



New Transportation Alliance

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Testimony of Rob Kennedy, State Coordinator -- April 10, 1995

My name is Rob Kennedy, I represent Wisconsin's New Transportation Alliance. We have over 100 member organizations, chapters in Eau Claire, Green Bay, Dane Co., Milwaukee and Southeastern Wisconsin, and mail our newsletter to over 1,500 persons.

We support a better balance in state transportation expenditures: one that returns more of the state transportation fund to local needs, especially local road aids, transit, and elderly and disabled transportation. As important as state highways are, it is not OK to continue to increase their share of funding at the expense of crucial local services and infrastructure.

During the early 1990s, Wisconsin nearly quadrupled real funding for major highway expansions relative to the 1970s and 1980s. And, if you approve the budget currently before you, the big winner will be once again be the state highways. This time rehabilitation funding will increase from \$416M to \$604M biennially, according to the WisDOT.

At the same time, we have watched local road aids, or GTA, slide lower and lower. This year's increase of a half percent will come no where near to filling the gap between current state funding and historical levels. Nor does it take advantage of the big opportunity here for what local property tax relief.

Meanwhile, our local transit faces a real emergency. On the one hand, we know that federal transit support will be cut a minimum of 30%. On the other hand, not only does the budget before you NOT compensate for the federal loss, but also the state's expenditure restraint program prevents local communities from filling the gap in service with its own local funds. I ask you does this really make sense? In essence, the state is dictating that local governments cut their own essential local services, whether they want to or not.

I would add that our communities have been forced to keep transit service levels stagnant for the past 15 years at the same time as community service areas have grown rapidly. Let me note that road expansions are not capped by the state's expenditure restraint program. These problems, plus the need to more than double bus fares in real terms have put transit at a severe disadvantage which, in turn, has hurt local economic development. A recent study by the employment and training institute tells us that the number one obstacle keeping unemployed persons--most of whom have no car--from jobs is lack of transit.

My final example of neglected local transportation is the budget's provision of a mere few hundred thousand dollars for transporting the elderly and disabled. As communities begin to implement the Americans with Disabilities Act, studies estimate the need for as much as five to six times as much funding. Even WisDOT's Translinks 21 Plan identifies the need to double funding.

The point I want to make is clear. With scarce dollars, the state should not be deciding to cut or allow essential local services to be unmet as a result of the its goals to make traffic flow a few minutes faster or more smoothly on state highways--no matter how desirable that goal might be.

Chapters: Madison/Dane Co. - Mike Wyatt (608) 251-4328, Gr Bay/NE Wisc. - Becky Katers (414) 468-4243, Southeast Wisconsin - Jim Carpenter (414)271-7280, Eau Claire/NW Wisc. - Doug Reace (715)836-0910

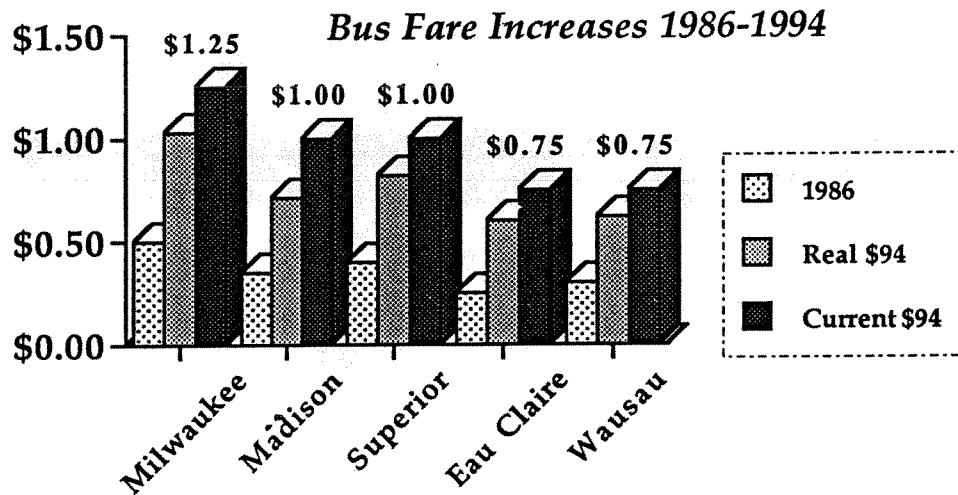
Local Transit Funding Crunch? Here's Why

Legislators may have reasonable doubts about the state's investment in transit. After all, despite some recent local gains in transit ridership, the share of commuters using cars continues to rise while the share of people using buses has dropped. So, it's clear: People just don't like transit and aren't using it anymore? Right?

Wrong. Where good transit service is provided, people use it. Despite fare hikes and service cuts, transit ridership is holding its own. Unfortunately, the state has not helped local transit capacity keep pace with the rapid growth experienced by many communities. The end result is lost transit riders, especially in suburban communities, as well as reduced farebox revenues. Here's the story:

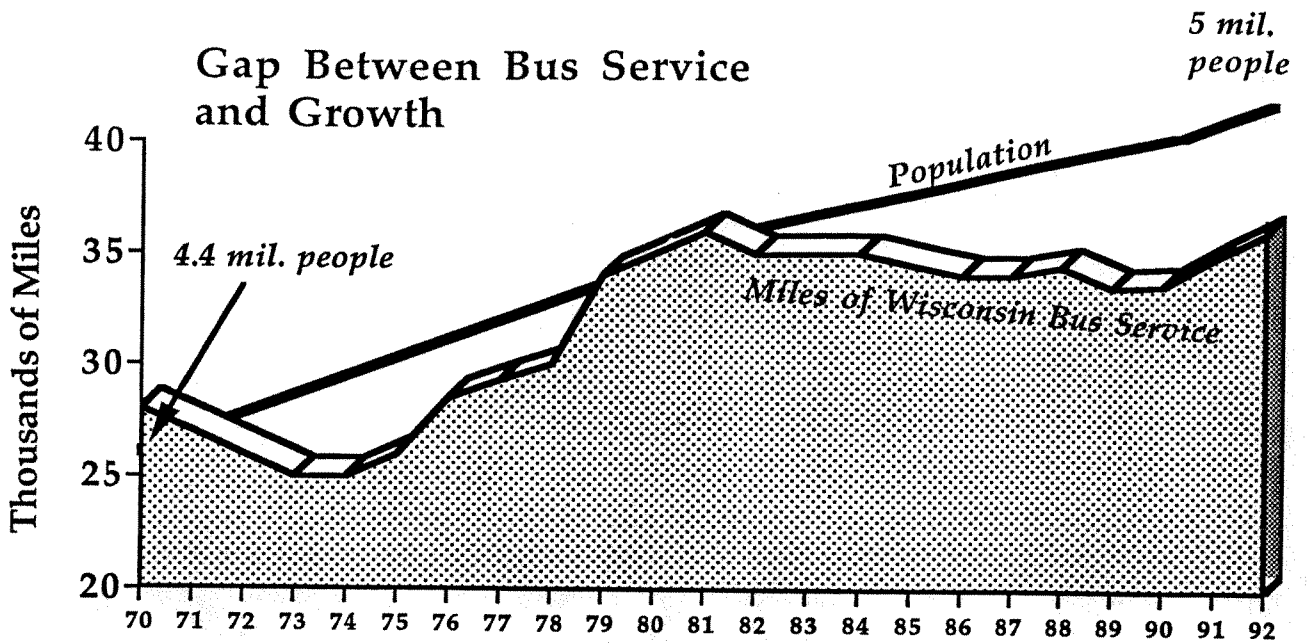
1. Fares Are Sharply Up

Transit fares have nearly doubled in real dollars since 1986—even though the overall cost of transit has increased only slightly. Every 3% raise in rates reduces ridership by 1% and hurts revenues. (Meanwhile, the price of gas for motorists has declined in real dollars.)



