

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Transportation Committee

BILL: SB 788

INTRODUCER: Senator Fasano

SUBJECT: Transportation Disadvantaged/Services

DATE: February 25, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Davis	Meyer	TR	Favorable
2.			CA	
3.			TA	
4.				
5.				
6.				

I. Summary:

Senate Bill 788 revises ss. 427.011 – 427.016, F.S., to ensure the coordinated planning of transportation for all human service agencies; strengthen the alternative provider procedure process for state agencies to ensure all agencies follow the exact same process; require all state agencies to identify dollars spent on non-emergency transportation services to transportation disadvantaged clients; and require all state agencies to pay the approved transportation rates. This bill also updates terminology, deletes obsolete language, and makes other technical changes.

This bill substantially amends the following sections of the Florida Statutes: 427.011, 427.012, 427.013, 427.0135, 427.015, 427.0155, 427.0157, 427.0158, 427.0159, and 427.016.

II. Present Situation:

Overview of the Transportation Disadvantaged Program

The Transportation Disadvantaged (TD) Program, created in 1979 by the Legislature pursuant to Part I of ch. 427, F.S., coordinates a network of local and state programs providing transportation services for elderly, disabled, and low-income citizens. The Legislature created the Commission for the Transportation Disadvantaged (commission) in 1989 as an independent entity within the Department of Transportation (DOT). The mission of the commission is to ensure the availability of efficient, cost-effective and quality transportation services for transportation disadvantaged persons. The TD Program is administered through a decentralized network of state and local organizations (see Exhibit). The 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.

The commission also administers the Medicaid Non-Emergency Transportation Program and the TD Trust Fund. The TD Trust Fund receives moneys from a \$1.50 fee on the initial and renewal registration of vehicles pursuant to s. 320.03(9), F.S., and other sources of revenue designated by the Legislature. The TD Trust Fund is used to subsidize trips, provide funding for TD eligible persons not otherwise funded, and provide for administrative expenses.¹

Over the years, the Legislature has modified the program's administrative structure, program responsibilities, and funding. A 7-member commission sets state policy and oversees its statewide implementation, and distributes a share of its budgeted funds to the local providers, based on the commission's criteria. Commissioners represent the non-transportation business community and disabled individuals who use the transportation disadvantaged system. Appointments to the commission are made by the Governor.

Currently, the commission's membership includes:

- Seven voting members appointed by the Governor, in accordance with the requirements of s. 20.052, F.S. Two of the members must be persons with a disability and who use the transportation disadvantaged system. Five of the members must have significant experience in the operation of a business. In addition, when making an appointment, it is the intent of the Legislature that the Governor selects persons who reflect the broad diversity of the business community in the state, as well as the racial, ethnic, geographical, and gender diversity of the population of this state.

In addition, the top executive or their designee, from each of the following entities, will serve as ex officio, nonvoting advisors of the commission:

- The Department of Transportation (DOT);
- The Department of Children and Family Services;
- The Agency for Workforce Innovation;
- The Department of Veterans' Affairs;
- The Department of Elderly Affairs;
- The Agency for Health Care Administration (AHCA);
- The Agency for Persons with Disabilities; and
- A county manager or administrator who is appointed by the Governor.

The commission is required to meet at least quarterly, or more frequently at the call of the chairperson. Five members of the commission constitute a quorum, and a majority vote of the members present is necessary for any action taken by the commission.

The commission is housed within the DOT for administrative and fiscal accountability purposes only.

¹ Persons 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. See s. 427.011, F.S.

Florida's 67 counties are divided into 48 TD service areas. While most urban counties are single-county service areas, some rural counties are organized into multi-county service areas. All 67 counties have some level of TD service for their elderly, disabled, or needy residents. According to the commission's most recent annual report, in fiscal year 2006-2007, 51.5 million trips were provided to clients, about a 2-percent decrease from 2005-2006. There were 697,159 passengers served last fiscal year. About a third of the trips are to doctors' offices or medical facilities, and transportation to educational or training facilities ranks second.

Total funding for TD services in Florida – from public and private – was \$368 million in fiscal 2006-2007. Not all of those funds were expended directly by the commission, which relied, until 2004, on an average \$25 million to \$35 million it received from four statutory program earmarks and special appropriations from the Legislature.

For fiscal year 2006-2007, its state appropriation was \$38 million. As of November 1, 2004, with the signing of a memorandum of agreement with the AHCA, the commission also oversees an additional \$68 million in Medicaid funds for non-emergency transportation (NET) services for Medicaid clients.

