

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 256

SPONSOR: Transportation Committee, Senator Mitchell and others

SUBJECT: Transportation Disadvantaged

DATE: April 5, 2001

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Vickers	Meyer	TR	Favorable/CS
2.			FT	
3.			AGG	
4.			AP	
5.				
6.				

I. Summary:

Pursuant to s. 320.03(9), F.S., a nonrefundable fee of \$1.50 is charged on the initial and renewal Florida registrations of each automobile for private use and on each truck with a net weight of 5,000 pounds or less. The collected fees are deposited into the Transportation Disadvantaged Trust Fund, which supports a state coordinated program to provide transportation for elderly, disabled, and low-income citizens. In fiscal year 1999-2000, this fee generated \$22.58 million.

This CS would extend the \$1.50 fee to the initial and renewal registrations of certain trucks and trailers, motorcycles, tag transfers, and temporary tags. Commercial vehicles currently exempt from this fee would remain exempt under the provisions of this CS. A fiscal analysis by the Department of Highway Safety and Motor Vehicles indicates this CS would generate an additional \$8.7 million in fiscal year 2001-2002 for the Transportation Disadvantaged Trust Fund.

This CS substantially amends section 320.03 of the Florida Statutes.

II. Present Situation:

Overview of the Transportation Disadvantaged Program – The Transportation Disadvantaged (TD) Program is administered through a decentralized network of state and local organizations. The Commission for the Transportation Disadvantaged (Commission) is the state entity responsible for ensuring the coordination and delivery of TD services in a cost-effective manner throughout the state. Various state agencies provide funding for specific client groups. At the local level, coordination of TD services is accomplished through planning agencies, local advisory boards, community transportation coordinators, and transportation operators.

Commission for the Transportation Disadvantaged - The Legislature created the Commission for the Transportation Disadvantaged in 1989 as an independent entity within the Department of Transportation. The mission of the Commission is to ensure the availability of efficient, cost-effective and quality transportation services for transportation disadvantaged persons. The Commission also administers the Transportation Disadvantaged Trust Fund. The TD Trust Fund is used to subsidize trips, provide funding for TD eligible persons not otherwise funded, and provide for administrative expenses.¹

The Commission is currently comprised of 27 members representing a broad spectrum of interested parties. The Commission assists communities in establishing coordinated transportation systems, manages contracts and memoranda of agreement, develops a five-year transportation disadvantaged plan and addresses statewide transportation issues impacting TD eligible persons. The Commission is also responsible for assuring state agencies purchase transportation services from within the TD coordinated system unless a more cost-effective provider outside the coordinated system can be found by the purchasing agency in compliance with chapter 427, F.S. However, the Commission has no direct authority over agency transportation policies or funds used to purchase TD services.

Local Coordination Entities - At the local level, the TD Program is implemented through a network of planning agencies, local advisory boards, community transportation coordinators, and transportation operators. Florida's 67 counties are currently divided into 50 TD service areas. While most urban counties are single county service areas, some rural counties are organized into multi-county service areas. The following entities work cooperatively within each local service area:

- *Official Planning Agency* - Planning agencies are responsible for recommending the local community transportation coordinator to the Commission. In addition, the planning agencies appoint and staff the local coordinating board. A metropolitan planning organization, regional planning council, or county planning unit may serve as the official planning agency.
- *Local Coordinating Board* - Local coordinating boards identify local service needs and provide information, advice and direction to the community transportation coordinator. A local elected official chairs the board. The size and composition of the board is established by the Commission.
- *Community Transportation Coordinators* – The Community Transportation Coordinator (CTC) is the entity responsible for the actual arrangement or delivery of transportation services within their local service area. Services provided by CTCs include scheduling transportation services, processing reimbursements, contracting and monitoring of transportation operators, and delivery of transportation services.

¹Persons are considered transportation disadvantaged when physical or mental disability, income status, or age make them unable to transport themselves or to purchase transportation. These conditions cause them to rely on others to obtain access to health care, employment, education, shopping, or other life-sustaining activities. Handicapped children or children at-risk or high-risk are also eligible for services under this program (s. 427.011, F.S.)