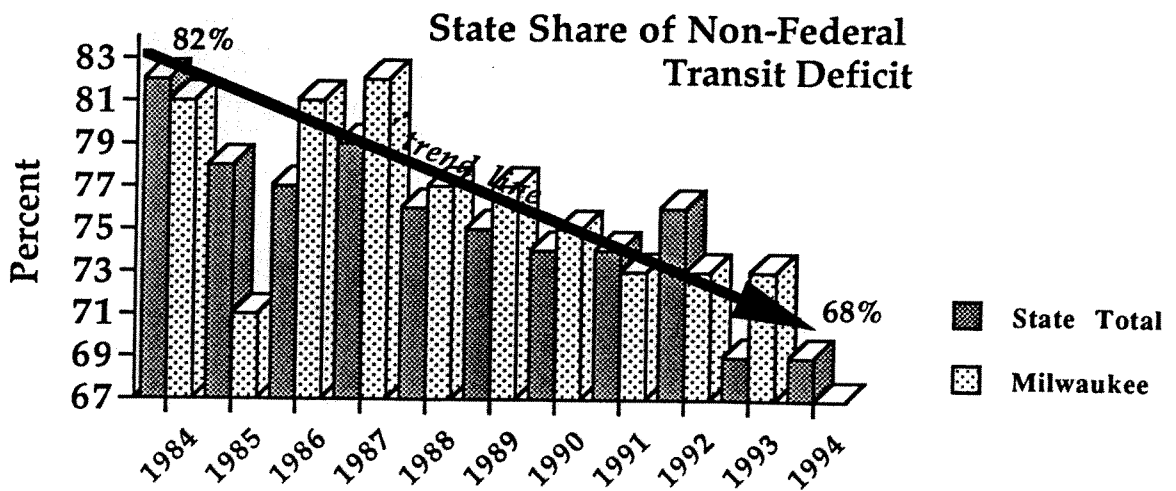
2. But, Transit Service Has Declined

Relative transit service (capacity) has declined substantially since 1980. That is, service hours and miles have stagnated despite a big increase in households and urban service areas. This absence of new transit capacity has made it impossible for most people to get to most jobs and activity centers on transit. (Meanwhile, road and highway capacity has dramatically increased during this decade.)



3. Because Investment in Transit Capacity is Down

Neither the state or federal government has invested in new transit capacity to keep pace with fast urban growth for about 15 years. The state share of the non-federal transit deficit --the difference between farebox, federal support and overall costs--has declined by about 10%. (Meanwhile, government investment in new roadway capacity has more than doubled.



4. Result: Reduced Transit Availability and Users

Ironically, cost-cutting measures--reduced investment in new transit capacity, fare hikes, and reduced service--have instead cut ridership *and* thus farebox revenues. (Meanwhile, a big increase in the state's investment in new roadway capacity has increased driving and kept road revenues stable. Conversely, if the state had frozen new road and highway capacity but increased transit's availability more people would be riding buses.)

5. New Demands on Transit:

New Federal Mandates for the Disabled: Wisconsin applauds the Americans with Disabilities Act (ADA) and the right to mobility it now assures for the first time to tens of thousands of disabled citizens. But, federal mandates for new equipment and service have created a funding crisis for communities with big disabled populations--especially given the state "cap" on local spending. For example, Madison's disabled transit users grew from 27,000 in 1980 to 209,000 riders by 1992.

Growing Elderly and Transit Dependent Population: The size of Wisconsin's transit-dependent population has always been big. For example, 25% of Milwaukee's households don't own cars and 40% of its two-wage earner households own only one car. Moreover, new mobility for the disabled plus increasing life spans and the aging of "baby boomers" means that many more of us will be transit-dependent in the future. Indeed, someday, nearly all of us will be unable to drive.

New Urban Areas: Our communities are expanding rapidly. The current lack of state investment in new transit capacity along with the state cap on local spending means that transit can't keep up with a community's growth. This problem puts more and more services out of reach for many elderly persons, adds to local congestion and road costs, and transportation inefficiency.

This report was prepared by Rob Kennedy, Ph.D. based on information obtained from the Bureau of Transit and Local Transportation Aids at the Wisconsin Department of Transportation, the Southeast Wisconsin Regional Planning Commission, and Madison Metro, including these reports: Wisconsin Urban Bus Systems: 1992 Annual Report, Wisconsin Urban Bus Systems: 1989 Annual Report, Final Staff Report to the Secretary's Select Committee on Mass Transit, 1989.



Thomas L. Frazier, *Executive Director*

Coalition of Wisconsin Aging Groups

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Testimony Before the Joint Committee on Finance

April 10, 1995

by

Mel Stapleton

My name is Mel Stapleton and I am here today as Chairperson of CWAG's Legislative Committee.

It is a huge understatement to say that we were disappointed in the Department of Transportation (DOT) budget proposal. After participating in the TransLinks 21 planning process for over two years, after numerous meetings with DOT officials, including several meetings with Secretary Thompson, and after hundreds of testimonials and letters regarding the need, the proposed DOT budget includes only an inflationary increase for specialized transportation for the elderly and people with disabilities--and a study!

The TransLinks 21 plan indicates a need to more than double the funding for the Elderly and Disabled Transportation program (85.21). We propose to implement that recommendation in the 1995/97 biennium for the following reasons:

- 1) CWAG, along with advocates for people with disabilities, did a study in 1994 in which we surveyed Elderly and Disabled Transportation Coordinators in every county with a 93% response rate (copy attached).
- 2) The survey revealed that only 10% of persons eligible for elderly and disabled transportation were being served.

over, please

- 3) **Funds allocated by the 85.21 program represent only 27% of what is spent on elderly and disabled transportation in Wisconsin. We think, that despite DOT's concerns about coordination and duplication, this indicates that counties are doing a good job of coordination. We suggested over a year ago to DOT that coordination starts at the top but DOT has resisted creating an interagency task force with DHSS to study how to better coordinate transportation for the elderly and disabled. Instead DOT calls for a study of county programs, including rural counties which receive \$25,000 a year, to make sure there is no duplication.**
- 4) **Our study indicated that many counties are only able to provide transportation for medical purposes, and older persons and people with disabilities cannot get transportation on weekends, evenings and to jobs.**
- 5) **Rural counties face the biggest challenges in meeting the transportation needs of the elderly and people with disabilities.**
- 6) **According to DOT statistics, 76% of the population age 65 and over have driver's licenses while only 34% of the age 85 and over population have driver's licenses. The fastest growing segment of Wisconsin's population is the 85+ population. This population (85+) grew by 37% between 1980 and 1990 and is expected to increase another 56% between 1990 and 2010 (from 74,000 persons to 116,000 persons).**

We urge you to reallocate some of the \$294 million proposed revenue increase in the DOT budget to fulfill the TransLinks 21 recommendation to double funding for the 85.21 program. For less than 3% of the proposed \$294 million increase, funding for the program could be doubled by the end of the 1995/97 biennium (i.e., \$3 million increase in the first year and \$2 million increase in the second year = \$8 million which is 2.7% of the \$294 million).

Thank you for the opportunity to discuss the transportation needs of the elderly and persons with disabilities.



Study Supports Need for \$16 Million Increase for Elderly and Disabled Transportation Program (85.21)

A statewide study was undertaken to determine the scope of counties' elderly and disabled transportation needs vs. actual funding allocations. A survey was mailed to the Elderly and Disabled Transportation Coordinators in each county with 67 of Wisconsin's 72 counties responding – a 93% response rate. Follow-up interviews were conducted with each respondent. Survey highlights include:

- Wisconsin is serving only 10% of the persons eligible for elderly and disabled transportation.
- Funds allocated by the 85.21 program represent only 27% of what is spent on elderly and disabled transportation in Wisconsin's counties.
- Many counties are only able to provide medical transportation with elderly and disabled transportation funds.
- The elderly and persons with disabilities cannot get transportation from 85.21 funds on weekends, evenings and to jobs.
- Counties are unable to plan and budget for vehicle replacement.
- Counties are forced to cap service and require unreasonable lead times for scheduling service to consumers.
- Rural counties face the biggest challenge.

Program Overview

The availability of accessible, affordable transportation plays a major role in determining how independent, productive and integrated the elderly and people with disabilities can be. The Elderly and Disabled Transportation Program [85.21], created in 1978, assists counties with the delivery of services to improve and promote transportation for older adults and people with disabilities. At its inception, 85.21 funds were intended to meet a variety of travel needs including medical, nutrition, grocery, employment, social and personal trips. In practice, 85.21 has come to be used primarily for medical and nutrition trips. Even though the program states that a variety of trip purposes should be provided, the funds available each year cannot keep pace with the demands experienced in Wisconsin's counties.

