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# transit assistance

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# Transit Assistance

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# Transit Assistance

This paper provides information on state and federal programs that fund mass transit in Wisconsin. The first and second sections provide information on the state mass transit operating assistance and paratransit aid programs. The third section provides information on the federal mass transit aid programs. Next, an analysis of trends in the mass transit assistance program is provided. Finally, the seniors and individuals with disabilities transit assistance programs are described.

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## State Mass Transit Operating Assistance

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State assistance is available to help finance transit systems in areas of the state with populations of 2,500 or more. Transit systems currently receiving state aid are primarily bus systems or shared-ride taxicab service systems. Shared-ride taxicab operators provide public transportation service, under contract, in areas of the state with insufficient population to support bus service. Kenosha also receives aid for its downtown trolley system.

The distribution of mass transit aid payments consists of the following four tiers: (a) Milwaukee County/Transit Plus in Tier A-1; (b) Madison in Tier A-2; (c) the larger bus and shared-ride taxi systems in Tier B; and (d) smaller bus and shared-ride taxi systems in Tier C. While no funding is provided, Tier A-3 includes any commuter or light rail mass transit system enumerated as a major capital improvement in the statutes (current enumerations include the Dane County commuter rail project and any project stemming from the Milwaukee downtown transit connector study). Funding for the other four tiers may not be used to

provide aid for a commuter rail or light rail transit system.

Tier A-1 (Milwaukee County/Transit Plus) and Tier A-2 (Madison) systems are each provided a specified amount of funding for a calendar year. For Tiers B and C, aid payments are made so that total state and federal aid equals a uniform percentage of operating expenses for each system within a tier. While no funding is currently provided for Tier A-3 systems, any funding that is provided in the future would be distributed using a procedure similar to that for Tiers B and C.

## Program Funding

Although program funding is appropriated on a fiscal year basis, contracts with aid recipients are on a calendar year basis. Table 1 shows the total state operating assistance payments to aid recipients for calendar years 2012 through 2021.

**Table 1: Urban Mass Transit Operating Assistance Payments**

Calendar Year	Amount	Percent Change
2012	\$106,478,300	
2013	106,478,300	0%
2014	106,478,300	0
2015	110,737,500	4
2016	110,737,500	0
2017	110,737,500	0
2018	110,737,500	0
2019	110,737,500	0
2020	112,952,300	2
2021	112,952,300	0

In 2020, 75 mass transit systems received \$113.0 million in state transit aid. Approximately 97.1% of this aid was distributed to transit systems providing bus service, with the remainder being

distributed to shared-ride only taxi systems. In calendar year 2020, Tier A-1 received \$65,477,800, Tier A-2 received \$17,205,400, Tier B received \$24,976,400 and Tier C received \$5,292,700. Mass transit aid payments are made from sum certain, transportation fund appropriations.

## **Current Provisions**

In order to participate in the mass transit operating assistance program, an applicant must meet all of the following requirements:

1. The mass transit system must be a bus, shared-ride taxicab, rail, or other conveyance, either publicly or privately owned, that provides the public with general or special service on a regular and continuing basis.

2. The system must serve an urban area that includes a city or village with a population of 2,500 or more, which is appropriate, in the judgment of the Wisconsin Department of Transportation (DOT), for an urban mass transit system. An area that includes two American Indian reservations and is served by a mass transit system operated by a transit commission is also eligible.

3. The transit system must have an operating deficit (operating expenses must exceed operating revenues) for the year that aid is provided. The applicant must pay the deficit that remains after federal and state aid is applied. The property tax is the primary local revenue source to fund the remaining deficit.

4. Recipients of mass transit aid (excluding shared-ride taxicab systems) must provide a local match from nonfarebox revenue equal to 20% of state aid received.

5. The mass transit system must provide reduced fare (one-half or less of peak adult fare) programs for seniors and individuals with disabilities during nonpeak hours. An administrative rule exempts shared-ride taxicab systems from this requirement.

6. The applicant for mass transit assistance must be the public body that pays the transit system's operating deficit. A public body can contract with a private firm to provide mass transit service.

7. If multiple local governments contribute assistance to the operation of a mass transit system, state aid for that system is divided either proportionately or in accordance with a cost-sharing agreement filed with DOT.

8. The applicant must annually prepare and submit to DOT a four-year transit development plan. The applicant must also establish multi-year service and performance goals and assess the effectiveness of its mass transit system in relation to those goals at intervals specified by DOT.

9. The mass transit system may not provide service outside the corporate limits of the parties to the system contract unless the system receives financial support for such service. However, systems that were providing such service on April 28, 1994, may elect to continue without financial support.

10. The applicant must establish and administer a separate, segregated account from which moneys may only be used for purposes related to a mass transit system. All moneys received from the state and the federal government for a mass transit system must be deposited in this account.

11. The applicant must disclose to the Department the amount of federal aid over which the eligible applicant has spending discretion and that the eligible applicant intends to apply towards operating expenses for a calendar year.

12. The applicant may not use mass transit aids for any purpose related to the operation of a rail fixed guideway transportation system in a 1st class city (Milwaukee).

## **The Contract Process**

DOT signs annual contracts with each eligible

applicant. Contracts are based on the transit system's projected operating expenses for the calendar year for which aid is received. Quarterly aid payments are typically made in April, July, October, and December. Each transit system has 10% of its total contract amount withheld pending the results of an audit. Contracts must require the transit system to comply with DOT rules establishing cost efficiency standards as a condition of receiving aid.

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### **Paratransit Aid**

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DOT is required to provide paratransit aid to assist eligible mass transit operating assistance recipients with the provision of paratransit service required under the Americans with Disabilities Act (ADA). DOT distributes \$3,025,000 annually in grants to eligible systems for these purposes.

In awarding the paratransit grants to eligible urban mass transit systems, the Department must: (a) maximize the level of paratransit service provided by those systems; and (b) give priority to eligible applicants for the maintenance of paratransit service provided on July 1, 2011. In 2019-20, the Department provided \$1,523,900 to Milwaukee County (Tier A-1), \$552,900 to Madison (Tier A-2), and \$948,200 to Tier B and Tier C fixed route bus systems. Funding was provided based on each system's percentage of expenses and revenues miles compared to the total expenses and revenue miles of all fixed route bus systems. The 2019-20 funding became part of the transit systems' total funding for calendar year 2020.

