

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 854

SPONSOR: Transportation Committee

SUBJECT: Transportation-Disadvantaged Persons

DATE: February 3, 2000

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/2 amendments</u>
2.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
3.	<u>Hayes</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill significantly restructures the Transportation Disadvantaged (TD) Program. The bill reduces the size of the Commission for the Transportation Disadvantaged (Commission) from 27 to 11 members. The revised Commission includes representatives from key funding agencies, disabled and elderly organizations, and transportation coordinators and operators. The bill also revises appointing entities and establishes stringent conflict of interest and eligibility provisions for Commission members.

The bill provides a local option for county commissions to serve as the local governing authority (LGA) for TD services. The LGA has the option of becoming the Community Transportation Coordinator (CTC) for its service area, or appointing another entity as the CTC. In all other areas, the Commission would continue to administer TD services, including the selection of the CTC and the development of standards and rules for delivery of services. The bill also provides the Commission with additional statewide responsibilities relating to training and technical assistance to local TD entities. The Commission would continue to administer the Transportation Disadvantaged Trust Fund.

The bill directs the Commission to conduct a triennial cost analysis of TD services within each TD service area. This non-binding report to state and local officials will include information on actual expenditures, public and private market cost comparisons, anti-fraud and quality assurance programs, and eligibility screening efforts.

This bill has an insignificant fiscal impact. To the extent the bill increases coordination of TD services there may be some cost savings from better program efficiencies.

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. This bill creates the following sections of the Florida Statutes: 427.0151 and 427.0156.

II. Present Situation:

The TD Program is administered through a decentralized network of state and local organizations. 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.

Commission for the Transportation Disadvantaged - The Legislature created the Commission 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 from a broad spectrum of interested parties. The members represent state social service agencies, the Department of Transportation, a public transit association, various citizens' advocacy groups from rural and urban areas, transportation providers, the non-transportation business community, and community transportation coordinators. Appointments to the Commission are made by the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Commissioner of Agriculture. 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.

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.)

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 are established by the Commission.

Community Transportation Coordinators - The 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. 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 or it may broker part or all of the trips to other transportation operators.

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. This total includes a number of CTCs who provide direct transportation service in addition to coordinating the activities of other transportation providers within their local service area.

Program Funding - The TD Program is funded through a variety of local, state, and federal sources. According to the Commission, fiscal year 1998-99 TD expenditures totaled \$197 million. This expenditure translated into approximately 37.3 million one-way trips (includes 5.5 million trips outside of the coordinated TD system). At the state level, the Agency for Health Care Administration, which administers the Medicaid program, was the single largest funding entity, contributing \$58.5 million in fiscal year 1998-99. The Commission, through the TD Trust Fund, was the second largest funding entity, contributing \$24.8 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 \$83 million of the \$197 million in fiscal year 1998-99.

III. Effect of Proposed Changes:

This bill implements numerous changes to the TD Program. Major provisions of the bill are summarized below.

Commission Membership - The make up of the Commission is modified to provide for an 11-member commission (instead of the current 27 members); with the Governor appointing 7 members, and the Senate President and House Speaker appointing 2 members each. The 7 members appointed by the Governor include a person with a disability, a person over the age of 60, a transportation operator, a community transportation coordinator, and a representative of the Department of Transportation, the Department of Elder Affairs, and the Agency for Health Care Administration. The Commission would also have 4 non-voting representatives from other agencies that purchase transportation services through the TD Program.

The bill clarifies that members of the Commission are subject to the ethics provisions contained in part III of Chapter 112, F.S. In addition, the bill specifies that with the exception of the operator representative and the community transportation coordinator representative, a member of the Commission may not have any interest, direct or indirect, in any contract, franchise, privilege, or other benefit granted or awarded through the TD Program.

Commission Responsibilities - The bill provides the Commission has oversight responsibility for the TD Program in service areas where the county commission has not opted to become the Local Governing Authority (LGA). In those areas, the Commission will continue to appoint the CTC, and develop standards and rules governing coordination, operation, safety, insurance, and use of TD services.

Although LGAs would assume many TD Program functions in those areas where the county commission elects to serve in this capacity, the Commission would still be responsible for a number of statewide functions, including:

- distributing funds from the TD Trust Fund to each county based on a formula to be developed in consultation with LGAs, and through block grants to designated service areas;
- developing criteria all CTCs would have to use to determine passenger eligibility for trips purchased with TD trust fund moneys;
- arranging or providing for a statewide training program for all persons or entities involved in the TD Program; and
- reviewing and reporting on the cost effectiveness of each CTC at least once every three years. The report would include information on actual expenditures, public and private market cost comparisons, anti-fraud and quality assurance programs, and eligibility screening efforts.

The bill also provides specific statutory authority to the Commission for the promulgation of administrative rules to implement the TD Program.

Local Governing Authorities - In designated services areas where the county commission elects to become the Local Governing Authority (LGA), TD services would be administered by the LGA. The LGA also has the option of becoming the Community Transportation Coordinator for its service area, or appointing another entity as the CTC. In all other areas, the Commission would administer TD services through selection of a CTC for each designated service area.

Each LGA would have oversight responsibility for TD services in its service area. The LGA would be responsible for establishing standards and rules governing coordination, operation, safety, insurance, and use of TD services. The LGA would assure agencies purchase all trips through the coordinated system, unless there is a more cost-effective alternative, and develop need-based criteria that must be used by the CTC to prioritize the use of TD Trust Fund moneys. Finally, the LGA would be responsible for developing a quality assurance and evaluation program to monitor contracts

Local Coordinating Boards - The responsibilities of local coordinating boards are modified by establishing a local board in each county. However, the bill allows multi-county LCBs to be created to deliver TD services on a regional basis. The bill provides for membership of LCBs in statute. The chairman would be appointed by the official planning agency, and must be an elected official. Each agency involved in the TD Program would have a representative on each LCB. Additional members would represent transit systems, private providers, and TD system users. The LCB would be an advisory body whose purpose is to identify local service needs and to provide information, advice, consultation, direction and critique to the LGA and to the CTC on the coordination of TD services to be provided in the designated service area. Additional responsibilities include the following:

- Annual review and evaluation by the LCB of CTC performance.
- LCBs are authorized to recommend to CTCs the approval or disapproval of operator and coordination contracts. The CTC must either accept the recommendations or provide written reasons for rejecting the recommendations. The LCB may request either the LGA or the Commission to review the CTC's decision.
- Each LCB would establish a grievance committee to hear complaints and other matters from TD clients and interested persons.
- The LCB assists the CTC to assure agencies purchase all trips through the coordinated system, unless a more cost-effective alternative can be proven.

Community Transportation Coordinators - Community Transportation Coordinators would continue to provide or contract for TD services and coordination of the TD services. A county that has opted to be the LGA may also opt to be the CTC for that county's service area. Contractual arrangements for TD services would be through a competitive bidding, request for proposal, or negotiated process. The CTC will be responsible for developing, implementing, and monitoring a TD service plan to be reviewed by the LCB, and approved by the LGA or Commission as appropriate.

Designated Official Planning Agencies - Metropolitan Planning Organizations are responsible for assisting in the local coordination of TD services, with Regional Planning Councils performing this function where Metropolitan Planning Organizations don't exist. The official planning agency is also responsible for recommending a CTC to the Commission for appointment in counties that have not opted to be the LGA. The official planning agency prepares an annual expenditure report of all TD service expenditures in a service area. The official planning agency also assists the CTCs in developing and updating TD service plans.

Purchasing Agencies - Agencies that purchase TD trips would be required to use the TD Program for providing transportation services to agency clients unless it can be proven to the LGA or, where appropriate, to the Commission that the use of an alternate service provider is more cost effective than the coordinated system. The LGAs and the Commission would establish procedures that must be used to demonstrate the cost effectiveness of alternative service providers.

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:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill has an insignificant fiscal impact. To the extent the bill increases coordination of TD services there may be some cost savings from better program efficiencies.

VI. Technical Deficiencies:

None.

VII. Related Issues:

This bill incorporates the major elements of consensus legislation developed by the TD Coalition, a group formed to resolve long-standing concerns within the TD Program. The TD Coalition included the following organizations: the Florida Association of Counties; the Florida Association of Coordinated Transportation Systems; Florida Transit Association; Florida MPO Advisory Council; Florida Regional Council Association; and the private transportation industry.

VIII. Amendments:

#1 by Transportation:

Deletes the Secretary of the Department of Labor and Employment Security, or the secretary's designee, from the Transportation Disadvantaged Commission and substitutes the Commissioner of Education, or the commissioner's designee.

2 Transportation:

Deletes a local representative of the Department of Labor and Employment Security from the membership of local coordinating boards and substitutes a local representative of the Department of Education.

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