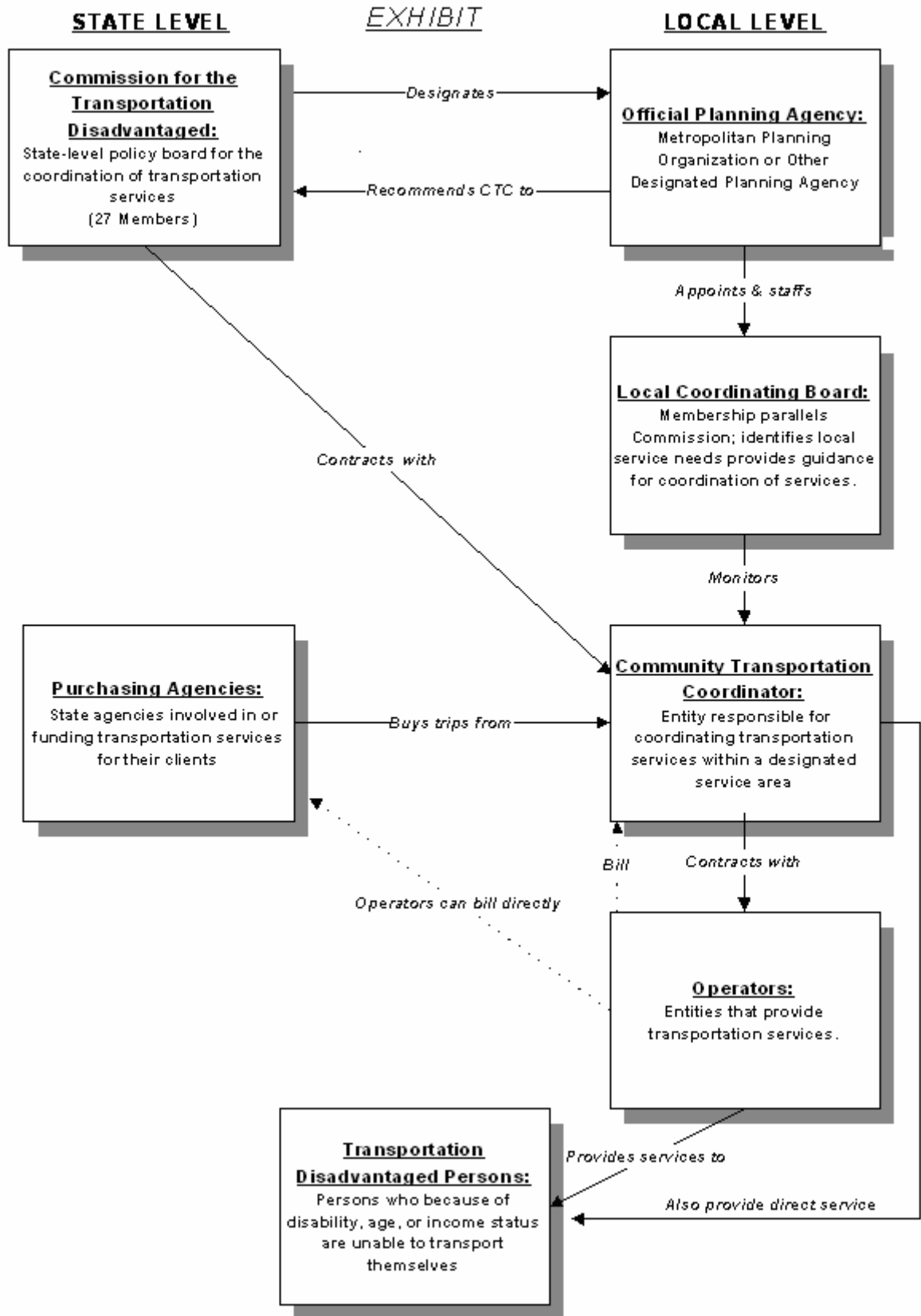
The commission uses the following structure to coordinate TD services. Briefly:

- At the statewide level, the commission assists communities in establishing coordinated transportation systems; manages contracts and memoranda of agreement; ensures 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; and approves the local entities that manage the delivery of transportation services to eligible clients.
- At the local level, the TD program is implemented through a network of planning agencies, local advisory boards, community transportation coordinators (CTCs), and transportation operators. Local planning agencies, such as a metropolitan planning organization (MPO) or regional planning council, appoint and staff each local coordinating board. A local elected official chairs each coordinating board. These local boards also recommend the CTCs to the commission.

The CTCs are the entities responsible for the actual arrangement or delivery of transportation services within their local service area. A CTC may be a government entity, a transit agency, a private not-for-profit agency or a for-profit company. A CTC may function as a sole-source provider of TD services, or it may broker part or all of the trips to transportation operators. The commission enters into a memorandum of agreement for services with a CTC. This agreement identifies the anticipated service population, service area, information regarding any subcontractors, and rates for services.