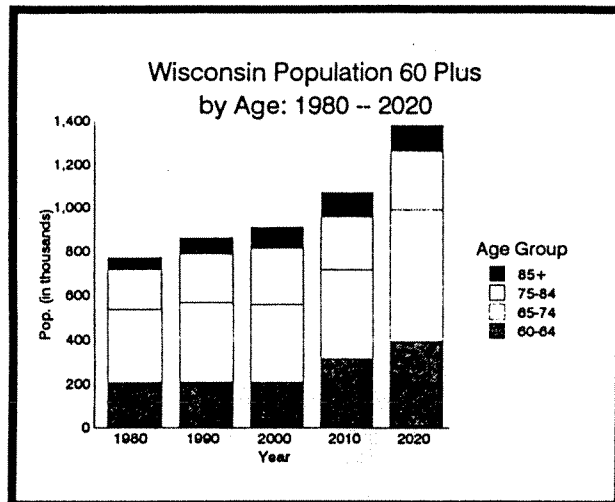
Current Funding

Funding for the Elderly and Disabled Transportation Program (85.21) is only \$5 million each year of FY94–FY95 – a fraction of what is needed.

Statistics & Research Findings

WISCONSIN'S POPULATION CONTINUES TO AGE RAPIDLY.

The age 85+ population, those with the greatest need for the long-term care services including transportation, is the fastest growing segment of Wisconsin's population. Those age 85+ increased by 37% between 1980 and 1990 and are expected to increase by 56% between 1990 and 2010. Not only are older people living longer, but increasing numbers of elderly and disabled persons are remaining in the community as opposed to receiving institutional care, thus increasing the demand for transportation, particularly escort and handicapped-accessible service.



Bureau on Aging, May 1994

PERCENTAGE OF ELIGIBLE ELDERLY & DISABLED POPULATION WHOSE TRANSPORTATION NEEDS ARE BEING SERVED

(BASED ON SURVEY RESPONSES)

COUNTIES RESPONDING	% SERVED
9 (13%)	less than 5%
7 (11%)	5-7.5%
15 (23%)	7.6-9.5%
13 (20%)	9.6%-11.5%
9 (13%)	11.6%-15%
9 (13%)	15.1%-25%
5 (7%)	25%+

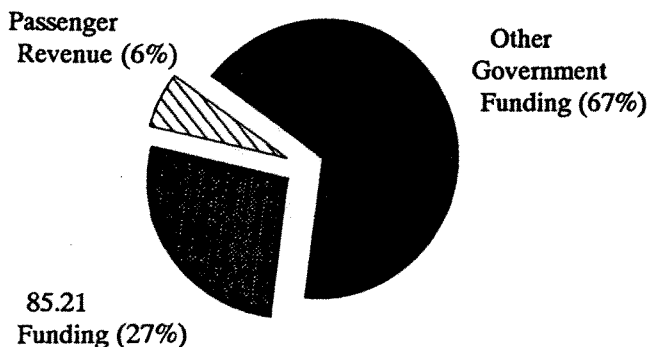
STATEWIDE AVERAGE 10%

TRANSPORTATION FUNDING ALLOCATIONS ARE INADEQUATE.

The number of persons needing services is fast outpacing the increases in program funding. Counties have seen only inflationary increases in program funding while at the same time have been mandated by the Americans with Disabilities Act (ADA) to increase transportation service to persons with disabilities. This, coupled with the fact that the elderly population in need of transportation services is on the rise, has resulted in a statewide average of just 10% of the eligible population being served.

COUNTIES ARE FORCED TO USE FUNDS OTHER THAN 85.21 DOLLARS FOR ELDERLY AND DISABLED TRANSPORTATION. Survey respondents indicated that 85.21 funds represent just 27% of the total amount spent on elderly and disabled transportation. An additional 200% of the 85.21 allocation comes from other government sources not ear-marked for this type of transportation.

Elderly & Disabled Transportation Funding Percentages



What counties can do with additional funding:

- Provide service to the elderly and persons with disabilities who are not receiving service or are receiving inadequate service. Transportation programs do little outreach or advertising because they cannot serve the existing need and eligible participants do not request service because they know that they will be denied.
- Vehicle replacement could finally become a reality.
- Eliminate caps and waiting periods (rationing) for service. Counties would like to be able to remove restrictions on transportation services to provide more reliable and comprehensive service.
- Decrease the usage of non-transportation designated funds (Community Options Program, Medical Assistance, etc.) to meet the counties' transportation needs thereby expanding service in other areas.
- Increase the incidence of utilizing additional types and hours of services (i.e. evening and weekend service, etc.).
- Make special funding formula provisions for rural transportation demands and investigate increasing funding for minimum allocation counties.
- Provide a transportation coordinator to serve as dispatcher and assist in coordinating all transportation services in the county.

Recommendation

Allocate an additional \$16 million in the 1995/97 state budget for Wisconsin's Elderly and Disabled Transportation Program (85.21) to meet the counties' needs in providing transportation service to older persons and people with disabilities.

Action

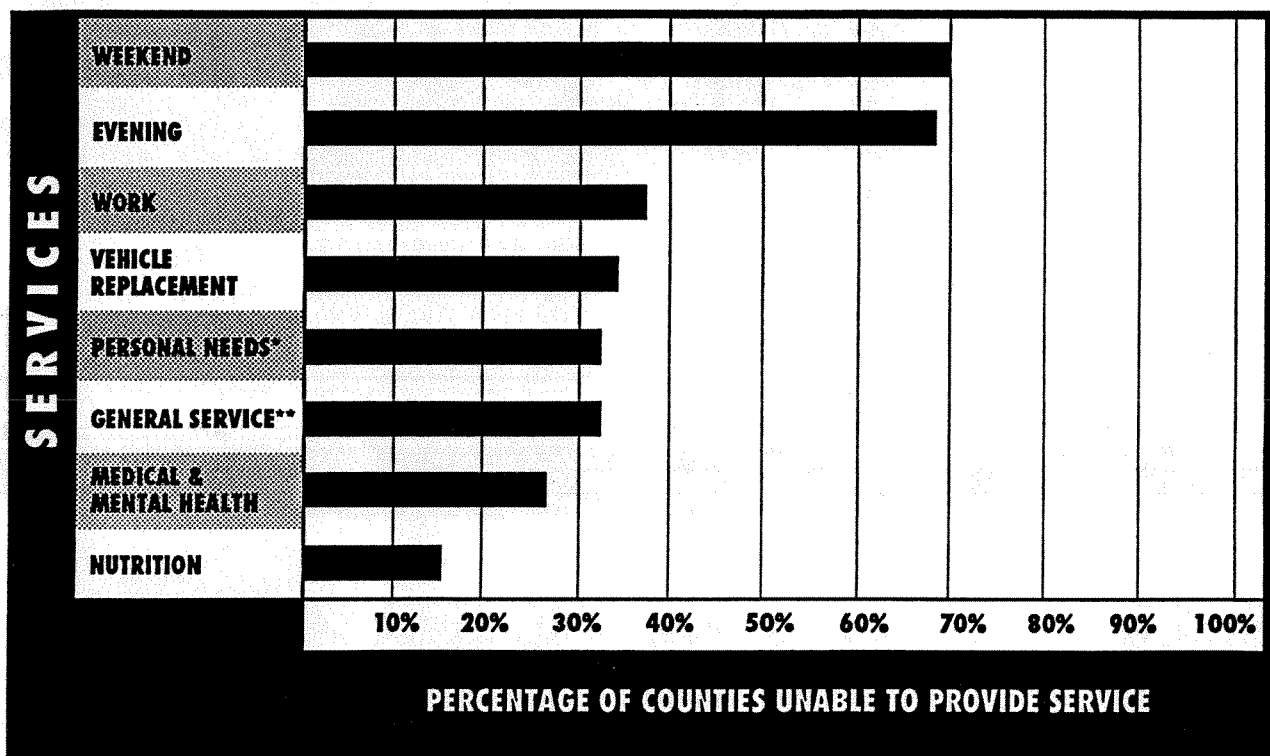
Call or write your legislators asking them to increase funding for the Elderly and Disabled Transportation Program. Even better, arrange to meet with them to discuss the importance of adequately funding this program.

