

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

Trans 3 – Urban Mass Transit Operating Assistance Program; Procedures for Counting Passenger Trips  
Trans 4 – Urban Mass Transit Operating Assistance Program  
Trans 6 – Rural and Small Urban Area Public Transportation Assistance Program  
Trans 8 – Allocation of Federal Public Transit Assistance Program Funds to Urbanized Areas under 200,000 Population

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3. Subject

Administration of state and federal aid programs for public transit services.

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

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5. Chapter 20, Stats. Appropriations Affected

85.20

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect       Increase Existing Revenues       Increase Costs  
 Indeterminate       Decrease Existing Revenues       Could Absorb Within Agency's Budget  
 Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy       Specific Businesses/Sectors  
 Local Government Units       Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes       No

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9. Policy Problem Addressed by the Rule

Current administrative rules governing administration of state and federal public transit aid programs are outdated and, in places, contain errors or are unclear.

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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

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The rules affect public agencies eligible to receive federal and state transit aids per s. 85.20, Wis. Stats. Generally, the Wisconsin Public Transit Association (WiPTA) represents these agencies on matters of common interest. WisDOT requested that WiPTA nominate transit agency representatives from among its constituency to meet with Department staff to review the current rules and identify needed changes. WisDOT subsequently met with and received input from staff of Madison Metro and GO Transit (Oshkosh's public transit system). WiPTA sent these individuals to represent the interests of public transit agencies across the state.

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### 11. Identify the local governmental units that participated in the development of this EIA.

No local governments participated in the development of this EIA. However, as noted above, local government agency representatives were involved in identifying associated administrative rule changes and expressed no concern or input regarding attendant economic impacts. Likewise, it is the Department's assessment that the changes to Trans 3, 4, 6 and 8 will have no adverse economic impact, and no or minimal economic impact overall.

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

Owing to their nature, the rule revisions are expected to have no tangible economic impacts on specific businesses, business sectors, public utility rate payers, or local governmental units. To the extent that any (minor) economic benefit is realized, it will owe to reduced administrative burden associated with rule clarifications, and to a revision to Trans 4.06 (4) that will allow the Department to pay out annual state aid amounts in fewer than the current four quarterly increments. This revision will enable the Department to deliver a portion of state aids earlier in the year than what the rule currently permits, potentially improving cash flow for local governmental units with public transit systems.

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

Implementing the rule changes will

- increase clarity of WisDOT's oversight function and subrecipient responsibilities related to public transit operations;
- clarify the extent to which the Department conducts audits of private transit providers;
- improve the Department's ability to timely disburse state public transit aids;
- reduce the advance notice required of eligible public transit agencies when applying for state transit aids for the first time; and
- eliminate obsolete language.

Regarding the last point, the current rules contain passages referencing terminated or reworked federal programs that, taken literally, no longer make sense.

The primary alternative to implementing the proposed rule changes is leaving the rules as is, which would achieve none of the above benefits while retaining less clear and efficient programmatic guidelines.

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### 14. Long Range Implications of Implementing the Rule

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Implementing the changes to Trans 3, 4, 6 and 8 should provide moderate process and efficiency improvements going forward for public transit agencies and WisDOT staff. In drafting the revised rules, the Department took care to remove references to specific federal programmatic provisions in order to forestall any obsolescence resulting from future federal law changes (as occurred, for instance, when SAFETY-LU gave way to MAP-21).

Additionally, the aforementioned change to Trans 4.06 (4) will provide some measure of financial assurance for transit systems as they develop budgets in future years, as it will allow the Department to deliver full allocations of states operating funds earlier in the year than is currently the case. (Per Trans 4, state allocations currently are delivered in four quarterly increments.) This change will help promote stable transit service, as the timing of federal operating fund distributions always hinges on the passage of a federal transportation budget.

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### 15. Compare With Approaches Being Used by Federal Government

In short, Trans 3, 4, 6, and 8 establish the Department's blueprint for implementing and managing federal transit operating and capital funding programs established under 49 USC Chapter 53, sections 5307 and 5311 (as well as the state transit operating funding program established under s. 85.20, Stats).

