



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #762

### **Elderly and Disabled Transportation Aids -- County Assistance (DOT -- Local Transportation Aids)**

[LFB 2009-11 Budget Summary: Page 605, #3]

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#### **CURRENT LAW**

The elderly and disabled county assistance program assists counties in providing transportation services to those people not otherwise having an available or accessible method of transportation. In 2008-09, the state provided \$12,910,100 in elderly and disabled county assistance and \$921,900 in capital assistance through separate, transportation fund appropriations.

#### **GOVERNOR**

Provide \$285,900 SEG in 2009-10 and \$713,300 SEG in 2010-11 for county assistance in the provision of elderly and disabled specialized transportation services. Total state funding would equal \$13,196,000 SEG in 2009-10 and \$13,623,400 SEG in 2010-11.

#### **DISCUSSION POINTS**

1. Elderly and disabled county assistance is distributed on the basis of each county's share of the state's total elderly and disabled population. With its state aid, the county may directly provide transportation services, subsidize other systems that provide transportation services, or directly subsidize elderly or disabled persons for their use of existing services, such as taxis. Counties must apply for elderly and disabled transportation aid by February 1 of each fiscal year. Counties expend funds on a calendar year basis. For example, the 2008-09 appropriation is spent by counties in calendar year 2009.

2. A county may not use elderly and disabled aid to support regular urban mass transit service, but may use this aid to support subsystems that provide special services to the elderly and disabled. Aid may be used for trips that provide elderly and disabled individuals access to medical services, nutritional services, jobs, education and training programs, and other social and personal business engagements. Priority may be given to trips made for medical or nutritional reasons or for work. Counties must either require a copayment by users of this service or provide the user with an opportunity to make a voluntary contribution to the cost of the service.

3. Since 1999-00, the Legislature has provided annual increases in the elderly and disabled county assistance program. The following table provides the recent funding history for the county assistance program.

**Elderly and Disabled County Assistance Funding**

| <u>Fiscal Year</u> | <u>County Assistance</u> | <u>Percent Change</u> |
|--------------------|--------------------------|-----------------------|
| 1999-00            | \$6,890,400              |                       |
| 2000-01            | 7,441,600                | 8.0%                  |
| 2001-02            | 7,667,400                | 3.0                   |
| 2002-03            | 7,925,100                | 3.4                   |
| 2003-04            | 8,146,300                | 2.8                   |
| 2004-05            | 8,373,000                | 2.8                   |
| 2005-06            | 10,373,000               | 23.9                  |
| 2006-07            | 12,373,000               | 19.3                  |
| 2007-08            | 12,638,900               | 2.1                   |
| 2008-09            | 12,910,100               | 2.1                   |

4. In the 2005-07 biennium, the elderly and disabled aid program received a significant increase in funding to assist in the increasing costs of providing transportation services. The program received increases of \$2,000,000 annually in 2005-06 and 2006-07, which, as indicated in the table, resulted in a 23.9% increase in 2005-06 and an additional 19.3% increase in 2006-07. In the 2007-09 biennium, annual increases of 2.1% were provided, which returned to a practice more consistent with earlier biennia.

5. DOT establishes a minimum allocation of elderly and disabled aid for counties. This currently equals 0.5% of the total available funding (\$64,551 for 2009). In 2009, 22 counties received the minimum aid level. Under the funding level provided in the bill, the minimum aid level would increase to \$65,980 in 2010 and \$68,117 in 2011.

6. Elderly and disabled aid is just one of several state transportation aid programs that assist local governments with their transportation-related expenditures. Increases in any of these aid programs could be seen as a means to mitigate the impact of reductions under the bill in other state aid programs that provide funds to counties. In addition, providing an elderly and disabled aid increase could help offset the impact of any local levy limit imposed on counties.

7. Some have contended that because revenues to the transportation fund are paid from citizens who travel roads throughout the state, a consistent portion of those revenues should be redistributed to local units of government to assist in maintaining their transportation programs. In 2008-09, local transportation aid programs, including the general transportation aid, local road improvement, mass transit assistance, and elderly and disabled aid programs and other transportation programs that provide assistance to local units of government, were funded at a level equal to 36.5% of net transportation fund revenues. Under the bill, as introduced, these programs would receive a slightly smaller percentage share of net transportation fund revenues, estimated at 36.3% in 2009-10 and 35.4% in 2010-11.

8. Under the bill, the mass transit operating assistance program would receive a 1.97% increase in funding in 2010 followed by a 3.0% increase in 2011. General transportation aid funding would decrease by 1% in 2010 and remain at this reduced level in 2011. Funding for the local roads improvement program would also drop by 1%. The 1% reductions are part of an initiative to reduce most nonfederal appropriations by 1%.

9. The funding under the bill would provide a 2.2% increase in 2009-10 and an additional 3.2% increase in 2010-11 for elderly and disabled transportation. The Executive Budget Book indicates that the Governor's recommendations related to transit, including elderly and disabled transportation, are needed in order to maintain and improve Wisconsin's public transit service.

10. In making decisions on transportation fund expenditures and revenues, the Committee could consider alternative funding levels for elderly and disabled county assistance. The following table shows the funding amounts associated with several annual percentage rate changes for the elderly and disabled aid program.

| Annual %<br>Change | Above-Base Increase |            | Change to Bill |            |
|--------------------|---------------------|------------|----------------|------------|
|                    | 2009-10             | 2010-11    | 2009-10        | 2010-11    |
| -1.0%              | -\$129,100          | -\$256,900 | -\$415,000     | -\$970,200 |
| 0.0                | 0                   | 0          | -285,900       | -713,300   |
| 1.0                | 129,100             | 259,500    | -156,800       | -453,800   |
| 2.0                | 258,200             | 521,600    | -27,700        | -191,700   |
| 2.2/3.2(Bill)      | 285,900             | 713,300    | 0              | 0          |
| 3.0                | 387,300             | 786,200    | 101,400        | 72,900     |

## ALTERNATIVES

1. Approve the Governor's recommendation to provide \$285,900 SEG in 2009-10 and \$713,300 SEG in 2010-11 for county assistance in the provision of elderly and disabled specialized transportation services. Total state funding would equal \$13,196,000 SEG in 2009-10 and \$13,623,400 SEG in 2010-11.

2. Modify the Governor's recommendation by providing annual elderly and disabled county aid increases (SEG) for 2009-10 and 2010-11 at one of the following percentage changes:

| <u>% Annual<br/>Change in Aid</u> | <u>County Aid<br/>Funding Level</u> |                | <u>Above-Base Increase</u> |                | <u>Change to Bill</u> |                |
|-----------------------------------|-------------------------------------|----------------|----------------------------|----------------|-----------------------|----------------|
|                                   | <u>2009-10</u>                      | <u>2010-11</u> | <u>2009-10</u>             | <u>2010-11</u> | <u>2009-10</u>        | <u>2010-11</u> |
| a. -1.0%                          | \$12,781,000                        | \$12,653,200   | -\$129,100                 | -\$256,900     | -\$415,000            | -\$970,200     |
| b. 0.0                            | 12,910,100                          | 12,910,100     | 0                          | 0              | -285,900              | -713,300       |
| c. 1.0                            | 13,039,200                          | 13,169,600     | 129,100                    | 259,500        | -156,800              | -453,800       |
| d. 2.0                            | 13,168,300                          | 13,431,700     | 258,200                    | 521,600        | -27,700               | -191,700       |
| e. 3.0                            | 13,297,400                          | 13,696,300     | 387,300                    | 786,200        | 101,400               | 72,900         |

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