Lead Organizations

Coalition of Wisconsin Aging Group - Thomas L. Frazier 608/257-0023
Wisconsin Coalition for Advocacy - Lynn Breedlove 608/267-0214
Wisconsin Rural and Paratransit Providers - David Lowe 608/757-5054
Wisconsin Council for Developmental Disability - Jayn Wittenmyer 608/266-7826
United Cerebral Palsy - Michael Blumenfeld 608/257-1888
Wisconsin Association of Area Agencies on Aging - Richard Sicchio 715/365-2525
Wisconsin Association of Aging Unit Directors - Mark Weisensel 414/236-4668
American Association of Retired Persons - A. Rowland Todd 608/238-2289
Wisconsin Retired Educators' Association - Jane Elmer 608/831-5115

DUE TO A LACK OF FUNDING, A NUMBER OF NECESSARY TRANSPORTATION SERVICES ARE NOT BEING PROVIDED. In all categories, some counties indicated that there was an inability to provide service. Despite the fact that many counties have volunteer driver programs that enhance services and diligently stretch transportation dollars, two-thirds of the counties responding to the survey indicated that they are unable to provide services in the evening and on weekends. One-third of the counties surveyed said that they were unable to provide eligible persons with transportation to work, for personal needs or for general service nor were they able to replace vehicles when necessary.

In addition, persons with disabilities and the elderly in many counties are experiencing caps on the number of trips that they can take each month and long waits for transportation services.



- * Personal Needs include: Business, general shopping, funerals, attorney visits, Benefit Specialist visits, etc.
- ** General Service: refers to non-prioritized transportation needs.

RURAL COUNTIES HAVE BEEN HARDEST HIT due, in large part, to a lack of resources. Many rural counties' transportation programs are the "only show in town" because of a lack of other transportation services (mass transit, inter-city transit, taxi, etc.) and those eligible for service generally need to travel greater distances to access services. In addition, rural counties have fewer hospitals and limited services for higher concentrations of older people who relocate in rural areas to retire.

TRANSIT FACTS

* Because of the expected federal cuts, the \$15 million dollars earmarked for increased transit funding in the proposed state budget will not allow for transit expansion or even the maintenance of the current level of service.

* Improved transit is needed to link the unemployed with jobs. In central Milwaukee, 64% of job seekers do not own cars and are unable to reach the jobs being created in the suburbs, according to a recent UWM study.

* Improved transit provides insurance for Wisconsin's future when a larger portion of the population will be elderly and unable to drive and when oil supplies and gas prices may be less certain.

* Public transit is a vital component of Wisconsin's plan to maintain a healthy environment and reduce levels of auto related pollution.

* Property tax is an inappropriate and unstable revenue source for funding transit. Of the 33 major metropolitan areas in the country, only three -- Milwaukee, Phoenix and Detroit -- rely solely on non-dedicated local property tax revenues for the local share of transit funding.

* A 1% oil franchise fee dedicated to the 59 local transit systems throughout the state is needed to make up for the decreased federal support, provide for normal inflation and replace 1/2 the local property tax used for transit.

* A 1% oil franchise fee will raise gas prices by one penny or less, according to the governor's analysis.

for more information contact:

Jim Carpenter, 414-347-0353
Nick Rudelich, 414-342-4300

TRANSIT FUNDING

WHY THE \$15 MILLION PROPOSED INCREASE FOR TRANSIT IN THE BIENNIUM IS NOT SUFFICIENT AND A 1% OIL FRANCHISE FEE DEDICATED TO TRANSIT IS NECESSARY

4% inflation of \$165 million dollar current operating costs for Wisconsin's 59 transit systems (doubled for biennium)	13 (million)
funds needed to replace 30% decrease in \$13 million dollars of federal assistance (doubled for biennium)	8
	<hr/>
SUBTOTAL	21
funds needed to replace 1/2 of \$32 million dollars of property tax currently used for transit in 59 systems (doubled for biennium)	32
	<hr/>
TOTAL	53

A 1% oil franchise fee raises approximately \$56 million dollars in the biennium. This would provide \$3 million dollars above the \$53 million dollars shown in the above calculation. This is insufficient for even a 1% expansion of service over 2 years.

The above analysis does not account for the fact that the proposed budget does not provide funds for:

* Amtrak support

* Expansion of specialized transit for the elderly and people with disabilities which, according to WisDOT, is currently inadequate

* Implementation of ADA requirements, e.g., lifts on buses

Suggestion: Examine which funds earmarked for state highway projects in southeastern Wisconsin may not be necessary for improved highway safety in this biennium (e.g. \$14 million dollars earmarked for Milwaukee stadium interchange) and transfer these funds to transit.

for more information contact:

Jim Carpenter, 414-347-0353
Nick Rudelich, 414-342-4300

REMARKS TO JOINT FINANCE COMMITTEE

APRIL 10, 1995

by David Lowe, Rock County Specialized Transit

Ladies and Gentlemen:

Thank you for the opportunity to address you today. I am here to speak to the Department of Transportation budget proposal in the area of transportation service to the elderly and disabled, specifically for the funding for the Elderly and Disabled Transportation Assistance Program for Counties (85.21),

In over 14 years of working in the field of Elderly and Disabled Transportation, I have become accustomed to receiving 3 per cent increases in the 85.21 allocation from DOT. However, during the past 18 months, I was led to believe that the Department was paying attention at the public forums throughout the state as part of Translinks 21. The final Translinks product recommended an increase for 85.21 of over \$200 million in today's dollars. It appeared that DOT was listening to the thousands of elderly and disabled citizens who testified as to the importance of transportation in their lives.

DOT personnel gave those of us working towards adequate funding for Elderly and Disabled Transportation reason to believe that they saw the need for the types of increase called for in Translinks. Then, with increases sufficient to assure safe and economical transportation for the at-risk adult population we serve, all increases disappeared. DCA had asked for a no-increase budget, and DOT had buckled instead of showing the support for the forward-looking Translinks final document.

Then came the budget before you now. A budget which has an increase in spending of almost \$300 million. A budget which once again shows up with a \$150,000 increase for elderly and disabled transportation. An increase somewhere in the vicinity of .0005 (one two-thousandth) of the total increase. An increase that would be equitable if elderly and disabled transportation programs served about 2500 citizens statewide. The fact is that we in Rock County serve more than 2500 individuals per year.

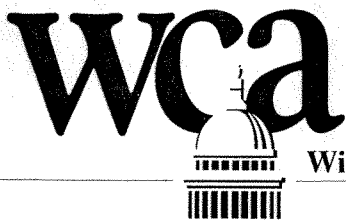
A survey performed in the summer of 1994 indicated that 85.21 funded transportation programs serve about 10 per cent of their eligible client base of about 775,000. Therefore, these programs serve about 77,500 individuals, about 1.5 per cent of the total population of Wisconsin. Simple equity would mean that these individuals, almost all of whom have no other form of transportation available to them, should have 1.5 per cent of the DOT's program budget set aside for service to them.

I am not naive enough to believe that this will occur, and that there will be a shift to providing adequate service to this segment of the transportation using public. But, I can see no reason that an equitable share in the percentages of increase cannot be accommodated.

Let's be realistic, the need for highway repair in Wisconsin won't go away. Neither will the pressure on DOT to connect all parts of the state with freeways. The increase in spending that has been proposed and the tax (yes tax) increase that is needed to provide it is realistic. We only hope for a fair share for those elderly and disabled individuals who need efficient transportation for medical needs, shopping and work trips. Increase the budget, and give those individuals and the program that serves them their fair share of the budget change by increasing the amount allocated to 85.21 by \$4.5 million over the biennium.

This is not enough to fully upgrade the programs and equipment needed to serve this special needs population, but it would be a start and would be fair to this group which cannot get to hearings like this because of the restrictions on travel that our programs must impose.

I thank you for your time and consideration of this request.



Wisconsin Counties Association

MEMORANDUM

TO: The Honorable Members of the Joint Committee on Finance
FROM: Craig Thompson, Legislative Associate
DATE: April 10, 1995
SUBJECT: Support for Governor Thompson's Proposed Transportation Budget

The Wisconsin Counties Association (WCA) strongly supports the Governor's proposed transportation budget.

