

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original   <input type="checkbox"/> Updated   <input type="checkbox"/> Corrected</p>	<p>2. Date March 21, 2019</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Chapter Trans 2 – Elderly and Disabled Transportation Capital Assistance Program</p>	
<p>4. Subject Funding for transportation services for Seniors and Individuals with Disabilities At the present time, Elderly and Disabled Transportation Capital Assistance Program (s. 85.22, Stats.) funds are paired with federal Enhanced Mobility of Senior and Individuals with Disabilities Program (Section 5310) funds and are awarded to transportation projects in Wisconsin that benefit seniors and individuals with disabilities. As the current ch. Trans 2 stands, s. 85.22, Stats. funds can only be used to purchase accessible vehicles. We are currently seeking approval to update ch. Trans 2 to allow s. 85.22, Stats. funds to be used for operating projects and mobility management staff positions as well as accessible vehicle projects, in order to be in sync with project eligibility under the Section 5310 program.</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input checked="" type="checkbox"/> SEG   <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected s. 85.22, Stats.</p>
<p>7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect   <input type="checkbox"/> Increase Existing Revenues   <input type="checkbox"/> Increase Costs   <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate   <input type="checkbox"/> Decrease Existing Revenues   <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy   <input checked="" type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units   <input type="checkbox"/> Public Utility Rate Payers <input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$</p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule The current ch. Trans Rule 2 specifies that s. 85.22, Stats. funds can only be used to purchase accessible vehicles as a capital award. Approval of the requested rule update would allow s. 85.22, Stats. awards to continue to be made for accessible vehicles, but would also allow s. 85.22, Stats. awards to be made for operating projects and mobility manager staff positions. These changes would mirror the federal Section 5310 program which is administered by the Department and is supplemented by s. 85.22, Stats. funding.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. WisDOT Transit Program Managers have continuously updated all current s. 85.22, Stats./Section 5310 sub-recipients of efforts to update ch. Trans Rule 2. Specifically, a Specialized Transit Program Manager sits in on quarterly Independent Living Council of Wisconsin meetings and keeps the Council apprised of any ch. Trans 2 updates.</p> <p>No formal comment session or meeting has been held to solicit comments from the general public.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. While no local governments have worked with Transit Staff of this EIA directly, many often apply for Section 5310/s. 85.22, Stats. funds on an annual basis. Frequent applicants of s. 85.22, Stats./Section 5310 funds include Rock County, Sauk County, Racine County, Kenosha County, Grant County, Vernon County, Richland County, Manitowoc County, City of Stevens Point, and Sheboygan County.</p>	

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14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The requested ch. Trans Rule 2 changes do not increase the amount of s. 85.22, Stats. funding and there would be no direct economic impact to the state budget or the State's economy as a whole

There is a limited pool of funding available for the Section 5310 program and the s. 85.22, Stats. program and application requests from sub-recipients consistently exceed available funding. Program Managers do have to currently make decisions on which projects get funded and which do not based on the application scores. This funding issue would not be entirely solved by implementing the requested update to ch. Trans Rule 2, as there still would be a significant lack of funding for all requested projects, but it would allow the Transit Program Managers greater flexibility in awarding high scoring projects without as many restrictions.

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15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

While the Section 5310 federal funding (paired with s. 85.22, Stats. funding) allows for operating and mobility management positions, ch. Trans Rule 2 which governs the s. 85.22, Stats. funds does not. The issue with incompatible project eligibility between the paired federal and state funding sources makes it difficult for Program Managers to make award decisions based on sub-recipient requests each year.

Approval of the requested update to ch. Trans Rule 2 would allow Transit Section Program Managers greater flexibility in awarding projects with s. 85.22, Stats. funds to applicants based on their requests. For example, in some years vehicle request are more abundant, and more of the Section 5310/s. 85.22, Stats. funds can be used for vehicle purchases. Alternatively, in some years when operating and mobility manager position request are more than the federal Section 5310 amount, Program Managers have no other funding sources to award sub-recipients for these types of projects. Additionally, federal funds are appropriated in rural and small urban "silos" which can restrict funding availability for rural applicants. This change to ch. Trans Rule 2 is expected to mitigate limitations arising from these funding "silos".

The benefits for implementing the rule change are that applicants who provide transportation service to seniors and individuals with disabilities across the state have additional opportunities for operating and mobility management funding, in addition to accessible vehicle funding. Funding all facets of a transit system (operating, vehicles, and mobility management) ensures that a sub-recipient has a well-rounded program to serve seniors and individuals with disabilities within Wisconsin in getting to where they need to go.