The Section 5307 program provides funding to public transit systems in urbanized areas (incorporated areas with a population of at least 50,000) for public transportation capital, planning, job access and reverse commute projects, and – in some circumstances – operating expenses. Specifically, all transit systems serving urbanized areas with population under 200,000 may use program funds for operating assistance, as may those serving urbanized areas of at least 200,000 operating fixed route service involving fewer than one hundred buses during peak service hours. Section 5307 funds for urbanized areas with populations of at least 200,000 flow directly from the Federal Transit Administration (FTA) to authorized local public agencies. Funds for smaller urbanized areas flow through the Governor or Governor's designee (in Wisconsin, the Department of Transportation).

The Section 5311 program parallels the Section 5307 program, but provides funding for public transit systems serving rural and small urban areas (those with population under 50,000). Unlike the Section 5307 program, all federal funds flow through the Governor or Governor's designee, and may be used to pay for transit system operating expenses.

s. 85.20 establishes a framework for allocating state and federal transit operating funds to mass transit systems serving "urban areas." Wisconsin statute defines an urban area as "...any area that includes a city or village having a population of 2,500 or more that is appropriate, in the judgment of the department, for an urban mass transit system or an area that includes 2 American Indian reservations and that is served by a mass transit system operated by a transit commission.") This contrasts with federal rules, which permit the use of federal funds by public transit systems serving all sizes of urban and rural areas.

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

**Illinois.** Illinois' public transit administration is addressed under Illinois Compiled Statutes (ILCS) and associated chapters of Illinois Administrative Code (IAC), in particular:

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- 20 ILCS 2705 ("Civil Administrative Code of Illinois")
- 30 ILCS 740 ("Downstate Public Transit Act")
- 70 ILCS 3610 ("Local Mass Transit District Act")
- 70 ILCS 3615 ("Regional Transportation Authority Act")
- IAC Title 92, Chapter 1, Part 651 ("Regulations for Public Transportation Assistance to New Programs in Nonurbanized Areas")
- IAC Title 92, Chapter 1, Part 653 ("State Operating Assistance to Downstate Areas")

Paralleling s. 85.20, Wis. Stats., 20 ILCS 2705 empowers the Illinois Department of Transportation (IDOT) to make grants to eligible applicants (local government units, transit districts, and transit authorities). Under the auspices of the above rules and laws, IDOT administers the following transit grant programs:

- A statewide 5311 operating assistance program (covered under 30 ILCS 740/2 & 3);
- A statewide 5311 capital assistance program (20 ILCS 2705 & 20 ILCS 1305);
- A state-funded Northeastern Illinois Operating Assistance Program (30 ILCS 740/2-15 and 70 ILCS 3615/4.09); and
- A state-funded Downstate Operating Assistance Program (30 ILCS 740/2)

Per state law, IDOT apportions 5311 operating assistance among five established regions on the basis of three regional transportation indicators – non-urbanized area population, square miles of land, and percentage of transportation disadvantaged. (The regions exclude 11 of Illinois 102 counties – those in the greater Chicago area, the St. Louis "metro east" area, and the Shawnee National Forest in southeastern Illinois.) IDOT is responsible for determining how much of a region's funding to allocate to each valid operating assistance application emanating from within, and IAC specifies the criteria for evaluating each application. This is a stark contrast to the way in which Wisconsin statute and rule provide for distribution of 5311 operating funds; WisDOT is guided to equalize the overall (federal plus state) operating aid among all eligible transit systems within a given tier (i.e., urban/rural classification) that submit a valid application.

IAC requires applicants to submit both preliminary and final applications for funding each year (no later than April 1 and July 1, respectively). This is a distinction from Wisconsin law and rule, which require a single application submittal per year. The collective content of the preliminary and final applications resembles the information required by WisDOT, though Wisconsin administrative rule requires applicants to establish performance goals annually and include them in annual funding applications.

Another notable distinction between Illinois and Wisconsin rule comes in the review of operating budgets and service provision. IAC calls for IDOT to assess each applicant's proposed services in relation to the estimated service costs. If the department concludes the services are unreasonably costly, it works with the applicant to modify the costs and/or scope of services. Wisconsin law instructs WisDOT to review application budgets, but does not enable WisDOT to actively engage in negotiating budget or service modifications.

IAC also specifies IDOT's criteria for evaluating capital applications. Unlike Wisconsin's rules, it does not establish a capital project hierarchy for the department to apply. As with operating projects, IAC calls for IDOT to assess each applicant's proposed capital project in relation to the estimated costs, and collaborate on modifications if appropriate. No such provision is present in Wisconsin's rules.

IAC requires quarterly reports and requisitions for operating grant recipients, and requisitions upon expenditure for capital grant recipients, consistent with Wisconsin requirements. It further requires IDOT review requisitions to confirm

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expenses and calculated deficits are consistent with the original project scope. It permits grantees to transfer up to 10% of a particular budget line item to other line items in order to offset unanticipated expenses without prior IDOT approval, and greater amounts with IDOT approval.

In addition to administering the federal transit aid program, IDOT administers state aid programs, most notably the Downstate Operating Assistance Program (DOAP). The DOAP, funded by an annual appropriation, provides assistance to public transit services outside the regional transportation authority (RTA) serving the greater Chicago area. The program is established through the Downstate Public Transportation Act and is governed by IAC Title 92, Chapter 1, Subchapter h, Part 653. The program's grant application elements specified in IAC are very similar to those used in WisDOT's PTAP (public transit assistance program) application. They include a cover letter, service/applicant description, itemized budget, itemized operating statistics, and information regarding any purchased service.

The DOAP rule specifies eligible operating expenses, which generally parallel those detailed in WisDOT's Trans rules but are more permissive in certain areas. For instance, non-rolling stock equipment purchases under \$10,000 are considered allowable expenses under the program, as are debt service payments on transit equipment and facilities (subject to certain constraints, and not including such payments for assets purchased with state capital grant funds). The DOAP rule also lays out general application and contract (grant agreement) provisions. The rule is more prescriptive than WisDOT's Trans rules in terms of contract elements. It also requires that grant recipients include with their executed contracts a licensed attorney's legal opinion affirming the recipient's legal organization, program eligibility, and acceptance of the contract as a legally binding document.

Funding under this program is capped at 65% of a participant's actual operating expenses and, as in Wisconsin, may not in sum with any other state, federal and local operating assistance exceed the participant's annual operating deficit.

Consistent with Wisconsin administrative rules, IAC requires grant recipients to notify the state DOT of any proposed service changes not reflected in their annual application, though per IAC they need not await department approval before implementing the changes.

The DOAP requires year-end operating data reporting (consistent with Wisconsin requirements). Grantees are required to solicit and submit the results of annual audits to IDOT. Per IAC, subsequent to such audits IDOT must perform State audits for all grants, consistent with the audits that WisDOT performs for its subrecipients.

Illinois' other significant transit aid program is the Northeastern Illinois Operating Assistance Program, which is established under 70 ILCS 3615. This is enabling legislation for the Chicago RTA, confers authorities upon it – including applying for state and federal transit aids, imposing a local sales tax, and issuing bonds and notes to finance capital projects – and provides state aids for transit services within the RTA's domain, most notably a Public Transportation Fund. Wisconsin law does not permit the formation of regional transit authorities.

Capital funding in Illinois is provided through various federal and state initiatives. The primary state capital program is the competitive Downstate Transit Improvement Fund program, which is funded with any unallocated amounts from the DOAP. Additionally, Illinois' Consolidated Vehicle Procurement Program (CVP) is available for agencies that serve the transportation needs of the elderly and individuals with disabilities – including public transit systems – to acquire ADA-equipped vehicles. By comparison, Wisconsin has no state capital funding program for public transit systems. (ss. 85.21 and 85.22, Stats., authorize state funding for capital projects addressing transportation for the elderly and individuals with disabilities, but these funds may not be used for general public transit service provision.)

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**Iowa.** State administration of public transit services is established through Chapters 28M ("Regional Transit Districts") and 324A ("Transportation Programs") of Iowa Code, and Iowa Administrative Code (IAC) 761 Chapters 910, 911, 920, 921, 923, and 924. The former statute enables the establishment of regional transit districts covering broad geographical areas and confers upon them the authority to issue bonds and levy property taxes to support the district's transit services. The latter statute establishes the Iowa DOT as the administrator of statewide public transit programs and confers related responsibilities upon it.

Chapter 324A mandates public transit provider compliance reviews, and IAC 761 Chapter 910 provides for establishing an advisory council to assist with their implementation. In particular, providers are assessed for conformance with Iowa's statutory transportation coordination mandate, which requires providers to optimize the use of transit resources, avoid duplicative services, and engage in transportation services planning at urban and regional levels. Such reviews are consistent with current WisDOT practice, though neither Wisconsin statute nor administrative rule mandates them.

