

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1019
 Appropriations

(Delegates K. Young and Henson)

Budget and Taxation

Transportation - Elderly and Handicapped Transportation Service - County
 Funding

This bill establishes minimum funding requirements for the Maryland Department of Transportation (MDOT) for elderly and handicapped transportation service in each county (including Baltimore City) beginning in fiscal 2024. The bill also requires the Secretary of Transportation, by December 1 each year, to report to specified committees of the General Assembly on the amount of such funding distributed to each county and municipality during the prior fiscal year; the bill establishes requirements for the report. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: Under one set of assumptions, Transportation Trust Fund (TTF) expenditures increase by \$99,000 in FY 2025, \$204,800 in FY 2026, and \$308,500 in FY 2027, as discussed below. Revenues are not affected. MDOT can likely submit the annual reports using existing budgeted resources, as discussed below. **This bill establishes a mandated appropriation beginning in FY 2024.**

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	0	0	99,000	204,800	308,500
Net Effect	\$0	\$0	(\$99,000)	(\$204,800)	(\$308,500)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Under one set of assumptions, local government revenues increase by \$99,000 in FY 2025, \$204,800 in FY 2026, and \$308,500 in FY 2027; expenditures increase correspondingly, as discussed below.

Small Business Effect: Minimal.

Analysis

Bill Summary: The Secretary must identify separately within MDOT's annual budget the following amounts for elderly and handicapped transportation service in each county:

- for fiscal 2024, at least \$4,305,908; and
- for fiscal 2025 and each fiscal year thereafter, an amount that is equal to at least the amount in the immediately preceding fiscal year adjusted for inflation, as specified.

The annual report must include an estimate of the number of (1) individuals receiving transportation services supported by the distributions under the bill during the prior fiscal year; (2) individual trips provided to individuals supported by the distributions under the bill during the prior fiscal year; and (3) individual trips required by elderly and handicapped persons in the State for the prior fiscal year and the next fiscal year.

Current Law: MDOT must identify separately within its annual budget an amount that the Secretary deems necessary to be used for elderly and handicapped transportation service in each county. The total identified by MDOT must be distributed to counties (including Baltimore City) using a specified formula based on the combined elderly and handicapped population in each county and using specified processes. The Secretary of Transportation, in consultation with the Department of Aging and the Department of Disabilities, must monitor the use of such funds.

In addition, the Maryland Transit Administration directly provides paratransit services to State residents through its [MobilityLink](#) service. The service is offered to people, who because of a disability, are functionally unable to get to a bus stop, wait unassisted at a stop, or board or ride a bus or train by themselves. MobilityLink provides door-to-door service by picking up participating riders at the first exterior door of the rider's home or pick up location and dropping the rider off at the first exterior door of their destination.

State Expenditures: MDOT advises that it currently has budgeted \$4,305,908 annually for elderly and handicapped transportation service for local governments, which is the same amount required by the bill for fiscal 2024. However, the bill requires that the amount of funding provided to local governments for this purpose be adjusted for inflation each year beginning in fiscal 2025. Based on a forecast of the Consumer Price Index from Moody's Analytics, TTF expenditures increase by \$99,036 in fiscal 2025, \$204,755 in fiscal 2026, and \$308,500 in fiscal 2027.

As noted above, the annual report must include specified information about elderly and handicapped transportation services. Because the programs funded by MDOT are operated by local governments, MDOT must rely on those entities to provide the necessary information to complete the required report each year. Most of the information is likely

readily available. However, the requirement for MDOT to include an estimate of the number of individual trips required by elderly and handicapped persons in the State for the prior fiscal year and the next fiscal year may be more challenging to meet. For purposes of this analysis, it is assumed that MDOT simply receives this information from local governments and is, therefore, able to report it each year using existing resources. To the extent MDOT must conduct additional analyses in order to develop a statewide estimate of individual trips required, MDOT incurs costs to engage a consultant.

Local Fiscal Effect: Baltimore City and county revenues increase by \$99,036 in fiscal 2025, \$204,753 in fiscal 2026, and \$308,500 in fiscal 2027 under the assumptions discussed above. Baltimore City and county expenditures increase correspondingly as the additional funding is used to either provide additional transportation services or supplant existing funding for such services, which can then be used for other purposes.

Local governments can provide information to MDOT to complete the required annual reports using existing resources.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 838 (Senator Young) - Budget and Taxation.

Information Source(s): Maryland Department of Transportation; Maryland Department of Disabilities; Maryland Department of Aging; Maryland Association of Counties; Baltimore, Carroll, Harford, and Montgomery counties; Maryland Municipal League; towns of Bel Air and Leonardtown; Moody's Analytics; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2022
rh/lgc Third Reader - April 11, 2022
Revised - Amendment(s) - April 11, 2022

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510