Alternatives to not updating the ch. Trans 2 Rule would be the program kept as is, and only vehicle capital awards can be made with these funds. .

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16. Long Range Implications of Implementing the Rule

The ch. Trans Rule 2 update requests include language that ties the rule to the federal Section 5310 circular, but the language is not overly prescriptive to disallow the rule to absorb any moderate federal rule changes in the future. The ch. Trans Rule 2 update requests, in the long term, would provide on-going specialized transit projects security to fund all requested project types (vehicle, operating, and mobility management positions) in the future.

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17. Compare With Approaches Being Used by Federal Government

The federal government funding source that is paired with s. 85.22, Stats. has funding for both traditional federal Section 5310 projects (vehicles) and non-traditional types of projects (mobility management and operating). The Section 5310 program was updated to allow operating and mobility management positions to be funded with these dollars in 2012 under the MAP-21 act and this guidance continues under the federal FAST ACT.

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18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)



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Illinois. Does not currently have any state money that is paired with their federal Section 5310 program. Illinois did have a state program in the past.

Iowa. Has three statewide funding programs available to transit providers, but they are not used exactly like the s. 85.22, Stats. funds. Two of the state funds in Iowa are used for transit infrastructure projects (PTIG Fund) and a capital match revolving loan fund (Amoco Loan). The last state fund program (State Transit Assistance) is a bit similar to what we are requesting the s. 85.22, Stats. program to be, and it funds transit operating and capital projects throughout the state that improve public transit. These Iowa state funds can also be used for training purposes.

Michigan. Has state funds through their Comprehensive Transportation Fund (CTF) (derived from a portion of state motor fuel taxes, vehicle registration fees, and state sales taxes on automobiles and related projects) that assist in funding specialized transit. According to Act 51 of the Public Acts in 1951 (Under part 247.660e on page 15) not less than \$3,600,100 from funds shall go to specialized services assistance programs. In FY2016, \$3,853,900 of CTF funds went to Michigan's specialized services public transportation development projects.

Minnesota. Minnesota does not have a state grant program that matches their 5310 program but does for their federal Formula Funding for Rural Areas (Public Transit – Section 5311) one.

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This document can be made available in alternate formats to individuals with disabilities upon request.

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### ATTACHMENT A

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

The economic or fiscal impact to small businesses (non-profits) if the requested ch. Trans Rule 2 updates are implemented would be that non-profit agencies would be able to potentially be awarded additional s. 85.22, Stats. funds for their operating and mobility management position requests.

There are no implementation costs expected or additional work for the non-profits applying for s. 85.22, Stats. funds.

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

Data that was used to measure the impact of changes to ch. Trans Rule 2 was primarily from Transit Program Managers comparing annual requests for federal Section 5310/state s. 85.22, Stats. funds for specific project types (vehicles, mobility management positions, and operating projects) to the amount of funding that was available each year for these projects. Transit Program Managers were able to determine how many projects requests get completely funded, underfunded, or denied each year due to lack of funds compared to request.

Information was also gathered from the federal Section 5310 circular FTA C 9070.1F to ensure that the ch. Trans Rule 2 updates were consistent with the federal program.

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements

Other, describe:

Reporting requirements remain the same for any sub-recipient of s. 85.22, Stats. funds, regardless of their business size. The proposed ch. Trans Rule 2 updates would not increase or decrease the reporting required, and reporting for operating and mobility manager projects is similar to required vehicle reporting our sub-recipients currently have under ch. Trans Rule 2.

Program managers work closely with all sub-recipients with any technical assistance they may need, including any small non-profit or rural county that many have a small staff to handle reporting requirements.

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

The impact to small businesses (small non-profits) would be a positive one, as they would be eligible to receive funding for additional specialized transit projects. No additional application requirements or fees would be implemented if the ch. Trans Rule 2 update was approved.

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5. Describe the Rule's Enforcement Provisions

WisDOT may deny any applicant's application if they are not up to date with their reporting requirements, if they do not register their vehicles correctly, if they score poorly on the application, if they do not have appropriate technical or financial experience, or if their application is tardy, incomplete, or poor.

WisDOT retains a lien on all vehicles purchased with s. 85.22, Stats./Section 5310 funds and sub-recipients may not sell these vehicles without WisDOT consent and release of lien.

If approved, quarterly reimbursements requests for operating and mobility management projects would be reviewed by the program managers and ineligible requests would be denied.

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No
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