Counties have seen a continual erosion in state support for county transportation needs over recent years. Over the last several biennia state support for county transportation has slipped from an agreed upon 30% reimbursement of county costs to 27.6% under General Transportation Aids. It is the position of the Association that the 30% reimbursement level must be restored or county transportation needs will go unmet.

The "Oil Franchise Fee" proposed in the Governor's budget will raise approximately \$270 million over the biennium. By utilizing this fee on oil companies 35% of which is federally deductible, the state can raise this necessary funding without forcing oil companies to pass the entire cost on to the consumers.

The increased revenue will mean that counties' reimbursement under General Transportation Aids will increase from 27.6% to 28.2% over the biennium (approximately \$9.3 million). The fee will also allow the state to provide \$5.4 million in FY 96 and \$9.7 million in FY 97 to maintain the state's commitment to mass transit, as well as to provide \$10 million over the biennium for the Local Road Improvement Program (LRIP).

Without the revenues derived from this fee, counties will see their reimbursement under General Transportation Aids plummet from 27.6% to approximately 22%. The lack of revenue will also result in a giant step backward for mass transit and no increased funding for the LRIP program.

The "Oil Franchise Fee" provides a reasonable means by which to raise revenues for transportation purposes. The proposed budget begins action toward the goal agreed upon between WisDOT and WCA of 30% state reimbursement under General Transportation Aids as well as providing support for other critical areas. For these reasons WCA respectfully requests your positive action on the Governor's transportation budget as proposed. Thank you for considering our comments.

CT/kak

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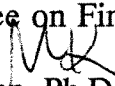
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State of Wisconsin
WCDD
Council on Developmental Disabilities

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Date: April 10, 1995

To: Senator Joseph Leean, Co-Chairperson
Representative Ben Brancel, Co-Chairperson, and Members
Joint Committee on Finance

From:  Mariellen Kuehn, Ph.D., Chairperson
Planning Committee

Re: A.B. 150 - Transportation 1995-97 Biennial Budget

Thank you for the opportunity to speak. I am Dr. Mariellen Kuehn, Chairperson of the Planning Committee of the Wisconsin Council on Developmental Disabilities. The Council has previously submitted testimony about A.B. 150 and copies of its *1995-97 Legislative Initiatives* to all members of the Joint Finance Committee. I am speaking today about the budget request for the Department of Transportation.

Transportation is a critical component of living independently in the community for people with developmental disabilities. People need transportation to get to work, attend school, visit a doctor, go to the grocery store, see friends, and make other trips. For many people, publicly provided transportation is the only reliable source of transportation.

Several surveys have been conducted over the past few years to gauge the amount and types of transportation provided to people with disabilities and people who are elderly. A survey conducted in 1994 of county transportation coordinators about the Elderly and Disabled Transportation Program (85.21 Program) found high levels of unmet need for transportation. Among the results of the survey: only 10% of persons eligible for the 85.21 Program receive services; counties are unable to provide transportation to people to get to work; and services do not operate during the weekends and evenings. A Legislative Council studied the 85.21 Program in detail and recommended an increased allocation of \$16 million over the biennium. The Governor is recommending an increase of only \$535,000 over the biennium.

Advocates have been working with the Department of Transportation on this issue for the past two years. The Department is well aware that the 85.21 Program is not sufficiently funded. The Department is also aware of the extent of the unmet need. Another study examining the unmet need would be a waste of scarce resources. **People who are elderly or have disabilities need an additional \$16 million for the 85.21 Program, not another study.**

Thank you for your consideration of this testimony.

MEETING LOCAL TRANSPORTATION NEEDS

BACKGROUND

Users of the current local and state road system pay over \$840 million annually in state user fees. Since 1984, user fee revenues (gas tax, auto registration fees and other motor vehicle fees) received by the Wisconsin Department of Transportation have increased annually at a rate of 5.7%. DOT has returned a portion of these funds to local governments for road aids and transit operating assistance.

State highway projects have been the largest beneficiary of the segregated transportation fund. Over 47% of all user fee revenues go to state highway projects. Although travel on local roads accounts for 50% of all automobile trips and 88% of all highways are local roads, local units of government received only 29% of user fee revenues for local road aids and 6% for transit costs.

PROPOSAL

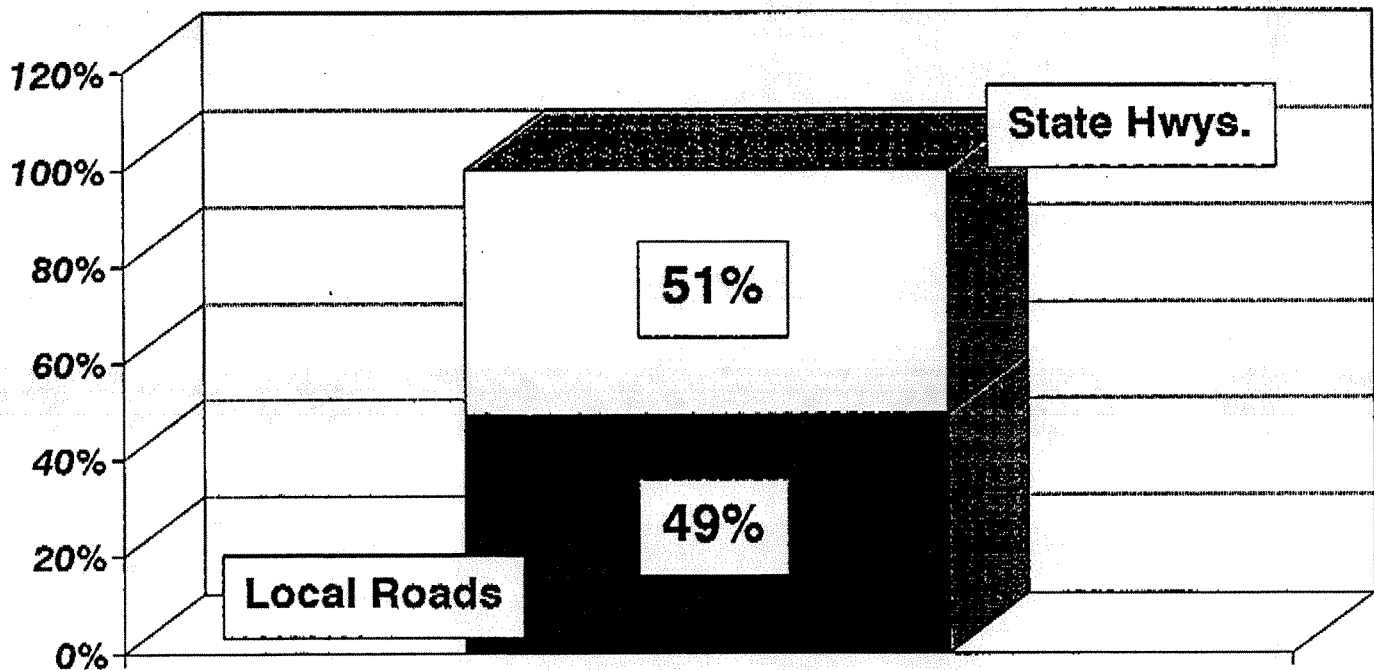
Rather than change the transportation aid formulas, local units of government are proposing a gradual shift in funds from state highway projects and make them available for local road aids and transit assistance in order to help local governments reduce property taxes or pay for local roads and transit costs. The change would occur in small increments over a ten year period. The state highway program would also continue to grow over the same ten year period, but at a slower rate compared to the previous ten year period. The proposal would accomplish the following:

- 1) A fair distribution of segregated revenues without requiring any increase in the gas tax or auto registration fees.
- 2) All local government transportation funding is increased with no formula changes.
- 3) The change in the local aids is accomplished in small increments over a long period of time, minimizing any impact to state highway projects.
- 4) The allocation of funds addresses the diverse needs of local governments. The increase in local aid could be used to reduce property taxes or increase transit operating assistance - or to increase road repairs with no impact on local property taxes.
- 5) The shift in the distribution of funds allows for continued growth in state transportation projects while meeting local transportation needs.