IAC 761 Chapter 911 explicitly allows regional (but not urban) public transit systems to provide non-exclusive school bus service (for public and nonpublic schools and other groups including day care centers). It establishes driver standards, vehicle standards, and specifies basic maintenance requirements, safety equipment, and passenger policies. Again, Wisconsin rules do not explicitly address the topic. (However, "tripper service" – or regularly schedule public transit service designed or modified to transport students – is permitted under both state and federal transit funding programs.)

Iowa provides capital (infrastructure) and unrestricted (operating, capital and "special" projects) programs for eligible transit systems, and Chapter 920 addresses the state transit assistance program. Systems eligible to receive state assistance are limited to regional transit systems (public transit systems serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the county and the department) and urban transit systems (those serving city or urbanized area with a population of 20,000. This is a more limiting eligibility provision than that in Wisconsin statute in terms of minimum service area size, though Wisconsin statute does not permit the formation of regional transit districts and in Iowa such districts may include municipalities of any size. Chapter 920 provides for the Iowa DOT to enter into annual grant agreements with eligible recipients, consistent with Wisconsin statute and rule.

Chapter 920 also establishes the algorithm by which transit systems receive state funding. Funding is split between regional and urban systems based on aggregated revenue miles. Within each set of systems, funding is allocated proportionately to individual systems based on a combination of locally-derived income (i.e., revenue) and service efficiency metrics (operating cost per rider and operating cost per revenue mile). Again, this is a different approach than that statutorily defined in Wisconsin statute.

Chapter 921 establishes provisions for the pre-payment ("advance allocation") of state transit funds to eligible public transit systems, including allocation options, applications, considerations, reporting requirements, and penalties for failing to timely return overpayments. Wisconsin administrative rule (Trans 4.06) provides for quarterly – or less frequent – state aid payments, with no provisions for pre-payments.

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Chapter 923 establishes provisions for the state's capital match revolving loan program, including project eligibility, including project eligibility, and application procedure and evaluation. Wisconsin law does not provide for a comparable type program.

Chapter 924 establishes provisions of Iowa's public transit infrastructure grant program, which is designed to fund improvements to the "vertical infrastructure" of the state's regional and urban public transit systems. (Vertical infrastructure is defined in Iowa Code as "... land acquisition and construction; major renovation and major repair of buildings; routine, recurring maintenance; all appurtenant structures; utilities; site development...") Again, Wisconsin law does not provide for a comparable type program.

**Michigan.** Section 247.660b of Michigan Compiled Laws establishes the state's "comprehensive transportation fund," for the purpose of funding transit service statewide, and s. 247.660g orders the state department of transportation (MDOT) to establish rules to implement and administer the CTF. The CTF is derived from a portion of state motor fuel taxes, vehicle registration fees, and state sales taxes on automobiles and other auto-related products, and provides local transit services with both operating and capital assistance.

Per MCL §247.660(e), non-urbanized areas and urbanized areas with populations under 100,000 receive state operating assistance for up to 60 percent of eligible expenses, while more populous urbanized areas receive state operating assistance for up to 50 percent of eligible expenses. The law leaves defining eligible expenses to MDOT. It requires quarterly reporting, which is generally consistent with the Trans 6 specifications and matches WisDOT's administrative practice.

Eligible CTF applicants include counties, cities, villages, and regional transit authorities (RTAs) created under Sections 124.541 through 124.558 of MCL. The law allows RTAs, which may not legally be formed in Wisconsin, to borrow money and issue bonds and notes in the fulfillment of their mission.

MCL establishes operating assistance as its highest (non-administrative) priority, followed by intercity passenger and freight service assistance, and then transit capital assistance. It mandates that not less than 10% of CTF funds be distributed for intercity passenger and intercity freight transportation services. Per MCL, the CTF reimburses up to 50% of the portion of intercity bus operating costs not eligible for federal funding. s. 85.26, Wis. Stats., similarly permits the use of dedicated state funds to cover intercity bus service up to the lesser of fifty percent of a route's net operating loss or the portion of the net operating loss for which federal funds are not available. However, state budgets typically do not fund this program

Michigan's capital assistance program provides state share to match federal funds under various federal programs such as Section 5307, Section 5339, Small Urban, 5311(f), STP, and CMAQ, and provides for up to 100% funding for capital projects for 5311 subrecipients. It establishes as state capital funding priority those projects for which federal funds have been authorized. As noted earlier, Wisconsin law does not provide for a state transit capital aid program.

