

Memorandum

To: Sen. Mark Miller
Rep. Mark Pocan

From: Mario Mendoza, Lobbyist for the City of Madison

Date: 5/31/2007

Re: General Transportation Aids (Paper #770)
Mass Transit Operating Assistance (Paper #771)

This memorandum sets forth the City of Madison's position regarding two budget programs on the Joint Finance Committee's agenda for May 31, 2007: General Transportation Aid (Paper #770) and Mass Transit Operating Assistance (Paper #771).

As it regards the aforesaid programs, any action by the Joint Finance Committee should include fulfilling the Calendar Year 2007 funding commitments made in the 2005-07 Biennial Budget, and upon which County and Municipal Budgets across the State have relied:

- For **General Transportation Aids**, to fully fund the calendar year 2007 commitment, SB 40 provides \$918,400 annually for counties and \$2,889,500 annually for municipalities.
- For **Mass Transit Operating Assistance**, to fully fund the calendar year 2007 commitment, SB 40 provides: (a) \$869,200 SEG annually for Tier A-1; (b) \$232,000 SEG annually for Tier A-2; (c) \$332,900 SEG annually for Tier B; and (d) \$75,400 SEG annually for Tier C.

Any motion, whether or not based on any listed Alternative in Papers #770 or 771, should include such funding

Overall, the funding recommendations in SB 40 are lower than actual costs, according to the Legislative Fiscal Bureau. A failure to adequately fund these programs to cover these costs, and absent any exemption from levy limits for these costs, municipalities across the State will likely be required to cut services—not because these costs are not justified, but because of a lack of adequate non-levy funding.

The reasonable increases recommended in this memorandum can be funded out of the balances identified by the Legislative Fiscal Bureau. (See point 8, page 4 of Paper #771; See also reference to nearly \$100 million balance in LFB Paper 760).

General Transportation Aids

Senate Bill 40 contains a 2% annual (calendar year) increase in General Transportation Aids. However, the analysis by the Legislative Fiscal Bureau supports a higher percentage increase than the one currently included in SB 40:

Providing inflationary increases would not keep pace with the recent growth in eligible costs under the program. The average, annual growth in eligible costs under the program over the past six years of reported costs (2000-2005) was 2.5% for municipalities and 2.6% for counties. Providing a percentage increase in funding that is greater than forecasted inflation (2.1% in 2008 and 1.9% in 2009) would assist local governments in funding these higher costs.

(See, LFB Paper #770, page 2, point 3)(Emphasis added). Furthermore, the 2005-07 Biennial Budget included a 1% and 2% increase in each year of the biennium--which, again, fell far short of the average 2.5% increase in eligible costs found by the Legislative Fiscal Bureau.

In light of the fact that the increase included in SB 40 does not keep pace with the average annual growth of eligible costs, and considering that prior Biennial Budgets similarly failed to keep pace with actual costs, a higher increase is justified and necessary. Accordingly, the City of Madison requests an increase of 4%.

City of Madison Position: Support Alternative 2 h (4% increases), Paper #770, assuring that 2007 calendar year commitments are fulfilled, as discussed above.

Mass Transit Operating Assistance

Senate Bill 40 contains a 2% annual (calendar year) increase in Mass Transit Operating Assistance funding. However, the analysis by the Legislative Fiscal Bureau supports a higher percentage increase than the one currently included in SB 40:

Providing a 2% annual increase in transit operating assistance would not keep pace with recent growth in eligible costs under the program. The average, annual growth in eligible costs under the program from 1999 to 2006 was 3.5% for Tier A-1 and 4.6% for Tier A-2.

(See LFB Paper #771, page 3, point 6)(Emphasis added).

In light of the fact that the increase included in SB 40 does not keep pace with the average annual growth in eligible costs, a higher increase is also justified and necessary. Accordingly, the City of Madison requests an increase of 5%.

City of Madison Position: Support Alternative 2 sub 4 (5% increases), Paper #771, assuring that 2007 calendar year commitments are fulfilled, as discussed above.

Conclusion

Based on Legislative Fiscal Bureau findings of actual costs under both programs, the City of Madison requests the following, assuring also that calendar year 2007 commitments are fully funded:

General Transportation Aids: Paper #770 Alt. 2 h (4% increases)

Mass Transit Operating Assistance: Paper #771 Alt. 2 sub 4 (5% increases)

These reasonable increases can be funded out of balances identified by the Legislative Fiscal Bureau. (See point 8, page 4 of Paper #771; See also reference to nearly \$100 million balance in LFB Paper 760).

Mendoza, Mario

From: Mendoza, Mario
Sent: Wednesday, May 30, 2007 5:41 PM
To: Sen. Miller; 'Rep pocan@legis.wisconsin.gov'
Cc: 'john.anderson@legis.wisconsin.gov'; 'Wavrunek, Glenn'; Twigg, George; Statz, Andrew; 'ed huck'; 'Curt Witynski'; Kamp, Charles; Nelson, Larry
Subject: General Transportation Aids and Mass Transit Aids

Dear Senator Miller and Representative Pocan:

I attach a memorandum with recommendations regarding two programs scheduled for Executive Session at the Joint Finance Committee tomorrow, May 31: General Transportation Aids and Mass Transit Aids. Please note that the reasonable funding increases recommended in the attached memorandum can be funded out of balances identified by the Legislative Fiscal Bureau (See attached memorandum; Papers 771 and 760).

The City of Madison also wishes to state its support for the additional bonding authority included in SB 40 for passenger rail service between Madison and Milwaukee. (See Paper #776, Alt. A1).

Please do not hesitate to contact me if you have any questions.

Best regards,

Mario Mendoza
Assistant to the Mayor
City of Madison
Economic Development and Legislative Liaison

5/31/2007