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### **Federal Mass Transit Aid**

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Federal aid is distributed as an annual federal appropriation (the federal fiscal year is October 1

thru September 30) by the Federal Transit Administration (FTA), but transit systems use the funds in the following calendar year. For example, the federal appropriation for the fiscal year beginning on October 1, 2019, was used in calendar year 2020.

The 2015 federal transportation reauthorization bill, The Fixing America's Surface Transportation Act (FAST Act), signed into law on December 4, 2015, made several changes to the existing federal transit grant programs. The FAST Act initially authorized transit programs for five years, through September 2020. A continuing resolution has subsequently extended the FAST Act provisions through September 2021.

Federal transit funds for basic operations are available under two separate programs, the urbanized area and nonurbanized area formula programs of the Urban Mass Transportation Act of 1964, as amended. In addition, federal assistance is provided through a rural transportation assistance program and various capital assistance programs.

### **Urbanized Area Formula Program**

The urbanized area formula program provides capital and operating assistance to areas with a population of 50,000 or more that contain a city or group of cities. This funding is distributed under a formula based on population and population density. Under section 5307 of Title 49 of the U.S. Code, federal mass transit formula aid is provided directly to local governments or transit agencies primarily for systems serving urbanized areas with populations of 200,000 or more. Aid to these systems is primarily used for capital purposes. Transit systems operating in urbanized areas with populations of 50,000 to 199,999 also receive section 5307 urbanized formula funds. Funding provided to these systems is passed through the state DOT and can be used by the systems to fund operating costs.

*Population over 200,000.* Under section 5307,

urbanized areas with a population over 200,000 receive aid directly from FTA. Wisconsin has four such urbanized areas, which were allocated funding totaling \$34,191,100 in 2020: Appleton (\$2,619,900), Green Bay (\$2,264,500), Madison (\$7,776,900), and Milwaukee (\$21,529,800).

The following 11 transit systems are eligible to share in the federal funding designated for their urbanized area, although all of the Madison urbanized area funds are allocated to Madison Metro.

**Appleton Urbanized Area**

Valley Transit

**Green Bay Urbanized Area**

Green Bay Metro

**Madison Urbanized Area**

Madison Metro	Sun Prairie
Monona	Verona
Stoughton	

**Milwaukee Urbanized Area**

Milwaukee County Transit	Waukesha
Ozaukee County	
Washington County*	

\*Eligible to receive 5307 funds from Governor's apportionment administered by DOT.

Urbanized formula aid to these systems is generally restricted to capital purposes. However, portions of these funds can be used to fund certain annual maintenance expenditures.

The FAST Act also allows urbanized systems that operate 75 or fewer buses in fixed route service or demand response, during peak service hours to use up to 75% of the formula apportionment attributable to such systems to fund annual operating costs. This FAST Act exception sets the amount of urbanized formula aid that certain systems operating in the Appleton, Green Bay, Madison, and Milwaukee urbanized areas, can use toward operating expenses each year. As a result, in 2020, the following systems can use the resulting amount of their federal urbanized formula aid for operating expenses: \$1,964,900 for Appleton; \$1,698,300 for Green Bay; \$133,900 for

Stoughton; \$768,200 for the City of Waukesha; \$593,700 for Ozaukee County; and \$154,100 for Washington County.

*Population between 50,000 and 200,000.* Urbanized areas with populations between 50,000 and 200,000 receive their federal aid through DOT. The Department distributes federal funds so that each area receives combined state and federal aid for an equal percentage of its transit system's operating expenses. In 2020, the state was apportioned a total of \$17,651,200 in urbanized formula funds for transit systems operating in these urbanized areas.

For 2020, the following transit systems were located in urbanized areas with a population of 50,000 to 199,999:

Beloit	Janesville	Racine
Chippewa Falls	Kenosha	Sheboygan
Eau Claire	La Crosse	Superior
Fond du Lac	Onalaska	Wausau
Hartford	Oshkosh	West Bend

Federal funds used for capital projects are distributed based on a priority system determined by DOT. If insufficient funding is available, priority is given to replacement or rehabilitation of existing vehicles. DOT uses transportation improvement program reports in order to prioritize replacement needs.

**Formula Grants for Rural Areas Program**

DOT also distributes federal aid under the formula grants for rural areas program (section 5311) to bus and shared-ride taxi systems that serve non-urbanized areas with populations under 50,000. Wisconsin's share of total program funding is equal to the state's share of the total U.S. population residing in nonurbanized areas in addition to including factors based on a grantee's relative share of rural transit vehicle revenue miles and nonurban, low-income populations. In 2020, the state was apportioned \$18,356,800 for transit systems in the following nonurbanized areas.



Baraboo	Oneida Tribe
Bay Area (Ashland)	Oneida-Vilas Counties
Beaver Dam	Platteville
Berlin	Plover
Black River Falls	Portage
Clark County	Prairie du Chien
Clintonville	Prairie du Sac
Door County	Reedsburg
Dunn County	Rhineland
Edgerton	Richland Center
Fort Atkinson	Ripon
Grant County	River Falls
Jefferson	Rusk County
Kenosha County	Sawyer County
Lac du Flambeau Tribe	Shawano
Lake Mills	Stevens Point
Manitowoc	Tomah
Marinette	Viroqua
Marshfield	Walworth County
Mauston	Watertown
Medford	Waupaca
Menominee Tribe	Waupun
Merrill	Whitewater
Monroe	Wisconsin Rapids
New Richmond	

Generally, federal funds are distributed by DOT for up to 50% of the operating deficit of a system. However, under FTA guidelines, some contracted capital costs associated with providing service are considered operating costs for certain systems that contract for service (particularly shared-ride taxis). These systems can use federal capital funding to cover such costs and such funds do not apply to the 50% operating deficit limit. Any remaining operating assistance funds are used to support capital projects.

The rural areas formula grant program also requires each state to spend 15% of its annual apportionment to develop and support intercity bus transportation. The requirement is aimed at connecting isolated rural areas throughout the country to larger communities. States may be granted a waiver from this requirement if the Governor certifies that the state's intercity bus needs have been adequately met. DOT has historically been granted a waiver for the 15% requirement. Intercity bus expenses for 2020 eclipsed the required 15% threshold.

