

2003 DRAFTING REQUEST

Bill

Received: **12/18/2002**

Received By: **agary**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Vail**

This file may be shown to any legislator: **NO**

Drafter: **agary**

May Contact:

Addl. Drafters:

Subject: **Transportation - highways**
Transportation - miscellaneous

Extra Copies: **TNF, PJH**

Submit via email: **NO**

Pre Topic:

DOA:.....Vail - BB0281,

Topic:

General transportation aids inflation

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							S&L
/1	agary 12/20/2002	kfollett 12/20/2002	chaskett 12/23/2002		sbasford 12/23/2002		

FE Sent For:

<END>

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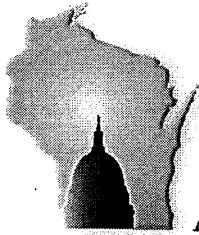
See Attached

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/?	agary	11 kjf 12/20	1 cph 12/23	self 12/23			

FE Sent For:

<END>



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: December 10, 2002

To: Stephen R. Miller, Chief
Legislative Reference Bureau

From: Benjamin J. Vail
Policy and Budget Analyst
ECR Team

Subject: **Biennial Budget Drafting Request**
Agency 395 – Department of Transportation (DOT)

Budget Office Request Title:
General Transportation Aids Inflation

Request Description:

- Specify that the rate per mile amounts in calendar year 2004 be \$1,871 and \$1,917 for calendar year 2005.
- Specify amounts to be used for aid calculations for calendar year 2004 and calendar year 2005.
 - Counties: CY04 \$92,295,700; CY05 \$94,603,100
 - Municipalities: CY04 \$293,373,400; CY05 \$297,632,700
- Delete references to rates and amounts for CY01, CY02 and CY03.
- Repeal statutory references regarding CY01 general transportation aid payments.

Further information is provided in the attached issue paper prepared by the department.

BB 281

**Department of Transportation
2003-2005 Biennial Budget Request
STATUTORY MODIFICATIONS**

DIN NUMBER: 5101

TOPIC: Funding Amounts for General Transportation Aids

DESCRIPTION OF CHANGE:

1. Amend s. 86.30(2)(a)3 Wis. Stats., to specify that the rate per mile is \$1,871 for CY 04 and \$1,917 for CY 05 and thereafter and delete references to the rate per mile for CY 01 and CY 02.
2. Specify the calendar year amounts to be used for aid calculations:
 - a. Amend s. 86.30(9)(b) Wis. Stats., to specify that the amount for counties in CY 04 is \$92,295,700 and \$94,603,100 for CY 05 and thereafter and delete references to amounts for CY 00, CY 01, and CY 02.
 - b. Amend s. 86.30(9)(c) Wis. Stats., to specify that the amount for municipalities in CY 04 is \$290,373,400 and \$297,632,700 in CY 05 and thereafter and delete references to amounts for CY 00, CY 01, and CY 02.
3. Repeal s. 86.30(10) Wis. Stats., regarding CY 01 GTA payments.

JUSTIFICATION:

The statutory changes requested above represent the Department's requested increases in GTA program funding to fully fund CY 03 GTA payments and provide CY inflationary increases of 2.5% in FY 04 and FY 05 as well as deletion of outdated provisions.

**Department of Transportation
2003-2005 Biennial Budget Request
ISSUE PAPER**

PROGRAM: General Transportation Aids (GTA)

DIN NUMBER: 5101

ISSUE TITLE: General Transportation Aids Inflation

REQUEST:

The Department requests \$2,857,200 SEG in FY 04 and \$5,136,400 SEG in FY 05 for transportation aids to counties and \$8,989,100 SEG in FY 04 and \$16,159,900 SEG in FY 05 for general transportation aids to municipalities.

SUMMARY:

The General Transportation Aids (GTA) Program provides reimbursement funding to each of Wisconsin's 1,922 local governments to help defray a portion of the costs incurred for construction and maintenance of the local road and street system. The current, cost based GTA formula was implemented in 1988 and provides local governments with a stable source of funding for construction and maintenance of their local road system.

GTA is a reimbursement program based on each local government's spending history and is paid on a calendar year basis. The relationship between calendar year payments and fiscal year appropriations is one where the fiscal year appropriation includes payments for ½ of the previous year and ½ of the current year. For example, FY 04 = (½ CY 03) + (½ CY 04).

Payments to municipalities are based on either: (1) a share of eligible transportation-related expenditures (share-of-costs [SOC]); or (2) a rate-per-mile (RPM), whichever is greater. All payments to counties are based on a share of eligible transportation-related expenditures (SOC). The majority of GTA funds are distributed through SOC, although a larger number of local governments are paid through the RPM.

The SOC rate for counties and municipalities is determined by the available funding and the six-year average costs reported by each county or municipality. In CY 02, the funding level resulted in a SOC percentage of 25.8% for counties and 20.6% for municipalities. The Department uses transportation-related portions of the Department of Revenue's Financial Report Form to determine a local government's reimbursable costs.

The formula provides minimum and maximum cushions for communities under the SOC to prevent large swings in funding. Under the minimum cushion, counties cannot receive less than 98%, and municipalities less than 95%, of their prior year's payment. The maximum cushion limits payment increases to 115% of the prior year's payment. No municipality can receive payments that are higher than 85% of its three-year average costs and could result in a local government getting less than the statutory RPM (\$1,755 in CY 02, \$1,825 in CY 03).

JUSTIFICATION:

DOT's request represents the amounts necessary to fully fund CY 03 GTA payments and provide 2.5% inflationary increases on calendar year aids payments for FY 04 and FY 05.