Per law, the CTF may cover 100% of startup expenses for approved new transit services, 90% of their expenses for first year operations, and gradually tapering but still elevated portions of expenses through year three. (Subsequently these services receive operating assistance at the same level as other public transit systems.) Similarly, the CTF may cover the full cost of capital expenses for a new system's startup and first three years of service. Wisconsin law contains no corresponding provisions for new services.

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Michigan law also prohibits the provision of fixed route service with non-ADA compliant vehicles, and prohibits the award of state capital funds to systems that have not filed with MDOT and received approval of a plan for serving seniors and individuals with disabilities.

Michigan administrative rules R 247.4101 through 247.4307 and R 474.101 through 474.106 govern the state's administration of transit services.

Rules R 247.4101 through 247.4108 establish general programmatic provisions. Broadly, these rules:

- require MDOT to issue and accept transit grant applications from eligible applicants, and include within them definitions of eligible and ineligible expenses
- specify general capital project expenses that are eligible for state funding
- require applicants to provide public notice of their intent to apply for funds and report any comments received;
- authorize MDOT to approve or – given certain circumstances, including funding limitations – a modify or reject applications;
- specify documentation requirements for establishing applicant eligibility;
- require MDOT, in distributing CTF monies to intercity passenger carriers, to award operating assistance projects through a competitive or negotiated bid process and to award capital projects through application; and
- require applicants to provide MDOT with cost allocation plans where warranted.

Rules R 247.4201 through 247.4203 establish the requirements for accessibility plans for applicants seeking capital funds to purchase, lease or rent vehicles for demand-response service, and establish the required details for such plans. These rules also require the establishment of local advisory councils to assess accessibility plans, specify parameters for the composition of such councils, and require the department to approve or reject such plans within sixty days of submittal. Such provisions are beyond the purview of Wisconsin's public transit administrative rules, though WisDOT requires such plans for its grantees as a matter of policy and compliance with federal rules.

Rules R 247.4301 through 247.4307 establish reporting and compliance requirements for aid recipients. Operating assistance and new service aid recipients must file annual financial and compliance audit reports, while MDOT is required to audit recipients of intercity bus and capital-only subrecipients. Operating assistance/new service grant recipients also are required to submit quarterly and annual progress reports.

R 474.101 through 474.106 establish rules that govern MDOT's certification of private intercity bus providers, including insurance requirements and annual safety inspections by MDOT. Per MCL, annual renewal of certifications is required.

Michigan's eligible applicants include counties, cities and villages, metropolitan and regional transit authorities, intercity bus providers, port authorities, and intercity freight carriers. Per law, state aids extend to eligible applicants operating in urban areas and rural areas of all sizes. By contrast, Wisconsin statute defines an urban area as any area including a city or village with population of 2,500 or greater, and limits state aid to so-defined urban areas.

Consistent with Wisconsin statute, Michigan law requires state aid recipients to provide discounted rides to the elderly and individuals with disabilities during off-peak service hours. Michigan law prohibits state fund recipients from providing charter service using any state-funded transit assets.



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**Minnesota.** Minnesota administrative rules addressing public transit administration largely mirror Wisconsin's, although the structure of the state's transit aid program differs slightly as noted below. These rules, covered in Chapter 8835 of Minnesota Administrative Rules, derive from Chapter 174 of Minnesota Statutes, primarily s. 174.21 through 174.247.

Chapter 8835 identifies the Minnesota Department of Transportation (MNDOT) Office of Transit as the administrator of statewide transit program, specifies that the office allocate transit aid funds to "public transit systems," and establishes procedures and standards for review and approval of annual applications for financial assistance under the public transit program established. It defines the term "total operating cost" as it is used in carrying out the program.

The rule requires MNDOT to specify an annual application deadline and enter into operating grant contracts with eligible public transit systems that submit applications; requires applicants to demonstrate authorization of local match funds, submit a management plan, and detail any third-party procurement as part of an application; and requires MNDOT to consider the performance of each applicant system relative to comparable transit systems in terms of cost effectiveness and service effectiveness. All of these provisions correspond with Wisconsin statute and administrative rule provisions, although Minnesota statute goes further in prescribing that applicants provide narrative detail for each budget line item. Chapter 8835 also details allowable expenses (i.e., expenses eligible for reimbursement) and unallowable expenses in greater detail – but consistent with – those identified in Trans 4 and Trans 6.