## **Employment Transportation Assistance Program**

The Wisconsin Employment Transportation Assistance Program (WETAP) is a grant program for transit systems and organizations that assist low-income individuals in getting to work. The program was formed in 2000 as a joint effort between DOT and the Wisconsin Department of Workforce Development (DWD). WETAP is supported with funding from the state transportation fund, DWD's workforce training grants appropriation, federal funding, and a required local match from awardees.

DOT awards WETAP grants through an annual competitive grant application process. Eligible applicants include public, private and non-profit transportation providers. Examples of projects include late-night and weekend transit service, transportation to suburban employment opportunities, car loan and repair programs, ridesharing, transportation coordination, and demand-response van service. All WETAP projects must provide a local cash or in-kind match, often in the amount of 25% to 50% of the total project cost.

WETAP projects are eligible for federal section 5311 (rural areas) and section 5307 (urbanized areas) formula grant funding. In 2020, DOT awarded 11 eligible applicants a total of \$1,748,600 in WETAP grants, comprised of \$700,000 in 5307 and 5311 federal funds and \$1,048,600 in state funding from DOT and DWD. In addition, \$701,800 in local match funds were provided by the recipients for these projects.

## **Rural Transportation Assistance Program**

The federal rural transit assistance program (RTAP) provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the needs of transit operators in nonurbanized areas. States may use RTAP funds to support nonurbanized transit activities in

four categories: training, technical assistance, research, and related support services. States should develop their RTAP activities through a process that provides maximum opportunity for the participation of rural transit operators, both public and private, in identifying and establishing priority areas of need for transportation research, technical assistance, training, and related support services in other than urbanized areas.

RTAP funds are allocated to states based on an administrative formula, which first allocates \$65,000 to each of the states, then distributes the balance according to the nonurbanized population of the states. There is no federal requirement for a local match. In 2020, Wisconsin was apportioned \$312,500 in federal RTAP funds.

### **Tribal Transit Program**

The FAST Act authorized the tribal transit program which continues to be a set-aside from the formula grants for rural areas program (section 5311), but now consists of a \$30 million formula program and a \$5 million discretionary grant program subject to the availability of appropriations. Federally recognized tribes may use the funding for capital, operating, planning, and administrative expenses for public transit projects that meet the growing needs of rural tribal communities. In 2020, Wisconsin's federally recognized tribes were allocated \$2,665,400 under the tribal transit program.

### **Federal Transit Capital Assistance**

The FAST Act made changes to the federal transit capital programs. Federal transit capital funding is provided through three primary programs: (a) bus and bus facilities program funding (section 5339); (b) state of good repair formula grants (section 5337); and (c) capital investment grants (section 5309).

*Bus and Bus Facilities Program.* The section 5339 bus and bus facilities formula program provides capital funding used to replace, rehabilitate,

and purchase buses and related equipment and to construct bus-related facilities. The federal funding share is 80% with a required 20% match. Each state receives a set amount of funding each year (\$3.5 million), and then the majority of the funding is allocated under a formula based on population, vehicle revenue miles, and passenger miles. In 2020, in addition to the \$3.5 million, Wisconsin systems were apportioned \$6,015,900 in formula grants for transit operators in the following areas: \$325,000 for Appleton, \$273,400 for Green Bay, \$907,900 for Madison, \$2,639,300 for Milwaukee County, and \$1,870,300 for systems serving urbanized areas of the state with between 50,000 and 200,000 in population. The FAST Act has also added two discretionary components to section 5339: A bus and bus facilities competitive grant program based on fleet age and condition, and a low or no emissions bus competitive grant program.

*State of Good Repair Program.* The section 5337 state of good repair formula grant program provides dedicated funding for repair of, and upgrades to, fixed guideway systems and high intensity bus systems that use high occupancy vehicle lanes. The federal funding share is 80% with a required 20% match. In 2020, Wisconsin and its transit agencies were apportioned \$1,424,800 in formula grants for transit operators in the following areas: \$81,500 for the City of Kenosha; \$868,800 for Madison; and \$474,500 for Milwaukee County.

Eligible state of good repair grant recipients include state and local government authorities in urbanized areas with a fixed guideway or high intensity motorbus public transportation system operating for at least seven years. A "fixed guideway" system refers to any transit service that uses rail or an overhead wire, occupies a separate right-of-way for the exclusive use of public transportation, is a passenger ferry system, or is a bus rapid transit system.

Eligible purposes for state of good repair

grants include capital projects to modernize or improve existing fixed guideway systems, including the purchase and rehabilitation of rolling stock, track, line equipment, structures, signals, communications and power equipment, substations, passenger stations, and terminals. Security equipment and systems, maintenance facilities and equipment, the development and implementation of transit asset management plans, and operational support equipment, including computer hardware and software system extensions, are also eligible projects.

*Capital Investment Grants Program.* The section 5309 discretionary Capital Investment Grant (CIG) program provides funding for fixed guideway investments such as new and expanded rapid rail, commuter rail, light rail, streetcars, bus rapid transit (BRT), and ferries, as well as corridor-based BRT investments that emulate the features of rail. There are several categories of eligible projects under the CIG program. Small Starts and New Starts are the two CIG funding categories that are most relevant to the types of transit systems that operate in Wisconsin.

Small Starts projects are new fixed guideway projects, extensions to existing fixed guideway systems, or corridor-based BRT projects. Eligible projects must have a total estimated capital cost of less than \$300 million and be seeking less than \$100 million in CIG program funds.

New Starts projects are new fixed guideway projects or extensions to existing fixed guideway systems, including BRT systems. Eligible project must have a total estimated capital cost of \$300 million or more, or be seeking \$100 million or more in CIG program funds.

There are currently two transit systems in Wisconsin that are in the Small Starts grant approval process. Milwaukee County is planning to build a BRT line linking downtown Milwaukee with Marquette University, Wauwatosa and the Milwaukee Regional Medical Center. The project entered

Small Starts project development in September 2016. Milwaukee County was allocated \$3,977,300 in 2019 and \$36,955,900 in 2020 in section 5309 CIG Small Starts funding for development of the East-West BRT. The project is slated to begin construction in 2021 with service starting in 2022.