The actual shift sought by local units of government would change the percentage of local road and transit aids from the current 36% of all segregated funds in 1994 to 38% in 1995, gradually increasing between 2% and 3% per year over the next ten years. Revenues for state projects would still grow since user fee revenues grow at an average of 5.7% or a net increase of 2-3% under this proposal.

Road Use: Equally Used Local Roads & State Hwys.

Vehicle Miles Traveled on Local Roads & State Hwys, 1992

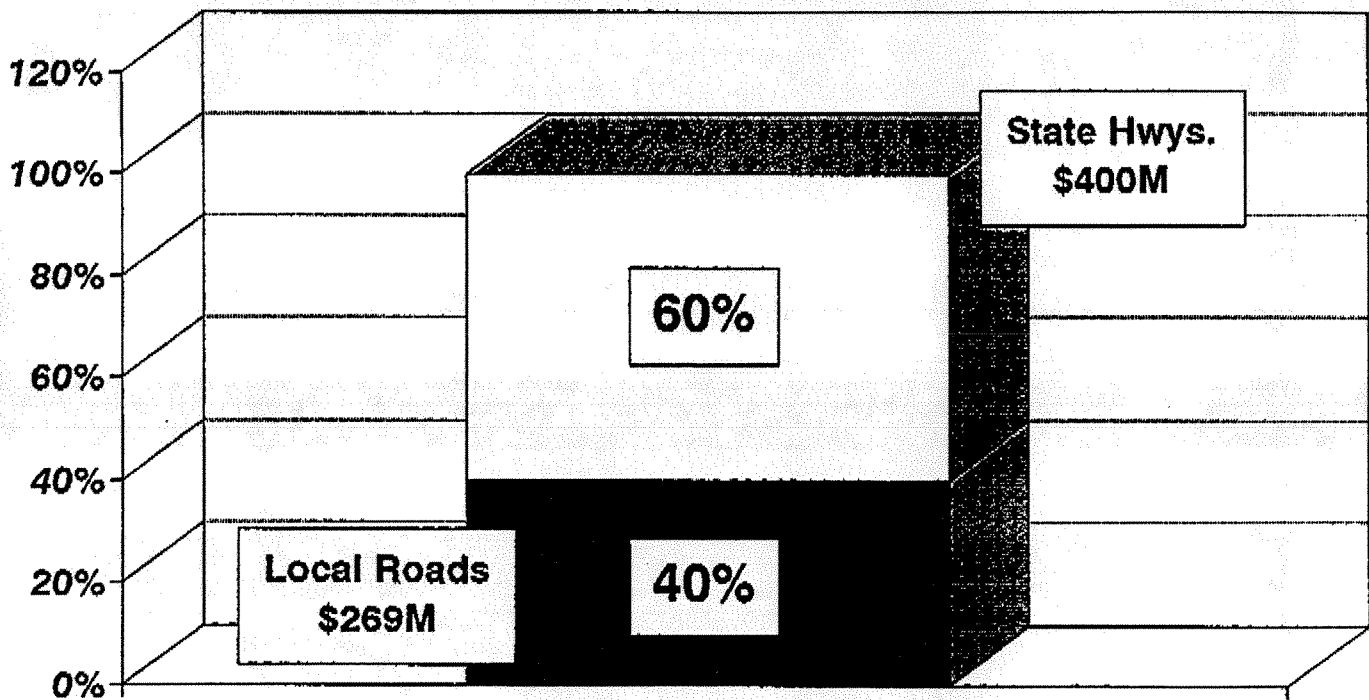


48.8 Billion Total Miles Traveled

*Source: WisDOT, 1993 Highway Miles and Vehicle Miles of Travel by
Administrative Jurisdiction. Prepared by Rob Kennedy, Ph.D.*

User Fee Distribution: Primarily State Highways

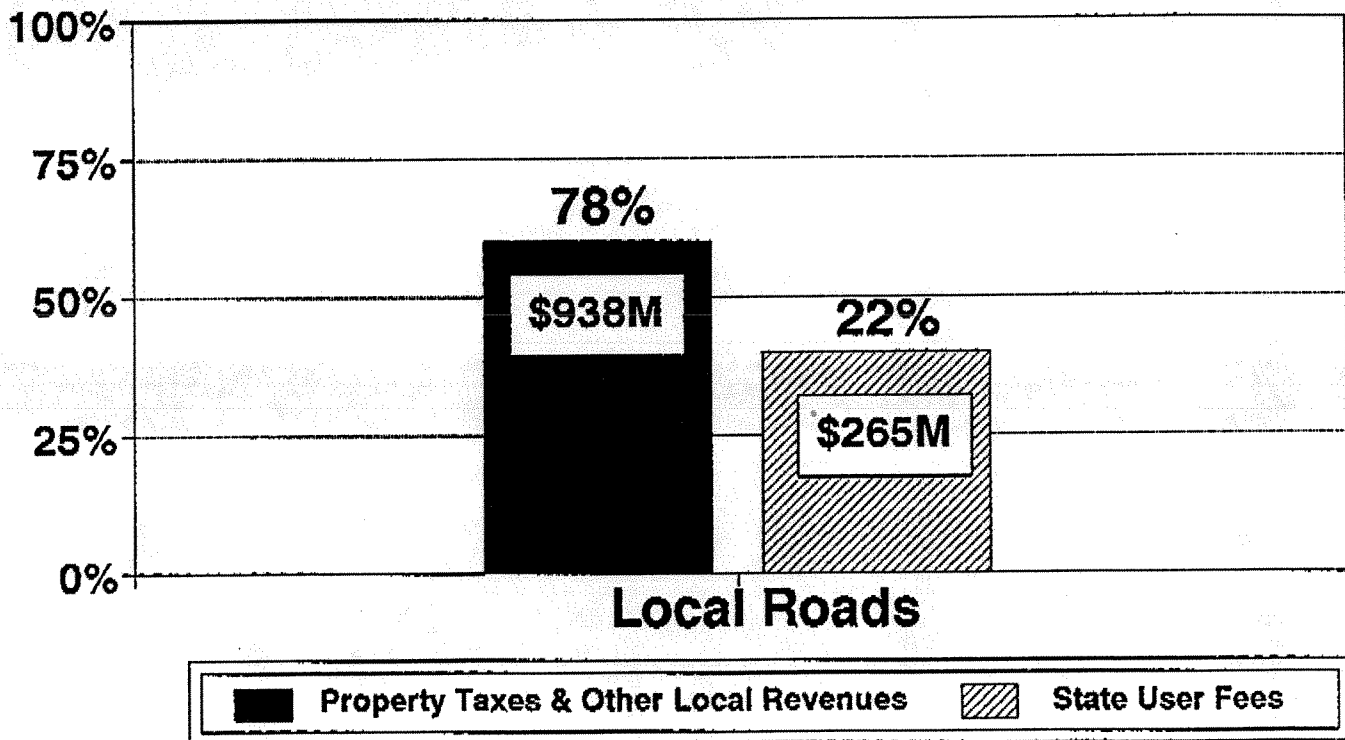
Relative Shares of State User Fees for Road Purposes, 1992



*Source: WisDOT Translinks 21, Highway Cost and Pricing Study, 1994.
St. Hwys. include state fees for capital, manag., operations, and enforcement.
Prepared by Rob Kennedy, Ph.D.*