- *Transportation Operators* - Transportation operators or providers contract with the CTC for transportation services. Alternatively, transportation operators may contract directly with the sponsoring agency. There are approximately 400 transportation providers currently participating in the TD Program.

Program Funding - The TD Program is funded through a variety of local, state, and federal sources. According to the Commission, fiscal year 1999-2000 TD expenditures totaled \$236 million. This expenditure translated into approximately 43.3 million one-way trips. At the state level, the Agency for Health Care Administration, which administers the Medicaid program, was the single largest funding entity, contributing \$58.15 million in fiscal year 1999-2000. The Commission, through the TD Trust Fund, was the second largest funding entity, contributing \$22.58 million. Other state agencies purchasing services through the TD Program included: Department of Children and Families; the Department of Transportation; the Department of Elderly Affairs; and the Department of Labor and Employment Services. Local and federal funding accounted for \$125 million in TD expenditures during fiscal year 1999-2000.

Funding sources for the Transportation Disadvantaged Trust Fund include motor vehicle registration fees (\$1.50 imposed under s. 320.03, F.S.), a 15 percent transfer from the Florida Department of Transportation's public transit block grant monies, and temporary handicapped tag fees (\$5 per tag). In addition, individuals may make a voluntary contribution of \$1 when applying for a motor vehicle registration. The Commission distributes trust fund revenue to local entities through trip/equipment grants, and planning grants. The trip/equipment grants are distributed to community transportation coordinators for the provision of non-sponsored trips and the procurement of capital equipment.

Program Demographics - In fiscal year 1999-2000, TD services were provided to 667,914 people. Of that number, 35 percent were elderly, 19 percent were at-risk children, 17 percent low-income, 15 percent low-income and disabled, and 12 percent were disabled. Of the 43.3 million trips taken: 11.7 million were for medical visits; 10.9 million for grocery and other shopping; 10.6 million were to schools or other training classes; 7.9 million were to job sites; and 2.2 million for visits to Senior Centers or other destinations.

III. **Effect of Proposed Changes:**

This CS would extend the current \$1.50 fee on the registration of certain motor vehicles to the following categories of initial and renewal registration transactions: certain trailers and trucks; motorcycles; tag transfers; and temporary tags. Commercial vehicles currently exempt from this fee would remain exempt under the provisions of this CS.

According to the Department of Highway Safety and Motor Vehicles, the CS would affect the owners of more than 5.8 million vehicles, and generate, at a minimum, an estimated \$8.7 million in fiscal year 2001-2002 for the Transportation Disadvantaged Trust Fund.

IV. **Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

This CS would extend an existing \$1.50 fee on motor vehicle registrations to certain categories of trucks and trailers, motorcycles, tag transfers, and temporary tags. According to the Department of Highway Safety and Motor Vehicles, this is projected to impact the owners of 5.8 million vehicles, and generate, at a minimum, an estimated \$8.7 million in fiscal year 2001-2002 for the TD Trust Fund.

B. Private Sector Impact:

Counties contract with for-profit and not-for-profit private entities to provide vans and drivers for TD services. It is likely that at least a portion of the additional revenue would be paid to private-sector providers. The exact amount cannot be determined at this time.

C. Government Sector Impact:

Local governments may benefit indirectly from the expanded application of the \$1.50 registration fee, depending on how the increased revenues are distributed. It is likely that the increased revenues will be distributed to local governments as grants for their TD programs.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The Commission and supporters of the TD Program cite a study by the University of South Florida's Center for Urban Transportation Research that indicates the need for TD services is growing. Currently, almost 6 million Floridians are eligible for TD services, and that number will increase to more than 8 million by 2015, according to the study. Commission staff reported the number of requests for services denied as a result of funding shortages has increased substantially in recent years. In fiscal year 1999-2000, local TD providers turned down 581,312 requests for transportation because of a lack of vehicles, drivers or other resources.

The Department of Highway Safety and Motor Vehicles recommends changing the effective date from July 1, 2001, to October 1, 2001, to give it more time to implement the law change.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
