Trips has Negative Impact on the LOTS** - Attempting to serve all needed medical trips (especially dialysis trips) is having a significant negative impact on LOTS services and affecting their ability to service other needs for some LOTS. LOTS agencies indicate that it is difficult to serve other trip purposes because demand for medical trips used so much capacity. NEMT. LOTS provide transportation services to the public without regard to trip purpose and on most services do not track how many passengers are travelling to medical services.

**Need for study to determine future of Paratransit funding** – Current sources of funding are clearly inadequate to serve Maryland’s growing transit-dependent population, as decades of decreasing funding and increasing costs show. This task force will serve a critical role in determine the true scope of demand, the cause of funding shortfalls, and how to ensure that every Marylander has access to life-saving mobility in the future.

Sincerely,

John Duklewski  
Executive Director, Transportation Association of Maryland