Local Roads: Paid For Mostly With Property Taxes

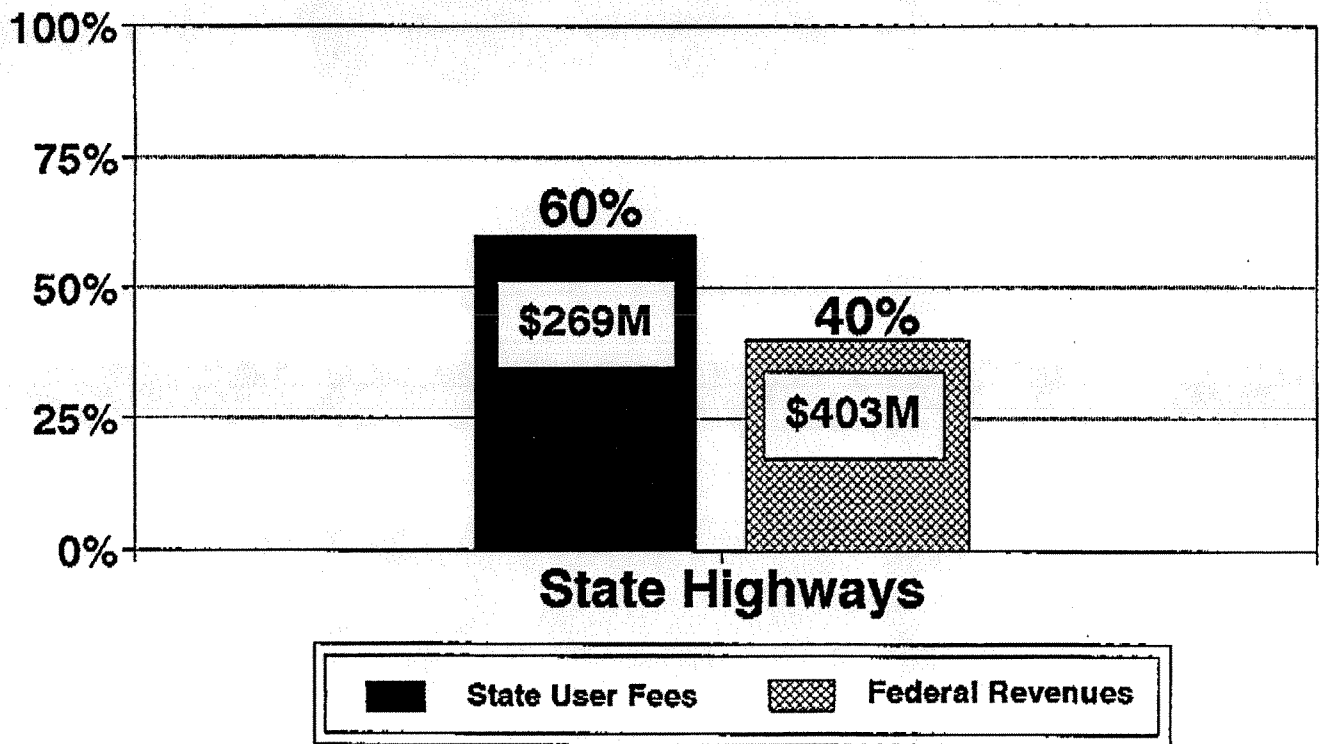
Percent of Local Road Costs Paid For by
Local Property Taxes & Other Revenues vs. State User Fees, 1992



Source: WisDOT Translinks 21 Highway Cost and Pricing Study and Financing Local Roads, 1994. State fees for state hwy. include \$400M for capital, manag., ops., and enforc. Prepared by Rob Kennedy, Ph.D.

State Highways: Paid For With State & Federal User Fees

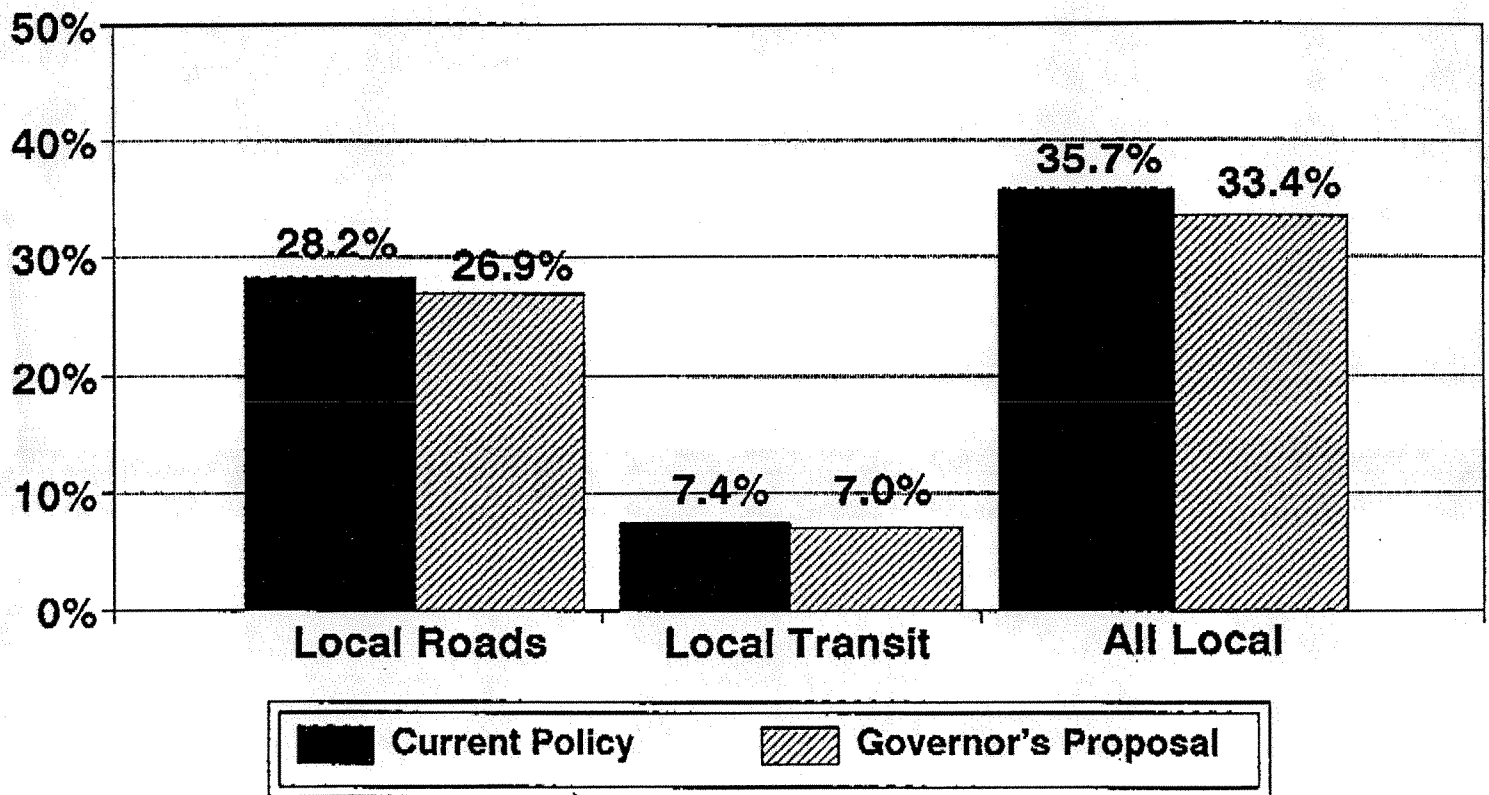
Percent of State Road Costs Paid For by State User Fees & Federal Revenues, 1992



Source: WisDOT Translinks 21 Highway Cost and Pricing Study, and Financing Local Roads, 1994. State fees for state hwys. include \$400M for capital, manag., ops., and enforc. Prepared by Rob Kennedy, Ph.D.