Similar to the Milwaukee County BRT project, the City of Madison's planned East-West BRT would be a \$130 million BRT line running through the isthmus and the UW-Madison campus between the East Town and West Town areas. The City of Madison selected BRT as the locally preferred alternative in March 2020 and this alternative was adopted into the region's long-range transportation plan in August, 2020. The City expects to complete the environmental review process with receipt of a categorical exclusion in winter 2021, receive a Small Starts construction grant in spring 2022, and begin service in 2024.

## **Federal Planning and Safety**

FTA also provides funding to states and directly to larger metropolitan areas for transportation planning. Eligible recipients include state transportation departments and metropolitan planning organizations (MPOs). Federal planning funds are first apportioned to state transportation departments, which then allocate planning funding to MPOs in each state. In 2020, Wisconsin received transportation planning apportionments of \$1,592,000 for metropolitan transportation planning and \$331,700 for statewide transportation planning.

Every federal grantee or their sub-recipient is required to develop a transit asset management plan. The plans, at a minimum, must include capital asset inventories, condition assessments, and investment prioritization. In addition, recipients are required to periodically report on the condition of their transit system including any changes in the system since the previous report. FTA must develop performance measures under which all

federal transit aid recipients will be required to set performance targets. These performance measures and targets must be included in the transit asset management plans for each grant recipient. The measures and targets must also be included in both the metropolitan and statewide transportation plans and improvement programs.

Transit agencies must develop a comprehensive public transportation agency safety plan, including a designated safety officer and staff training program. The establishment of a state oversight agency for rail fixed guideways in each state with such a system is also required. This agency is responsible for the safety oversight of the Kenosha trolley system and any other rail fixed guideway project undertaken in the state. DOT has been established as the designated oversight agency. In 2020, the state was apportioned \$302,700 in federal funds for the purposes of funding this program.

### **CARES Act Supplemental Funding**

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law by President Trump on March 27, 2020, and included \$25 billion in supplemental funding for transit systems to be disbursed by the FTA through apportionments to the urbanized area (section 5307) and rural formula (section 5311) programs.

FTA allocated \$22.7 billion to large and small urban areas, \$2.2 billion to rural areas, and \$30 million to tribal entities. Funding is provided at a 100 percent federal share, with no local match required, and is available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19. Operating expenses incurred beginning on January 20, 2020 for all rural and urban recipients are eligible, including paying for administrative leave for transit personnel due to reduced operations during an emergency. CARES Act funding is available until

expended and does not have a lapse date. CARES Act funds are supplemental to, not a replacement of, annual federal formula funds received by DOT and urban transit systems via the FAST Act transportation reauthorization bill.

Transit systems in Wisconsin received a total of \$208,165,200 in CARES Act funding. Appendix II shows the apportionment of these funds among the state's transit systems.

Subsequent to passage of the CARES Act, DOT notified transit systems that federal CARES Act funds may be used to satisfy the state requirement that transit systems provide a local match from nonfarebox revenue equal to 20% of state aid received. Likewise, the Department has also notified the transit systems that the Department will exclude CARES Act funding from calculations used to determine operating aid distributions in calendar year 2021.

Prior to the passage of the CARES Act, FTA announced the expanded eligibility of federal assistance under FTA's existing Emergency Relief Program to help transit agencies respond to the COVID-19 coronavirus in states where the Governor has declared an emergency. This includes allowing all transit providers to use their federal formula funds for operating expenses in addition to capital expenses and permits operating expenses to be covered at a 100 percent federal share.

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### **Trends in the Mass Transit Assistance Program on a Calendar-Year Basis**

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Table 2 shows the distribution of funding sources for transit systems on a statewide basis over the past 10 years. Funding for mass transit is provided through federal and state aid, local revenues, and farebox revenue. These figures are shown on a calendar-year basis and reflect statewide averages. The funding mix for

**Table 2: Transit System Public Funding Sources (in Millions)**

Calendar Year	Total Operating Expenses	External Funding				Local Funding			
		Federal	%	State	%	Local*	%	Farebox Revenue	%
2011	\$322.9	\$56.4	17.5%	\$118.3	36.6%	\$54.7	16.9%	\$93.5	29.0%
2012	309.6	56.8	18.3	106.5	34.4	57.9	18.7	88.4	28.6
2013	304.8	57.6	18.9	106.5	35.0	56.8	18.6	83.9	27.5
2014	310.7	59.6	19.2	106.5	34.3	59.1	19.0	85.5	27.5
2015	326.7	60.4	18.5	110.7	33.9	65.7	20.1	89.9	27.5
2016	339.3	61.2	18.0	110.7	32.7	66.9	19.7	100.5	29.6
2017	325.8	61.1	18.8	110.7	34.0	58.4	17.9	95.5	29.3
2018	347.2	63.0	18.1	110.7	31.9	56.8	16.4	116.7	33.6
2019	348.1	64.6	18.6	110.7	31.8	56.2	16.1	116.6	33.5
2020	338.0	65.3	19.3	113.0	33.4	80.5	23.8	79.2	23.4

\*Primarily property tax revenue.

individual systems may vary significantly from these averages.

In 2012, state aid was reduced by 10% for each tier of systems, which impacted local systems' service and funding decisions. Subsequently, in 2015 and 2020, mass transit aid was increased for each tier of systems. Meanwhile, the state aid percentage has fallen from its ten-year high of 36.6% in 2011 to 33.4% in 2020. For 2020, Milwaukee County did not report certain federal revenues as part of their farebox revenues as they had in prior years. The impact of this reporting change by Milwaukee County can be seen in Table 2 by the decrease in total farebox revenues statewide, and a corresponding statewide increase in local share revenues as reported in 2020. If Milwaukee County had reported revenues as they had reported them prior to 2020, then farebox revenues would have been approximately \$17 million higher in 2020 with local revenues lower by an equal amount.

Administrative rules limit the combined amount of state and federal aid to 70% of operating expenses. Any remaining federal funds are used to support capital projects. If federal funds remain after capital needs are met, the funds are made available for operating assistance beyond

the 70% cap. In 2020, the combined state and federal aid percentage was 54.3% for Tier B and 55.0% for Tier C, well below the 70% maximum.

Recipients of mass transit aid (excluding shared-ride taxicab systems) must provide a local match from nonfarebox revenue equal to 20% of state aid received. Since farebox revenue is excluded, bus systems must cover the match with their "local share" portion of funding, which is financed primarily through the property tax.

Table 3 shows the local match provided by mass transit bus systems for 2020. All bus systems currently meet the local match requirement. Transit systems may repay a portion of their state aids if they do not meet the 20 percent minimum local share after final expenses are calculated. In 2020, 30 of the 33 bus systems provided a local match greater than 50% of the state aid amount. Also, 22 bus systems provided a local share greater than the amount of state aid provided to their system.

Appendix I to this paper provides a breakdown of the funding sources for each system that participated in the 2020 transit program.

**Table 3: Local Match Provided by Mass Transit Bus Systems (Calendar Year 2020)**

	State Aid Received	Local Share	Local Share as a % of State Aid
<b>Tier A1</b>			
Milwaukee County	\$65,477,800	\$32,332,000	49.4%
<b>Tier A2</b>			
Madison	\$17,205,400	\$17,090,127	99.3%
<b>Tier B Bus</b>			
Appleton	\$2,793,718	\$2,822,774	101.0%
Beloit	482,050	626,467	130.0
Eau Claire	1,375,113	1,410,322	102.6
Fond du Lac	447,462	551,822	123.3
Green Bay	2,310,296	2,443,621	105.8
Janesville	866,536	1,156,941	133.5
Kenosha	1,718,468	1,514,327	88.1
La Crosse	1,586,115	2,019,685	127.3
Monona	135,327	73,472	54.3
Oshkosh	1,198,698	1,268,693	105.8
Ozaukee County*	1,278,001	760,428	59.5
Racine	2,063,546	1,898,360	92.0
Sheboygan	920,673	993,661	107.9
Superior	362,483	588,767	162.4
Verona	426,880	158,327	37.1
Washington County*	1,069,407	931,559	87.1
Waukesha	3,447,269	2,267,576	65.8
Wausau	845,765	1,285,144	152.0
<b>Tier C Bus</b>			
Bay Area (Ashland)	\$231,179	\$683,831	295.8%
Dunn County	59,513	203,593	342.1
Kenosha County	45,050	231,312	513.5
Lac du Flambeau Tribe	185,243	39,118	21.1
La Crosse County	42,217	171,419	406.6
Manitowoc	219,956	736,450	334.8
Menominee Tribe	227,333	1,083,664	476.7
Merrill	69,232	179,655	259.5
Oneida-Vilas	65,536	319,585	487.6
Platteville	91,884	185,092	201.4
Rusk County	351,145	296,556	84.5
Sawyer County	255,723	629,508	246.2
Stevens Point	322,221	665,955	206.7

\*Excludes the portion of the system's state aid and local share used to cover its shared-ride taxi costs.

## Seniors and Individuals with Disabilities Transportation Assistance

The state has three programs to finance the improvement of transportation services for seniors and individuals with disabilities: a county assistance program; a specialized assistance program; and a tribal and elderly transportation grant program. These programs help to provide the benefits of transportation service to those people not otherwise having an available or accessible method of transportation. Table 4 shows the amount appropriated from the transportation fund for the county and capital assistance programs for the last 10 years. The tribal and elderly grant program is funded with tribal gaming funds.

**Table 4: Seniors and Individuals with Disabilities Transportation Aid**

Fiscal Year	County Assistance	Specialized Assistance
2011-12	\$13,623,400	\$912,700
2012-13	13,623,400	912,700
2013-14	13,623,400	912,700
2014-15	13,623,400	912,700
2015-16	13,768,800	912,700
2016-17	13,915,600	912,700
2017-18	14,193,900	912,700
2018-19	14,477,800	912,700
2019-20	15,977,800	912,700
2020-21	15,977,800	912,700

### County Assistance

County aid is distributed on the basis of each county's share of the state's total seniors and individuals with disabilities population. Each county must provide a match equal to 20% of its state aid amount. With its state aid, the county may directly provide transportation services, subsidize other systems which provide transportation services, or directly subsidize elderly or disabled persons for their use of existing services, such as taxis.

A county may not use seniors and individuals with disabilities aid to support regular transit service, but may use this aid to support subsystems that provide special services to the seniors and individuals with disabilities. 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.

DOT can establish a minimum allocation for counties under this program. This currently equals 0.5% of the total available funding (\$79,889 for 2021). In 2021, 24 counties received the minimum aid level.

Counties must apply for seniors and individuals with disabilities transportation aid by December 31. Counties expend funds on a calendar year basis. For example, the 2020-21 appropriation is spent in calendar year 2021. Counties may hold this aid in trust to provide transportation services or to acquire or maintain equipment used for seniors and individuals with disabilities transportation services. Any aid held in trust, including any accumulated interest, not expended for the authorized purposes must be returned to DOT for deposit in the transportation fund.

### **Enhanced Mobility Program**

The enhanced mobility program provides state and federal funds to county governments, private non-profit organizations, local public bodies, and operators of public transportation systems for capital and operating assistance to provide transportation services for seniors and individuals with disabilities. In Wisconsin, DOT and state MPOs receive federal section 5310 funds annually and award funding to eligible applications based on a competitive grant application process. Appleton, Green Bay, Madison and Milwaukee MPOs administer the 5310 programs for their respective geographic areas while DOT administers the program for the small urban and

rural areas of the state. In 2020, Wisconsin systems were apportioned \$5,099,800 in section 5310 formula grants: \$185,300 for Appleton, \$187,500 for Green Bay, \$313,300 for Madison, \$1,251,500 for Milwaukee County, and \$3,162,200 for DOT to distribute to rural and small urban areas.

State specialized assistance funding (Table 4) supplements section 5310 federal funding to aid eligible applicants in Wisconsin's rural and small urban areas with transit capital and operating projects that serve seniors and individuals with disabilities. In accordance with federal rules, all subrecipients must guarantee a 20% local match for capital projects and 50% of deficit for operating projects. Eligible projects include vehicle capital (minivans, minibuses, medium and large buses) and non-traditional expenditures (mobility management, operating, and non-vehicle capital projects). In 2020, DOT awarded a total of \$5,128,400 in state and federal funding for 76 vehicle capital, operating, and mobility management projects.

### **Tribal Elderly Transportation Grants**

The Tribal elderly transportation grant program provides state funds to American Indian tribes and bands for tribal elderly transportation assistance. In the 2019-21 biennium, \$435,600 annually in state tribal gaming revenues is provided to fund the program. Any unencumbered balance in the DOT appropriation, from which the program is funded, on June 30 of each year reverts back to the Department of Administration's gaming revenues appropriation.

Under the program, DOT is required to annually award grants to federally recognized tribes or bands to assist in providing transportation services for elderly persons. DOT must prescribe the form, nature, and extent of the information that is to be contained in an application for a program grant and to establish criteria for evaluating applications and for awarding grants. For 2020, DOT provided

all eleven of the state's tribes an equal share of the total funds, or \$39,600 each.

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### Transit Capital Assistance Grants (Volkswagen Settlement)

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In 2016 and 2017, Volkswagen Group of America and related entities entered into various judicial consent decrees to partially settle its civil liability for claims concerning certain Volkswagen diesel engine vehicles. Under these decrees, Volkswagen must pay more than \$2.9 billion into an Environmental Mitigation Trust Fund. The State of Wisconsin received beneficiary designation on January 29, 2018 and will receive \$67.1 million over the next 10 years to offset the excess pollution emitted by affected Volkswagen vehicles in Wisconsin.

2017 Wisconsin Act 59 required the Department of Administration (DOA) to distribute no more than \$32 million in the 2017-19 biennium from Wisconsin's allocation of Volkswagen settlement funds for the purpose of awarding funding to local transit systems under a newly-created statewide transit capital assistance grant program under DOA. 2019 Wisconsin Act 9, after the Governor's Volkswagen settlement-related vetoes were overturned by the Wisconsin Supreme Court's July 10, 2020, *Bartlett v. Evers* decision, made available an additional \$22 million in Volkswagen settlement funding for grants under the transit capital grant program.

Under the transit capital assistance grant program, DOA is required to solicit and accept applications for grant funding and to award grants based on a competitive process. Preference must be given to any community or route that is considered a critical route for purposes of connecting employees with employers. An eligible applicant may use settlement funds awarded under the

program only for the payment of costs incurred by the applicant to replace eligible public transit vehicles in accordance with the settlement guidelines. The applicant must certify that the vehicle submitted for replacement is a specific class of transit bus used for transporting people with a gross vehicle weight greater than 14,001 pounds and be powered with a 1992-2009 diesel engine. The applicant must certify that it will adhere to the settlement agreement's scrapping requirement by rendering all eligible replaced vehicle(s) inoperable.

In March, 2019, DOA announced an intent to award \$32 million in settlement funds to 10 transit systems for the replacement of 58 buses. In the second round of grants, announced September 9, 2020, DOA awarded \$18.2 million of funds to eight communities for the replacement of 34 eligible public transit buses. Table 5 shows the transit

**Table 5: Volkswagen Settlement Transit Capital Assistance Grants**

	Number of Bus Replacements	Estimated Grant Award
<b>Round One</b>		
Appleton	15	\$7,688,850
Eau Claire	3	1,970,700
Green Bay	4	1,846,000
Janesville	3	1,504,500
La Crosse	1	421,500
Madison	10	4,798,800
Milwaukee County	11	5,461,500
Racine	6*	6,237,658
Sheboygan	1	451,500
Wausau	<u>4</u>	<u>1,618,992</u>
Subtotal Round 1	58	\$32,000,000
<b>Round Two</b>		
Beloit	1	\$549,601
Eau Claire	1	683,200
Green Bay	4	1,926,000
La Crosse	2	1,373,000
Madison	15	7,522,500
Racine	2*	2,094,640
Sheboygan	6	2,769,000
Wausau	<u>3</u>	<u>1,272,994</u>
Subtotal Round 2	34	\$18,190,935
Total	92	\$50,190,935

\*Electric buses



systems that have been awarded transit capital assistance grants. All grant awards and grant award amounts shown in the table are contingent upon successful contractual negotiations between DOA and the grant recipients.

Any county or municipality with an urban mass transit system that receives transit capital assistance grant will receive a state aid reduction to its county and municipal aid payment in the following amounts, over 10 consecutive years: (a) for a Tier A-1 or Tier A-2 urban mass transit

system serving a population exceeding 200,000, 75% of the total amount of grants received; (b) for a Tier B urban mass transit system serving a population of at least 50,000, 20% of the total amount of grants received; and (c) for a Tier C urban mass transit system serving a population of less than 50,000, 10% of the total amount of grants received. County and municipal aid reductions will commence in the state fiscal year following the first grant payment made to a local government.



## APPENDIX I

### 2020 Transit System Public Funding Sources

	2020 Expenses	Federal Share*	% of Expense	State Share	% of Expense	Local Share	% of Expense	Farebox Revenue	% of Expense
<b>Tier A-1</b>									
Milwaukee County	\$156,034,392	\$19,536,112	12.5%	\$65,477,800	42.0%	\$32,332,000	20.7%	\$38,688,480	24.8%
<b>Tier A-2</b>									
Madison	\$56,566,422	\$7,776,895	13.7%	\$17,205,400	30.4%	\$17,090,127	30.2%	\$14,494,000	25.6%
<b>Tier B</b>									
Appleton	\$9,976,938	\$2,619,898	26.3%	\$2,793,718	28.0%	\$2,822,774	28.3%	\$1,740,548	17.4%
Beloit	2,075,574	644,183	31.0	482,050	23.2	626,467	30.2	322,874	15.6
Chippewa Falls**	510,356	158,396	31.0	118,530	23.2	69,786	13.7	163,644	32.1
Eau Claire	5,920,853	1,837,618	31.0	1,375,113	23.2	1,410,322	23.8	1,297,800	21.9
Fond du Lac	1,926,644	597,960	31.0	447,462	23.2	551,822	28.6	329,400	17.1
Green Bay	8,430,980	2,264,463	26.9	2,310,296	27.4	2,443,621	29.0	1,412,600	16.8
Hartford**	273,352	84,839	31.0	63,486	23.2	39,870	14.6	85,158	31.2
Janesville	3,731,060	1,157,986	31.0	866,536	23.2	1,156,941	31.0	549,598	14.7
Kenosha	7,399,242	2,296,456	31.0	1,718,468	23.2	1,514,327	20.5	1,869,991	25.3
La Crosse	6,829,368	2,119,588	31.0	1,586,115	23.2	2,019,685	29.6	1,103,980	16.2
Monona	249,399	0	0.0	135,327	54.3	73,472	29.5	40,600	16.3
Onalaska**	871,926	270,614	31.0	202,504	23.2	184,808	21.2	214,000	24.5
Oshkosh	5,161,258	1,601,867	31.0	1,198,698	23.2	1,268,693	24.6	1,092,000	21.2
Ozaukee County**	3,628,935	691,106	19.0	1,278,001	35.2	760,428	21.0	899,400	24.8
Racine	8,885,052	2,757,598	31.0	2,063,546	23.2	1,898,360	21.4	2,165,548	24.4
Sheboygan	3,964,162	1,230,332	31.0	920,673	23.2	993,661	25.1	819,495	20.7
Stoughton**	371,277	0	0.0	196,977	53.1	0	0.0	174,300	46.9
Sun Prairie**	1,452,523	0	0.0	788,158	54.3	309,546	21.3	354,819	24.4
Superior	1,560,751	484,400	31.0	362,483	23.2	588,767	37.7	125,100	8.0
Verona	786,712	0	0.0	426,880	54.3	158,327	20.1	201,505	25.6
Washington County**	3,800,427	992,754	26.1	1,069,407	28.1	931,559	24.5	806,707	21.2
Waukesha	8,225,891	1,016,206	12.4	3,447,269	41.9	2,267,576	27.6	1,494,840	18.2
Wausau	3,641,626	1,130,229	31.0	845,765	23.2	1,285,144	35.3	380,489	10.4
West Bend**	<u>1,201,031</u>	<u>372,756</u>	31.0	<u>278,938</u>	23.2	<u>119,336</u>	9.9	<u>430,000</u>	35.8
Subtotal Tier B	\$90,875,337	\$24,329,250	26.8%	\$24,976,400	27.5%	\$23,495,291	25.9%	\$18,074,396	19.9%

\*The federal share for Tiers A-1 and A-2 is derived from FTA section 5307 capitalized maintenance funds. The majority of the federal share for Tier B systems is derived from section 5307 operating assistance funds (Governor's apportionment), except that the Waukesha, Ozaukee County, and part of Washington County's federal share comes from Milwaukee's urbanized area section 5307 funds, which can be used to cover capitalized maintenance and contracting costs.

\*\*Shared-ride taxi systems (Washington County and Ozaukee County have both bus and shared-ride taxi components).

**APPENDIX I (continued)**

**2020 Transit System Public Funding Sources**

	2020 Expenses	Federal Share	% of Expense	State Share	% of Expense	Local Share	% of Expense	Farebox Revenue	% of Expense
<b>Tier C Bus</b>									
Bay Area (Ashland)	\$2,070,919	\$915,010	44.2%	\$231,179	11.2%	\$683,831	33.0%	\$240,900	11.6%
Dunn County	582,904	263,106	45.1	59,513	10.2	203,593	34.9	56,692	9.7
Kenosha County	580,724	276,362	47.6	45,050	7.8	231,312	39.8	28,000	4.8
La Crosse County	462,271	213,636	46.2	42,217	9.1	171,419	37.1	35,000	7.6
Lac du Flambeau Tribe	476,049	224,361	47.1	39,118	8.2	185,243	38.9	27,328	5.7
Manitowoc	2,125,438	956,407	45.0	219,956	10.3	736,450	34.6	212,625	10.0
Menominee Tribe	2,779,437	1,310,998	47.2	227,333	8.2	1,083,664	39.0	157,442	5.7
Merrill	574,775	248,888	43.3	69,232	12.0	179,655	31.3	77,000	13.4
Oneida-Vilas	814,242	385,121	47.3	65,536	8.0	319,585	39.2	44,000	5.4
Platteville	666,452	276,976	41.6	91,884	13.8	185,092	27.8	112,500	16.9
Rusk County	1,804,701	647,701	35.9	351,145	19.5	296,556	16.4	509,300	28.2
Sawyer Co/LCO	2,061,462	885,231	42.9	255,723	12.4	629,508	30.5	291,000	14.1
Stevens Point	2,367,611	988,177	41.7	322,221	13.6	665,955	28.1	391,258	16.5
Subtotal Tier C Bus	\$17,366,985	\$7,591,974	43.7%	\$2,020,107	11.6%	\$5,571,863	32.1%	\$2,183,045	12.6%
<b>Tier C Shared-Ride Taxi</b>									
Baraboo	\$596,736	\$190,956	32.0%	\$133,780	22.4%	\$0	0.0%	\$272,000	45.6%
Beaver Dam	1,220,253	429,127	35.2	246,245	20.2	182,881	15.0	362,000	29.7
Berlin	284,028	104,514	36.8	52,687	18.5	51,827	18.2	75,000	26.4
Black River Falls	299,714	95,908	32.0	69,974	23.3	15,832	5.3	118,000	39.4
Clintonville	116,504	48,252	41.4	16,229	13.9	32,023	27.5	20,000	17.2
Clark County	312,651	133,012	42.5	40,031	12.8	92,981	29.7	46,628	14.9
Door County	920,335	393,314	42.7	116,063	12.6	277,251	30.1	133,708	14.5
Edgerton	70,044	27,722	39.6	11,045	15.8	16,677	23.8	14,600	20.8
Fort Atkinson	484,791	155,133	32.0	113,183	23.3	674	0.1	215,800	44.5
Grant County	61,098	27,349	44.8	6,467	10.6	20,882	34.2	6,400	10.5
Jefferson	220,549	88,220	40.0	33,847	15.3	23,282	10.6	75,200	34.1
Lake Mills	112,464	41,632	37.0	20,613	18.3	21,019	18.7	29,200	26.0
Marinette	469,807	187,923	40.0	72,101	15.3	78,281	16.7	131,503	28.0
Marshfield	1,011,059	323,539	32.0	236,050	23.3	33,470	3.3	418,000	41.3
Mauston	242,578	82,789	34.1	51,470	21.2	31,319	12.9	77,000	31.7
Medford	175,054	70,022	40.0	26,865	15.3	26,167	14.9	52,000	29.7
Monroe	570,001	182,400	32.0	133,077	23.3	28,023	4.9	226,500	39.7
New Richmond	227,332	82,666	36.4	43,155	19.0	39,511	17.4	62,000	27.3
Plover	249,399	87,200	35.0	50,835	20.4	36,365	14.6	75,000	30.1
Portage	1,343,258	429,843	32.0	313,608	23.3	54,677	4.1	545,130	40.6
Prairie du Chien	354,499	122,250	34.5	73,955	20.9	48,295	13.6	110,000	31.0
Prairie du Sac	141,289	56,516	40.0	21,683	15.3	13,690	9.7	49,400	35.0
Reedsburg	387,052	123,857	32.0	90,364	23.3	21,155	5.5	151,676	39.2
Rhineland	704,697	225,503	32.0	158,556	22.5	0	0.0	320,638	45.5
Richland Center	303,875	121,550	40.0	46,635	15.3	11,690	3.8	124,000	40.8
Ripon	368,850	118,032	32.0	86,115	23.3	27,203	7.4	137,500	37.3
River Falls	313,566	111,283	35.5	62,266	19.9	49,017	15.6	91,000	29.0
Shawano	342,582	109,626	32.0	22,956	6.7	0	0.0	210,000	61.3
Tomah	617,904	197,729	32.0	80,175	13.0	0	0.0	340,000	55.0
Viroqua	506,568	175,284	34.6	105,085	20.7	70,199	13.9	156,000	30.8
Watertown	835,950	267,504	32.0	195,168	23.3	42,503	5.1	330,775	39.6
Waupaca	545,932	178,116	32.6	124,040	22.7	54,076	9.9	189,700	34.7
Waupun	134,405	49,353	36.7	25,036	18.6	24,316	18.1	35,700	26.6
Whitewater	259,783	93,892	36.1	49,890	19.2	44,001	16.9	72,000	27.7
Wisconsin Rapids	942,254	301,521	32.0	219,987	23.3	40,746	4.3	380,000	40.3
Walworth County	1,365,556	632,438	46.3	123,354	9.0	509,084	37.3	100,680	7.4
Subtotal Tier C Taxi	\$17,112,417	\$6,065,975	35.4%	\$3,272,590	19.1%	\$2,019,117	11.8%	\$5,754,738	33.6%
Total Tier C	\$34,479,402	\$13,657,940	39.6%	\$5,292,700	15.4%	\$7,590,979	22.0%	\$7,937,783	23.0%
STATE TOTALS	\$337,955,553	\$65,300,197	19.3%	\$112,952,300	33.4%	\$80,508,397	23.8%	\$79,194,659	23.4%

