



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #658

### **Bicycle and Pedestrian Facilities Program (DOT -- Local Transportation Assistance)**

[LFB 2011-13 Budget Summary: Page 436, #5]

#### **CURRENT LAW**

The Department of Transportation (DOT) administers a bicycle and pedestrian facilities grant program, in conjunction with the transportation enhancements grant program. Grants are provided to local governments for both programs from a combination of two FED appropriations and a SEG (transportation fund) appropriation. The FED appropriations are moneys received from the federal government under the federal transportation enhancements program, which are reserved for various nontraditional transportation projects, including bicycle and pedestrian facilities, streetscaping, and renovation of transportation facilities with historical significance. One of the federal appropriations (bicycle and pedestrian facilities grants) is restricted to bicycle and pedestrian facilities only, while the other (transportation enhancements grants) may be used for any eligible transportation enhancements project under federal rules. The SEG appropriation may only be used for bicycle and pedestrian projects.

Under the combined state grant programs, local project sponsors pay a match of at least 20% of the total project cost. Project are rated and selected by a committee established by DOT, with representatives from several state agencies, citizen groups related to bicycle advocacy, and members of the Legislature. In 2010-11, funding in the bicycle and pedestrian facilities program appropriations is \$2,720,000 FED and \$2,500,000 SEG. Funding in the transportation enhancements appropriation is \$6,251,600 FED. When combined, these funding sources total \$11,471,600, although since a portion of the transportation enhancements funds are typically spent on projects that are not bicycle and pedestrian facilities, this figure somewhat overstates the amount of base funding available for the bicycle and pedestrian facilities grant program.

## **GOVERNOR**

Reduce funding by \$2,500,000 SEG annually to eliminate all base SEG funding for the bicycle and pedestrian facilities grant program.

## **DISCUSSION POINTS**

1. The dedication of motor vehicle user fees to bicycle and pedestrian projects has sometimes been justified on the grounds that the development and expansion of a more efficient highway and road network for motor vehicles can have a negative impact on the safety and mobility of bicyclists and pedestrians. The construction of bicycle and pedestrian paths, or dedicated bike lanes and sidewalks, allows for safer and easier movement for bicyclists and pedestrians, which may encourage more travel by these nonmotorized modes.

2. The use of motor vehicle user fees for the construction of bicycle and pedestrian paths has been a part of federal transportation policy since the passage of the federal Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. That act created the transportation enhancements program, which requires states to allocate a portion of their federal highway aid to nontraditional transportation projects, such as bicycle and pedestrian facilities. In Wisconsin, federal transportation enhancements funds are allocated among two appropriations, a general transportation enhancements grant program and the more specific bicycle and pedestrian facilities grant program. The Department generally administers a single grant selection process to distribute funds in both programs.

3. The 2009-11 budget created a state transportation fund appropriation to supplement federal funding for making grants for bicycle and pedestrian projects, and provided \$2,500,000 SEG annually in this appropriation. The bill, however, would eliminate all state funding in this appropriation in both years of the 2011-13 biennium.

4. The Department of Administration (DOA) indicates that state funding would be eliminated for bicycle and pedestrian projects because available funds for all transportation programs is limited. In addition, DOA notes that the additional federal funds made available for transportation enhancements projects in 2009 under the federal economic stimulus act (\$18.2 million) reduced the need for state funding for bicycle and pedestrian projects in the 2011-13 biennium.

5. Under the Department of Transportation's grant cycle for the bicycle and pedestrian (and transportation enhancements) program, projects are typically awarded in the fall of even-numbered years, based on the amount of funding that is anticipated to be available in the following biennium. Since the SEG funds were first provided in the 2009-11 biennium, the availability of these funds was not known during the in 2008 project award cycle. Consequently, the 2010 project award cycle was larger than in previous years in order to distribute the state funds provided in that biennium, anticipated state funds for the 2011-13 biennium, as well as some carry-over federal funds.

6. Despite the fact that \$18.2 million in federal economic stimulus funds were provided for transportation enhancements projects in 2009, demand for funds in the 2010 cycle remained strong. Although the 2010 award cycle was larger than normal, the total amount of funds requested was over twice the amount of funds available.

7. Although projects were awarded in 2010 under the assumption that state funds would continue to be provided in the 2011-13 biennium (at the base level of \$2,500,000 annually), DOT indicates that it would be possible, despite the elimination of that funding, to maintain commitments to fund the awarded projects using carry-over SEG funds and the federal transportation enhancements funds. Since approved projects are typically constructed over the course of several years (extending beyond the biennium after the award), the amount of funding that is awarded in 2012 would be reduced to reserve funds for projects awarded in 2010. The amount of this reduction, however, is not yet known, and would depend upon an assessment of the status of the 2010 projects at the time of the 2012 project selection process.

8. The proposed funding reduction to the bicycle and pedestrian facilities grant program would amount to a 21.8% reduction to the total base funding for the combination of SEG and FED funding for bicycle and pedestrian and transportation enhancements programs. Since a portion of funding in the transportation enhancements appropriation is awarded to non-bicycle and pedestrian facilities projects, the percentage reduction, calculated on the base of funds available exclusively for bicycle and pedestrian projects would be somewhat higher. However, since the share of those funds devoted to bicycle and pedestrian projects varies from cycle to cycle, it is not possible to calculate this percentage.

9. Funding for most transportation programs would not be cut by as much as the proposed reduction for the bicycle and pedestrian facilities program. In general, the proposed transportation budget would maintain total funding at or near current levels for airport, freight rail, and harbor projects, and for the highway improvement programs (although funding for the southeast Wisconsin freeway megaprojects would fall as work is shifted from the I-94 North-South freeway project to the Zoo Interchange project in 2012-13). Funding for the general transportation aid and mass transit aid programs would be decreased by 10% in calendar year 2012. If the Committee determines that the 21.8% reduction for the combined bicycle and pedestrian and transportation enhancements programs is too great in relation to other transportation programs, but that some reduction is warranted, one alternative would be to reduce the SEG funds by an amount necessary to generate a 10% reduction on the combined program base. This alternative would restore \$1,352,800 SEG annually to the bicycle and pedestrian facilities program, or slightly more than one-half of the proposed cut to that appropriation [Alternative #2].

## **ALTERNATIVES**

1. Approve the Governor's recommendation to delete \$2,500,000 SEG annually for the bicycle and pedestrian facilities program, to eliminate state funding for that program.

2. Modify the Governor's recommendation by restoring \$1,352,800 SEG annually for the bicycle and pedestrian facilities program, to reduce the size of the funding reduction for the program to 10%, calculated on a base that includes the SEG and FED appropriations for bicycle and pedestrian facilities and the FED appropriation for the transportation enhancements grant program.

<b>ALT 2</b>	<b>Change to Bill Funding</b>
SEG	\$2,705,600

3. Delete provision.

<b>ALT 3</b>	<b>Change to Bill Funding</b>
SEG	\$5,000,000

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