

Department of Legislative Services
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2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 201
Appropriations

(Delegate Korman, *et al.*)

Maryland Transit Administration - State Employees Subject to Collective
Bargaining - Free Ridership (Transit Benefit for State Employees)

This bill requires the Maryland Transit Administration (MTA) to offer free transit ridership to Executive Branch State employees who have collective bargaining rights; MTA may adopt regulations to implement the ridership program. The bill also requires the Maryland Department of Transportation (MDOT) and the Department of Budget and Management (DBM) to submit a report to specified legislative committees, by January 1, 2020, on the cost and feasibility of expanding the transit ridership program to include other State employees and transit services. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease, potentially significantly, beginning in FY 2020 as eligible employees that do not currently receive free ridership use transit services under the bill; however, any such impact cannot be reliably estimated at this time. Consulting costs necessary to complete the bill's required report are minimal and absorbable within existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The free transit ridership services must include all transit vehicles that are part of MTA's (1) light rail transit system; (2) metro subway; (3) local bus service;

(4) commuter bus service in the Baltimore region; and (5) any other systems and services specified by MTA.

The report prepared by MDOT and DBM must include the cost and feasibility of expanding the State employee transit ridership program to include (1) employees of the Legislative and Judicial branches of State government and (2) ridership on the Maryland Area Regional Commuter train service and the Washington Metropolitan Area Transit Authority transit services.

Current Law/Background:

Transit Ridership as a Fringe Benefit for Executive Branch Employees

Currently, employees of the Executive Branch of State government, among others, may ride on MTA local service (Baltimore area bus, Metro subway, and light rail) at no cost. This fringe benefit, which is not authorized in statute, was established by the Executive Branch approximately 18 years ago. A November 2009 MDOT report noted that State employees took approximately 1% of the passenger trips on Baltimore area bus, light rail, and Metro subway service in fiscal 2009. The report further conveyed that, if MTA sold monthly passes to each State employee taking free rides, local service revenues would increase by \$1.45 million or 1.9% annually.

State Employees Subject to Collective Bargaining

Approximately 30,000 State employees have collective bargaining rights. Maryland's collective bargaining law generally applies to employees of the Executive Branch departments, the Maryland Insurance Administration, the State Department of Assessments and Taxation, the State Lottery and Gaming Control Agency, the University System of Maryland, the Office of the Comptroller, the Maryland Transportation Authority (MDTA) who are not police officers, the State Retirement Agency, the Maryland State Department of Education, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College, along with specified firefighters for Martin State Airport and all full-time MDTA police officers at the rank of first sergeant and below.

Many, but not all, of these employees are already granted free ridership under the aforementioned ridership program. DBM advises that college and university employees do not currently receive the ridership benefit.

Certain Executive Branch employees within the State do not have collective bargaining rights, such as elected government officials; political appointees or employees by special appointment; or any supervisory, managerial, or confidential employees of an Executive Branch department.

Collective Bargaining for Maryland Transit Administration Employees

MTA employees also have collective bargaining rights; however, they are separate from most other State employees. MTA employees are generally represented by one of the following three unions, all three of which are expressly authorized to collectively bargain on behalf of MTA employees: (1) the Amalgamated Transit Union, Division No. 1300; (2) the Office and Professional Employees International Union, Local 2; or (3) the American Federation of State, County, and Municipal Employees, Local 1859, Council 67. These employees are currently granted free ridership on MTA's transit services.

State Revenues: In addition to codifying the free ridership benefit for some State employees, the bill expands the ridership benefit to cover many other State employees that have collective bargaining rights. A preliminary estimate has identified approximately 5,700 employees who are newly eligible for free ridership services under the bill. This total includes full-time employees of various higher education institutions, including the University System of Maryland and the University of Maryland, College Park.

TTF revenues decrease, potentially significantly, as these employees use MTA's transit services for free under the bill. However, due to several unknown factors, a reliable estimate of the total TTF revenue loss cannot be made at this time. Specifically, the exact number of additional employees eligible for free ridership, and how often those employees use MTA's transit services, are unknown. *For illustrative purposes only*, if 5,700 employees use MTA's transit services an average of 50 times per year (paying an average of \$1.80 per trip under current law), TTF revenues decrease by \$513,000 annually as a result of the bill.

Additional Information

Prior Introductions: None.

Cross File: SB 319 (Senator Augustine, *et al.*) - Finance.

Information Source(s): Department of Budget and Management; Maryland Department of Transportation; Department of Legislative Services

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