In November 2004, the commission assumed the responsibility and funding for the Medicaid NET services. As managers of the NET program, the commission identifies and enters into agreements with "subcontracted transportation providers," and pays them a monthly lump-sum amount. These subcontracted transportation providers in turn use these funds to pay the local transportation operators actually providing the services.

OVERVIEW OF THE TRANSPORTATION DISADVANTAGED PROGRAM



III. Effect of Proposed Changes:

The bill implements numerous changes to the TD Program. A section-by-section analysis of the bill is summarized below:

Section 1 amends s. 427.011, F.S., to modify an existing definition and delete an obsolete definition. Specifically, the definition of “member department” is replaced with the definition of “purchasing agency” which means a department or agency whose head is an ex officio, nonvoting advisor to the commission, or an agency that purchases transportation services for the transportation disadvantaged. This section also deletes the “annual budget estimate” definition.

Section 2 amends s. 427.012, F.S., to revise the number of commission members from five to four which are needed to constitute a quorum.

Section 3 amends s. 427.013, F.S., to rename “member departments” as “purchasing agencies.” Deletes the requirement that inclusion, by rule, of acceptable ranges of trip costs for the various modes and types of transportation services provided must be included as part of the commission’s standards and rules for CTCs and transportation operator from whom service is purchased or arranged. Revises the responsibility and duties of the commission to require the commission to consolidate, for each state agency, the amounts of each agency’s actual expenditures, together with the actual expenditures of each local government and directly federally funded agency and the amounts collected by each official planning agency, and issue a report. Also the commission is required to incur expenses for the purchase of advertisements, marketing services, and promotional items.

Section 4 amends s. 427.0135, F.S., to rename “member departments” as “purchasing agencies.” Requires each purchasing agency to pay the rates established in the service plan, unless the purchasing agency has completed the alternative provider procedures and demonstrated a proposed alternative provider can provide transportation services of acceptable quality for its clients at a lower cost. Requires each purchasing agency to identify in the legislative budget request provided to the Governor each year for the General Appropriations Act the specific amount of any money the purchasing agency will allocate for the provision of transportation disadvantaged services. Deletes a provision that the agency providing Medicaid funding to the TD program could use its own procedures for purchasing transportation services for Medicaid clients, or as directed by the General Appropriations Act.

Section 5 amends s. 427.015, F.S., rename “member departments” as “purchasing agencies.” Requires each MPO or designated official planning agency to request each local government in its jurisdiction to provide the actual expenditures of all local and direct federal funds to be expended for transportation of the disadvantaged and submit a report of this information to the commission annually by September 15.

Section 6 amends s. 427.0155, F.S., relating to the CTCs powers and duties. Clarifies the service plan, which is required to be submitted to the commission by the CTC, must include the results of the rate methodology process approved by the commission.

Section 7 amends s. 427.0157, F.S., relating to the coordinating boards. Revises the duties of the coordinating boards to require it to assist the CTC in establishing eligibility guidelines and priorities with regard to the recipients of nonsponsored transportation services purchased with TD Trust Fund moneys.

Section 8 amends s. 427.0158, F.S., to delete provisions requiring school boards to provide specified information semiannually relating to school buses to the CTC; however, information as requested by the CTC is required. Deletes the requirement specifying a designee from the local public transit fixed route or fixed schedule system must provide annually, no later than October 1, certain information to the CTC; however, information as requested by the CTC is required to be submitted.

Section 9 amends s. 427.0159, F.S., relating to the Transportation Disadvantaged Trust Fund, to provide the funds for nonsponsored transportation disadvantaged services which are deposited into the Transportation Disadvantaged Trust Fund may be used by the commission to subsidize a portion of a transportation disadvantaged person's transportation costs which is not sponsored by an agency, only if a cash or in-kind match is required. Also this section creates s. 427.0159(4), F.S., to provide a purchasing agency may deposit funds into the Transportation Disadvantaged Trust Fund for the commission to implement, manage, and administer the purchasing agency's transportation disadvantaged funds, as defined in s. 427.011(10), F.S.

Section 10 amends s. 427.016, F.S., relating to the expenditure of public funds on transportation services for TD clients. Deletes the provision specifying the Medicaid agency participating in the TD program shall not be limited or precluded from establishing maximum fee schedules, individualized reimbursement policies for providers, negotiated fees, competitive bidding, or any other mechanism used by the agency or agencies for effective and efficient transportation services. Provides each agency, whether or not it is an ex officio nonvoting advisor of the commission, shall each year identify in the legislative budget request provided to the Governor for the General Appropriations Act the specific amount of any money the agency will allocate for the provision of transportation disadvantaged services.

Section 11 provides this act shall take effect July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill will not have a fiscal impact on the DOT; however the fiscal impact to other affected agencies and local governments is indeterminate. In addition, language related to Medicaid expenditures (ACHA) is being modified and this has an indeterminate effect.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.