Local Programs Get Smaller Share

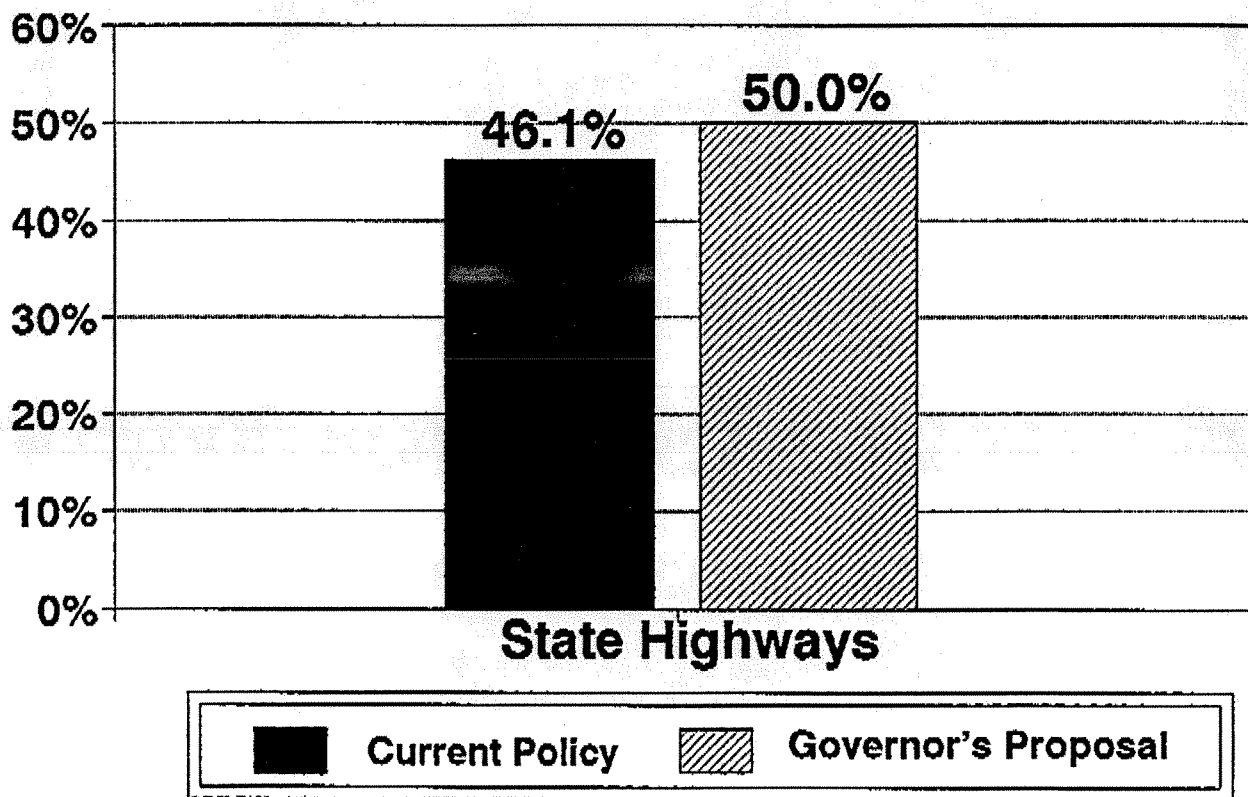
*State Transportation Spending Priorities
Current Policy vs. Governor's Proposal*



Source: WisDOT, 1995-97 Transportation Budget: State Funds, The Governor's Recommendations, March 1995.

State Highways Get Larger Share

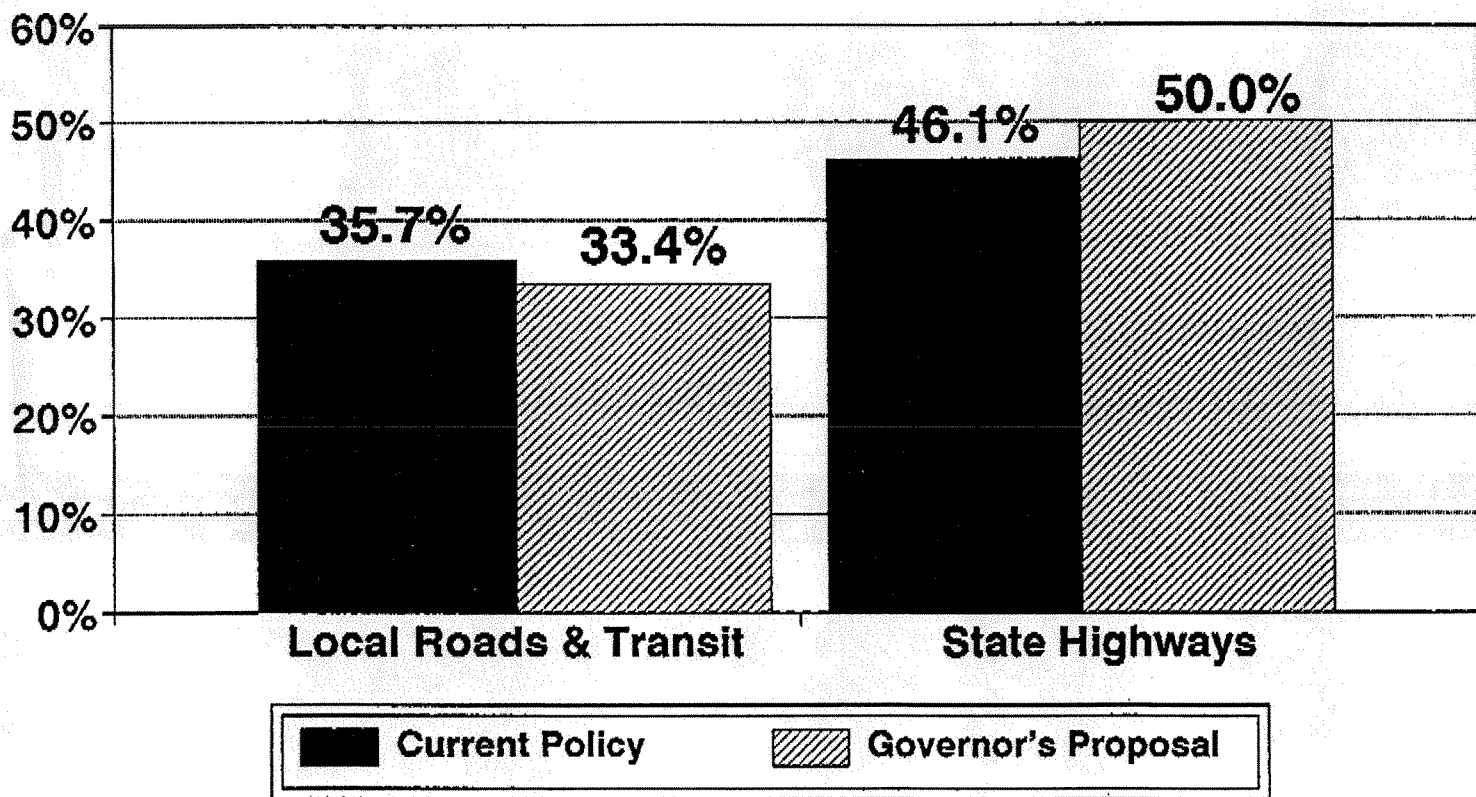
*State Transportation Spending Priorities
Current Policy vs. Governor's Proposal*



Source: WisDOT, 1995-97 Transportation Budget: State Funds, The Governor's Recommendations, March 1995.

Transportation Winners and Losers

Current Policy vs. Governor's Proposal



Source: WisDOT, 1995-97 Transportation Budget: State Funds, The Governor's Recommendations, March 1995.

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TO: MEMBERS OF JOINT COMMITTEE ON FINANCE
FROM: RICHARD J. STADELMAN, EXECUTIVE DIRECTOR
RE: AB150 TRANSPORTATION BUDGET
DATE: APRIL 10, 1995

On behalf of the Board of Directors of Wisconsin Towns Association and its 1,260 member towns and 13 member villages, we want to express our support for the Governor's initiatives in transportation. Our members have supported funding increases for transportation in the past, and will continue to do so if local roads receive their fair share of the increases.

The Governor's budget proposes increasing the per mile minimum from \$1350 per mile in 1995 to \$1415 per mile in 1996 and \$1480 per mile in 1997. The Local Road Improvement Program, of which 28.5% goes to towns under TRIP, will rise from \$21 million to about \$30 million for the biennium. Counties receive 43% and cities/villages receive 28.5% of this total. The large cost town projects TRIP-D program will increase from \$1 million to \$2 million for the biennium. The towns support these increases.

Wisconsin Towns Association realizes that to adequately fund the needs of a multi modal transportation system in a state the size of Wisconsin, substantial funds must be raised. Our Association supports the proposed oil company franchise fee at the levels included in the budget. We recognize that this will in all likelihood be passed on to the user, however when the user can see his payments being used for transportation needs, most users are willing to pay reasonable increases. The gas tax and oil company franchise fee are both fair to the citizens of Wisconsin, because they are paid proportionately by those who use vehicles more in comparison to those who use vehicles less.

The one concern we would register with the committee is that although there are substantial increases in transportation funds, it appears that state highway construction and projects again receive a greater share of the increases than local transportation aids. We would support that over a period of years (not more than the next eight years) the balance between local transportation (including mass transit) and state highway needs be balanced out 50/50.

On behalf of Wisconsin Towns Association and its members, we look forward to working with your committee and the State legislature as a whole to meet the transportation needs of Wisconsin.