Minnesota statute provides a fixed-share funding formula that sets local share for operating costs by system classifications (urbanized area and small urban area, rural area, and elderly and disabled). It defines an "urbanized area" as one with population of at least 50,000 persons, a small urban area as one with a population between 2,500 and 50,000, and rural area as one with a population center of under 2,500. By contrast, Wisconsin statute defines an urban area as any area including a city or village with population of 2,500 or greater, does not define rural area, and limits state aid to so-defined urban areas.

Per statute (s. 174.24), state funds may be used for:

1. planning and engineering design for transit services and facilities;
2. capital assistance to purchase or refurbish transit vehicles and other capital expenditures necessary to provide a transit service;
3. operating assistance; and
4. other assistance for public transit services that furthers the programmatic purposes.

The statute prescribes state funding at a level such that the local share of operating costs does not exceed 20 percent for urbanized area and small urban area services, 15 percent for rural area service, and 15 percent for elderly and disabled service. Chapter 8835 specifies a hierarchy for fund allocation:

1. operating costs for existing public transit systems;
2. capital costs for existing public transit systems; and
3. operating and capital costs for the provision of public transit services in a community or area not currently served by public transit.

Enabling legislation passed in 2008 resulted in the establishment of the Counties Transit Improvement Board, which collects a local sales tax (and may issue bonds) to help fund transit capital projects in the Minneapolis-St. Paul urbanized area. Wisconsin law does not provide for this type of local or regional revenue generation for large urbanized areas.

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17. Contact Name  
Steve Hirshfeld

18. Contact Phone Number  
608.267.0209

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### ATTACHMENT A

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

The small businesses primarily involved in Wisconsin's public transit network are third-party transportation providers. A handful of these businesses provide contracted shared-ride taxi service on behalf of roughly thirty-five rural municipalities and seven urban municipalities throughout the state. However, the rule revisions will have no bearing on the nature, quantity or cost of service that they deliver. The only references to such parties in the Trans rules address the attendant contracting requirements for municipalities and the extent to which the Department may conduct third-party provider audits, and neither of these is substantively changed with the rule revisions.

A very limited number of transit systems employ some small businesses in ancillary capacities for (e.g., to provide cleaning service). Again, nothing in the rules – either as they exist or will be modified – bears on the services such businesses provide.

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

WisDOT reviewed recent management plans submitted by all 74 active public transit systems. These plans – which WisDOT requires be submitted annually as part of each system's funding application – identify the extent to which each transit system contracts for services. Beyond that, the fact that the rule revisions do not impact the business operations of transit systems subject to Trans 3, 4, 6 and/or 8 makes our assessment of financial impacts on small businesses to be a somewhat reductive exercise.

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

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

Trans 3, 4, 6 and 8 do not explicitly impose reporting requirements or operational standards on transit systems, with one exception: Section 4.09 (3) requires state aid recipients to submit to WisDOT quarterly performance reports. This is an obsolete requirement and is removed in the revised rule. (Trans 6 and Trans 8 both specify that transit agencies receiving federal aids submit reports as required by the Department, but do not identify specific reporting requirements.)

Additionally, the Trans 4 revisions relax a couple deadlines: 1) the advance notice which eligible applicants must provide to the Department when seeking state aid for a new transit service is changed from April 15 of the preceding even-

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numbered year to January 15 of the preceding year, and 2) the annual state aid application deadline is extended from November 15 to December 15.

WisDOT requires all funded agencies to routinely submit ridership reports, which are necessary to allow transit systems and the Department to assess transit service effectiveness and help fulfill requirements established in s. 85.20 (6) and 85.20 (7), Wis. Stats. Trans 3 specifies a statistical sampling methodology for systems electing not to use actual rider counts for these reports, and the revisions to Trans 3 are specifically intended to clarify the methodology and correct errors. [Note: neither at present nor in the recent past have any Wisconsin transit systems used this ridership counting method.]

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

As explained above, these rule revisions will have no adverse impacts on small businesses, and no appreciable impacts on them whatsoever.

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5. Describe the Rule's Enforcement Provisions

Trans 4 and 6 provide (unchanged) provisions allowing the Department to withhold payments due a grant recipient until required reports are submitted, and to deny an applicant's funding application if it is delinquent in submitting required reports to the Department.

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

Yes    No

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