The requested increases would provide the following program levels:

	<u>FY 04</u>	<u>FY 05</u>
Transportation Aids to Counties	\$ 91,170,200	\$ 93,449,400
Transportation Aids to Municipalities	286,832,300	294,003,100

Gary, Aaron

From: Grinde, Kirsten
Sent: Friday, December 20, 2002 8:54 AM
To: Gary, Aaron
Cc: Vail, Benjamin
Subject: FW: Budget draft BB0281

Aaron,

In response to your questions:

- 1) For this draft, use the dollar amount in DOT's statutory modification sheet -- \$290,373,400.
- 2) Please delete just CY00 and CY01 amounts.

Please let me know if you have any other questions.

Thanks,

Kirsten

-----Original Message-----

From: Vail, Benjamin
Sent: Friday, December 20, 2002 8:47 AM
To: Grinde, Kirsten
Subject: FW: Budget draft BB0281

Kirsten,

I'm not quite sure what to make of the details of this e-mail. I thought you might want to weigh in on it.

-- Ben

-----Original Message-----

From: Gary, Aaron
Sent: Thursday, December 19, 2002 4:42 PM
To: Vail, Benjamin
Subject: Budget draft BB0281

Hi Benjamin,

I'm working on drafting request BB0281 regarding DOT general transportation aids, and have a couple of clarifying questions.

1. DOT's statutory modification sheet, in item 2.b., refers to aids to municipalities for CY 04 as "290,373,400", but your cover sheet uses the figure "293,373,400". Was this discrepancy intentional, i.e., which figure should I use in the draft?
2. DOT's stat mod sheet refers to deleting references to CY 00, CY 01, and CY 02 amounts, but your cover sheet specifies CY 01, CY 02, and CY 03. I assume you meant to include CY 00. With regard to CY 03, the budget bill will pass in CY 03, so CY 03 amounts definitely need to stay in the statutes. We have also often (but not always) left in the statutes the aid figures for at least one year back (here CY 02) so that it is easy for people who rely on these figures to determine what the aid amount was last year without having to go back to previous session laws. (See for example 2001 Act 16 section 2344 and 2345; 1999 Act 9 sections 1858, 1862, 1863.) Do you want the draft to delete references to amounts for CY 00, CY 01, and CY 02, or just for CY 00 and CY 01?

Thanks. Aaron

Aaron R. Gary
Legislative Attorney
Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

DOA:.....Vail - BB0281, General transportation aids inflation

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

Do Not Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TRANSPORTATION

TRANSPORTATION AIDS

Under current law, DOT administers a general transportation aids program that makes aid payments to a county based on a share-of-costs formula, and to a village, city, or town (municipality) based on the greater of a share-of-costs formula for municipalities or an aid rate per mile, which is \$1,825 for calendar year 2003 and thereafter.

This bill increases the aid rate per mile to \$1,871 for calendar year 2004 and \$1,917 for calendar year 2005 and thereafter.

This bill increases the maximum amount of aid that may be paid to counties under the program from the current limit of \$90,044,600 in calendar year 2003 to \$92,295,700 in calendar year 2004 and \$94,603,100 in calendar year 2005 and thereafter. The bill also increases the maximum amount of aid that may be paid to municipalities under the program from the current limit of \$283,291,100 in calendar year 2003 to \$290,373,400 in calendar year 2004 and \$297,632,700 in calendar year 2005 and thereafter.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 86.30 (2) (a) ^X1. of the statutes is amended to read:

2 86.30 (2) (a) 1. Except as provided in pars. (b), (d) and (dm), ~~sub. (10)~~ [✓] and s.
3 86.303, the amount of transportation aids payable by the department to each county
4 shall be the aids amount calculated under subd. 2. and to each municipality shall be
5 the aids amount calculated under subd. 2. or 3., whichever is greater. If the amounts
6 calculated for a municipality under subd. 2. or 3. are the same, transportation aids
7 to that municipality shall be paid under subd. 2.

8 **SECTION 2.** 86.30 (2) (a) ^X3. of the statutes is amended to read:

9 86.30 (2) (a) 3. For each mile of road or street under the jurisdiction of a
10 municipality as determined under s. 86.302, the mileage aid payment shall be \$1,704
11 ~~in calendar year 2001~~, \$1,755 in calendar year 2002, and [✓]\$1,825 in calendar year
12 2003, [✓]\$1,871 in calendar year 2004, and [✓]\$1,917 in calendar year 2005 and thereafter.

13 **SECTION 3.** 86.30 (9) (b) ^X of the statutes is amended to read:

14 86.30 (9) (b) For the purpose of calculating and distributing aids under sub. (2),
15 the amounts for aids to counties are ~~\$84,059,500 in calendar years 2000 and 2001~~,
16 \$86,581,300 in calendar year 2002, and [✓]\$90,044,600 in calendar year 2003,
17 [✓]\$92,295,700 in calendar year 2004, and [✓]\$94,603,100 in calendar year 2005 and
18 thereafter. These amounts, to the extent practicable, shall be used to determine the
19 statewide county average cost-sharing percentage in the particular calendar year.

20 **SECTION 4.** 86.30 (9) (c) ^X of the statutes is amended to read:



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1196/1
ARG:kjf:eph

DOA:.....Vail - BB0281, General transportation aids inflation

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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6 calculated for a municipality under subd. 2. or 3. are the same, transportation aids
7 to that municipality shall be paid under subd. 2.

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18 thereafter. These amounts, to the extent practicable, shall be used to determine the
19 statewide county average cost-sharing percentage in the particular calendar year.

20 **SECTION 4.** 86.30 (9) (c) of the statutes is amended to read:

