



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.

State Mass Transit Operating Assistance

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 2010 through 2019.

Table 1: Urban Mass Transit Operating Assistance Payments

Calendar Year	Amount	Percent Change
2010	\$114,863,100	
2011	118,309,200	3%
2012	106,478,300	-10%
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%

In 2018, 74 mass transit systems received \$110.7 million in state transit aid. Approximately 97.0% 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 2018, Tier A-1 received \$64,193,900, Tier A-2 received \$16,868,000, Tier B received \$24,486,700 and Tier C received \$5,188,900. 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. Under 2017 Wisconsin Act 59, an eligible 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.

Paratransit Aid

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 \$2.75 million 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 2017-18, the Department provided \$1,405,800 to Milwaukee County (Tier A-1), \$490,000 to Madison (Tier A-2), and \$854,200 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 2017-18 funding became part of the transit systems' total funding for calendar year 2018.

Federal Mass Transit Aid

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, 2017, was used in calendar year 2018.

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 authorizes transit programs for five years (2016-2020).

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.

The basic federal urbanized area formula is augmented with four additional formula features: (a) the growing states formula, which distributes funds on the basis of its projected 2025 population relative to the nationwide projected 2025 population; (b) the high density states formula, which distributes funds to states with populations greater

than 370 persons per square mile (only seven northeastern states receive this funding); (c) the small transit intensive cities (STIC) formula, which only provides funding to systems serving urbanized areas with less than 200,000 in population, using system performance factors, such as revenue miles, vehicle miles, revenue hours, and passenger miles, along with population, to determine the formula amount; and (d) the low-income population formula which distributes funds to states on the basis of low income population. Amounts calculated under these formulas are added to the section 5307 urbanized formula amounts distributed to eligible systems.

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 \$31,764,000 in 2018: Appleton (\$2,335,500), Green Bay (\$2,004,700), Madison (\$7,355,600), and Milwaukee (\$20,068,200).

In addition, these systems received a total of \$1,995,700 in growing states formula funds as follows: Appleton (\$196,000), Green Bay (\$187,300), Madison (\$364,200), and Milwaukee (\$1,248,200). 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 FTA, by special rule, to establish exceptions relating to the limitations on these federal urbanized area formula funds. Specifically, it 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 2018, the following systems can use the resulting amount of their federal urbanized formula aid for operating expenses: \$1,898,700 for Appleton; \$1,644,000 for Green Bay; \$131,700 for the City of Stoughton; \$798,400 for the City of Waukesha; \$585,700 for Ozaukee County; \$178,000 for Washington County; and \$47,100 for Racine.

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 2018, the state was apportioned a total of \$13,820,900 in urbanized formula funds for transit systems operating in these urbanized areas. Systems in these urbanized areas were also apportioned a total of \$1,978,100 in STIC funding and \$854,000 in growing states funding.

For 2018, 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. The FAST Act made no changes to the formula for the rural areas program. Wisconsin's share of total program funding will continue to be 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 addition to funds made available under the rural areas program, FTA adds amounts apportioned based on rural population according to the growing states and high density states formula. In 2018, the state was apportioned \$16.7 million for transit systems in the following nonurbanized areas.

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

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 2018 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.

Historically, the major source of funding for the WETAP program had been the federal Job Access Reverse Commute (JARC) program. As recent as 2010, DOT was able to use \$4.1 million in JARC federal funds to award WETAP grants. In 2012, MAP-21 (the federal reauthorization bill) repealed JARC and projects were instead made eligible for federal section 5311 (rural areas) and section 5307 (urbanized areas) formula grant programs. In 2018, DOT awarded 10 eligible applicants a total of \$1,779,600 in WETAP grants, comprised of \$1,447,000 in 5307 and 5311 federal funds and \$332,600 in state funding from DOT and DWD. In addition, \$1,962,537 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 2018, Wisconsin was apportioned \$280,100 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 2018, Wisconsin's federally recognized tribes were allocated \$2,477,800 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 2018, in addition to the \$3.5 million, Wisconsin systems were apportioned \$6,436,800 in formula grants for transit operators in the following areas: \$342,300 for Appleton, \$288,700 for Green Bay, \$985,500 for Madison, \$2,858,500 for Milwaukee, and \$1,961,700 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 2018, Wisconsin and its transit agencies were apportioned \$1,628,300 for the following state of good repair discretionary grants: \$102,500 for a Kenosha project; \$984,400 for a Madison project; and \$541,400 for a Milwaukee County project.

Eligible state of good repair grant recipients include state and local government authorities in urbanized areas with a fixed guideway 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 four categories of eligible projects under the CIG program: New Starts, Small Starts, Core Capacity, and Programs of Interrelated Projects.

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.

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.

Core Capacity projects are substantial corridor-based capital investments in existing fixed guideway systems. Eligible projects must increase capacity by not less than 10% in corridors that are at capacity today or will be in five years. Core capacity projects may not include elements designed to maintain a state of good repair.

Programs of Interrelated Projects involve the simultaneous development of any combination of two or more New Starts, Small Starts, or Core Capacity projects.

In 2018, Wisconsin did not receive any section 5309 CIG funding. Milwaukee County anticipates receipt of a Small Starts grant agreement in March 2019. Milwaukee County proposes to build a bus rapid transit (BRT) line linking downtown Milwaukee with Milwaukee's west side and Wauwatosa. The project entered Small Starts project development in September 2016.

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 2018, Wisconsin received transportation planning apportionments of \$1,448,800 for metropolitan transportation planning and \$318,100 for statewide transportation planning.

The FAST Act requires MPOs and State DOTs to establish performance targets that address forthcoming U.S. DOT-issued national performance measures regarding safety, infrastructure condition, congestion reduction, system reliability, economic vitality, environmental sustainability, reduced project delivery delays, transit safety, and transit asset management.

The FAST Act requires MPOs that serve transportation management areas (Appleton, Green Bay, Madison and Milwaukee) to develop congestion management plans with input from employers, private and public transit providers, transportation management associations, and organizations that provide low-income individuals transportation access to jobs and job related services.

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 2018, the state was apportioned \$283,300 in federal funds for the purposes of funding this program.

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

Table 2 shows the distribution of funding sources for transit systems on a statewide basis over the past ten 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 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, mass transit aid was increased by 4% for each tier of systems. Meanwhile, the state aid percentage has fallen from its ten-year high of 36.6% in 2011 to 31.9% in 2018, the lowest percentage during the ten-year period. Conversely, the farebox revenue percentage (33.6%) in 2018 was the highest over the ten-year period.

Administrative rules limit the combined

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

Calendar Year	Total Operating Expenses	External Funding				Local Funding			
		Federal	%	State	%	Local*	%	Farebox Revenue	%
2009	\$315.1	\$55.8	17.7%	\$112.6	35.8%	\$56.8	18.0%	\$89.9	28.5%
2010	318.8	57.1	17.9	114.9	36.0	55.5	17.4	91.3	28.6
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

*Primarily property tax revenue.

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 2018, the combined state and federal aid percentage was 54.1% for Tier B and 55.9% 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 2018. All bus systems currently meet the local match requirement. Although the estimated local share percentage for Verona is slightly below the 20 percent minimum, the final adjustment of state aid payments occurs when DOT auditors review the transit system's expenses after the calendar year concludes. 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 2018, 29 of the 31 bus systems provided a local match greater than 50% of the state aid amount. Also, 20 bus systems provided a local share

greater than the amount of state aid provided to their system.

The Appendix to this paper provides a breakdown of the funding sources for each system that participated in the 2018 transit program.

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 ten years. The tribal and elderly grant program is funded with tribal gaming funds.

County Assistance

County aid is distributed on the basis of each county's share of the state's total seniors and

Table 3: Local Match Provided by Mass Transit Bus Systems (Calendar Year 2018)

	State Aid Received	Local Share	Local Share as a % of State Aid
Tier A1			
Milwaukee County	\$64,193,900	\$13,398,387	20.9%
Tier A2			
Madison	\$16,868,000	\$13,873,035	82.2%
Tier B Bus			
Appleton	\$2,577,210	\$2,551,863	99.0%
Beloit	453,225	602,485	132.9
Eau Claire	1,368,229	1,385,556	101.3
Fond du Lac	459,685	604,572	131.5
Green Bay	2,344,710	2,449,063	104.5
Janesville	842,178	1,083,781	128.7
Kenosha	1,658,687	1,330,232	80.2
La Crosse	1,606,264	2,000,552	124.5
Monona	128,812	67,973	52.8
Oshkosh	1,196,058	1,345,697	112.5
Ozaukee County*	1,248,999	700,211	56.1
Racine	2,066,626	1,811,258	87.6
Sheboygan	917,899	897,527	97.8
Superior	370,166	595,594	160.9
Verona	289,539	56,890	19.6
Washington County*	1,004,987	941,245	93.7
Waukesha	3,828,949	2,504,146	65.4
Wausau	793,745	1,098,322	138.4
Tier C Bus			
Bay Area (Ashland)	\$215,981	\$634,265	293.7%
Dunn County	62,356	193,875	310.9
Kenosha County	43,529	192,141	441.4
Manitowoc	226,399	749,847	331.2
Menominee Tribe	290,907	1,456,705	500.7
Merrill	80,154	189,784	236.8
Oneida-Vilas	80,687	300,601	372.6
Platteville	88,313	188,895	213.9
Rusk County	242,785	256,250	105.5
Sawyer County	253,783	596,840	235.2
Stevens Point	296,582	580,158	195.6

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

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 (\$72,389 for 2019). In 2019, 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 2018-19 appropriation is spent in calendar year 2019. 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. MAP-21 made changes to the federal enhanced mobility of seniors & individuals with disabilities program (section 5310) to allow urbanized areas with a population over 200,000 to be direct recipients of program funding. In Wisconsin, DOT and state MPOs

Table 4: Seniors and Individuals with Disabilities Transportation Aid

Fiscal Year	County Assistance	Specialized Assistance
2009-10	\$13,196,000	\$912,700
2010-11	13,623,400	912,700
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

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 2018, Wisconsin systems were apportioned \$4,848,700 in section 5310 formula grants: \$175,000 for Appleton, \$176,100 for Green Bay, \$293,300 for Madison, \$1,217,900 for Milwaukee, and \$2,986,400 for DOT to distribute to rural and small urban areas.

2015 Act 55 renamed the state's elderly and disabled capital assistance program to seniors and individuals with disabilities specialized assistance to correspond with the federal program. The Act also modified the program to allow funding to be used for any specialized transit costs, including operating costs and specified that an eligible applicant could be any applicant that is eligible for federal section 5310 assistance. 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 2018, DOT awarded 52 non-profit and public sector applicants a total of \$4,542,900 in state and federal funding for 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 2017-19 biennium, \$396,000 annually in state Indian 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 American Indian 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 2018, DOT provided all eleven of the state's tribes an equal share of the total funds, or \$36,000 each.

Transit Capital Assistance Grants (Volkswagen Settlement)

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 ten years to offset the excess pollution emitted by affected Volkswagen vehicles in Wisconsin.

2017 Wisconsin Act 59 requires 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. DOA is required to solicit and accept applications for transit capital 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. According to DOA's grant announcement, 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.

Under Act 59, 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.

In July 2018, DOA published a grant announcement for the transit capital assistance grant program. DOA anticipates awarding all available transit capital assistance funds under this grant announcement.

APPENDIX

2018 Transit System Public Funding Sources

	2018 Expenses	Federal Share*	% of Expense	State Share	% of Expense	Local Share	% of Expense	Farebox Revenue	% of Expense
Tier A-1									
Milwaukee County	\$173,898,893	\$19,287,647	11.1%	\$64,193,900	36.9%	\$13,398,387	7.7%	\$77,018,959	44.3%
Tier A-2									
Madison	\$53,119,916	\$7,719,881	14.5%	\$16,868,000	31.8%	\$13,873,035	26.1%	\$14,659,000	27.6%
Tier B									
Appleton	\$9,434,672	\$2,531,551	26.8%	\$2,577,210	27.3%	\$2,551,863	27.0%	\$1,774,048	18.8%
Beloit	1,904,693	578,143	30.4	453,225	23.8	602,485	31.6	270,840	14.2
Chippewa Falls**	489,425	148,558	30.4	116,460	23.8	60,298	12.3	164,109	33.5
Eau Claire	5,750,025	1,745,340	30.4	1,368,229	23.8	1,385,556	24.1	1,250,900	21.8
Fond du Lac	1,931,841	586,384	30.4	459,685	23.8	604,572	31.3	281,200	14.6
Green Bay	8,378,106	2,191,933	26.2	2,344,710	28.0	2,449,063	29.2	1,392,400	16.6
Hartford**	242,325	73,554	30.4	57,662	23.8	22,516	9.3	88,593	36.6
Janesville	3,539,280	1,074,299	30.4	842,178	23.8	1,083,781	30.6	539,022	15.2
Kenosha	6,970,684	2,115,854	30.4	1,658,687	23.8	1,330,232	19.1	1,865,911	26.8
La Crosse	6,750,374	2,048,982	30.4	1,606,264	23.8	2,000,552	29.6	1,094,576	16.2
Monona	237,885	0	0.0	128,812	54.1	67,973	28.6	41,100	17.3
Onalaska**	834,950	253,437	30.4	198,678	23.8	175,835	21.1	207,000	24.8
Oshkosh	5,026,470	1,525,715	30.4	1,196,058	23.8	1,345,697	26.8	959,000	19.1
Ozaukee County**	3,535,141	665,237	18.8	1,248,999	35.3	700,211	19.8	920,694	26.0
Racine	8,685,061	2,636,230	30.4	2,066,626	23.8	1,811,258	20.9	2,170,947	25.0
Sheboygan	3,857,500	1,170,891	30.4	917,899	23.8	897,527	23.3	871,183	22.6
Stoughton**	354,000	0	0.0	191,687	54.1	42,313	12.0	120,000	33.9
Sun Prairie**	913,500	0	0.0	494,649	54.1	193,644	21.2	225,207	24.7
Superior	1,555,636	472,192	30.4	370,166	23.8	595,594	38.3	117,684	7.6
Verona	534,710	0	0.0	289,539	54.1	56,890	10.6	188,281	35.2
Washington County**	3,660,911	977,352	26.7	1,004,987	27.5	941,245	25.7	737,327	20.1
Waukesha	9,011,328	1,050,576	11.7	3,828,949	42.5	2,504,146	27.8	1,627,657	18.1
Wausau	3,335,739	1,012,517	30.4	793,745	23.8	1,098,322	32.9	431,155	12.9
West Bend**	1,141,389	346,453	30.4	271,596	23.8	88,297	7.7	435,044	38.1
Subtotal Tier B	\$88,075,645	\$23,205,200	26.3%	\$24,486,700	27.8%	\$22,609,867	25.7%	\$17,773,878	20.2%

*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 Washington County systems receive Milwaukee 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 (continued)

2018 Transit System Public Funding Sources

	2018 Expenses	Federal Share	% of Expense	State Share	% of Expense	Local Share	% of Expense	Farebox Revenue	% of Expense
Tier C Bus									
Bay Area (Ashland)	\$1,903,100	\$850,245	44.7%	\$215,981	11.3%	\$634,265	33.3%	\$202,609	10.6%
Dunn County	568,643	256,231	45.1	62,356	11.0	193,875	34.1	56,181	9.9
Kenosha County	498,340	235,670	47.3	43,529	8.7	192,141	38.6	27,000	5.4
Manitowoc	2,146,592	976,246	45.5	226,399	10.5	749,847	34.9	194,100	9.0
Menominee Tribe	3,638,538	1,747,612	48.0	290,907	8.0	1,456,705	40.0	143,314	3.9
Merrill	624,875	269,937	43.2	80,154	12.8	189,784	30.4	85,000	13.6
Oneida-Vilas	824,575	381,287	46.2	80,687	9.8	300,601	36.5	62,000	7.5
Platteville	652,417	277,208	42.5	88,313	13.5	188,895	29.0	98,000	15.0
Rusk County	1,324,070	499,035	37.7	242,785	18.3	256,250	19.4	326,000	24.6
Sawyer County	1,971,246	850,623	43.2	253,783	12.9	596,840	30.3	270,000	13.7
Stevens Point	2,094,254	876,740	41.9	296,582	14.2	580,158	27.7	340,774	16.3
Subtotal Tier C Bus	\$16,246,650	\$7,220,834	44.4%	\$1,881,476	11.6%	\$5,339,361	32.9%	\$1,804,978	11.1%
Tier C Shared-Ride Taxi									
Baraboo	\$521,948	\$167,023	32.0%	\$88,925	17.0%	\$0	0.0%	\$266,000	51.0%
Beaver Dam	1,208,890	418,445	34.6	258,845	21.4	159,600	13.2	372,000	30.8
Berlin	227,884	74,959	32.9	52,714	23.1	22,245	9.8	77,965	34.2
Black River Falls	289,974	98,987	34.1	63,473	21.9	35,514	12.2	92,000	31.7
Clintonville	115,700	45,350	39.2	19,472	16.8	25,878	22.4	25,000	21.6
Clark County	304,928	130,091	42.7	40,747	13.4	89,344	29.3	44,746	14.7
Door County	1,024,721	351,534	34.3	222,573	21.7	128,961	12.6	321,652	31.4
Edgerton	66,688	26,656	40.0	10,706	16.1	15,951	23.9	13,375	20.1
Fort Atkinson	397,186	127,100	32.0	92,086	23.2	0	0.0	178,000	44.8
Grant County	81,372	34,586	42.5	11,003	13.5	23,583	29.0	12,200	15.0
Jefferson	200,948	64,303	32.0	48,279	24.0	3,565	1.8	84,800	42.2
Lake Mills	92,714	32,107	34.6	19,837	21.4	12,270	13.2	28,500	30.7
Marinette	457,950	183,180	40.0	73,390	16.0	71,620	15.6	129,760	28.3
Marshfield	783,551	250,736	32.0	188,254	24.0	10,561	1.3	334,000	42.6
Mauston	223,583	74,291	33.2	50,973	22.8	23,319	10.4	75,000	33.5
Medford	159,860	63,944	40.0	25,619	16.0	37,097	23.2	33,200	20.8
Monroe	469,325	150,184	32.0	112,759	24.0	4,182	0.9	202,200	43.1
New Richmond	191,886	65,443	34.1	42,063	21.9	23,380	12.2	61,000	31.8
Plover	237,550	85,275	35.9	47,814	20.1	37,461	15.8	67,000	28.2
Portage	1,295,098	414,431	32.0	311,157	24.0	64,759	5.0	504,750	39.0
Prairie du Chien	762,037	290,018	38.1	136,919	18.0	153,100	20.1	182,000	23.9
Prairie du Sac	137,952	55,181	40.0	22,108	16.0	4,163	3.0	56,500	41.0
Reedsburg	324,684	103,899	32.0	78,008	24.0	5,777	1.8	137,000	42.2
Rhineland	674,852	215,953	32.0	162,138	24.0	4,041	0.6	292,720	43.4
Rice Lake	212,347	84,240	39.7	34,729	16.4	49,512	23.3	43,866	20.7
Richland Center	234,274	93,710	40.0	37,136	15.9	429	0.2	103,000	44.0
Ripon	352,367	145,420	41.3	51,996	14.8	93,424	26.5	61,527	17.5
River Falls	288,481	106,590	36.9	55,033	19.1	51,557	17.9	75,300	26.1
Shawano	293,283	93,851	32.0	59,432	20.3	0	0.0	140,000	47.7
Tomah	434,514	139,044	32.0	104,395	24.0	31,988	7.4	159,086	36.6
Viroqua	484,523	169,761	35.0	101,696	21.0	68,065	14.0	145,000	29.9
Walworth County	789,066	354,533	44.9	87,547	11.1	266,986	33.8	80,000	10.1
Watertown	789,659	252,691	32.0	189,722	24.0	57,572	7.3	289,674	36.7
Waupaca	480,806	153,858	32.0	115,517	24.0	5,031	1.0	206,400	42.9
Waupun	126,923	47,836	37.7	23,273	18.3	24,563	19.4	31,250	24.6
Whitewater	238,171	76,215	32.0	52,456	22.0	0	0.0	109,500	46.0
Wisconsin Rapids	893,328	285,865	32.0	214,629	24.0	22,834	2.6	370,000	41.4
Subtotal Tier C Taxi	\$15,869,023	\$5,527,290	34.8%	\$3,307,423	20.8%	\$1,628,332	10.3%	\$5,405,971	34.1%
Total Tier C	\$32,115,673	\$12,748,129	39.7%	\$5,188,900	16.2%	\$6,967,695	21.7%	\$7,210,949	22.5%
STATE TOTALS	\$347,210,127	\$62,960,852	18.1%	\$110,737,500	31.9%	\$56,848,982	16.4%	\$116,662,786	33.6%