## APPENDIX II

### Wisconsin CARES Act Transit Apportionments

<u>Transit System</u>	<u>Amount</u>
<b>Urbanized Area - Direct Apportionment</b>	
Milwaukee (UZA)	\$62,363,348
Madison (UZA)	24,498,820
Appleton	7,425,047
Green Bay	6,415,260
Urbanized Area Direct Apportionment Subtotal	<u>\$100,702,475</u>
<b>Urbanized Area - Governor's Apportionment</b>	
Beloit	\$1,831,270
Chippewa Falls (Eau Claire UZA)	450,285
Eau Claire	5,223,942
Fond du Lac	1,699,868
Hartford (West Bend UZA)	241,179
Janesville	3,291,898
Kenosha	6,528,317
La Crosse	6,025,520
Onalaska (La Crosse UZA)	769,296
Oshkosh	4,553,754
Racine	7,839,241
Sheboygan	3,497,562
Superior (Duluth, MN UZA)	1,377,042
Wausau	3,212,991
Washington County (West Bend UZA)	2,008,161
West Bend	1,059,662
DOT - Job Access funding	568,559
Urbanized Area Governor's Apportionment Subtotal	<u>\$50,178,547</u>
<b>Rural Area CY 2020 Allocation</b>	
Baraboo	\$596,736
Bay Area Rural Transit Commission	2,070,919
Beaver Dam	1,220,253
Berlin	284,028
Black River Falls	299,714
Clark County	312,651
Clintonville Transit Commission	116,504
Door County	920,335
Dunn County Transit Commission	582,904
Edgerton	70,044
Fort Atkinson	484,791
Grant County	61,098
Jefferson	220,549
Kenosha County	580,724
La Crosse County	462,271
Lac du Flambeau Tribe	476,049
Lake Mills	112,464

**APPENDIX II (continued)**

**Wisconsin CARES Act Transit Apportionments**

<u>Transit System</u>	<u>Amount</u>
<b>Rural Area CY 2020 Allocation (continued)</b>	
Manitowoc	\$2,125,438
Marinette	469,807
Marshfield	1,011,059
Mauston	242,578
Medford	175,054
Menominee Tribe	2,779,437
Merrill	574,775
Monroe	570,001
New Richmond	227,332
Oneida Nation	818,334
Oneida-Vilas Transit Commission	814,242
Platteville	666,452
Plover	249,399
Portage	1,343,258
Prairie du Chien	354,499
Prairie du Sac	141,289
Reedsburg	387,052
Rhineland	704,697
Richland Center	303,875
Ripon	368,850
River Falls	313,566
Rusk County Transit Commission	1,804,701
Sawyer Count/Lac Courte Orielles Transit Commission	2,061,462
Shawano	342,582
Stevens Point	2,367,611
Tomah	617,904
Viroqua	506,568
Walworth County	1,365,556
Watertown	835,950
Waupaca	545,932
Waupun	134,405
Whitewater	259,783
Wisconsin Rapids	<u>942,254</u>
Rural Area CY 2020 Allocation	\$35,297,736
Rural Area CY 2021 Allocation	\$10,517,121
Intercity Bus*	8,247,328
WETAP*	920,000
Tribal Transit	2,302,024
TOTAL Wisconsin Cares Act Transit Funding	\$208,165,231

\*Amount set aside for use in 2020 and 2021.